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Azadi Ka  
Amrit Mahotsav



COCHIN SHIPYARD LIMITED



Looking beyond the  
**horizon**  
Innovating ideas for  
**sustainable  
future**

Annual Report  
**2021-22**





## Corporate Overview

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## Notice

295	50 <sup>th</sup> Annual General Meeting
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### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Scan QR code or click the link below to visit our website  
<https://cochinshipyard.in/>



# Inside the Report



# Introducing CSL

**Cochin Shipyard Limited (CSL) was incorporated in the year 1972 as a fully owned Government of India Company. Presently, the Government of India holds 72.86% of equity share capital in the Company. In the last five decades, the Company has emerged as a forerunner in the Indian shipbuilding & ship repair industry and also a well-known player on the global shipbuilding front.**

The Company has built and delivered the prestigious Indigenous Aircraft Carrier for the Indian Navy and has built & repaired some of the largest ships in India. Over the years, CSL has successfully responded to fluctuations in the shipbuilding requirements of the markets and has evolved from building bulk carriers to smaller and more technically sophisticated vessels such as Platform Supply Vessels (PSV) and Anchor Handling Tug Supply Vessels (AHTS).

CSL has worked with several leading technology firms in the industry including Rolls Royce Marine (Norway), GTT (France), Vard Group (Norway) etc. CSL has exported 47 vessels to some of the most demanding clients in Norway, Netherlands, Cyprus, USA, Germany,

Denmark/Bahamas, Saudi Arabia and UAE. This has added to our credibility in the international market. Our key shipbuilding clients on the domestic front include the Indian Navy, the Indian Coast Guard, Ministry of Home Affairs, the Shipping Corporation of India Limited, Lakshadweep Government, various Port Trusts, Inland Waterways Authority of India (IWA), A&N Administration, Directorate General of Lighthouses and Lightships (DGLL) and Jindal Steel Works (JSW) group. CSL has also undertaken repairs of various types of vessels including upgradation of ships of the oil exploration industry as well as periodical maintenance, repairs and life extension of ships. CSL is presently one of the best performing shipyards in India.



## Vessels Built and Delivered (Total as on March 31, 2022)

**20**

Large vessels

**35**

Offshore Support vessels

**84**

Small & medium vessels

**27**

Defence vessels



# What differentiates us



## Vision

- ▶ Emerge as an internationally preferred shipyard to construct world class Merchant and Naval ships, offshore vessels and structures.
- ▶ 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 and offshore structures 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.



## Objectives

- ▶ To sustain and enhance shipbuilding and ship repair activities through technology up-gradation and capacity augmentation.
- ▶ To continuously endeavour to expand/diversify activities of the shipyard including setting up new facilities.
- ▶ To carry out research & development in existing and emerging technologies in shipbuilding processes.
- ▶ To move towards international benchmarking, benchmark with the best shipbuilding standards followed in India.
- ▶ To motivate employees through improved specific training programs.
- ▶ To adopt best practices for clean and safe environment. Ride the down time with aggressive bidding and secure orders to maximize capacity.
- ▶ To ensure positive customer oriented initiatives.
- ▶ To build a responsible corporate citizen image through CSR & sustainability projects and compliance to corporate governance principles.



# Five decades of excellence

And counting...



## Incorporation to 1979

- ▶ Company incorporated on March 29, 1972.
- ▶ Laid foundation stone for the Hull Shop in April 1972. Shipyard was ready for operations by end 1975.
- ▶ Signed contract for the first Bulk Carrier.
- ▶ Commenced Ship Repair Operations in 1978.

## 1980 – 1999

- ▶ Delivery of first ship 'Rani Padmini' to Shipping Corporation of India (SCI) in the year 1981.
- ▶ Eight more large ships including Panmax Bulk Carriers, double hull crude oil tankers delivered to various domestic clients including SCI.

- ▶ By 1990, Yard went into severe financial difficulties with an accumulated loss of ₹210 Crores against a share capital base of ₹74 Crores.
- ▶ Company implemented a major capital restructuring in 1994.
- ▶ Commenced Graduate Marine Engineer's course approved by the Directorate General of Shipping.
- ▶ With systematic efforts, CSL for the first time recorded a net profit of ₹11.16 Crores in the financial year 1994-95.
- ▶ The Company has been profit making since 1994-95.

## 2000-2009

- ▶ CSL for the first-time paid dividend to the Government of India in the financial year 2003-04.
- ▶ Since then the Company has been consecutively paying dividend to the shareholders for the last 19 years.
- ▶ Company entered into the commercial export market.
- ▶ Delivered first export order to National Petroleum Construction Company, Abu Dhabi.
- ▶ Exported six Bulk Carriers to Clipper Group of Bahamas.
- ▶ CSL entered the offshore vessel construction segment.

- ▶ Major headway by foray into niche of vessels for highly quality conscious West European Clientele.
- ▶ Exported 9 firefighting tugs to ATCO, Saudi Arabia.
- ▶ Keel Laying of first Indigenous Aircraft Carrier for the Indian Navy.
- ▶ Entered into an innovative MoU with Tebma Shipyards Limited which helped in achieving higher turnover and net profits to ₹1462 Crores and ₹228 Crores respectively during this period.
- ▶ Obtained Category-I Miniratna status.

## 2010-2015

- ▶ Signing of contract for the 20 Fast Patrol Vessels for the Indian Coast Guard.
- ▶ Completed export of 20 ships to various European clients in Cyprus, Germany, Netherlands and Norway.
- ▶ Signed contract for setting up of International Ship Repair Facility at Cochin Port Premises taken on long term lease.
- ▶ Launch of the Indigenous Aircraft Carrier for the Indian Navy.

- ▶ Company achieved a landmark event of delivering 100 ships.
- ▶ First shipyard in India to obtain license for construction of LNG Cargo Containment System using Mark-III technology from GTT, France.
- ▶ Reached annual turnover of ₹1860 Crores and net profit of ₹235 Crores during this period.



2016-2022

- ▶ Completed delivery of 20 Fast Patrol Vessels to Indian Coast Guard ahead of schedule.
- ▶ Delivered 16 Tuna Long Lining & Gillnetting Fishing Vessels to fishermen beneficiaries of Tamil Nadu under the Blue Revolution Scheme of Government of India.
- ▶ Exported world's second largest Jacket Launch Barge to Abu Dhabi. Overall CSL exported 47 vessels to various international clients.
- ▶ **Catalysing Coastal Shipping –** Delivered four 8000 T Mini Bulk Carriers to JSW Group for their Indian coastal operations.
- ▶ **Rejuvenating Inland Water transport in India –** Delivered 10 Ro-Ro/Ro-Pax vessels for National Waterways 1, National Waterways 2 & National Waterways 3.
- ▶ **'Make in India' for the World –** Delivered 2 nos. of autonomous Electric Ferries, first of its kind in

the world, to ASKO Maritime AS, Norway (A project partially funded by the Norwegian Government).

- ▶ **Augmenting India's Maritime Defence capabilities –** Delivered the prestigious Indigenous Aircraft Carrier (IAC) to the Indian Navy. India joins select group of nations in the world to have designed and constructed an aircraft carrier indigenously.
- ▶ Delivered 2 nos. of 500 Passenger cum 150 MT Cargo Vessel for Andaman and Nicobar Administration.
- ▶ Delivered **9 Floating Border Out-Post (FBOP)** Vessels to the Ministry of Home Affairs.
- ▶ **Expansion and Capacity Addition**
- **Geographical Expansions and Infrastructure Augmentation** - Moved from a single unit Company at Kochi to multi facility Corporate with seven units (with five business units and two wholly owned subsidiaries) with pan India presence.

**Wholly owned Subsidiaries**

Incorporated Hooghly Cochin Shipyard Limited at Kolkata to cater to the inland water ways segment.

Acquired Tebma Shipyards Limited (presently, Udupi Cochin Shipyard Limited) through statutory insolvency resolution process under the Insolvency and Bankruptcy Code to augment the fishing vessel construction segment.

**Current big ticket expansion projects**

International Ship Repair Facility (ISRF) on 42 acres leased land from Cochin Port at a cost of ₹970 Crores.

New Large 310 M Drydock at Kochi at a cost of ₹1799 Crores.

**Current Projects And Major Initiatives Underway**

- Signed contract for building 8 nos. of ASW Corvettes for Indian Navy. These advanced vessels will help CSL to position as one of the foremost solution providers for such vessels.

- Declared as L1 for building 6 nos. of Next Generation Missile Vessels for Indian Navy – Contract in this regard is expected to be signed shortly.

- **Environment Friendly Urban Water Transport Solutions -** Constructing 23 Hybrid Electric Aluminium Catamaran Hull Vessels for Kochi Water Metro Project. 4 vessels have been delivered till date.

- Signed an agreement with the Dredging Corporation of India (DCI) for the construction of India's largest Dredger, the 12,000 m<sup>3</sup> Trailing Suction Hopper Dredger (TSHD). The vessel of length 127 Meters and breadth 28 Meters is based on the globally acclaimed "Beagle" platform of IHC Holland which will be customised to meet all Indian requirements.

- Signed contract for building 8 nos. of Eco Freighter 7000 DWT Vessels for HS Service GMBH & Co. KG, Germany.

- CSL is implementing a pilot project

for design, development and construction of Hydrogen Fuel Cell Vessel based on Low Temperature Proton Exchange Membrane Technology (LT-PEM) also called Fuel Cell Electric Vessel (FCEV) in collaboration with indigenous partners.

▶ **Other Achievements**

- Formulated strategic roadmap to achieve its 2030 vision. Under this program, CSL aims to transform from being the leading Indian Shipyard to one of the leading global shipyards over the next decade.

- First shipyard in India to obtain license for construction of LNG Cargo Containment System using Mark-III technology from GTT, France.

- Successfully completed the Initial Public Offer and Company's equity shares were listed in the stock exchanges viz. BSE and NSE.

- Ship Repair picked up pace and

recorded all-time high ship repair turnover of ₹832 Crores in FY19.

- Awarded 'GreenCo' Silver rating by Confederation of Indian Industry.
- Reached all-time high turnover of ₹3422 Crores and net Profit of ₹638 Crores during the financial year 2019-20.

▶ **Association/ collaboration with leading global entities for technology transfer for 'Atmanirbhar Bharat'**

- **High profile MoUs executed**  
M/s. Fincantieri, Italy one of the world's largest shipbuilding and marine equipment manufacturing group.  
M/s. IHC Holland BV, Netherlands, the world's pioneers in building dredgers.  
M/s. Robert Allan Limited, Canada, the world's leading company for designing Tugs, Inland Vessels, Harbour Crafts and other Specialized Vessels.





# Trusted globally



## Our Facilities

### Cochin Shipyard Limited (CSL), Kochi

Dry-dock 1 : 255 x 43 x 9 Mtr  
 Dry-dock 2 : 270 x 45 x 12 Mtr  
 Dry-dock 3 : 310 x 75/60 x 13 Mtr (New)  
 Berth : 1.3 KM

### International Ship Repair Facility (ISRF), Kochi

Shiplift : 6000T (130 x 25 Mtr)  
 6 Work Stations  
 Dedicated Shops & Maritime Park

### CSL Mumbai Ship Repair Unit (CMSRU), Mumbai

Dry-dock : 300 x 30 x 9 Mtr  
 1 KM berth for afloat repairs

### CSL Kolkata Ship Repair Unit (CKSRU), Kolkata

Dry-docks : 172 x 23 x 8 Mtr (2 nos)

### CSL Andaman & Nicobar Ship Repair Unit (CANSRU), Port Blair

Dry-dock 1 : 88 x 20 x 7 Mtr  
 Dry-dock 2 : 68 x 16 x 5 Mtr  
 Slipways : 25 x 8 Mtr (5 nos)

## Our Wholly Owned Subsidiaries

### Hooghly Cochin Shipyard Limited (HCSL), Kolkata

Slipway : 136 x 40 Mtr  
 3 Outfitting Jetties

### Udupi Cochin Shipyard Limited (UCSL), Udupi

Slipway : 96 x 22 Mtr





# Embracing the Indian Peninsula

## Cochin Shipyard, Kochi

World class infrastructure capable of building ships up to 1,10,000 DWT and repair ships up to 1,25,000 DWT. CSL has built more than 150 vessels and has completed around 2,500 ship repair projects, including Aircraft Carriers, for commercial, defence, domestic and international customers. The Yard which has built India's first Indigenous Aircraft Carrier and also the largest and most accomplished ship repairer in India.



### CSL Mumbai Ship Repair Unit (CMSRU), Mumbai

Operating at the Mumbai Port aimed at augmenting the existing ship repair capacity in Mumbai area. Commenced ship repair operations in January 2019 and has successfully undertaken repairs to more than 75 vessels.



### CSL Kolkata Ship Repair Unit (CKSRU), Kolkata

Established for catering to the ship repair requirements of commercial as well as defence segments in the east coast of India. Located at the Syama Prasad Mookerjee Port, Kolkata. Commenced ship repair operations in October 2019 and has completed various key ship repair projects.



### CSL Andaman & Nicobar Ship Repair Unit (CANSRU), Port Blair

Setup at Marine Dockyard, Port Blair inter alia to develop a ship repair ecosystem at the A&N Islands including augmentation and modernisation of the existing facilities. Commenced ship repair activities in November 2021.



### Hooghly Cochin Shipyard Limited (HCSL), Kolkata

Constructed at the banks of Hooghly river at Nazirgunge as a compact yard aimed at building quality inland and coastal vessels. The facility was inaugurated on August 16, 2022.



### Udipi Cochin Shipyard Limited (UCSL), Udipi

Acquired in September 2020 through the IBC process. Main facility situated at Udipi, Karnataka. Commenced operations in July 2021. Modern and high-end infrastructure for building small and medium sized vessels.



# Major expansion projects

## New Dry-dock

CSL is in the process of setting up a New Dry-dock. The New Dry-dock measuring 310 x 75/60 x 13 m with a 600T Gantry crane will be capable of handling vessels upto Suezmax, Aircraft Carriers of 70000T displacement, Jack-up rigs, LNG vessels etc.



### How We Are Progressing

The construction activities commenced in June 2018 is progressing despite the setbacks caused by COVID-19 pandemic. Around 85% of RCC piling works have been completed. Dock floor construction has commenced and crane track works, substation works, pumphouse works & caisson gate fabrication works are progressing. Physical progress of the project achieved as on March 31, 2022 is 60%.

## International Ship Repair Facility (ISRF)

The ISRF will modernise and expand the existing ship repair facility in CSL. The ISRF includes 6000T shiplift for ships upto 130 x 25 m with six work stations and allied facilities. It has a total outfitting berth of 1500 meters approx.



### How We Are Progressing

The construction works of ISRF project, which commenced in November 2017, was progressing till February 04, 2022. However, due to the financial difficulties of the construction contractor appointed for ISRF project, construction activities at the project site was severely affected and eventually CSL terminated the contract on February 04, 2022. Physical progress of construction works reported till the termination of contract is 78%. CSL is presently in the process of appointing alternate contractors by retendering for completing the balance works within the minimum possible time. All other actions are progressing without any change.



# Our offerings



## Shipbuilding

### DEFENCE

- ▶ Aircraft Carriers
- ▶ Next Generation Missile Vessels
- ▶ Anti-Submarine Warfare Shallow Water Crafts
- ▶ Technology Demonstration Vessel
- ▶ Floating Border Outposts Vessels
- ▶ Fast Patrol Vessels
- ▶ Hydrographic Survey Vessels
- ▶ Offshore Patrol Vessels
- ▶ Pollution Control Vessels

### COMMERCIAL

- ▶ Oil Tankers
- ▶ Bulk Carriers
- ▶ Dredgers
- ▶ Pax Vessels
- ▶ Tugs
- ▶ Special Purpose Vessels
- ▶ Deck Cargo/Jacket Launch Barges
- ▶ Electric Autonomous Vessels
- ▶ Electric Passenger Ferries
- ▶ Ro-Ro Vessels
- ▶ Ro-Pax Vessels
- ▶ Specialised Fishing Vessels
- ▶ Marine Ambulance

### OFFSHORE

- ▶ Platform Supply Vessels
- ▶ Anchor Handling/Tug Supply Vessels
- ▶ Multi-Purpose Vessels
- ▶ Specialised Construction of Support Vessels

## Ship Repair

- ▶ Maintenance and repairs of Aircraft Carriers and other Defence Vessels
- ▶ Repairs and maintenance of Tankers, Bulk Carriers, all kinds

of Commercial and Specialised vessels

- ▶ Oil Rig Upgradation, Repair Projects and Conversions

## Marine Engineering Training

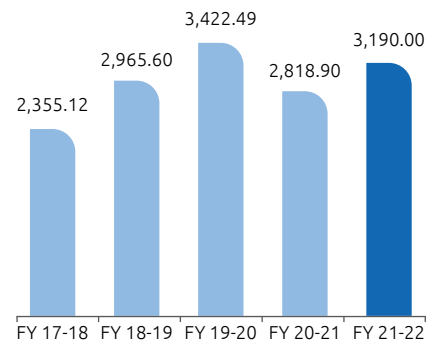
## Strategic and Advanced Solutions



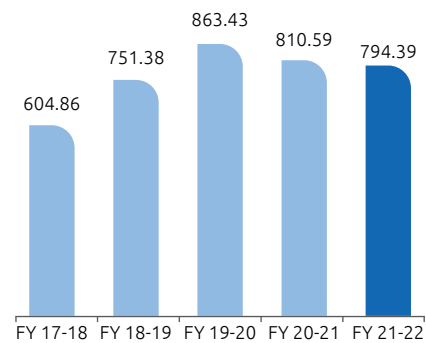
# Creating value, consistently

## Financial performance

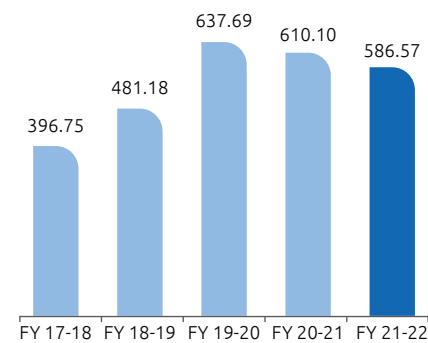
**Turnover** (₹ in Crores)



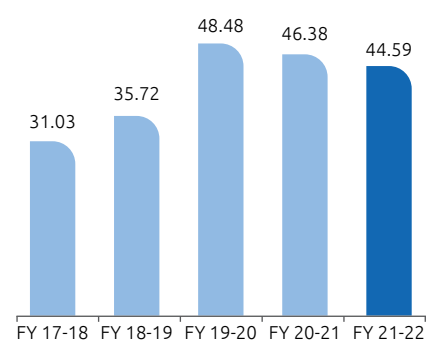
**Profit Before tax** (₹ in Crores)



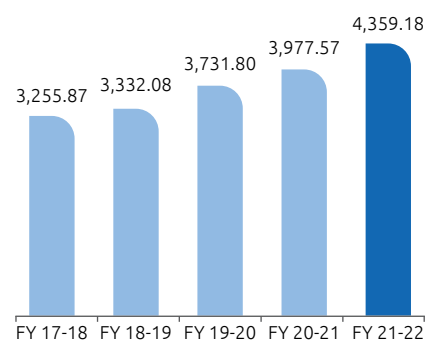
**Profit after tax** (₹ in Crores)



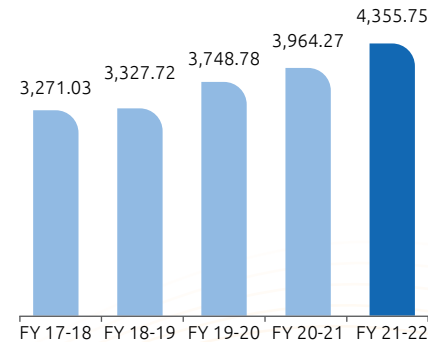
**EPS** (₹)



**Net Worth** (₹ in Crores)



**Capital Employed** (₹ in Crores)



## 10-year Performance review

Key Indicators	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
EPS (₹ per share)	44.59	46.38	48.48	35.72	31.03	28.39	24.07	20.75	17.15	16.35
Face Value Per Share (₹)	10	10	10	10	10	10	10	10	10	10
EBDIT/ Gross Turnover (%)	28.12	32.43	27.95	26.97	27.76	26.35	23.52	22.81	20.37	20.45
Net Profit Margin %	18.39	21.64	18.63	16.23	16.85	15.62	13.73	12.64	11.75	11.92
Return on Net Worth %	13.46	15.34	17.09	14.44	12.19	15.85	15.09	15.06	14.15	15.76
Return on Capital Employed %	13.47	15.39	17.01	14.46	12.13	15.59	15.65	14.82	13.86	15.77

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover	3,190.00	2,818.90	3,422.49	2,965.60	2,355.12	2,058.87	1,993.45	1,859.51	1,652.66	1,554.16
Total income	3,456.42	3,012.76	3,669.99	3,192.89	2,544.28	2,217.50	2,107.37	1,952.97	1,728.64	1,642.33
Profit Before Tax (PBT)	794.39	810.59	863.43	751.38	604.86	493.40	419.65	367.56	290.96	275.55
Depreciation & write offs	56.05	53.07	48.73	34.16	37.51	38.51	37.19	38.33	26.43	19.22
Profit After Tax (PAT)	586.57	610.10	637.69	481.18	396.75	321.55	273.79	235.07	194.24	185.27
Equity Share Capital	131.54	131.54	131.54	131.54	135.94	113.28	113.28	113.28	113.28	113.28
Reserves & Surplus	4,227.64	3,846.03	3,600.25	3,200.54	3,119.93	1,915.30	1,701.05	1,447.79	1,239.25	1,062.42
Net Worth	4,359.18	3,977.57	3,731.80	3,332.08	3,255.87	2,028.58	1,814.33	1,561.07	1,352.53	1,175.70
Gross Fixed Assets	938.37	903.96	853.82	426.69	369.79	357.72	569.53	636.84	602.38	444.35
Net Fixed Assets	681.66	698.41	696.54	313.03	284.47	302.85	296.44	377.44	383.41	247.30
Number of Employees	1,756	1,727	1,710	1,744	1,781	1,829	1,671	1,786	1,751	1,656

## 10-year Key Indicators – MoU with the Government of India

Key Indicators (Consolidated)	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue from Operations (₹ in Crores)	3,190.95	2,818.90	3,422.49	2,962.16	2,355.12	2,058.87	1,993.45	1,859.51	1,637.45	1,554.16
Asset Turnover Ratio (%)	41.05	40.03	57.25	60.79	46.47	66.86	60.18	64.77	63.42	68.93
EBITDA as a percentage of Revenue (%)	25.64	30.12	25.95	24.96	25.67	24.46	22.25	21.72	19.71	19.36
Return on Net Worth (%)	13.39	15.69	17.93	14.51	15.00	16.77	16.15	16.12	15.37	16.64
Return on Capital Employed (%)	18.06	20.37	23.47	22.07	18.22	23.42	22.28	22.89	21.06	25.40
Value of Production (₹ in Crores)	3,194.47	2,818.90	3,422.49	2,962.16	2,330.02	2,072.83	2,009.89	1,878.74	1,597.23	1,607.21
Trade Receivables as number of days of Revenue from Operations (Days)	44.66	45.76	30.74	48.34	89.91	54.42	89.99	120.88	217.01	168.28



# Year in snapshot

▶ **April 23, 2021** – Keel laying for **2 Hybrid Electric Passenger Boats** for Kochi Water Metro in the presence of senior officials from CSL and Kochi Metro Rail Limited.

▶ **May 29, 2021** - Signed the **"Protocol of Delivery & Acceptance (PODA)"** with JSW Shipping & Logistics Private Limited, of the first 8000 T Cargo Vessel named **"JSW Mihirgad"**.

▶ **July 02, 2021** - Received **"Safety Award 2020"** constituted by Factories & Boilers Department, Govt. of Kerala, from Shri V Sivankutty, Hon'ble Minister for General Education & Labour, Govt. of Kerala.

▶ **July 28, 2021** - Launched **3 Floating Border Out-Post (FBOP) Vessels** for the Ministry of Home Affairs & **2 8000 DWT Mini General Cargo Ships** for JSW Shipping & Logistics Pvt. Ltd. at one go by Smt. Rameetha K, Scientist 'G', NPOL (DRDO), wife of Shri Madhu S Nair, CMD, CSL.

▶ **August 04, 2021** - **The Indigenous Aircraft Carrier (IAC) – "Vikrant"**, India's most complex warship to have been indigenously built by Cochin Shipyard for the Indian Navy proceeded for its maiden sea trials from Cochin Shipyard.

▶ **August 07, 2021** - Keel Laying of the **2 Autonomous Zero Emission Electric Vessels** built for ASKO Maritime AS, Norway, by Shri P Rajeeve, Hon'ble Minister of Industries & Law, Govt. of Kerala.

▶ **August 14, 2021** – Keel laying of **3 Floating Border Out-Post (FBOP) Vessels** for Ministry of Home Affairs, Govt. of India by Shri Mohammed Yousaf, IRS, Commissioner, Customs, Cochin.

▶ **August 26, 2021** - Hooghly Cochin Shipyard Limited (HCSL), a wholly owned subsidiary of Cochin Shipyard Limited, has signed an MoU with Inland Waterways Authority of India for development of Ship repair facility at Pandu, Assam, on the banks of Brahmaputra river.

▶ **September 09, 2021** - Signed the **"Protocol of Delivery & Acceptance (PODA)"** with JSW Shipping & Logistics Private Limited, of the second 8000 T Cargo Vessel named **"JSW Malhargad"**.

▶ **September 14, 2021** - CSL won the most prestigious **'Rajbasha Keerthi Puraskar'** from Ministry of Home Affairs, Government of India for the best implementation of Official Language Hindi for the year 2020-21. The award was received by Shri Madhu S Nair, Chairman and Managing Director, CSL, from Shri Nisith Pramanik, Hon'ble Minister of State for Home Affairs.

▶ **November 01, 2021** – Inauguration of the launching of **2 Autonomous Zero Emission Electric Vessels** for ASKO Maritime AS, Norway, by Shri Sarbananda Sonowal, Hon'ble Union Minister for Ports, Shipping & Waterways.

▶ **November 01, 2021** – Inaugurated the launching of **3 Floating Border Out-Post (FBOP) Vessels** for Ministry of Home Affairs, Govt. of India, by Shri Sarbananda Sonowal, Hon'ble Union Minister for Ports, Shipping & Waterways.

▶ **November 01, 2021** – Inauguration of the **Model Room, 'Smrithi'** which portrays the ship building history of CSL, by Shri Sarbananda Sonowal, Hon'ble Union Minister for Ports, Shipping & Waterways.

▶ **November 11, 2021** - Delivered **3 Floating Border Out-Post (FBOP) Vessels** out of nine FBOPs being built for Ministry of Home Affairs.

▶ **November 19, 2021** – Keel laying of 3 Hybrid Electric Passenger Boats for Kochi Water Metro.

▶ **December 01, 2021** – Steel cutting of **2 Anti-Submarine Warfare Shallow Water Craft (ASWSWCs)** for Indian Navy, by Commodore V Ganapathy, Warship Production Superintendent, Warship Overseeing Team (Kochi), Indian Navy.

▶ **December 06, 2021** – Signed the **"Protocol of Delivery & Acceptance (PODA)"** with JSW Shipping & Logistics Private Limited, of the third 8000 T Cargo Vessel named **"JSW Mandangad"**.

▶ **December 15, 2021** – Delivered the **Technology Demonstration Vessel, "INS Anvesh"** to Defence Research and Development Organisation (DRDO), Ministry of Defence.

▶ **December 26, 2021** – CSL received the **Institution of Engineers (India) Industry Excellence Award 2021** from Dr. Mahendra Nath Pandey, Hon'ble Minister for Heavy Industries at the 36th Indian Engineering Congress.

▶ **December 28, 2021** – CSL received the **FACT MKK Nayar Memorial Productivity Award 2019-20** for Best Productivity Performance in Industry Category I (Turnover Above ₹750 Crores) from Shri P Rajeeve, Hon'ble Minister of Industries & Law, Govt. of Kerala.

▶ **December 31, 2021** – Handed over the first **Hybrid Electric Passenger Boat "Muziris"** to Kochi Metro.

▶ **February 08, 2022** – Delivered the second lot of **3 Floating Border Out-Post (FBOP) Vessels** out of 9 FBOPs for Ministry of Home Affairs, Govt. of India.

▶ **February 21, 2022** – Delivered the fourth and final 8000 T Cargo Vessel named **"JSW Manikgad"** to JSW Shipping & Logistics Private Limited.

▶ **March 17, 2022** – Contract signed with the **Dredging Corporation of India (DCI)** to build **India's largest Dredger**, 12,000 m<sup>3</sup> **Trailing Suction Hopper Dredger (TSHD)**, in collaboration with IHC Holland.

▶ **March 26, 2022** – Official sea trial of the second 500 passenger cum 150 MT cargo vessel, **"Nalanda"** for A&N Administration was conducted from 22nd to 26th March, 2022.

▶ **March 29, 2022** – CSL won the **CII Excellence Award** in the category, EHS engagement in workforce from the Confederation of Indian Industry.



# Chairman's Communique



## Dear Shareholders,

I am really proud and honoured to present to you the Annual Report FY 2022 in the year the Company is celebrating 50 glorious years of service to the nation. It is indeed a matter of pride that we celebrate this milestone during the same period where our country is celebrating 'Azadi ka Amrit Mahotsav' to commemorate 75 years of independence and the glorious history of its people, culture and achievements. In these fifty years, your Company went through tough times during the initial two decades, but bounced back to emerge today as one of the best performing PSUs in the country.

## Year in review

The year under review seen the world fighting the pandemic and the businesses resuming its operations in the 'new normal' with changed equations. CSL by implementing various measures continue to run its business and the year have been a mix bag for CSL, wherein most of the segments have done reasonably well.

Our revenue from operations stood at ₹ 3,190 Crores with Profit after tax (PAT) clocking at ₹ 586.57 Crores, compared to ₹ 610.10 Crores in the previous year. Despite the supply chain and rising costs, CSL delivered a steady financial performance during the year. CSL achieved a shipbuilding turnover of ₹ 2,511.48 Crores as against ₹ 2,405.59 Crores in the previous year. CSL also performed well in the Ship repair

segment with a turnover of ₹ 678.52 Crores as compared to ₹ 413.30 Crores during the year 2020-21. CSL also sailed strong in its liquidity position and has been rated highly by the credit rating agencies. Our PAT margin remained an impressive 18.39% for the year as against 21.64% for the previous year. The Board has recommended a final dividend of ₹ 3.75 per equity share for the year, bringing the total dividend for the year to ₹ 16.75 per equity share.

During the year, CSL delivered a total of 12 vessels viz., four 8000 T Cargo Vessels to JSW Shipping & Logistics Private Limited, one Technology Demonstration Vessel to DRDO, one Hybrid Electric Aluminium Catamaran Hull Vessel to Kochi Metro Rail Limited, six Floating Border Out-Post (FBOPs) Vessels to the Ministry of Home Affairs.



We aspire to reach the zenith of excellence, and our CRUISE 2030 strategy rightly lays the path to achieve our long-term targets. CSL constantly strives to garner orders from more niche areas, both on the commercial as well as defence fronts. With large order book worth ₹ 20,000 Crores, encouraging business opportunities in Europe and improving business from ship repair will enable us to grow consistently in the coming years.





## Chairman's Communique contd...

Speaking in terms of new orders, the year have been excellent as CSL could venture out into new segments. CSL achieved a remarkable feat by entering into contract with DCI to build India's largest Dredger in collaboration with IHC Holland under the 'Make in India' initiative of the Government of India. This is an ambitious project and is very important for CSL and the nation, which is expected to open new verticals in the Indian maritime space. CSL also broke into the European short sea shipping segment by concluding a contract with HS Service GMBH & Co. KG, Germany for building 8 nos. of HS Eco Freighter 7000 DWT Vessels. During the year, CSL also set foot in the specialised Tug segment by securing orders for building two Tugs through its wholly owned subsidiary based in Udupi, from Ocean Sparkle Limited (OSL), a leading port operations and marine services company.

On the Ship Repair front, generally things went well. In addition to the ship repair projects in the CSL main facility at Kochi, the Company also carried out significant ship repair works at its units at Mumbai and Kolkata. The Company also commenced its ship repair operations at Port Blair.

Just to talk about system improvements in the Company, CSL has been operating over the last 10 years on a large SAP platform and this SAP platform have been migrated to the latest S/4HANA platform, which is a significant system improvement. CSL is also looking forward to roll out the Dassault 3DEXPERIENCE platform in our design and engineering functions. This is a large scale transformation and we hope this



**This Warship is a true representation of what we as a Nation can accomplish when varied stakeholders come together under a shared vision and work towards a national goal. In short IAC is all about 'Team India' depicting the industrial prowess of our country.**

will have positive effect on our business as we move forward.

### The Indigenous Aircraft Carrier – the Pride of all Indians

I am happy to report that the largest warship ever to be built in India – INS Vikrant has been commissioned by our Hon'ble Prime Minister Shri Narendra Modi, in a grand event organised

on September 02, 2022 in Cochin Shipyard in the august presence of our Governor, Chief Minister, Defence Minister, Minister of Ports, Shipping and Waterways and other high-level dignitaries. It is a matter of pride that India has created history by constructing an Aircraft Carrier of its own and this is a tremendous achievement considering that only a handful of nations are capable of designing and building Aircraft Carriers. CSL with its true determination and commitment

along with the support of Indian Navy, DRDO, OEMs and other stakeholders, delivered the prestigious Indigenous Aircraft Carrier (IAC) to the Indian Navy in July 2022 after extensive testing commenced as early as August 2021. It is also worth mentioning that the entire steel used in the Vessel has been specifically developed by the DMRL-DRDO and manufactured by Steel Authority of India Limited. Further, around 76% of the Vessel is composed of indigenous content. IAC is a true testimony of Aatmanirbharta and team work and is leading the way towards a self-reliant India in Defence sector as well.

This Warship is a true representation of what we as a Nation can accomplish when varied stakeholders come

together under a shared vision and work towards a national goal. In short IAC is all about 'Team India' depicting the industrial prowess of our country. CSL is confident of carrying forward the positive energy and the strong enthusiasm depicted by our Hon'ble Prime Minister in transforming India into a major maritime power benefitting the whole world.

### Major Expansion Projects

CSL is executing two big ticket expansion projects costing ₹ 2,769 Crores viz., International Ship Repair Facility (ISRF) costing ₹ 970 Crores and New Dry-dock costing ₹ 1,799 Crores. Due to the Pandemic and other technical challenges, the progress of the construction works on the New

**18.39%**  
PAT Margin

**₹ 3,190**  
Crores  
Revenue from operations



Dry-dock has not been as expected. However, around 91% of RCC piling works have been completed. Dock floor construction has commenced and crane track works, substation works, pumphouse works & caisson gate fabrication works are progressing. The fabrication works of the large Gantry crane (600T) is progressing at South Korea and is in its final stages. The Physical progress of the project achieved is 63%. The New Dry-dock is expected to be up and running in the early part of Q2 2024.

During the year, the ISRF Project experienced an uncomfortable situation wherein CSL had to terminate the construction contract in February 2022. However, around 78% of the construction works have been completed. The necessary activities for proceeding with the execution of the project is underway and the expected completion of the project would be by end 2023.

### Wholly owned subsidiaries

CSL's wholly owned subsidiary based



## Chairman's Communique contd...

in Kolkata, Hooghly Cochin Shipyard Limited, completed the project phase and its new facility at Nazirgunge was dedicated to the nation on August 16, 2022 by Shri Sarbananda Sonowal, the Hon'ble Union Minister for Ports, Shipping & Waterways. I would like to congratulate the team involved in setting up the facility and convey my best wishes to HCSL. In view of the growing impetus to the inland and coastal waterways segment, HCSL is very well poised to be a major contributor in the inland/ coastal vessel construction.

In July 2021, CSL's other wholly owned subsidiary based in Udupi, commenced operations at its Hangarkatta facility and the activities for fully operationalising the main facility at Malpe Harbour Complex is progressing. Being a wholly owned subsidiary of CSL, as a natural consequence, the Company was renamed as Udupi Cochin Shipyard Limited in April 2022. The Government's policies on developing the maritime sector coupled with the abundant opportunities in the emerging segments viz., technologically advanced fishing vessels, Tugs, Port crafts, small dredgers, cargo vessels, compact specialised crafts etc., is expected to carve out a space of its own for UCSL in the shipbuilding segment.

### Corporate Governance

The Company continued to comply with good corporate governance practices. The Company complies with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The Company was not having Independent Directors during the period from April to

November 2021 and consequently no Statutory Committees. However, In November 2021, the Ministry of Ports, Shipping and Waterways, Government of India appointed six new Independent Directors including a Woman Director on the Board of the Company and consequently the Company re-constituted all the Statutory Committees and ensured compliance with the relevant Corporate Governance requirements. 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. The Report on Corporate Governance forms part of the Directors' Report.

### Human resource development

CSL has rightly recognised its people as its business driver by defining four cultural competencies viz., Teaming, Execution Excellence, Constraint Breaking and Continuous Learning. It is really delightful to note that the Company has been implementing various people-oriented schemes and initiatives for the welfare and upskilling of its work force. Apart from augmenting the skills of the work force, CSL is also at the forefront in providing the best medical/ health care during the testing times of Covid-19 Pandemic.

As the business started to operate in the new environment where gatherings were not feasible, but at the same time had to sharpen the knowledge base, the Company conducted internal virtual training programs to its work force. The Company has an exclusive e-learning platform called NOVEX through which the employees are provided with various customised online courses. The Company had also nominated its employees for external training

programmes conducted by reputed institutions like the IIMs, Indian Institute of Corporate Affairs, Institute of Cost Accountants of India, DPE, CII, Kerala Institute of Labour and Employment etc.

### Industrial relations

The industrial relations climate remained cordial throughout the year and the recognized trade unions continued to exhibit their true allegiance to the enhanced productivity and economic sustainability of the Company. Employees and their dependents welfare and wellbeing were also well taken care through various voluntary schemes.

### Research and Development (R&D)

CSL endeavours to move into new and untested areas beyond the conventional operations of shipbuilding and ship repair and position itself as a knowledge driven organisation. The Company is working towards this and has also delineated a separate division C-SAS (Cochin Shipyard Strategic and Advance Solutions). CSL in collaboration with indigenous partners and under the aegis of the Ministry of Ports, Shipping and Waterways is implementing a pilot project for design, development and construction of Hydrogen Fuel Cell Vessel based on Low Temperature Proton Exchange Membrane Technology (LT-PEM) also called Fuel Cell Electric Vessel (FCEV), which I feel is a step towards Greener tomorrow. Taking into consideration the growing impetus on hydrogen economy and hydrogen-based fuel cell technology both nationally and internationally, it is only prudent to explore its use case in the marine segment, especially in India, where there is vast possibility for its use on Coastal & Inland vessels. Additionally, CSL has also carried out in-house R&D

activities mainly in the areas of welding procedure development and qualification of welders.

### Integrated Management System

CSL maintained its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Health and Safety Management System standards.

### Committed towards community development

If I may have to touch upon the CSR initiatives of the Company, I may have to say that CSL has been doing tremendously well especially in the state of Kerala for augmenting the quality of life of the citizens of the state. During the year, the Company has spent ₹ 16.19 Crores which is more than the target mandatory CSR spending. The Company focused on the theme "Health & Nutrition, with special focus on Covid related measures including setting up makeshift hospitals and temporary Covid care facilities" as prescribed by the Government of India and spent around 55% of its total CSR funds under 45 projects. Further, in the aspirational district of Wayanad, CSL has committed 10 projects, predominantly for the benefit of the tribal community with a total budget of ₹ 284 Lakhs, which are at various stages of implementation and during the year an amount of ₹ 81.49 Lakhs have been disbursed. Recently, CSL has also initiated CSR projects in other parts of the country as well to the tune of ₹ 255.62 Lakhs under 7 projects. CSL has been making considerable contributions to the society through its CSR initiatives spread across multiple sectors.

### Accolades

During the year, CSL received recognitions from various quarters and notable among them are Outstanding

Safety Performance Award 2021 in the category of very large engineering industries from the Department of Factories & Boilers, Government of Kerala, CII SR EHS Excellence Awards 2021 in the EHS engagement in work force category, "Rajbhasha Kirti Puraskar" for the best Hindi Implementation among the "C" Region from Government of India and CSR leadership award 2021 instituted by "World CSR Day".

### Outlook

The Government of India has rolled out various initiatives to unlock the true potential of India's maritime capabilities, and accelerate the growth of our ports and shipping sectors. CSL aspires to be in the forefront of the revolution and be a major contributor in the Governments initiatives thereby capitalising the emerging opportunities. Recently, CSL has delivered two Autonomous Electric Vessels for ASKO Maritime AS, Norway and has also bagged order for 8 nos. of Eco Freighter Vessels from HS Service GMBH & Co. KG, Germany. CSL foresees more orders from the European clients which would be a pathbreaker for the Company. The Indian Navy's order for Next Generation Missile Vessels is in its final stages which is expected to be placed on CSL anytime soon. CSL has also signed contract for building India's largest dredger, which will open up a new business vertical and CSL is confident of getting further similar orders. CSL is also optimistic in garnering ship repair orders at its main facility at Kochi and its ship repair units at Mumbai, Kolkata and Port Blair. The overall outlook in the Ship repair segment looks steady.

We aspire to reach the zenith of excellence, and our CRUISE 2030 strategy rightly lays the path to achieve our long-term targets. CSL constantly strives to garner orders from more niche areas, both on the commercial as well as defence fronts. With large order book

worth ₹ 20,000 Crores, encouraging business opportunities in Europe and improving business from ship repair will enable us to grow consistently in the coming years. We also expect two of our subsidiaries to contribute effectively from Udupi and Kolkata.

### Acknowledgement

I am really honoured to address you on the occasion of the Golden Jubilee year of CSL. I am extremely grateful to all those who had put their heart and soul for this fine organisation which has overcome many hurdles and served the nation over the past five decades. I would also like to acknowledge the efforts of our people for the great work they have done to withstand the challenges presented by the Pandemic. I commend the Board of Directors and the management team for their open-mindedness and dynamism in shaping a way forward during these challenging operating environment.

I take this opportunity to thank the Ministry of Ports, Shipping and Waterways, other offices of the Government of India, Governments of Kerala, West Bengal, Maharashtra, Karnataka and the Andaman and Nicobar Administration for their continued support. Lastly to our shareholders, investors and customers, thank you for your support and confidence in our business.

Thanking You

Jai Hind

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798



# Board of Directors



01

**Shri Madhu S Nair**  
Chairman & Managing Director



02

**Shri Bejoy Bhasker**  
Director (Technical)



03

**Shri Jose V J**  
Director (Finance) &  
Chief Financial Officer



04

**Shri Sreejith K Narayanan**  
Director (Operations)



05

**Shri Vikram Singh**  
Part Time Official  
(Nominee) Director



06

**Shri Jyothilal K R IAS**  
Part Time Official  
(Nominee) Director



07

**Smt. Amrapali Prashant Salve**  
Non-official (Independent) Director



08

**Shri Nahar Singh Maheshwari**  
Non-official (Independent) Director



09

**Shri Ashok Sharma**  
Non-official (Independent) Director



10

**Shri Prithviraj Harichandan**  
Non-official (Independent) Director



11

**Shri Venkatesan M**  
Non-official (Independent) Director



12

**Shri Abhijit Biswas**  
Non-official (Independent) Director

01

**Shri Madhu S Nair** assumed charge as the Chairman & Managing Director of the Company on January 01, 2016. He holds a degree of Bachelor of Technology (Naval Architecture and Ship Building) from Cochin University of Science & Technology in first class and Masters in Engineering (Naval Architecture and Ocean Engineering) from Osaka University, Japan. He has more than 34 years of professional experience with the Company since joining as Executive Trainee in June 1988 in the entire gamut of Shipyard management. He was the key driver in forging alliances with international technology partners. He was also instrumental in conceptualizing the Small Ship Division and key player in bagging international contracts while he was heading the Marketing Division. Under his leadership, CSL became a listed company after a successful Initial Public Offer. During his tenure, CSL is undertaking two major expansion projects worth ₹2,769 Crores. Also CSL is making foray into the Inland waterways transport vessel segment and small/medium sized specialized vessels segment by setting up wholly owned subsidiaries at Kolkata and Udupi. CSL has forged alliance with the Major Ports in India, viz. Mumbai Port and Syama Prasad Mookerjee Port, Kolkata for developing and operating Ship Repair ecosystems and setting up separate units in those ports. CSL

also established a Ship Repair unit at Port Blair. 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 a member of various Professional bodies including The Royal Institution of Naval Architects, UK (RINA), Institution of Naval Architects, India and is presently serving as the President of Indo Japan Chamber of Commerce Kerala (INJACK). He is a strong believer in power of people and the "people first policy" conceived by him is aimed at steering CSL into a knowledge organization. He is also the Chairman of Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

02

**Shri Bejoy Bhasker** assumed charge as the Director (Technical) of the Company on 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 has completed

Advanced Diploma in Management from Indira Gandhi National Open University. He joined the Company on June 29, 1988 as an executive trainee. He was awarded the "Manager of the Year" award in 2014 by Kerala Management Association. He has more than 34 years of work experience with the Company wherein he was involved in Ship Design, Ship Building, Outfit and Ship Repair divisions of the Company. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

03

**Shri Jose V J** assumed charge as Director (Finance) and Chief Financial Officer of the Company 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 31 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department of the Company. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.



04

**Shri Sreejith K Narayanan** assumed charge as the Director (Operations) of Cochin Shipyard Limited (CSL) on July 21, 2022. 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 34 years of work experience in the area of Ship Building, Ship Design and Ship Repair. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.

05

**Shri Vikram Singh** is a Part Time Official (Nominee) Director of the Company representing Ministry of Ports, Shipping and Waterways, Government of India from July 28, 2022. He holds a bachelor degree in Civil Engineering. He is a 1997 batch officer of the Indian Railway Traffic Service (IRTS). He is presently posted as Joint Secretary (Shipping & PHRD) and also the Chief Vigilance Officer of Ministry of Ports,

Shipping and Waterways, Government of India. He has served in various key positions of the Government of India inter alia including Private Secretary to the President of India and Director, Passenger Marketing, Railway Board. He is also serving as a Director in Sagarmala Development Company Limited, Shipping Corporation of India Limited and Shipping Corporation of India Land and Assets Limited.

06

**Shri Jyothilal K R IAS** is a Part Time Official (Nominee) Director of the Company representing Government of Kerala. He was re-appointed into the Board from August 24, 2020. He holds a degree of Bachelor of Technology in Chemical Engineering from IIT Chennai. He is an IAS Officer of 1993 batch (Kerala cadre) and served in various departments of the Government of Kerala viz., Land Revenue Management and District Administration, Fisheries/ Agriculture & Co-operation, Information Technology, Food, Civil Supplies & Consumer Affairs etc. He is currently posted as Principal Secretary (Transport), Government of Kerala.

07

**Smt. Amrapali Prashant Salve** is a Non-official (Independent) Director of the Company from November 26, 2021. She holds a degree of Bachelor of Arts in Economics and Sociology from Mumbai University. She is currently serving as the Secretary of Mahila Morcha, Maharashtra. She is actively engaged in social service and women empowerment by arranging training and skill development programmes. She is also working for self-help group viz., Pandit Deen Dayal Antyodaya Yojana – National Urban Livelihood Mission.

08

**Shri Nahar Singh Maheshwari** is a Non-official (Independent) Director of the Company from December 01, 2021. He holds a Post Graduate degree in Law from Rajasthan University. He also holds a degree in Master of Arts in Political Science from Rajasthan University. He is a member of the Bar Council of Rajasthan and practicing as lawyer since 1989. His area of specialisation includes Legal, Management and Social Service.

09

**Shri Ashok Sharma** is a Non-official (Independent) Director of the Company from November 26, 2021. He holds a Post Graduate degree in Hindi, Sanskrit, Political Science and Education. He has also received Honorary Doctorate in literature (Vidhya Vachaspati) from Vikramshila Hindi Vidyapeeth (Bhagalpur, Bihar). He started his career as a lecturer and is currently serving as the Vice-Principal of RNI College, Bhagwanpur in Haridwar District. He has also been associated with journalism as writer/editor in many newspapers like Dainik Jagran, Punjab Kesari, Amar Ujala, Badri Vishal etc. He is also associated with many social organisations like Sanskar Bharti, Sewa Bharti etc. and various teachers' organisations in order to support the causes for the benefit of society. He is actively serving as State Spokesperson of Uttarakhand Madhyamik Shikshak Sangh and is founder member of Rashtriya Shaikshik Mahasangh, Uttarakhand. He is also serving as the State Vice-President in Pradhan Mantri Jan Kalyankari Yojna Prachar Prasar Abhiyan (PMJKYPPA).

10

**Shri Prithviraj Harichandan** is a Non-official (Independent) Director of the Company from November 22, 2021. He holds a Master of Science degree in Zoology from Utkal University, Bhubaneswar. He is also an MBA graduate in Human Resource and Finance from Amity University. Presently, he is serving as the Chairman of Mahatma Gandhi Gram Swaraj Abhiyan and National Council of Martial Tradition and Culture (NCMTC). His area of specialisation includes Management, Administration and Social Service.

11

**Shri Venkatesan M** is a Non-official (Independent) Director of the Company from November 22, 2021. He holds a Post Graduate Degree in Arts from Ramakrishna Mission Vivekananda College, Chennai. He was the Chairman of National Commission for Safai Karmacharis (NCSK). He has also served as the State President of SC Morcha, Tamil Nadu. He is also a notable writer and has authored various books mainly focussing on the issues relating to Dalits.

12

**Shri Abhijit Biswas** is a Non-official (Independent) Director of the Company from December 01, 2021. He holds a degree of Bachelor of Commerce from Calcutta University. He has around 15 years of experience as financial service consultant. He is a Social Worker and is actively involved in various socio-political issues.



# Building an engaging workforce

## HR Vision

Emanating from the goals and objectives enshrined in the corporate mission statement, the strategic HR vision of the Shipyard is to strive and create a unique institution that integrates creativity, innovation, technology, business and good corporate governance practices for all round improvement in the quality of work life of the Yard's workforce.

## HR Mission

To provide a vibrant platform for all those working in the yard to give their best and ensure all round growth both for the individual and organization.

## HR Policy

HR policies are oriented towards providing the right mix of human resources, their empowerment and enrichment so as to meet organizational targets and results.

## Target

To plan for, introduce/implement HR policies based on performance that would ensure growth, recognition, rewards, motivation, competence building, commitment and healthy employer-employee relations.

## CSL Approach

Cochin Shipyard recognizes that among all resources it is the Shipyard's abundant professional, skilled and trained Human Resources (HR) who have been propelling the Shipyard towards achievement of targets and helping CSL gain a competitive advantage. The HR of CSL forms a very critical part of the Company's business strategy. HR management system procedures and approach in CSL are designed to maximize employee welfare and performance. The Company focuses on effective management and development of HR, recruitment, training and development, performance appraisal and rewards. HR is also concerned with the organizational change and maintaining a healthy employer-employee relationship climate in the organization.

## Our People Strength

# 1756

424 executives, 128 supervisors and 1204 workmen (As on March 31, 2022)

## Cultural Competencies

Cochin Shipyard has identified the following four cultural competencies for developing an efficient work force

**TEAMING**

**EXECUTION EXCELLENCE**

**CONSTRAINT BREAKING**

**CONTINUOUS LEARNING**

## Embracing Knowledge & Augmenting Skills

'Vigyana Sagar', the premium Maritime Learning Centre of the country is aimed at catering to the digital and technological advancements in the field, pre-sea and post-sea maritime training and the regular Graduate Marine Engineering Training programs. 'Vigyana Sagar' houses Cochin Shipyard's Marine Engineering Training Institute, which has completed 28 glorious years of contribution to the training of Marine Engineers. The facilities are also utilised for providing advanced skill development and refresher training programmes to the existing workforce.



# Transforming our communities

For Cochin Shipyard Limited, CSR is the way through which we achieve a balance of economic, environmental and social imperatives (Triple-Bottom-Line), while at the same time addressing the expectations of shareholders and stakeholders.

- ▶ CSL's CSR commitment have been gradually increasing year by year.
- ▶ CSL has always spent more than what is required under the statutes.

## CSR in FY 2021-22

**1,619.47**  
(₹ in Lakhs)

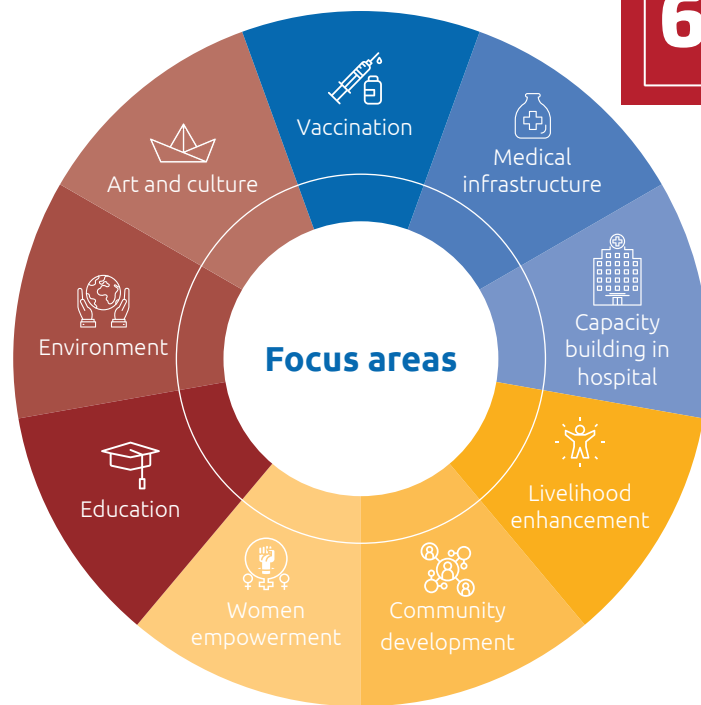
**104**  
Total projects undertaken

**853.55**  
(₹ in Lakhs)

**63**  
Projects Commenced in the year

**765.92**  
(₹ in Lakhs)

**41**  
Projects carried forward from previous year



### Awards and Accolades

CSL has been creating positive impact on the lives of many through its CSR initiatives and in recognition for the same CSL has received awards and commendations from the Government as well as from reputed institutions like the National Institute of Personnel Management, Kerala Management Association, Rotary International etc.

**CSR SO FAR**

**₹100+** Crores

**600+** Projects

Scan QR code or click the link below to view the CSR Annual Report 2021-22.



<https://cochinshipyard.in/uploads/CSR%20Annual%20Report%202021-22.pdf>

# Transforming our communities

## Reaching out not just with our ships but also with our hearts

We bring positive impact on the communities at large through our CSR initiatives. The core pillars of our CSR initiatives include:



**Health**

Our initiatives have helped the society to sail through the testing times of COVID Pandemic. We also carried out CSR activities in line with the national priorities and the theme covering other health care initiatives and initiatives in Nutrition.



**Heritage**

Our initiatives are dedicated towards conservation of heritage structures, revival of art and culture, improvement of libraries etc.



**Empowerment**

Our empowerment initiatives focus on skill development of women and special children, geriatric care and the like.



**Environment**

Our environment initiatives are focussed on afforestation, conservation of water bodies, recycling programmes to facilitate carbon emission reduction etc.



# Prioritising safety first

## Integrated Management System (IMS)

CSL maintained its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Health and Safety Management System standards.

### Awards and Recognitions

In recognition of maintaining high safety standards, CSL has been bestowed with several awards during the year 2021-22 viz., Outstanding Safety Performance Award in the category of very large engineering industries from Department of Factories & Boilers, Government of Kerala, Sreshtha Suraksha Puraskar for outstanding safety performance in the category of very large engineering industries from the National Safety Council and CII SR EHS Excellence Award in the EHS engagement in work force category from the Confederation of Indian Industry.



# Corporate Information

## Board of Directors

**Shri Madhu S Nair**  
Chairman & Managing Director

**Shri Bejoy Bhasker**  
Director (Technical)

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

**Shri Sreejith K Narayanan**  
Director (Operations)

**Shri Vikram Singh**  
Joint Secretary, Ministry of Ports, Shipping & Waterways, Govt. of India  
Part Time Official (Nominee) Director

**Shri Jyothilal K R IAS**  
Principal Secretary (Transport)  
Govt. of Kerala  
Part Time Official (Nominee) Director

**Smt. Amrapali Prashant Salve**  
Non-official (Independent) Director

**Shri Nahar Singh Maheshwari**  
Non-official (Independent) Director

**Shri Ashok Sharma**  
Non-official (Independent) Director

**Shri Prithviraj Harichandan**  
Non-official (Independent) Director

**Shri Venkatesan M**  
Non-official (Independent) Director

**Shri Abhijit Biswas**  
Non-official (Independent) Director

## Chief Vigilance Officer

**Smt. S Uma Venkatesan, IRS**

## Management Team

**Shri Neelakandhan A N**  
Chief General Manager (Planning & Project Management)

**Shri Rajesh Gopalakrishnan**  
Chief General Manager (Strategy & New Projects)

**Shri Harikrishnan S**  
Chief General Manager (Materials)

**Shri Eldho John**  
General Manager (Tech & Infra Projects)

**Shri Sivakumar A**  
General Manager (Ship Building)

**Shri Sunil Kumar K R**  
General Manager (IAC)

**Smt. Anjana K R**  
General Manager (Design)

**Shri Jayan K Thampi**  
General Manager (Ship Repair-Mumbai)

**Shri Shiraz V P**  
General Manager (IAC-Project Management)

**Shri Sivaram Narayana Swamy**  
General Manager (Business Development-Ship Building)

**Shri Subash A K**  
General Manager (Human Resource)

**Shri Deepu Surendran**  
General Manager (C-SAS)

**Shri Santhosh Philip**  
General Manager (Ship Repair)

**Shri Shibu John**  
General Manager (Finance)

**Shri Syamkamal N**  
Company Secretary & Compliance Officer

## Registered Office

Cochin Shipyard Limited  
Administrative Building  
Cochin Shipyard Premises  
Perumanoor, Kochi – 682 015  
Kerala, India

## Bankers

State Bank of India  
Canara Bank  
Union Bank of India  
IDBI Bank  
Axis Bank

## Statutory Auditors

M/s. Elias George & Co.  
Chartered Accountants  
38/1968 A, EGC House  
HIG Avenue West End  
Gandhi Nagar, Kochi – 682020

## Secretarial Auditors

M/s. Mehta & Mehta  
Company Secretaries  
201-206, Shiv Smriti, 2nd Floor  
49/A Dr. Annie Besant Road  
Above Corporation Bank  
Worli, Mumbai – 400 018

## Cost Auditors

M/s. BBS & Associates  
Cost Accountants  
62/102, 1st Floor  
Nenmanasseryillom  
Illom Road off Paliyam Road  
Kochi – 682 016

## Debenture Trustees

SBICAP Trustee Company Ltd.  
4th Floor, Mistry Bhavan  
122 Dinshaw Vachha Road  
Churchgate, Mumbai – 400 020

## Registrar & Transfer Agents

Link Intime India Pvt. Ltd.  
Surya, 35, Mayflower Avenue  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore – 641 028



# Directors' Report

Dear Shareholders,

- Your Directors have immense pleasure in presenting the 50th Annual Report of your Company along with the audited financial statements for the year ended March 31, 2022.

## Financial Performance

- Your Company posted yet another year of impressive performance despite various constraints due to COVID-19 pandemic and when the shipbuilding market scenario remaining lackluster. Diversified operational segments and product profile helped the Company to achieve a turnover of ₹3,190.00 Crores for the year as compared to ₹2,818.90 Crores in the year 2020-21. The profit before tax is ₹794.39 Crores for the year as against ₹810.59 Crores in the previous year. The net profit is ₹586.57 Crores as compared to ₹610.10 Crores for the previous year.
- The authorised share capital of the Company is ₹2,50,00,00,000/- divided into 25,00,00,000 equity shares of face value of ₹10/- each. The paid up share capital of the Company is ₹1,31,54,03,900/- divided into 13,15,40,390 equity shares of face value of ₹10/- each.

## Financial Highlights

Sl. No.	Particulars	2021-22	2020-21
		(₹ Crores)	
(i)	Gross Income	3456.42	3012.76
(ii)	Profit before finance cost, depreciation & tax	896.92	914.13
(iii)	Finance costs	46.48	50.47
(iv)	Depreciation & write off	56.05	53.07
(v)	Profit Before Tax	794.39	810.59
(vi)	Tax Expense	207.82	200.49
(vii)	Net profit	586.57	610.10

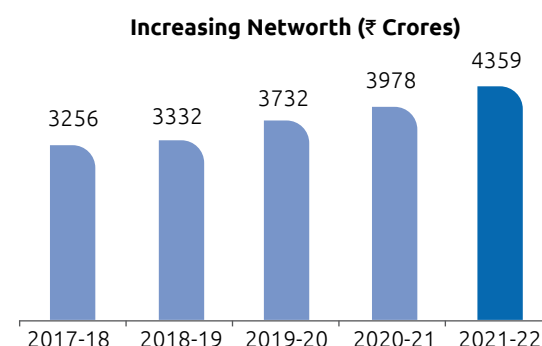
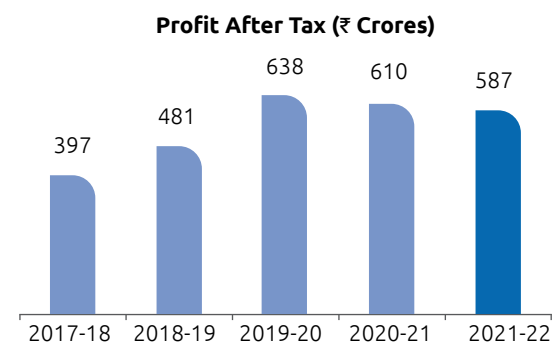
## Dividend

- As per Office Memorandum F.No.5/2016-Policy dated May 27, 2016 issued by Department of Investment and Public Asset Management (DIPAM), every CPSE have to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Accordingly, your Directors are

pleased to recommend a final dividend of ₹3.75/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. Earlier, interim dividends of ₹6/- and ₹7/-, aggregating ₹13/- per equity share had been paid to the shareholders during 2021-22. Thus, the total dividend for the year 2021-22 is ₹16.75/- per equity share (167.50%), amounting to ₹220.33 Crores. No unclaimed dividend (previous years) is due to be transferred to the Investor Education and Protection Fund (IEPF).

## Dividend Distribution Policy

- As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top 1000 listed entities shall formulate a dividend distribution policy. Accordingly, dividend distribution policy has been adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining the profit into the business. The policy is available on the website of the Company at the link [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)



## Transfer to Reserves

- No amount has been transferred to Reserves for the financial year 2021-22. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the Company is not required to create Debenture Redemption Reserve in respect of the bonds issued by it. As on March 31, 2022, the Company has Reserves and Surplus amounting to ₹4,227.64 Crores which reflects the inherent financial strength of the Company.

## Contribution to Exchequer

- The total contribution made during the year by way of income tax, customs duty, GST, service tax, KGST/KVAT and dividend was around ₹458.89 Crores.

## Shipbuilding

- The Company achieved a total shipbuilding income of ₹2,511.48 Crores during 2021-22 as against ₹2,405.59 Crores in 2020-21. During the year 2021-22, CSL delivered four nos. of 8000 T Cargo Vessels built for JSW Shipping & Logistics Private Limited which opened up a new vertical in the coastal/ short sea shipping segment for the Company. CSL also delivered one no. of Technology Demonstration Vessel, INS Anvesh, built for Defence Research and Development Organisation (DRDO) which is a unique platform to be used to test various innovative products being developed by DRDO labs. In addition to above, CSL has also designed and delivered the first Hybrid Electric Aluminium Catamaran Hull Vessel for the Kochi Water Metro Project thus creating a revolutionary sustainable urban mobility water transportation solution. Furthermore, CSL has also successfully delivered six nos. of Floating Border Out-Post (FBOPs) Vessels out of nine FBOPs being built for the Ministry of Home Affairs. Further, the construction of five nos. of Anti-Submarine Warfare Shallow Watercraft for Indian Navy, three nos. of Floating Border Out-Post (FBOP) Vessels for the Ministry of Home Affairs and balance 22 nos. of Hybrid Electric Aluminium Catamaran Hull Vessels for Kochi Water Metro Project are progressing. During the financial year 2021-22, the Company delivered a total of twelve vessels under defence as well as commercial segment.

- The Yard has also completed major milestones on various projects such as:
  - Keel laying of eight Hybrid Electric Aluminium Catamaran Hull Vessels and launching of three such Vessels for Kochi Water Metro Project;

- Launching of three FBOPs for the Ministry of Home Affairs;
- Launching of two Autonomous Electric Vessels for ASKO Maritime AS, Norway; and
- Steel cutting and commencement of fabrication of three Anti-Submarine Warfare Shallow Water Crafts for the Indian Navy.

- CSL achieved these milestones in spite of the COVID-19 pandemic challenging conditions by putting extra efforts amidst various uncertainties.

- Further, the prestigious Indigenous Aircraft Carrier (IAC) project is in its final trials phase. The maiden sea trial of the Vessel was conducted in August 2021 during which the Vessel's propulsion plants were put to rigorous testing at sea. In addition to this, the trials of various navigation, communication and hull equipment were also undertaken during the first sea sortie. The successful conduct of the maiden trials is considered as a landmark achievement for the Yard as the same was also achieved during the most challenging times of COVID-19.

- Subsequent to the first sea trials, the vessel proceeded for the second sea trials in October - November 2021 and thereafter for the third sea trials in January 2022. During these sea sorties, the trials conducted included extensive propulsion (full power) trials, endurance & sustenance checks, sea acceptance trials of navigation & communication equipment, HVAC trials and also Vessel's maneuvering trials.

- The project by virtue of its national importance has also garnered attention from the highest levels of the country with visits from the Hon'ble President of India and the Hon'ble Vice President of India in December 2021 and January 2022, respectively. The Hon'ble Minister for Ports, Shipping & Waterways had also visited the ship along with the Chief of Naval Staff during the second sea trials.

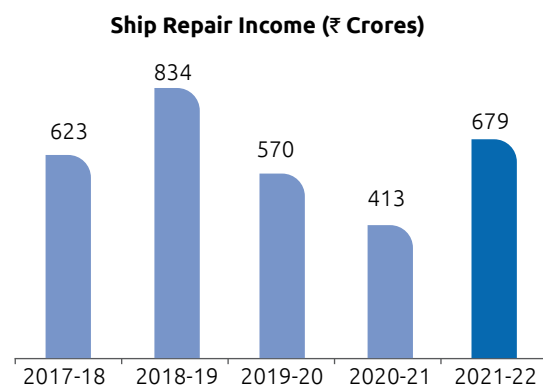
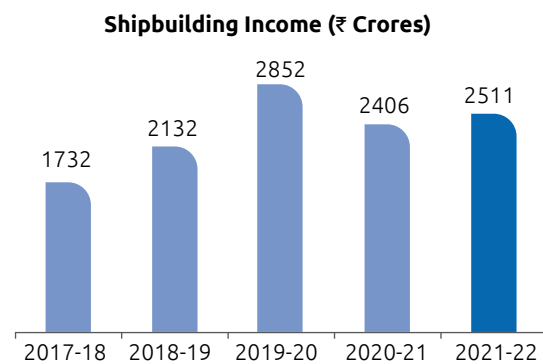
- The works on the aviation facility complex are progressing satisfactorily and the vessel is being readied for handing over to the Indian Navy. The vessel is targeted to be commissioned into the services of the Indian Navy by August 2022.

- Further, CSL foresees good opportunity in the European short sea shipping segment and is strongly engaged in this segment. Recently, CSL secured orders from HS Service GMBH & Co. KG, Germany for building eight nos. of HS Eco Freighter 7000 DWT Vessels.



## Ship Repair

16. During the year, the Company achieved a total ship repair income of ₹678.52 Crores as compared to ₹413.30 Crores during the year 2020-21. Major Vessels repaired during the year in the main Yard at Kochi include INS Deepak, INS Tir, INS Nireekshak, INS Sunayna, INS Investigator, GTV Samudra Sarvekshak, INS Sagardhwani, ICGS Sarathi and ORV Sagar Nidhi. Major vessels repaired during the year in CSL Mumbai Ship Repair Unit (CMSRU) include DSV Samudra Prabha, MDL Y12705, ICGS Samudra Paheredar & MSV Samudra Sevak. Major vessels repaired during the year in CSL Kolkata Ship Repair Unit (CKSRU) include Dredge XV, M V Sentinel etc. Further, the Company commenced the ship repair activities at Marine Dockyard, Port Blair in November 2021 by undertaking emergency repair of MV Sindhu, followed by drydock repair of MV Rajhans.



## Shipbuilding Order Book Position

17. During the year 2021-22, CSL had been successful in securing against intense competition, shipbuilding orders for 8 nos. of HS Eco Freighter 7000 DWT Vessels for HS Service GMBH & Co. KG, Germany and also successfully signed contract for construction of 01 no. of Trailer Suction

Hopper Dredger for Dredging Corporation of India (DCI). The order book position as on March 31, 2022 is as follows:

Vessel Type	Nos.
<b>Order book – Projects being executed</b>	
Indigenous Aircraft Carrier for the Indian Navy	01
500 Passenger cum 150 MT cargo vessel for A & N Administration	01
1200 passenger cum 1000 MT cargo vessel for A & N Administration	02
Floating Border Out-Post vessel for Ministry of Home Affairs	03
Anti-Submarine Warfare Shallow Water Craft for Indian Navy	08
Hybrid Electric Aluminium Catamaran Hull vessel for KMRL	22
Autonomous Electric vessel for ASKO Maritime AS, Norway	02
<b>Order book – New Projects received in the year 2021-22</b>	
HS Eco Freighter 7000 DWT vessel for HS Service GMBH & Co. KG, Germany	08
Trailer Suction Hopper Dredger for Dredging Corporation of India (DCI)	01

## CSL Strategic & Advanced Solutions (C-SAS)

18. In order to tap new revenue generation streams beyond the current Shipbuilding & Ship Repair portfolios, a dedicated division named CSL Strategic & Advanced Solutions (C-SAS) has been formed to enable the Company to venture into the arena of strategic and knowledge driven future technologies in the maritime sector. C-SAS has been actively engaged in identifying and developing sustainable and future oriented business models. Keeping pace with the Global Maritime Green Transitions, the Company is in the process of developing and building India's first indigenous Hydrogen Fuelled Electric Vessels, a pilot project part funded by the Ministry of Ports, Shipping and Waterways (MoPSW). The pilot project is based on development of a Low Temperature Proton Exchange Membrane Technology (LT-PEM) – also called Fuel Cell Electric Vessel (FCEV) and the C-SAS division is in charge of the technological part of design, development and construction of the Vessel. The move is part of India's transformative efforts on the innovative and new technology front with respect to green energy and sustainable cost-effective alternate fuel. The pilot project is being carried out in collaboration with Indian partners and the necessary action in this regard has already commenced.

19. Further, C-SAS has recently acquired an order through competitive bidding process from the DRDO for the Development Cum Production Partner (DcPP) with NSTL for High Endurance Autonomous Underwater Vehicle (HEAUV). This is expected to enable the Company in acquiring knowledge in autonomous underwater sector, a segment with good growth potential.

## Expansion Projects

20. The status of major projects and initiatives are as follows:

### i) International Ship Repair Facility (ISRF) at Cochin Port Premises

CSL continued to operate the dry-dock & existing facilities in the leased area (first phase) at Cochin Port premises. CSL completed repairs of twelve ships during the year 2021-22. The construction works of ISRF project, which commenced on November 17, 2017, was progressing till February 04, 2022. However, the construction contractor appointed for ISRF project, Simplex Infrastructures Limited, Kolkata has been facing severe financial crisis due to which construction activities at the project site was severely affected and eventually CSL had to terminate the contract on February 04, 2022. Physical progress of construction works reported till the termination of contract is 78%. CSL is presently in the process of appointing alternate contractors by retendering for completing the balance works within the minimum possible time. Meanwhile, CSL received all components pertaining to the transfer system supplied by M/s. IMG, Germany. For the shiplift system from M/s. Syncrolift AS Norway, CSL is in receipt of all components except the platform sections. The Indian Register of Shipping (third party inspection agency) had completed the pre-despatch inspection of 10 T crane ordered on M/s. CJSC SMM, Russia in mid February 2022 and the crane is expected to be delivered soon at CSL. 3 nos. of tower cranes for which order was placed on M/s. Liebherr, Germany are in the advanced stages of manufacturing.

Ten globally renowned firms in the maritime industry have already partnered with CSL for setting up their units in the Maritime Park in first phase. CSL expects to position Kochi as a major ship repair hub with major operations in the present ship repair dock coupled with increased capacities that would be available when the ISRF is commissioned.

### ii) New Dry-dock Project

The New Dry-dock measuring 310 x 75/60 x 13m with 600T gantry crane will be located at the northern end of the existing premises of the Company. The new dock

will augment the Company's shipbuilding and ship repair capacity essentially required to tap the market potential of building specialized and technologically advanced vessels such as LNG Carriers, Aircraft Carriers of higher capacity, jack up rigs, drill ships, large dredgers and repairing of offshore platforms and larger vessels. Construction activities commenced in June 2018 is progressing despite the setbacks due to COVID-19 pandemic. Ground improvement works, cofferdam works, dock wall sheet pile installation works has been completed. Further, around 85% of RCC piling have also been completed. Dock floor construction has commenced and crane track works, substation works, pumphouse works & caisson gate fabrication works are progressing. Physical progress of the project achieved as on March 31, 2022 is 60%. Contract for the supply & commissioning of 600T gantry crane was also issued and fabrication of crane commenced in August 2021 at South Korea.

### iii) CSL-Mumbai Ship Repair Unit (CMSRU)

CMSRU has commenced Ship Repair Operations from January 18, 2019 at Mumbai Port and has successfully undertaken repairs to around 71 vessels till date.

During the financial year 2021-22, CMSRU has undertaken dry-dock and afloat repairs of 22 ships. The repair projects include ships of (1) Defence clients notably, Indian Navy's stealth guided-missile destroyer Yard 12705 through MDL, dry-dock and afloat repairs to Indian Coast Guard vessel ICGS Paheredar (2) Commercial clients notably, offshore vessels like DSV, WSV, PSV of Shipping Corporation of India (SCI), THSD Dredge XVII of Dredging Corporation of India (DCI) and various ships of private owners like DSV of HAL Offshore Limited, OSV of Greatship India, RO-RO of Indigo Seaways Private Limited and DSV of Seamec Limited. CSL had also taken up repairs for a foreign client and successfully completed repairs to DSP NPP Nusantara for M/s. Miclyn Express Offshore, Singapore.

CMSRU also commissioned new machinery workshop and stores facility along with new CMSRU office space. Major infrastructure augmentation like positioning of cranes, floating dry-dock and caisson gate, are progressing. Manpower has also been augmented from a total of 24 to 81 during the financial year 2021-22.

### iv) CSL-Kolkata Ship Repair Unit (CKSRU)

Despite the lockdown related restrictions and economic slowdown in connection with the second wave pandemic situation that gripped the whole nation, CKSRU managed to undertake major dry-dock repairs



of 5 vessels during the financial year 2021-22. CKSRU resumed operations, on June 17, 2021, subsequent to partial relaxation of lockdown restrictions by West Bengal Government, which was suspended from May 16, 2021, due to pandemic related lockdown. Dry-dock repairs of MV Sarojini, a survey vessel and Tug Tamralipta both owned and operated by Syama Prasad Mookerjee Port, Kolkata and emergency repair of DCI Dredge XIV were successfully completed during the financial year. As part of efforts to achieve its ambitious annual revenue target, CKSRU for the first time simultaneously dry-docked two vessels. Major dry-dock repairs of DCI Dredge XV and MV Sentinel in dry-docks NSDD1 & 2 respectively and afloat repair of MV Dering at 14 NSD berth are in progress and expected to be completed in Q1 of FY 2022-23. Firm stemming orders are awaited for dry-dock repair of Tug Svitzer Foxtrot (a repeat order from foreign fleet owner Svitzer Asia Pvt. Ltd.), Dredger Darya Manthan belonging to Adani Group, repair of NSD No. 1 box caisson from SMP and dry-dock repair of passenger vessels from A&N Administration.

Various capex projects have been undertaken to develop ship repair ecosystem and infrastructure at CKSRU. Work order has been issued to Hooghly Cochin Shipyard Limited, Kolkata for fabrication of a new intermediate box caisson which in turn will provide more operational flexibility to CKSRU. Exclusive guidance rate for Kolkata operations has been approved by the Competent Authority and PWO system has been implemented to speed up the repair activities.

**v) CSL-Andaman & Nicobar Ship Repair Unit (CANSRU)**

Subsequent to execution of Concession Agreement between Cochin Shipyard Limited and Andaman & Nicobar (A&N) Administration in November 2019, the agreement was made effective on January 15, 2021 upon fulfillment of conditions precedent by the A&N Administration in the end of 2020 and also due to pandemic related restrictions in the A&N Islands. Since then, a dedicated and experienced manpower consisting of engineers and support staff has been deployed in Port Blair.

CSL has progressed significantly with development of ship repair ecosystem at Marine Dockyard, Port Blair with a strong vendor base consisting of 09 vendors for the turnkey subcontract works. More than 100 sub-contractors and suppliers, both from the Islands & mainland, have been empanelled for general ship repair jobs and material supply at CANSRU. Standard Operating Procedures & Quality Assurance Plan

have also been prepared exclusively for repair of A&N vessels. Essential infrastructure for carrying out smooth and safe ship repair operation has been procured for CANSRU.

CSL commenced ship repair activities at Marine Dockyard, Port Blair in November 2021 by undertaking emergency repair of MV Sindhu, followed by dry-dock repair of MV Rajhans. A&N Administration has provided the list of vessels proposed for ship repair in FY 2022-23 and advance actions for the same have been initiated.

As a value addition to the Project, CSL has engaged IR Class for developing a digital repository of fleet of vessels owned by the A&N Administration, which would attempt to capture vessel data and the depiction of the captured knowledge base. This digital repository would reduce the knowledge and proficiency gaps existing and thereby improve operational safety and efficiency of the vessels. A high-level expert committee of CSL officers has been constituted who would work along with the consultant in bringing out a professionally prepared & complete DPR for augmentation & modernization of Marine Dockyard.

CSL is setting up a well-equipped Safety cum Skill Development Centre at Marine Dockyard to provide safety & skill development training to various stakeholders associated with CANSRU & Marine Dockyard. Professional skill development & HSE programs shall be conducted by experienced team of CSL, OEMs and other stakeholders at this Centre. CSL shall start the skill development programme once a suitable space is allotted by DSS inside Marine Dockyard.

CSL has been successful in mobilizing professionally qualified and experienced manpower dedicatedly for operations at the project site and deploying essential infrastructure required for undertaking ship repair operations at Port Blair despite various COVID-19 related restrictions during last years. CSL has already commenced ship repair operations at Marine Dockyard, Port Blair and successfully completed the repair assignments allotted. With the resources deployed at the project site, CSL is in a position to undertake more complex and bigger repair projects for the A&N Administration in the future.

**vi) Hooghly Cochin Shipyard Limited (HCSL)**

Hooghly Cochin Shipyard Limited (HCSL) was initially set up as a joint venture between CSL and Hooghly Dock & Port Engineers Limited (HDPEL). Pursuant

to the approval of the Union Cabinet, HCSL became a wholly owned subsidiary of CSL with effect from November 01, 2019. HCSL aspires to establish itself as one of the leading shipbuilding yard in east coast for quality inland and coastal vessel construction.

All project work pertaining to “New Yard construction of HCSL” is completed and the Yard is ready for production. At the end of the financial year 2021-22 physical progress to the tune of 99% is achieved for all civil, mechanical and electrical related works. All major jobs held up due to delay in erection of the 50 ton crane are completed other than road and road painting which is in final stage of completion. Further, handing and taking over of all civil structures and commissioning of all machinery/ equipment and cranes are completed. During the financial year 2021-22, the Yard undertook major repairs of two vessels of IWA and four vessels of IWT Assam adhering to strict timelines and delivered them to the satisfaction of the customer. Further, HCSL being focused in inland waterways segment has entered into an agreement with IWA to act as consultants for setting up a new ship repair facility at Pandu, Assam. The proposed ship repair facility will cater to the repair requirements of all vessels in the National Waterways-2 and North Eastern sector without any loss of valuable time travelling to Kolkata for every minor repair.

**vii) Udupi Cochin Shipyard Limited (UCSL) [Formerly known as Tebma Shipyards Limited (TSL)]**

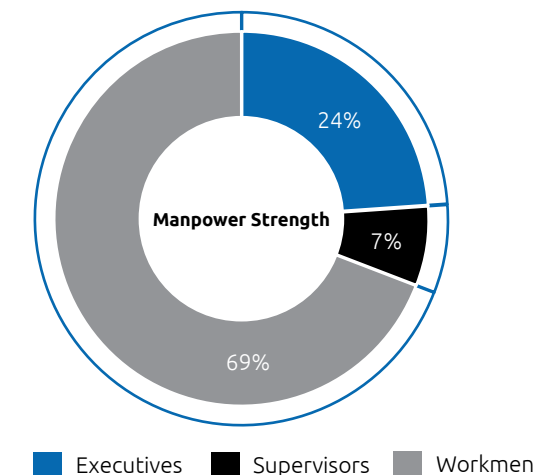
Consequent to the takeover of the Company by Cochin Shipyard Limited (CSL) in September 2020, through the statutory insolvency resolution process, various activities were initiated for revamping the Company’s infrastructure facilities for commencing the operations. During the financial year 2021-22, the revamping activities were streamlined despite COVID-19 related difficulties and the Company commenced its shipbuilding operations at the Hangarkatta facility in July 2021. Necessary activities for fully operationalising the facility at Malpe Harbour Complex were also undertaken during the reporting period and is still progressing. Consequent to the takeover of the Company by CSL, the name of the Company was changed to Udupi Cochin Shipyard Limited (UCSL) on April 22, 2022 to relate the Company more appropriately to CSL.

During the reporting period, the Company is executing CSL’s order for fabrication, outfitting and machinery installation of eight Hybrid Electric Aluminium

Catamaran Hull Vessels for the Kochi Water Metro Project, of which two vessels have already been delivered; one in March 2022 and the other in April 2022. The work on other vessels are progressing. Further, during March 2022, UCSL has also signed contracts with Ocean Sparkle Limited (OSL), a leading port operations and marine services company, for building two Tugs and with a beneficiary from the state of Andhra Pradesh for construction of one Tuna Longliner Cum Gillnetter Fishing Boat under the “Pradhan Mantri Matsya Sampada Yojana (PMMSY)”.

**Manpower Status**

21. The manpower strength of the Company as on March 31, 2022 was 1756 consisting of 424 executives, 128 supervisors and 1204 workmen.



**Industrial Relations**

22. CSL continued to maintain and foster cordial industrial relation atmosphere during the year. There was no loss of man hours on account of labour unrest due to reasons attributable to the Company exclusively.

23. The referendum for recognizing trade unions was conducted on March 19, 2021 by the Dy. Chief Labour Commissioner (Central), therein 2 unions namely Cochin Shipyard Employees Federation (CSEF) and Cochin Shipyard Employees Organisation (CSEO) have secured the recognition status as per the norms stipulated for recognition. However, formal approval for the same is awaited from the Chief Labour Commissioner (CLC).

24. The executives and non-unionised supervisors also continued to contribute their best to the Company during the year.



25. The joint management forums like joint councils, shop council, central safety committee, shop level safety committees, contract worker safety committee, canteen management committee, employees' contributory provident fund trust etc., continued to function effectively.
26. Employees and their dependents welfare and wellbeing are well taken care through various voluntary schemes like Employees Medical Assistance Scheme, Employees Pension Scheme, Shipyard Parivar Prathibha Puraskar Scheme, Employees Educational Assistance Scheme etc.

## Human Resource Development

### Learning and Development Activities during 2021-22

27. During FY 2021-22, due to COVID-19 pandemic, most of the training programmes were conducted through the virtual medium using Microsoft Teams, Zoom, Webex etc.
28. The prominent external training programmes for which Executives were nominated include the following topics.
- Capacity building program on procurement by Indian Institute of Corporate Affairs, New Delhi
  - Business Analytics for Strategic Decisions
  - Essentials of Leadership by ISB Hyderabad
  - Tendering Process & Contract Management
  - Creative Problem Solving
  - Public Procurement: Insight to e-procurement & GEM
  - CII EHS Online Assessor Training Programme
  - Mastering Corporate Social Responsibility by CII
  - Five days online Training Programme on 'Good Governance' by ISTM
  - MIS Reports & Data Analysis using Microsoft Power BI
  - Cyber Security by Department of Public Enterprises (DPE)
  - Diploma in Information System Security Audit (DISSA) by ICAI
  - Development & Innovation in Debt financing for corporates by CRISIL Limited
  - One day workshop on 'Labour Codes' by Kerala Institute of Labour and Employment (KILE)

- Capacity building programme for the newly appointed Non Official (Independent) Directors at Kolkata.
29. Company also nominated senior executives under the scheme "Igniting Minds" for virtual programmes like Developing Commercial and Financial Skills for Strategic Business Decisions by IIM Ahmedabad, Finance for Non-Finance Executives by IIM Calcutta, Professional Certificate Programme in Financial Analysis and Financial Management by IIM Kozhikode, Managerial Effectiveness by IIM Ahmedabad, Professional Certificate Programme in General Management programme for Business Excellence by IIM Kozhikode, Online Professional Certificate Programme in HR Management and Analytics by IIM Kozhikode, Innovation, Corporate Strategy and Competitive Performance by IIM Ahmedabad, Managerial Leadership and Team Effectiveness by IIM Calcutta, Developing Leadership Potential by IIM Calcutta etc.

### Customised Internal Trainings

- Five executives completed online training session on Basic Naval Architecture conducted by ASRANET Limited, UK from April 28 to 30, 2021.
- Online awareness sessions on NOVEX e-learning platform of CSL were arranged from June 05 to 08, 2021 exclusively for supervisors in CSL. 142 supervisors attended the sessions.
- An online session on 'Prevention of sexual harassment of women at workplace', was conducted by AGM (Legal), CSL on July 16, 2021 and the same was attended by 33 employees.
- One day online workshop on Competency Dictionary was conducted on September 11, 2021, which was attended by 37 Executives.
- 20 Executives attended a four days online workshop on Underwater Radiated Noise (URN) Management conducted by NirDhwani Technology Private Limited, from September 15 to 18, 2021.
- One day online workshop on Competency-Based Interview was held on October 23, 2021. The workshop was attended by 31 Executives.
- A half-day workshop on Executive Coaching was conducted by GM (HR) and AGM (Safety) for 52 executives from October 20 to 22, 2021.
- In connection with the Vigilance Awareness Week 2021, an online interactive training session on the subject 'Preventive Vigilance' was conducted on October 27 and 28, 2021 by

Smt. S. Uma Venkatesan, IRS, Chief Vigilance Officer, CSL and the same was attended by 59 Executives.

- A technical training program for 50 supervisors was conducted by the Department of Ship Technology, Cochin University of Science and Technology (CUSAT), Kochi on December 17 and 18, 2021.
  - One day training for Field Safety Representatives (FSR) and HSE Co-ordinators was conducted by the National Safety Council, Kerala Chapter, Ernakulam from December 21 to 23, 2021. The training was attended by 66 employees.
  - CII Pinnacle Performance Enhancement Series, 8 weeks course (commenced on December 14, 2021) was attended by 14 Senior Executives of CSL.
  - The Institute of Marine Engineers (India) conducted a Skill Upgradation Certification Course in Hydraulics from February 24 to 26, 2022. 14 executives completed the certification course successfully.
  - Four days Integrated Internal Auditor Training on ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 were imparted for 21 executives in CSL. The training was conducted by DNV Business Assurance India Private Limited from March 07 to 10, 2022.
  - A First Aid training programme for CSL Employees conducted by National Safety Council, Kerala Chapter, Ernakulam was held on March 24 and 25, 2022. A total of 26 employees attended the programme.
  - Orientation training for employees retiring from service of CSL was held on March 30, 2022. The sessions were conducted by the faculty from Dattopant Thengadi National Board for Workers Education and other experts in the field of financial planning and health. The session was attended by 17 employees.
  - Considering the COVID-19 situation, it was decided to conduct the YOCDP (Young Officers Competency Development Programme) for junior-level executives and SCDP (Supervisors Competency Development Programme) for supervisors online through NOVEX e-learning platform. A total of nine recorded sessions of YOCDP and seven recorded sessions of SCDP were uploaded online and made available to the participants.
  - Induction programme to 29 newly joined executives was conducted during the financial year 2021-22.
- ### Educational Scholarships to Wards of Employees
- "Shipyard Pariwar Prathibha Puraskar", an educational scholarship scheme introduced from the year 2016 aims to reward and promote the star performers among the wards

of regular employees of CSL. A scholarship of ₹25,000/- per year for a maximum period of 5 years shall be bestowed in the order of highest marks scored by the wards in class XII final examination. During the year 2021-22, 9 eligible students have been granted scholarship under the said scheme.

### Recognising Excellence

- CSL has introduced the Employee Excellence Awards Scheme envisaging reward and recognition for innovative ideas and practices among the employees below the level of AGMs. The highest award under the scheme is Chairman's award with a citation and cash prize of ₹15,000/-. During the Independence Day celebrations in 2021-22, 43 employees (executives-5, supervisors-4, workmen-33, on contract workmen-1) were honored with Chairman's Commendation, which carries ₹2,000/- cash prize. In January 2022, 32 employees (executives-5, supervisors-1, workmen-19, on contract workmen-7) were considered for Chairman's Commendation. In addition, one contractual employee was considered for Chairman's Special Commendation and a cash prize of ₹5,000/-. However, due to rise in COVID-19 cases, the awards were not distributed during Republic Day celebrations, 2022.

### International Yoga Day

- Employees were encouraged to observe international yoga day in small groups and at their homes with family members, without affecting COVID protocols.

### Constitution Day

- Constitution day was celebrated in CSL on November 26, 2021 with reading of Preamble to the Indian Constitution. In order to create awareness among CSL employees about the Constitution and its significance, it was decided to create and upload a series of awareness building courses on NOVEX e-learning platform. Accordingly, the first session on Preamble and the basic principles of Indian Constitution was held on November 26, 2021. Additionally, a quiz programme on Indian Constitution was also arranged in connection with the celebration of Constitution day.

### Training

- A Total of 127 Graduate Marine Engineering cadets (GMEs) are placed for onboard vessels during 2021-22. The cadets had successfully completed one year course as per guidelines of Directorate General of Shipping, Government of India.
- 23 students of 4 year Marine Engineering from Sree Venketeswara College of Engineering, Chennai, successfully completed 6 months afloat training from CSL Marine Engineering Training Institute (METI).



53. CSL METI had participated in various programmes organized by Mercantile Marine Department, Kochi in connection with "Azadi Ka Amrit Mahotsav" initiative of the Government of India. CSL METI also had conducted webinars on topics like Autonomous Vessels, Battery Operated Vessels, Green Fuels etc. The contributions of CSL METI were honoured on the occasion of the 59th Maritime Celebrations held in Kochi.

#### Apprenticeship Training

54. Training Institute had imparted apprentice training for a total of 561 ITI trainees, 121 Diploma trainees, 103 Degree trainees and 5 VHSE trainees in the year 2021-22.
55. Three Executive Trainees were inducted during the year 2021-22.

#### Skill development programmes conducted by CSL Training Institute

56. Multi-skill development programme was conducted from October 19, 2021 to December 03, 2021 for CSL workmen on forklift operations. The same was attended by 10 workmen from Ship Repair and 8 from Shipbuilding departments. The programme included theory of total 24 hours staggered in one week. It also contained 5 days practical including 2 hours evaluation for each participant.
57. One day programme on Productivity, House Keeping & 5S was imparted to Diploma/ Degree Advanced Trainees of different departments of CSL. The programme was conducted by Officers of Datopant Thengadi National Board for Workers Education, Kochi Regional Directorate under Ministry of Labour, Government of India. A total of 95 Advanced Trainees under 6 batches attended the programme conducted on December 21 and 22, 2021 and January 11 and 12, 2022.

#### Samanvay portal

58. Samanvay is the common Knowledge Management Portal for all CPSEs. The website is designed & developed by ONGC, on behalf of the Department of Public Enterprises (DPE). The primary objective of the Samanvay Knowledge Management Portal is to create a platform for enabling individuals, teams & entire Public Sector Enterprises to collectively and systematically share knowledge, infrastructure, best practices, SOP etc., to learn from others' experiences. The usage of Samanvay is being closely monitored by DPE. Periodic meetings and reviews are conducted by DPE with CPSEs which are chaired by top officials of DPE, and there has been continuous follow

up from DPE to increase the usage of the portal. CSL has given user access for the portal to all officers, and the users can share lessons learnt from their work place through the portal. CSL has shared around 115 articles including 31 lessons learnt, and 84 different articles on HSE practices, CSR, HR, best practices at work place & articles on innovation, through the Samanvay portal till date.

#### Employee Welfare Measures

59. SEAWISE: An employee counseling scheme "Shipyard Emotional Assistance and Wellness Inclusion System for Employees" (SEAWISE) has been introduced in CSL with the support of Rajagiri College of Social Sciences, Kochi as a part of caring the emotional wellness of employees and their dependants. The counseling is imparted through telephonic and face to face mode. The scheme covers all permanent employees of CSL and their dependants, contract employees, trainees and CISF personnel in CSL unit.
60. Modified CSL Medical Assistance Scheme: CSL has modified the medical assistance scheme for employees by empanelling 29 hospitals (Super-speciality/Multi-speciality/Speciality and other-speciality hospitals) in Ernakulam District for the treatment of CSL employees and their eligible dependent family members. The expenses towards the inpatient/day care treatment availed at these 29 empanelled hospitals shall be settled directly by CSL to the hospital. Medical ID Cards with details of employees and dependents has been issued to all employees for the purpose of identification at empanelled hospitals. In the case of hospitals outside Ernakulam district, the admissible treatment expenses shall be reimbursed to the employees.
61. CSL Rudder – Actionable Insights, Informed Decisions: As a part of the new digital transformation initiatives, a new mobile application has been developed and launched on April 01, 2022. The application is offering a bunch of new facilities to CSL users. The application can be used by both internal users like all permanent staff including officers, supervisors and workmen and external users like suppliers, subcontractors, retired employees etc. Employee profile, attendance details, salary slips, leave details, medical claims status, dependants information, loan details, PF data, capture reporting time, vendor registration details, invoice status, payment details, TDS certificates etc., are some of the features included in Rudder application.
62. As part of fostering women welfare measures, CSL has conducted awareness session regarding the usage of menstrual cup and free distribution of menstrual cups were done as a part of Women's Day celebration.

63. Infertility treatment scheme was launched in the year 2020 for providing reimbursement of medical expenses incurred for infertility treatment for all permanent employees. An amount not exceeding ₹1,00,000/- (Rupees One Lakh only) per cycle or the actual cost whichever is lower is permitted for reimbursement and the same will be allowed upto maximum of three fresh cycles with prior approval. Special Leave for maximum 10 days in a year and maximum of 20 days are being granted during the service of an employee who undergo procedures as part of infertility treatment. Total 15 employees were granted permission to avail the benefits under this scheme as on March 2022.
64. All employees (permanent & on contract employees) and trainees who had undergone treatment for being COVID positive and who were under quarantine were granted special leave.
65. National Pension System (NPS) was introduced in CSL in order to facilitate contributory pension scheme for all permanent employees. A kiosk centre was arranged in CSL premises in the month of February 2021 for all employees through which the employees have opened their individual NPS account. CSL is contributing 10% of the wages (Basic + DA) to the individual account of the employees, as employer contribution from April 2021 onwards. The scheme provides attractive income tax benefits to the employees and also ensures a hassle-free life post retirement.
66. CSL introduced paternity leave in the year 2019 to male employees of the Company including for valid adoption of a child below the age of one year.

#### Encouraging Thought Provoking Ideas

67. "Nethruthwa Samvridhhi Yojana" – Leadership Acceleration Programme (LEAP) was launched in the year 2016 to encourage and motivate executives in the grades E1 to E4 for pursuing higher studies in premier institutes both in India and abroad. The core benefit under the scheme is not only a grant of study leave for two years, but reimbursement of tuition fees, in installments after they come back and join for duty. A maximum of three applicants are considered on a yearly basis under LEAP scheme.
68. CSL launched special financial assistance scheme applicable to SC/ST apprentice trainees in 2018 to provide monthly financial assistance of ₹1,500/- for meeting their expenses towards rental accommodation in Kochi. The monthly financial support is extended to a maximum of 20 trainees during the period of apprenticeship training, subject to periodical review by CSL.

69. Mentor-Mentee scheme launched in the year 2016 continued this year also for ensuring personalized special attention by a senior executive. It is extended to all new executives/executive trainees joining CSL. This collaboration gives junior executives, who are freshers, a feeling of engagement, belongingness and significant improvement in the inter and intra personal relationship in the organisation which lead to better retention.
70. CSL Star Board – a mobile application for executives was introduced in 2017 for the purpose of knowledge sharing. The objective of Star Board is to enable the executives to share their technical knowledge, latest technical information and to provide a platform for innovative minds on matters related to their profession/work. Star Board will promote knowledge sharing culture in CSL, which is essential for the existence and success of any business. This platform has provisions for sharing of both explicit knowledge and tacit knowledge.

#### Professional Assessments

71. Through an elaborate competency mapping exercise, four cultural competencies namely teaming, execution excellence, constraint breaking and continuous learning have been identified for CSL. These cultural competencies have been incorporated in all HR sub systems like recruitment, training, performance management, career development etc.
72. To assess the competencies of executives in CSL vis-à-vis the required competencies, M/s. Korn Ferry Hay Group, a leading HR consultancy organisation in Asia had conducted executives' Assessment Development Centre (ADC). They had assessed the strengths and areas for development of the executives using various assessment tools and prepared detailed IDP. The ADC was beneficial to CSL as it provided right direction for planning HR interventions.

#### People Capability Maturity Model (PCMM)

73. In the year 2018, the Company commenced activities for obtaining a level 3 PCMM certification. As part of implementation of PCMM, conscious and collective efforts are being undertaken by the Executives in HR department in formulation of various policies and bringing in improvements in existing HR procedures and practices.
74. PCMM is a maturity framework that focuses on continuously improving the management and development of the human assets of an organisation. The PCMM helps organisations characterize the maturity of their workforce



practices, establish a programme of continuous workforce development, set priorities for improvement actions, integrate workforce development with process improvement and establish a culture of excellence. The PCMM consists of five maturity levels; Level 1 to Level 5. Each maturity level is a well-defined evolutionary plateau that institutionalizes new capabilities for developing the organisation's workforce. Unlike other HR models, PCMM requires that key functions/ process areas, improvements, interventions, policies, procedures and practices are institutionalized across the organisation, irrespective of function or level. Therefore, all improvements have to percolate throughout the organisation to ensure emphasis on a participatory culture embodied in a team-based environment and encouraging individual innovation and creativity.

75. A preparatory workshop for PCMM Maturity Level 3 implementation was held on March 15 and 16, 2022 for HR business partners and selected executives from HR and ISD. The workshop was attended by 35 executives.

### Status on Affirmative Action to Implement Presidential Directives on Reservations

76. Cochin Shipyard has been 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. The Company has appointed a liaison officer for SC/ST/PwBD/ Ex-Servicemen and a separate liaison officer for OBCs and EWSs to oversee the implementation of reservation policies. Reservation percentage is ensured through the maintenance of post-based roster system as prescribed by the Government of India.

### Representation of SC/ST/OBC/EWS Employees

77. The representation of SC, ST, OBC and EWS employees in various groups of posts as on March 31, 2022 is given below:

Category	CSL's Total Strength	SC	ST	OBC	EWS
Group A	362	48	16	93	-
Group B	114	16	10	28	1
Group C	1116	152	12	533	1
Group D	164	21	6	86	-
<b>Total</b>	<b>1756</b>	<b>237</b>	<b>44</b>	<b>740</b>	<b>2</b>

### Representation of Persons with Benchmark Disabilities (PwBD) and Minority Employees

78. The representation of Persons with Benchmark Disabilities (PwBD) and Minority employees in various groups of posts as on March 31, 2022 is given below:

Category	CSL's Total Strength	PwBD	Minority
Group A	362	8	99
Group B	114	5	26
Group C	1116	34	271
Group D	164	9	54
<b>Total</b>	<b>1756</b>	<b>56</b>	<b>450</b>

### Provision for Safeguard of Women

79. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and Rules framed thereunder are strictly complied with. An Internal Complaints Committee has been constituted in accordance with the Act chaired by a senior woman executive. The Committee has received one complaint relating to an indecent graffiti and orders were issued to resolve the same.
80. CSL has a woman Welfare Officer specifically to promote women empowerment activities and to formulate and implement welfare measures according to the needs of women employees of the Company.
81. CSL has commemorated the 8th anniversary of POSH Act on December 09, 2021 by organizing a grand ceremony wherein a workshop on POSH Act was also conducted along with various other competitions.

### Integrated Management System (IMS)

82. Cochin Shipyard maintained its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Health and Safety Management System standards. It is proposed to implement quality management systems in all the ancillary units of CSL in the forthcoming years.

### Facility Upgrade and Capital Expenditure

83. The total capital expenditure incurred in 2021-22 amounted to ₹227.81 Crores. This related to modernization and expansion, renewals and replacements, new dry-dock, ISRF CMSRU, CKSRU, CANSRU etc.

### Implementation of Official Language Policy

84. In pursuance of Sub-rule (4) of Rule 10 of the Official Language (Use for the Official Purposes of the Union) Rules, 1976, Government of India have notified, in the Gazette of India, that 80% of ministerial staff of the Company have acquired working knowledge/ proficiency in Hindi.
85. With the aim of giving more propagation to the various activities related to official language implementation, a webpage for 'Official Language' was created in the website of the Company. It mainly include detailed information about the Official Language Policy, Rules, Act and Annual Programme of the Government of India and various programme reports organized from time to time in connection with the implementation of official language & spoken Hindi training etc. This is a significant step towards the promotion of official language.
86. In order to present the language in a comprehensive scenario for knowledge enrichment, not limited to official work, as well as to make it public friendly, CSL has started the initiative to prepare a video in Hindi language related to every major public event from the month of April, 2021. At the outset, a video of Ambedkar Jayanti (April 14, 2021), May Day/ Labour Day (May 01, 2021) and Independence Day (August 15, 2021) were prepared in Hindi and forwarded to the official groups of CSL.
87. The 26th half-yearly meeting of Kochi TOLIC was conducted online in the month of May, 2021. During this meeting, various official language activities and QPR reports of various offices were reviewed. Appreciation was received from Kochi TOLIC for all the efforts taken by Cochin Shipyard towards the promotion of official language.
88. Various competitions in Hindi were organized in connection with Hindi Fortnight Celebrations 2021 for employees, trainees and employees on contract of CSL via online and offline mode. Badges were distributed among all the employees on the occasion of Hindi Diwas and Rajbhasha Pledge was administered by the heads of departments in all departments of CSL and in other units. Quiz, calligraphy, what picture says, passage reading, administrative terminology, Hindi typing, memory test, Hindi film songs (separate for women and men), essay writing and Hindi poem writing were organized in this regard. Thirteenth issue of Hindi house journal, 'Sagar Ratna' was released on the valedictory function of Hindi fortnight celebrations.
89. As a special programme in connection with Hindi Fortnight Celebrations, patriotic song for family members of

employees, speech competition for children of employees and online debate competition for the post graduate Hindi students of University of Kerala were also organized.

90. Cochin Shipyard Limited organized a career development webinar on January 10, 2022 as part of World Hindi Day Celebrations. The webinar was formally inaugurated by Shri Subash A K, General Manager (HR), CSL. The webinar was conducted in two full sessions, the first session was based on the technological advancements in the field of Hindi language which was handled by Shri K Anil Kumar, Chief Manager (Rajbhasha), SBI, Thiruvananthapuram. The second session was based on career development related to Hindi sector handled by Shri Ramesh O, Manager (Rajbhasha), HOCL, Kochi.
91. Noting and drafting training in person has been started for junior commercial level employees. A total of 12 employees are included in the first batch. Classes will be held for two days a week for one hour for the entire two months.
92. In order to create awareness regarding the implementation of official language among all the officers and supervisors, the module related to official language was uploaded in Novex along with the questionnaire.
93. Four Hindi workshops and four Official Language Implementation Committee meetings (OLIC) were conducted regularly during the year.
94. During the academic year 2021-22, cash incentives for children of employees for obtaining high marks in Hindi in 10th Standard, were awarded to 20 children. 24 employees were also awarded cash incentives for the implementation of Hindi language.

### Particulars of Employees and Related Disclosures

95. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, government companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

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

96. Details are placed at **Annexure I**. The Company's major initiative in the conservation of energy was installation of solar panels on the rooftop of various buildings inside CSL premises. The programme commenced in the year 2013-14. As of March 31, 2022, solar power plant having capacity of 1622 kWp has been commissioned in CSL.



**Risk Management**

- 97. CSL has constituted a Board level Risk Management Committee (RMC) in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an overall review of the corporate risks. CSL has adopted a comprehensive Risk Management Policy at the 214th meeting of the Board of Directors held on September 16, 2014. 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.
- 98. As per the policy, CSL Board at the helm will review the risk management system in CSL. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The CSL management comprising of CSL Board level and below Board level executives has been entrusted with the implementation of the risk management process. In this respect, the Company has functional Risk Management Committees and Board Level Risk Management Committees to implement the policy in CSL. 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.

**Research and Development (R&D) Activities**

- 99. R&D policy of CSL is to enhance the Company's pre-eminence in shipbuilding, ship repair and other chosen fields and products through research and development. In-house R&D activities have been undertaken during the year 2021-22 mainly in the areas of welding procedure development and qualification of welders. Weld procedures were developed for welding of Aluminium plates (5083 grade H116) and High strength low alloy steel (DMR 249 Gr A) plates as below.
  - (a) Capability building of welding of Aluminium plates with Double pulsed Metal Inert Gas and development of the weld procedures is of paramount importance to the Yard. In the above context weld procedure specifications have been prepared and welders were qualified to weld up to 40 mm thick plates in 4G & 1G weld positions, 3 to 24 mm thick plates in 3G position and 3 to 12 mm plates in 2G position. These new processes save considerable amount of man hour and

effort. The procedures have been validated by DNV Classification Society.

- (b) Weld procedure were developed and welders were qualified for welding DMR 249 Gr A plates of 4 mm and 5 mm thickness in 4G and 2G positions using Flux Cored Arc Welding (FCAW) process and Submersible Arc Welding (SAW) process. The procedures have been validated by DNV Classification Society and Indian Navy.

**Health, Safety & Environment (HSE)**

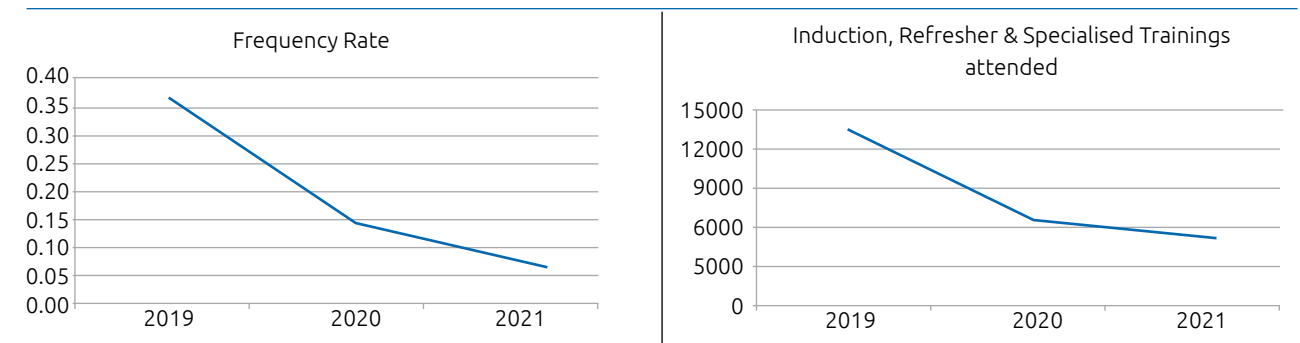
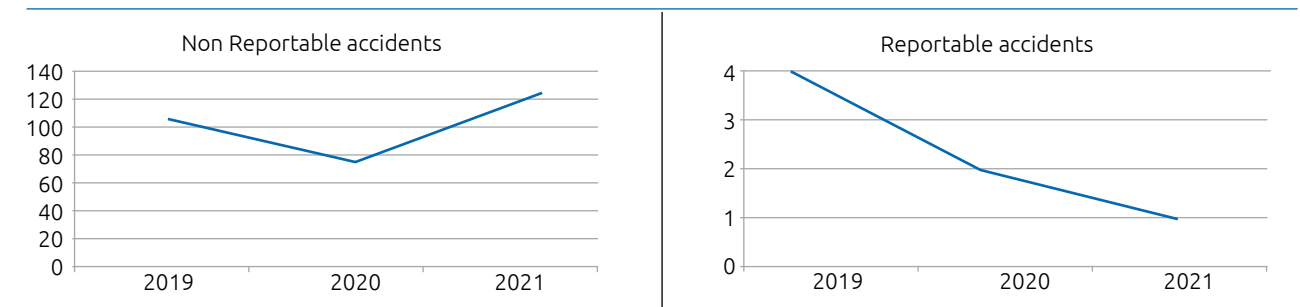
- 100. Cochin Shipyard Limited believes in instilling the principles of safety management in all of its stakeholders, including employees, contractors, customers, and communities, with the utmost concern and commitment to Health and Safety. Various initiatives were undertaken to inculcate safety culture and incorporate safe practices to the workforce including contractor personnel working in all CSL campus.
- 101. All the legal requirements pertaining to HSE matters are complied with and reports are submitted to the respective enforcement bodies under respective authorities in State and Central Government.
- 102. To empower safety awareness among CSL employees, apart from mandatory safety induction training, CSL also provided safety awareness training to its officers, supervisors, and contractor representatives even during the pandemic era by exploring the endless opportunities via its online training platform 'Novex'. On top of this, to elevate the safety training to an interactive learning experience, CSL is about to introduce Virtual Reality (VR) based confined space safety training which enables the user to get a real feel of a work scenario.
- 103. Various provisions and programs are implemented on site to ensure seamless and effort free reporting of HSE observations, near misses, and suggestions from the working population including the contract workmen. The most highlighted way is reporting online through 'Rudder Application'. Also, to handle critical near misses a 24 hours live hotline number is provided.
- 104. For acclimatising with the ISO 45001:2018 and to adopt its requirement of demonstrative HSE leadership and participative & consultative mechanism, CSL implemented HSE Governance system in 2020. Post implementation, performance of each department conglomerated the perspective of safety both from the higher management and the site team by ensuring the active participation and consultation from the CSL workforce which enables the Company to reach up a remarkable achievement of 43 percentage enhancement in the organisational safety

index as compared to the previous year's performance.

- 105. CSL began evaluating and monitoring its subcontractors to meet the requirements of ISO 45001:2018. Several town hall sessions were conducted to the selected subcontractors to bring awareness on HSE systems to meet CSL standards. An HSE plan is prepared by each vendor and approved by CSL. All selected contractors are evaluated using a four-tier evaluation methodology, which includes HSE self-evaluation, site audit, HSE monthly reports, and HSE violations, and a combined score is calculated. The subcontractors are rated as 5 star, 4 star, 3 star, and blossom star based on the scores secured in the process.
- 106. CSL has evolved a methodology for monitoring the safety systems in other units of CSL viz., CMSRU, CKSRU & CANSRU and its subsidiaries viz., HCSL and UCSL. The units and subsidiaries are benchmarked with the help of a self-evaluation questionnaire and cross audit conducted by CSL Corporate safety team. This helps each CSL units and subsidiaries to build up a superior safety culture by exploring plethora of self-improvement opportunities.
- 107. For implementing the HSE requirements mentioned in the shipbuilding and ship repair HSE plan, emergency
- 110. HSE Performance review for the financial year is given in the graph below:

preparedness plan shall be signed off by the department head for all the shipbuilding and ship repair projects. This plan consists of all HSE requirements pertaining to that project and persons responsible for the implementation and upkeep of the same.

- 108. CSL have won several awards for best safety management system during the year 2021-22, as given below:
  - i. Outstanding Safety Performance Award 2021 in the category of very large engineering industries in the state level competitions, conducted by Department of Factories & Boilers;
  - ii. Sreshta Suraksha Puraskar for outstanding safety performance in the category of very large engineering industries in the state level competitions conducted by National Safety Council; and
  - iii. CII SR EHS excellence awards in the EHS engagement in work force category.
- 109. CSL has also bagged second prize in Table top Mock drill in the group event for industrial employees conducted by National Safety Council on the occasion of 51st National Safety Week Celebrations, 2022.





## Industrial security

111. Cochin Shipyard Limited is a vital organisation with national importance and is classified as special security zone by both State and Central Government and the security of establishment has got national importance. The primary security of the establishment is entrusted with Central Industrial Security Force (CISF) unit comprising of 130 CISF personnel under the command of Dy. Commandant, CISF. Overall security of the Company continued to be robust without causing any serious security concern during the year. All security systems and measures introduced and installed in the Company are of international standards. Periodic joint survey was conducted by the Company along with CISF. Twenty-four hours waterfront patrolling with armed personnel and wireless surveillance (CCTV) system covering all critical locations and installations are in place. The periodic mock drill exercises are conducted in coordination with Intelligence Bureau, State Police, State Fire Department, Bomb Squad and Navy to assess the readiness of CISF force to counter any security threat, security breach, crisis or calamities.

112. CISF is carrying out their security surveillance and duties with security gadgets which includes biometric access control system, X-ray baggage scanner, door frame metal detectors, hand held metal detectors, breath analysers, vehicle patrolling, boat patrolling and foot patrolling etc. The upgradation of security gadgets is being taken up as per the technical survey of CISF to bring modern security gadgets to enhance the existing security system and facilitate the CISF a foolproof frisking mechanism at all gates.

113. Special security attention is being accorded to the Indigenous Aircraft Carrier (IAC) with an exclusive security arrangement provided apart from the overall security arrangement of the establishment. The security of IAC was taken up at the highest levels of CISF and an additional contingent of 46 CISF security personnel on IS Duty have been posted exclusively for IAC under the command of Asst. Commandant.

114. The security strength and requirements of additional security enhancements are periodically monitored by the Head Quarters of CISF through technical resurvey for security gadgets and resurvey for manpower augmentations. The proposal for augmentation of strength of CISF, CSL Unit from the present strength of 130 CISF personnel to 220 personnel have been approved by the Ministry of Home Affairs, Government of India with creation of a net additional 96 posts. The deployment procedures are underway.

115. The entry to the ship is strictly controlled using access cards thus keeping track of the number of personnel working

onboard at any given point of time. The additional security gadgets including CCTV surveillance, biometric access system, DDS, boat patrolling etc., have also been arranged for safeguarding and avoiding any imminent threat for the ship. In order to enhance the security, purchase of a new patrol boat is under consideration.

116. The entry to the Yard is effectively controlled via access control systems including biometric embedded turnstile gates, X-ray baggage machines, DFMD etc. A full-fledged visitor's facilitation center is operated for scrutiny and verification of the credentials of the visitors to the Company. X-ray baggage scanning systems have been installed at the Main entry gate and contractors' workmen entry gate of the Company. All the entry passes issued are photo-based entry passes.

117. During the year 2021-22, the Yard has proposed to implement an integrated security system, upgrading the existing systems. The project is being carried out through Bharat Electronics Limited (BEL), Bangalore. The project envisages introduction of comprehensive security architecture involving complete CCTV surveillance of the perimeter, waterfront and inside the Yard, ESPF system, visitor's management and ANPR etc.

118. The monitoring of visitors, materials and vehicles movement in the Company are done through an integrated ERP module of visitor's management system which ensures effective and vigilant monitoring of materials movement into and out of the Company. As part of the proposed integrated security system, a GPS based tracking tag for the visitors and RFID tagged pass system are also being implemented, thus to keep track of the movements of the visitors within the Yard. Additionally, the Yard has proposed for implementation of Aadhaar verification of all visitors and Contractors' workmen before issue of entry pass. The project is being implemented in association with CDAC – Mumbai. The procedures for implementation of the project is under final approval from the Government of India.

119. CSL has also engaged DGR sponsored ex-servicemen security agency for supplementing existing forces mainly catering to external properties of CSL and also internal specific locations, comprising of 98 personnel.

## Awards and Recognitions

120. During the financial year 2021-22 CSL received the following awards:

- (a) Outstanding Safety Performance Award 2021 in the category of very large engineering industries in the state level competitions, conducted by Department of Factories & Boilers;

- (b) Sreshta Suraksha Puraskar 2022 for outstanding safety performance in the category of very large engineering industries in the state level competitions, conducted by National Safety Council;

- (c) CII SR EHS Excellence Awards 2021 in the EHS engagement in work force category;

- (d) "Rajbhasha Kirti Puraskar" for the best Hindi Implementation among the "C" Region from Govt. of India. CSL is the one and only company all over Kerala to win this prestigious award;

- (e) CSR leadership award 2021 instituted by "World CSR Day";

- (f) Second Prize in table top mock drill in the group event for industrial employees conducted by National Safety Council on the occasion of 51st National Safety Week Celebrations 2022;

- (g) Second Prize for the Hindi Home Magazine "Sagar Ratna" from Kochi TOLIC (PSUs) for the year 2020; and

- (h) FACT MKK Nayar Memorial Productivity Award 2019-20 for Best Productivity Performance in Industry Category I (Turnover Above ₹750 Crores).

## Board of Directors & Key Managerial Personnel

121. As on March 31, 2022 the Board of CSL comprises of 11 directors consisting of a Chairman & Managing Director, 2 Whole Time Directors, 2 Official Part Time (Nominee) Directors, one each from Government of India and Government of Kerala and 6 Non-official (Independent) Directors.

122. Shri Suresh Babu N V (DIN:07482491), Director (Operations) retired on superannuation from the services of the Company on April 30, 2021. Shri Sreejith K Narayanan, Chief General Manager (Ship Repair) has been recommended as the next Director (Operations) of CSL by the Public Enterprises Selection Board and the appointment is awaited.

123. The Ministry of Ports, Shipping and Waterways (MoPSW), Government of India, vide letter no. SY-11012/1/2016-CSL dated November 22, 2021, appointed Smt. Amrapali Prashant Salve (DIN: 09415405), Shri Nahar Singh Maheshwari (DIN: 09419082), Shri Ashok Sharma (DIN: 09414565), Shri Prithviraj Harichandan (DIN: 01351097), Shri Venkatesan M (DIN: 07667728) and Shri Abhijit Biswas (DIN: 09419083) as the Non-official (Independent) Directors of CSL for a period of three years with effect from November 22, 2022.

124. Details of changes in Key Managerial Persons during the financial year 2021-22 are given below:

Sl. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
1	Shri Madhu S Nair	07376798	Chairman & Managing Director	January 01, 2016	Continuing	No Change
2	Shri Suresh Babu N V*	07482491	Director (Operations)	April 26, 2016	April 30, 2021	Superannuation
3	Shri Bejoy Bhasker**	08103825	Director (Technical) Director (Finance)	April 05, 2018	Continuing	No Change
4	Shri Jose V J	08444440	Chief Financial Officer	August 01, 2019	Continuing	No Change
5	Shri Syamkamal N	N.A.	Company Secretary & Compliance Officer	August 13, 2019	Continuing	No Change
				February 01, 2020		

\* MoPSW, Government of India vide letter no. SY-11012/1/2020-CSL dated February 26, 2021 extended the tenure of Shri Suresh Babu N V, Director (Operations), CSL, with effect from April 26, 2021 till April 30, 2021, i.e. up to the date of his superannuation. Consequently, he retired on superannuation from the services of the Company on April 30, 2021.

\*\* Shri Bejoy Bhasker, whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company at the 49th Annual General Meeting (AGM) of the Company held on September 29, 2021.



## Declaration and Meeting of Independent Directors

125. During the financial year 2021-22, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013. A separate meeting of Independent Directors was held during the financial year on March 16, 2022 which was attended by all the Independent Directors of the Company.

## Details of Board Meetings held during 2021-22

126. Five Board Meetings were held during the year 2021-22 and the gap between two meetings did not exceed the statutory period. The dates on which the Board Meetings were held are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	June 11, 2021	5	5
2	August 10, 2021	5	5
3	November 11, 2021	5	4
4	February 10, 2022	11	10
5	March 16, 2022	11	10

127. For more details with respect to the Directors, Board and Committee meetings held during the year and attendance of these meetings, refer Corporate Governance Report which forms part of Directors' Report.

## Remuneration Policy/Evaluation of Board's Performance

128. Cochin Shipyard is a Government of India company under the Ministry of Ports, Shipping and Waterways. Presently, the Directors of the Company are presidential appointees and their remuneration is fixed in accordance with the DPE guidelines. Accordingly, Article 21(a) of the Articles of Association of CSL states that, President will appoint Directors and determine their remuneration. Since, the Board level appointments are made by President of India, the evaluation of performance of such appointees is also done by the Government of India. The Independent Directors evaluated the performance of the Board as a whole in a separate meeting of Independent Directors held on March 16, 2022.

## Report of the Nomination & Remuneration Committee on Company's Policy on Directors' Remuneration

129. Presently, the remuneration of Board level appointees is determined in accordance with DPE guidelines. CSL at its 228th Board meeting held on December 14, 2016 adopted the Nomination and Remuneration Policy in compliance with the provisions of Section 178 of the Companies Act, 2013. CSL in its 241st Board meeting held on May 24, 2018 and further in its 245th Board meeting held on October 31, 2018 amended the Policy. The Policy is available in the website of the Company at [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

## Directors Responsibility Statement

130. Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have 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 as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Contracts and arrangements with related parties

131. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material. Your Directors draw attention of the members to Note 49 to the standalone financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24. Further, Form AOC-2 has been placed at **Annexure II** as required under Section 134(3)(h) of the Companies Act, 2013.

## Corporate Social Responsibility & Sustainable Development Committee (CSR & SD Committee)

132. The immediate past Independent Directors of CSL vacated their office with effect from July 15, 2020 on completion of tenure of their appointment prescribed by the Government of India. Therefore, due to the non-appointment of Independent Directors by the Govt. of India, CSL could not re-constitute the Committee with effect from July 15, 2020 till December 19, 2021. In the absence of CSR & SD Committee, CSR proposals were considered directly by the Board based on the recommendations of below Board level CSR Executive Committee.

133. However, CSR & SD Committee was re-constituted with effect from December 20, 2021, on account of appointment of Independent Directors on the Board of the Company. As on March 31, 2022, the Committee comprises of Shri Nahar Singh Maheshwari (DIN: 09419082), Non-official (Independent) Director as Chairperson, Smt. Amrapali Prashant Salve (DIN: 09415405), Non-official (Independent) Director, Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) and Shri Jose V J (DIN: 08444440), Director (Finance) as members.

134. The Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy can be accessed on the Company's website at the link [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

135. Cochin Shipyard started CSR activities in the year 2010-11 based on the guidelines issued by the Department of Public Enterprises (DPE) applicable to Government Companies. CSL has put in place an effective CSR Policy and implementation machinery. The CSR implementation machinery consists of three tier system; Tier I CSL Board, Tier II CSL Board Level CSR Committee consisting of four

members of the Board, chaired by an Independent Director and Tier III CSL CSR Executive Committee consisting of senior level executives across various departments of the Company.

136. During the year 2021-22, the Company could engage in meaningful CSR initiatives that received appreciation both within Kerala and also nationally.

137. The Company has spent ₹16.19 Crores against the target mandatory CSR spending of ₹16.17 Crores for the financial year 2021-22. "Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities" has been adopted as common theme for undertaking CSR activities by CSL for the year 2021-22.

138. The Annual Report on CSR activities is placed at **Annexure III**.

## Audit Committee

139. As on March 31, 2022, the Audit Committee of CSL comprises of Shri Prithviraj Harichandan (DIN: 01351097), Non-official (Independent) Director as Chairperson, Shri Ashok Sharma (DIN: 09414565), Non-official (Independent) Director and Shri Abhijit Biswas (DIN: 09419083), Non-official (Independent) Director as members. The immediate past Independent Directors of CSL vacated their office with effect from July 15, 2020 on completion of tenure of their appointment prescribed by the Government of India. Therefore, due to the non-appointment of Independent Directors by the Govt. of India, CSL could not re-constitute the Audit Committee with effect from July 15, 2020 till December 19, 2021. The Audit Committee was re-constituted on December 20, 2021, on account of appointment of Independent Directors on the Board of the Company. All recommendations of the Audit Committee were accepted by the Board of Directors. Particulars regarding the Audit Committee are provided under the section 'Board Committees' in the Report on Corporate Governance.

## Corporate Governance

140. The Company is committed to maintaining the highest standards of corporate governance and has put in place an effective corporate governance system. The Company complies with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also the Guidelines on Corporate Governance issued by the Department of Public Enterprises, subject to the below.



141. During the year, the post of six Independent Directors including a Woman Director remained vacant up to November 2021 and consequently there were no statutory Committees. CSL being a government company, the power to appoint Directors vests with the Government of India and the Company had provided necessary intimations to the Administrative Ministry for filling up the post of Independent Directors including a Woman Director. The Ministry of Ports, Shipping and Waterways vide letter no. SY-11012/1/2016-CSL dated November 22, 2021 appointed six Independent Directors including a Woman Independent Director on the Board of CSL. Subsequently, the statutory Committees were re-constituted with effect from December 20, 2021. Further, the Company also submits its progress reports on corporate governance within 15 days from the close of each quarter to the Administrative Ministry viz., Ministry of Ports, Shipping and Waterways as recommended by the DPE in this regard. The Report on Corporate Governance forms part of the Directors' Report.

### Management Discussion and Analysis

142. A separate section 'Management Discussion and Analysis Report' has been included in the Annual Report and the same forms part of the Directors' Report.

### Internal Financial Controls

143. The Company has in place adequate internal financial controls with reference to financial statements. During the financial year 2021-22, the Company had engaged M/s. Varma & Varma, Chartered Accountants for reviewing and installing adequate Internal Financial Controls and to ensure proper and adequate systems for compliance with the provisions of all applicable laws. Such controls were tested and no reportable material weakness in the design or operation was observed.

144. In order to provide for functional autonomy, the Company has a system wherein financial powers of the Board of Directors are delegated to the CMD. These powers are further sub-delegated to officers at various levels for smooth and efficient day to day functioning. An independent internal audit mechanism is in place for conducting extensive audit of various operational and financial matters. C&AG conducts proprietary audit.

145. During the year 2021-22, the Board of Directors/ Audit Committee examined internal/ statutory audit observations and provided guidance based on the same. The Board of Directors/ Audit Committee also looked into the internal control system, Company procedures and internal audit

performance and reports. The Company has implemented an integrated ERP System (SAP) since July 2014 and upgraded the same to the latest version S/4HANA from April 2022, which is enabling better management control. SAP audit was conducted by M/s. KPMG for assessment and improvement of SAP utilisations.

146. Being a frontrunner in adapting to and leveraging digital technology for optimizing its procedures and operations, CSL had taken another step further in this direction by introducing Legatrix in 2018, a digitally enabled legal and regulatory compliance and support service interface. CSL is the first shipping sector PSU to implement this novel system for streamlining its legal and regulatory compliance requirement.

### Statutory Auditors

147. M/s. Elias George & Co. (Firm Registration No. 000801S), Chartered Accountants, Ernakulam were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2021-22. The shareholders have delegated the power to fix the remuneration of Statutory Auditors to the Board and accordingly, the same has been fixed by the Board.

### Auditors Report

148. M/s. Elias George & Co., Statutory Auditors have submitted their report on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, on May 20, 2022. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Comments of C&AG

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

### Cost Auditors

150. The Company maintains cost records with respect to its shipbuilding activities as required under Section 148(1) of the Companies Act, 2013. The Board has appointed M/s. BBS & Associates, (Firm Registration No. 00273), Cost Accountants, Kochi, as the Cost Auditors for conducting the audit of cost records of the Company for the financial year 2021-22. The remuneration of Cost Auditor for the financial year 2021-22 was ratified by the shareholders at the 49th AGM held on September 29, 2021.

### Secretarial Auditor

151. The Board has appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is placed at **Annexure IV**.

152. The Secretarial Auditors in their Report observed the following viz., non-compliance with respect to the Minimum Public Shareholding (MPS) requirements, non-appointment of Independent Directors including a Woman Director on the Board of CSL and the consequent non-compliances including, non-constitution of statutory committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. Further, the details with respect to the fines imposed by the stock exchanges viz., BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") on account of the said non-compliances have also been included in the Secretarial Audit Report.

153. The explanation of the Board to the observations in the Secretarial Audit Report is given below:

As per Article 21(a) of the Articles of Association of the Company, the Directors on the Board of the Company are appointed by the President of India through the Administrative Ministry viz., Ministry of Ports, Shipping and Waterways (MoPSW). The MoPSW vide their letter No. SY-11012/1/2016-CSL dated November 22, 2021, appointed six Independent Directors including one Woman Director on the Board of CSL for a period of three years from November 22, 2021. Subsequently, all the statutory Committees were re-constituted with effect from December 20, 2021.

With respect to the non-compliance with the Minimum Public Shareholding (MPS) requirements, the Company is already having 27.14% public shareholding. However, the SEBI's observation was that the attainment of MPS as above was not through the methods of disinvestments notified by SEBI.

As per the Government of India (Allocation of Business) Rules 1961, all matters relating to Management of Central Government investments in equity (including disinvestment of equity in CPSEs) are vested in Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance. The power to sell the equity shares of the Promoter to attain the MPS is vested in the Department of

Investment and Public Asset Management (DIPAM) under the Ministry of Finance.

The Company vide its letter no. SEC/395/2018-II dated July 20, 2020 had intimated the requirement of achieving the Minimum Public Shareholding (MPS) in the manner prescribed by SEBI to the Administrative Ministry and DIPAM and a follow up letter was also forwarded on July 09, 2021, December 01, 2021 and March 15, 2022.

CSL has made representations to the stock exchanges for waiver of fines imposed for the above non-compliances and the reply is awaited.

### Internal Auditor

154. The Board has appointed M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi, to conduct Internal Audit for the financial year 2021-22.

### Annual Return

155. The annual return of the Company as required under Section 92(3) of the Companies Act, 2013 is available in the website of the Company at [https://cochinshipyard.in/investor/investor\\_titles/55](https://cochinshipyard.in/investor/investor_titles/55)

### Investor Services

156. The shares of the Company are listed in BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). CSL has paid listing fees to BSE and NSE on time. Link Intime India Private Limited are the Registrar & Transfer Agents in respect of these equity shares. The tax free bonds issued by the Company in 2013-14 are fully dematerialized with both the depositories, NSDL and CDSL. These bonds are listed on Wholesale Debt Market ("WDM") segment of BSE. CSL has paid the listing fees to BSE on time in respect of these bonds. Link Intime India Private Limited is the Registrar & Transfer Agents and SBICAP Trustee Company Limited is the Debenture Trustees in respect of these bonds.

### Vigilance

157. The Vigilance Department of Cochin Shipyard Limited performs various activities with regard to preventive and pro-active vigilance, undertakes investigation in cases related to punitive vigilance and conducts surveillance



and detection initiatives. Vigilance department strives to ensure transparency, equity and competitiveness in all procurement. Important CVC guidelines are discussed with Heads of Departments for its strict compliance. Emphasis was given to vigilance sensitization among the officers and supervisors for preventive vigilance.

158. Vigilance Department of Cochin Shipyard Limited is headed by full-time Chief Vigilance Officer, Smt. S. Uma Venkatesan, IRS. The Department also includes Vigilance Officer Shri K. R. Venugopalan (DySP, Kerala Police, on Deputation), two officers of CSL and two supporting staff.

159. Various systemic improvements recommended by the Vigilance department were implemented by the management during the year. Chief Technical Examiner, CVC type inspections were carried out on select major woks/ procurements in Civil department and Ship Repair division and reports sent to Chief Technical Examiner, CVC. Various contracts and audit reports were monitored during the year.

160. Vigilance sensitization programmes during the Vigilance Awareness Week was observed in a befitting manner as directed by the Commission strictly in compliance with COVID-19 protocol. Training sessions were conducted for the officers of CSL in two batches on the subject "Preventive Vigilance" on October 27 and 28, 2021. Essay competitions, slogan competitions and drawing competitions were conducted for employees and wards of CSL through online mode.

161. Vigilance department monitored the selection process of candidates for certain posts. Further, Vigilance department has also conducted surprise/periodic inspections in various areas of operations and suggested corrective actions wherever necessary. All reports to the Central Vigilance Commission are submitted in time and no reference is pending with CVC.

### Right to Information Act

162. In order to promote transparency and accountability, your Company has implemented the provisions of the Right to Information (RTI) Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralised RTI Cell to provide information to the citizens under the provisions of this Act. All the RTI requests and the appeals received both online and offline during the year 2021-22 have been processed and information was provided in a time bound manner as stipulated in the Act.

163. There have been no instances of non-compliance by the Company. No penalties or strictures were imposed on the Company by any statutory authority during the last three years with respect to RTI.

### Vigil Mechanism

164. The Cochin Shipyard Vigil Mechanism and Whistle Blower Policy of CSL adopted by the Board of Directors at their 228th Meeting held on December 14, 2016 was functioning as the Vigil Mechanism of CSL. Further, in line with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, CSL had adopted Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019. The Whistle Blower and Fraud Prevention Policy of CSL is available at the link [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

### Details of frauds reported by Auditors under Section 143

165. Nil.

### Particulars of loans, guarantees or investments

166. During the year under Report, the Company has not

- given any loan to any person or other body corporate;
- given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- 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, except as stated below:

Name of the Company	Description of Investment	Amount (₹ Crores)
Hooghly Cochin Shipyard Limited	Unsecured Redeemable Non-Convertible Debentures	31.00
Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Limited)	Unsecured Redeemable Non-Convertible Debentures	10.00

### Material changes and commitments

167. 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.

### Details of change in nature of business

168. There has been no change in the nature of business of the Company during the year under report.

### Deposits

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

### Secretarial Standards

170. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Significant and Material orders

171. 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.

### Business Responsibility Report

172. The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR Report") as part of the Annual Report for top 1000 listed entities based on market capitalization vide Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI has also prescribed

a format for BR Report. It also contains a list of nine key principles and various core elements under each principle to assess compliance with environmental, social and governance norms. The Company's BR Report for the year forms part of the Annual Report.

### Acknowledgement

173. The Board of Directors are extremely thankful for the continued patronage and support extended by the Hon'ble Union Minister for Ports, Shipping and Waterways and all officials of the Ministry of Ports, Shipping and Waterways. The Board would also like to express their grateful appreciation for the support and co-operation from various offices of the Government of India, Government of Kerala, Government of West Bengal, Government of Maharashtra, Andaman and Nicobar Administration, various local bodies, the Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditors, Cost Auditors, Internal Auditors, Suppliers, Sub-contractors, Company's Bankers and our valued customers. The Board also places on record its appreciation for the contribution and support extended by all employees of Cochin Shipyard Limited and its subsidiaries. Your Directors express their appreciation and gratitude to all the shareholders/investors for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board of Directors

Kochi  
May 24, 2022

**Madhu S Nair**

Chairman & Managing Director

DIN: 07376798



# Annexure I

## A. Conservation of Energy

a. Steps taken or impact on conservation of energy during the year 2021-22.	<p><b>Steps Taken</b></p> <ul style="list-style-type: none"> <li>Replaced high pressure mercury vapour light fittings with energy efficient LED light fittings at various LLTT/Gantry Cranes;</li> <li>Use of energy efficient BLDC/ 5 star fans instead of ordinary ceiling fans;</li> <li>Provided VRF air-conditioning system at office buildings;</li> <li>Leakages in the compressed air distribution system and other industrial gas lines are regularly monitored and rectified;</li> <li>Electrification of new buildings is carried out with LED lights instead of conventional discharge lamps;</li> <li>Switching off Main Air Compressor during lunch break;</li> <li>Switching off Main power supply to shops, quays, &amp; docks momentarily at 12:00 Hrs. This trips man coolers, roof extractors (controlled through starters), etc., which are not required during the lunch break;</li> <li>Displayed energy saving stickers &amp; posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power; and</li> <li>Power factor is continuously monitored and maintained near unity.</li> </ul> <p><b>Impact</b></p> <p>Energy saving is approx. 3.38 Lakhs units per annum with the implementation of measures specified above.</p>
b. Steps taken for utilizing alternate sources of energy.	<ul style="list-style-type: none"> <li>Installed a total of 58 kWp Grid connected solar power plant on the rooftop of CSL Employees' Quarters and Guest house in addition to the existing 1564 kWp grid connected solar power plant. With this the total installed capacity of solar power plants in CSL has become 1622 kWp; and</li> <li>18.53 Lakhs units of energy was generated from the solar power plants during the year 2021-22.</li> </ul>
c. Capital investment on energy conservation equipments.	<ul style="list-style-type: none"> <li>An amount of approximately ₹38.93 Lakhs have been invested for implementation of energy conservation measures specified above.</li> </ul>

## B. Technology Absorption, Adaptation and Innovation

a. Efforts made towards technology absorption.	<ul style="list-style-type: none"> <li>Implemented Blender, an open source software tool, which is used to render high quality 3D renderings of Concept/ Basic Design projects.</li> <li>External workshops/training provided in: <ul style="list-style-type: none"> <li>6 Day online course organized by Maritime Research Institute Netherlands (MARIN) on Hydrodynamics in Ship Design. The course consisted of wide range of topics including Resistance &amp; Propulsion, Propeller Cavitation &amp; Tests, Computational Fluid Dynamics in Ship Design, Seakeeping and Maneuvering;</li> <li>Online training organized by Indian Register of Shipping (IRS) on Naval Architecture. The course consisted of topics such as ship stability, IMO regulations etc.;</li> <li>Online training by OEM in ETAP software which is used for analyzing, managing and simulating marine vessels, off shore platforms and shipbuilding power systems; and</li> <li>Online training by OEM in Fluid flow software which is used for pipe sizing and analysis.</li> </ul> </li> <li>In-house development of 3D model, functional drawings &amp; production drawings for hull, machinery and electrical &amp; accommodation systems for KMRL ferry, 8000 T Multi-purpose General cargo ship, FBOP, ASW corvette &amp; Auto barge for M/s. ASKO were carried out;</li> <li>Installation of 3DEXPERIENCE shipbuilding software has been completed. Implementation and deployment and testing of 3DEXPERIENCE shipbuilding software solutions for hull structure, electrical, machinery, piping, HVAC, accommodation outfit &amp; project management are in progress; and</li> <li>Performed structural analysis of KMRL Catamaran ferry during lifted conditions, using Simulia, Finite Element Analysis tool that was procured as part of 3DEXPERIENCE Platform.</li> </ul>
b. Efforts made towards Technology Innovation.	<ul style="list-style-type: none"> <li>Development of NAPA software code for automatic generation of loading conditions and intact &amp; damage stability criteria check of these loading conditions;</li> <li>Development of Basic Design of tugs in collaboration with Robert Allan Ltd., a leading Canadian Design Firm, specialized in Tug Design;</li> <li>Development of five standard designs for Tugs for IPA;</li> <li>Development of three standard designs for Fishing vessels for GOI;</li> <li>Developed concept design of 12m Autonomous Surface vessel as feasibility study project;</li> <li>Developed working concept of Semi-Automatic Mooring System for implementation in Kochi Water Metro Project;</li> <li>Developed concept design of Hydrogen powered fuel cell passenger ferry boat. Rating of fuel cell and bill of materials for the project were finalized with MoU partner M/s. KPIT Technologies;</li> <li>Developed concept design for 3000 T Inland Cargo carrier for operation in NW1, NW2 and Indo Bangladesh protocol route;</li> <li>Developed concept design of battery powered Ro-Ro vessel;</li> <li>Developed concept design for 80 Pax River Cruise Vessel for operation in Ayodhya;</li> <li>Developed concept design for Submersible Testing Platform; and</li> <li>Implementation of IPMS software and hardware upgradation for INS Deepak through MoU partner M/s. Seastema, Italy.</li> </ul>



### Disclosure of particulars in respect of absorption

a. Benefits derived like product improvement, cost reduction, product development or import substitutions.	<ul style="list-style-type: none"> <li>Increased flexibility for performing design iterations for developing optimized products by having in-house software codes, FEA and CFD capability;</li> <li>Access to clientele and enhanced credibility on account of high quality design solutions;</li> <li>Enhanced competence in design by collaborating with specialized and leading firms;</li> <li>Capability achieved in undertaking multiple projects concurrently; and</li> <li>Reduction of rework, as interface of the systems can be viewed and corrected in 3D modelling on computer.</li> </ul>
b. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) following information may be furnished.	
i. The details of technology imported	ETAP software for analysing, managing and simulating marine power systems.
ii. The year of import	2020-21
iii. Whether the technology been fully absorbed	Yes
iv. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
c. Expenditure incurred on Research and Development	Nil

### C. Foreign Exchange Earnings and Outgo

	(₹ Lakhs)	
Earnings in Foreign Exchange	2021-22	2020-21
From Shipbuilding	2,137.88	6,588.02
From Ship repair	161.98	549.57
<b>Total</b>	<b>2,299.86</b>	<b>7,137.59</b>
Expenditure in Foreign Exchange		
Materials (CIF Value)	40,090.43	60,779.14
Design & Documentation	189.51	132.63
Service Charge & Others	13,597.35	6,220.45
<b>Total</b>	<b>53,877.29</b>	<b>67,132.22</b>

For and on behalf of the Board of Directors

Kochi  
May 24, 2022

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798

## 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	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) Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f) Date(s) of approval by the Board	Not Applicable
(g) Amount paid as advances, if any	Not Applicable
(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

Kochi  
May 24, 2022

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798



# Annexure III

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY

### 1. Brief outline on CSR Policy of the Company

The CSR activities in the Company for the year 2021-22 were undertaken in line with the statutory provisions under the CSR Rules and the guidelines issued by the Department of Public Enterprises for Central PSUs, the CSR Policy of the Company.

As per the CSR policy of the Company, for administrative convenience, the Company operates the projects under the categories of Minor projects, which are urgent in nature having value of ₹10 lakhs or less with the approval of Chairman & Managing Director, limited to 10% of total spend. All other projects were categorised as Major projects. 5% of the total spend is earmarked towards administrative overheads, which includes salary, expenditure on training and travel by CSR staff working in the Department.

Theme for the year: Towards creation of assets in line with national priorities/ needs of the society, as advised by the DPE, vide OM dated May 12, 2021, "Health & Nutrition, with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities" has been adopted as common theme for undertaking CSR

activities by CSL for the year 2021-22. Also, priority has been extended to aspirational district of Wayanad.

### 2. Composition of CSR Committee

The Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee of the Board recommends the CSR projects from time to time for the approval of the Board. The immediate past Independent Directors of CSL vacated their office with effect from July 15, 2020 on completion of tenure of their appointment prescribed by the Government of India. Therefore, due to the non-appointment of Independent Directors by the Government of India, CSL could not re-constitute the Committee with effect from July 15, 2020 till December 19, 2021. In the absence of CSR & SD Committee, CSR proposals were considered directly by the Board based on the recommendations of below Board level CSR Executive Committee. However, CSR & SD Committee was re-constituted with effect from December 20, 2021, on account of appointment of Independent Directors on the Board of the Company. The Composition of the CSR & SD Committee as on March 31, 2022 is given below:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR & SD Committee	
			held during the year	attended during the year
1.	Shri Nahar Singh Maheshwari (DIN: 09419082)	Non-Official (Independent) Director - Chairman	1	1
2.	Smt. Amrapali Prashant Salve (DIN: 09415405)	Non-Official (Independent) Director - Member	1	1
3.	Shri Bejoy Bhasker (DIN: 08103825)	Director (Technical) - Member	1	1
4.	Shri Jose V J (DIN: 08444440)	Director (Finance) - Member	1	1

### 3. Web-link where Composition of CSR & SD Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

Composition of CSR & SD Committee	<a href="https://cochinshipyard.in/investor/investor_titles/59">https://cochinshipyard.in/investor/investor_titles/59</a>
CSR Policy	<a href="https://cochinshipyard.in/investor/investor_titles/68">https://cochinshipyard.in/investor/investor_titles/68</a>
CSR projects approved by the Board	<a href="https://cochinshipyard.in/csr/aboutus">https://cochinshipyard.in/csr/aboutus</a>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

Impact assessment of the "Project Ananthakripa" undertaken by M/s. Sevabharathi, Thiruvananthapuram in the year 2018-19 with the CSR support of CSL at a cost of ₹1.5 Crores is being carried out by the School of Management Studies, Cochin University of Science and Technology.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Particular	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	40.00 Lakhs	40.00 Lakhs

### 6. Average net profit of the Company as per section 135(5) of the Companies Act, 2013 ("Act")

: ₹80,846.25 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5) of the Act : ₹1,616.93 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (c) Amount required to be set off for the financial year, if any : ₹40.00 Lakhs  
 (d) Total CSR obligation for the financial year (7a + 7b - 7c) : ₹1,576.93 Lakhs

### 8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,619.47 Lakhs	Nil	NA	NA	Nil	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year (List attached as **Annexure A**) : ₹718.21 Lakhs  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year (List attached as **Annexure B**) : ₹821.94 Lakhs  
 (d) Amount spent in Administrative Overheads : ₹79.32 Lakhs  
 (e) Amount spent on Impact Assessment, if applicable : Nil  
 (f) Total amount spent for the financial year (8b + 8c + 8d + 8e) : ₹1,619.47 Lakhs  
 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5) of the Act*	1,576.93 Lakhs
(ii)	Total amount spent for the financial year	1,619.47 Lakhs
(iii)	Excess amount spent for the financial year [(ii) - (i)]	42.54 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years as decided by the Board	40.00 Lakhs

\*The CSR obligation for the financial year 2021-22 after adjusting the excess spent during the financial year 2020-21.



9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	Nil	Nil	NA	Nil	NA	NA
2.	2019-20	Nil	Nil	NA	Nil	NA	NA
3.	2018-19	Nil	Nil	NA	Nil	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Status of the project Completed /Ongoing	Status of the project Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)

- (a) Date of creation or acquisition of capital asset(s) : Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
- (c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Act

Not Applicable

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798

**Nahar Singh Maheshwari**  
Chairperson, CSR & SD Committee  
DIN: 09419082

May 24, 2022

Annexure A

Details of CSR amount spent against ongoing projects for the financial year 2021-22

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Project duration in yrs	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Sec. 135(6) of the Act	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District						Name	CSR Registration No
1	Support for Procuring of Medical Instruments/ Equipments for Running the Jijamata Primary Women Health Care and Diagnosis Centre at Sindhkhe Raja, Dist. Buldana, Maharashtra	Cl. (i) promoting health	No	Pan India	Pan India	2	200.00	180.00	Nil	N	Jijau Shrushti, Buldana District	NA
2	Support for Maintenance and Management of Subash Park, Ernakulam and Koithara Park, Panampilly Nagar, Kochi	Cl. Swachh Bharat Abhiyan of GoI	Yes	Kerala	Ernakulam	2	112.00	104.00	Nil	N	C-Head Kochi	CSR00022791
3	Support for Construction of Seva Nilayam Palliative Care Centre for Patients and Bystanders from Kottayam Medical College Hospital	Cl. (i) promoting health	Yes	Kerala	Kottayam	1	70.00	63.00	Nil	N	Seva Bharathi	CSR00011962
4	Support for Construction of new Dormitory block for destitute girls and women and hostels for women and orphans at Ananthabhavan Boarding Home at Sree Naryana Giri, Thottumukham, Aluva	Cl. (iii) setting up of homes and hostels for women and orphans	Yes	Kerala	Ernakulam	1	60.00	54.00	Nil	N	Sri Narayana Sevika Samajam, Thottumugam, Aluva	CSR00008313
5	Support for Construction of Transit Shelter Home for Neglected Women and Children by Rugmini Smrithi Trust, Kadungallur, Aluva	Cl. (iii) setting up of homes and hostels for women and orphans	Yes	Kerala	Ernakulam	1	70.00	35.00	Nil	N	Rugmini Smrithi Trust, Kadungallur	CSR00011313
6	Support for Construction of Class Rooms at Sri Sarada Girls Higher Secondary School, Puranattukara, Thrissur District	Cl. (ii) promoting education	Yes	Kerala	Thrissur	1	50.00	25.00	Nil	N	Shri Sharada Mutt, Puranattukara	CSR00005056
7	Support for Construction of 10 Rooms in the Ground Floor at Guardian Angel Peace Mission for Palliative Care, Nedumbassery, Ernakulam District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	2	25.00	20.00	Nil	N	Guardian Angel Peace Mission Centre	CSR
8	Support for Construction of a Tribal Hostel (Manikanta Gurukulam) at Sabari Saranasramam, Koonamkara, Pathanamthitta District	Cl. (iii) setting up of homes and hostels for women and orphans	Yes	Kerala	Pathanamthitta	2	25.00	20.00	Nil	N	Shabari Sharanashramam	NA



(₹ Lakhs)

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Project duration in yrs	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Sec. 135(6) of the Act	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District						Name	CSR Registration No
9	Support for Construction of Container Toilet at Queens Walkway, Kochi	Cl. Swachh Bharat Abhiyan of GoI	Yes	Kerala	Ernakulam	3	26.00	17.70	Nil	N	CREDAI Clean City Movement	NA
10	Support for Setting up of Digital Library at Government Higher Secondary School, Munday, Kannur District	Cl. (ii) promoting education	Yes	Kerala	Kannur	1	30.00	15.00	Nil	N	District Panchayat, Kannur	CSR00015937
11	Support for Incubation Grant to the Winners of the COVACKATHON, a Collaborative initiative of IIT, Palakkad	Cl.(ix) Contributions or Funds provided to technology incubators located within academic institutions which are approved by the Central Govt	No	Pan India	Pan India	1	25.00	15.00	Nil	N	TECHNIN, IIT, Palakkad	CSR00006228
12	Support for Procuring a Vehicle for Transportation of Differently Abled Children at Karuna Special School, Nayarambalam, Ernakulam District	Cl. (ii) Promoting education, including special education	Yes	Kerala	Ernakulam	1	15.00	13.50	Nil	N	Karuna Special School	CSR00017944
13	Support for Construction of Gandhi Asram at Sarvodayakendram, Ramassery, Palakkad District	Cl.(v) protection of national heritage, art and culture	Yes	Kerala	Palakkad	1	25.00	12.50	Nil	N	Sarvodaya Kendram	CSR00015802
14	Support for Renovation and Completion of the Building Block' for 200 Mentally Challenged Residents at Divyaraksha Charitable Society, Mylacombu, Thodupuzha, Idukki District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	3	15.00	12.00	Nil	N	Divyaraksha Charitable Society	NA
15	Support for Procuring a Vehicle for Transporting People within the Tribal Settlements and outside for Health Care and Education Purpose by Sevabharathi, Thiruvananthapuram	Cl. (ii) promoting education	Yes	Kerala	Thiruvananthapuram	1	13.00	11.70	Nil	N	Seva Bharathi	CSR00021253
16	Support for Construction of Waiting Area and Toilets at Government District Homeo Hospital, Palleppady, Kaloor, Ernakulam District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	3	12.00	10.80	Nil	N	District Homeo Hospital	NA

(₹ Lakhs)

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Project duration in yrs	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Sec. 135(6) of the Act	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District						Name	CSR Registration No
17	Support for Upkeep and Maintenance of Revived Ponds under the Harithakeralam Project in Ernakulam District	Cl. Swachh Bharat Abhiyan of GoI	Yes	Kerala	Ernakulam	3	17.50	8.87	Nil	N	Haritha Keralam Mission	NA
18	Continued CSR Partnership for Welding for Nation Building- Don Bosco Technical Pvt. ITI, Vaduthala, Kochi	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Yes	Kerala	Ernakulam	2	15.00	8.21	Nil	N	Don Bosco Tech	NA
19	Support for Skill Development Training for Tribal Students' at Wayanad Girijana Seva Trust, Mattiayam Post, Vellamunda (via),Wayanad District	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Yes	Kerala	Wayanad - St	3	12.50	7.49	Nil	N	Wayanad Girijana Seva Trust	NA
20	Project Nari Shakti - Support for Sanitary Napkin Manufacturing Unit at District Jail, Kakkanaad	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Yes	Kerala	Ernakulam	1	12.84	6.42	Nil	N	Buimerc India Foundation	CSR00020148
21	Support for Construction of Open Stage at Brahmanandodayam Higher Secondary School, Kalady, Ernakulam District	Cl. (ii) promoting education	Yes	Kerala	Ernakulam	1	10.25	5.13	Nil	N	Sri Ramakrishna Ashrama	CSR0002806



Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Project duration in yrs	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Sec. 135(6) of the Act	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District						Name	CSR Registration No
22	Support for Distribution of Refrigerated Mobile Fish Vending Kiosks for Fisherwomen across Kerala by Central Institute of Fisheries Technology (CIFT)	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Yes	Kerala	Ernakulam	2	17.00	6.80	Nil	N	ICAR-CIFT	NA
23	Support for Integrated Interventions for Addressing Poverty, Malnutrition & Educational Backwardness of Paniya Tribes in Wayanad by M S Swaminathan Research Foundation Wayanad	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Yes	Kerala	Wayanad - St	3	15.00	6.00	Nil	N	M S Swaminathan Foundation	NA
24	Miyavaki Method Afforestation in a Vacant Plot near CSL Residential Quarters by Natures Green Guardian Foundation, Thiruvananthapuram	Cl. (iv) Ensuring environmental sustainability, ecological balance, protection of Flora and Fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	Kerala	Ernakulam	3	15.00	3.61	Nil	N	Natures Green Guardian	NA
25	Projects of ₹10 Lakhs & below*	Various Schedule VII Activities	No	Pan India	Pan India	1-3	85.76	56.48	Nil	Both	Various implementing agencies and direct.	-
<b>TOTAL</b>							<b>973.85</b>	<b>718.21</b>	<b>-</b>			

\*Multiple small scale CSR projects with an overall Project cost of ₹10 Lakhs & below have been clubbed together. The details of all CSR Projects including the small scale CSR Projects undertaken by the Company during the financial year 2021-22 is available at the Company's website at the link <https://cochinshipyard.in/csr/aboutus#parentVerticalTab6>

## Annexure B

### Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Amount spent for the project	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District			Name	CSR Registration No
1	Support for Covid Corona Vaccination	Cl. (i) promoting health	Yes	Kerala	Ernakulam	148.64	Y	Self	NA
2	Support for Distribution of Grocery Kit to Workers Engaged by Subcontractors in CSL during the pandemic	Cl. (i) promoting health	Yes	Kerala	Ernakulam	73.66	Y	Self	NA
3	Support for Construction of One Floor for Sports Hostel for Boys for Implementing Khelo India Scheme at Sree Durga Vilasam Higher Secondary School, Peramangalam, Thrissur District	Cl. (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	Yes	Kerala	Thrissur	30.00	N	Shri Dirga Vilasam School, Peramangalam	CSR00023373
4	Support for Smart Class Rooms at Government Higher Secondary School, Munderi, Kannur District	Cl. (ii) promoting education	Yes	Kerala	Kannur	29.50	N	District Panchayat, Kannur	CSR00015937
5	Support for Construction of Seaworthy Marine Rescue Ambulance to Department of Fisheries, Government of Kerala	Cl. (i) promoting health	Yes	Kerala	Kerala	28.00	Y	Direct	NA
6	Academy of Magical Science Houses for Differently abled - setting up of performing centres for differently abled	Cl. (ii) Promoting education, including special education	Yes	Kerala	Trivandrum	25.00	N	Academy of Magical Sciences, Trivandrum	CSR00003855
7	Infrastructure Support for Oxygen Distribution Facility in Government Health Care Institutions in Ernakulam District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	25.00	N	National Health Mission, Ernakulam	NA

(₹ Lakhs)

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Amount spent for the project	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District			Name	CSR Registration No
8	Support for Construction of Jijamata Primary Women Health Care and Diagnosis Centre, Quarters and Procuring of Hospital Instruments/ Equipments including an Ambulance for the benefit of the People at Sindhed Raja, Dist Buldana, Maharashtra	Cl. (i) promoting health	No	Kerala	Maharashtra	24.12	N	Jijau Shrushti, Buldana District	NA
9	Support for Set up Four Anganwadi Projects at Wayanad District	Cl. (i) Eradicating hunger, poverty and malnutrition	Yes	Kerala	Wayanad - St	23.35	N	District Nirmithi Kendra, Wayanad	NA
10	Support for Renovation of Park at Kumbalangi Grama Panchayat	Cl. (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	Yes	Kerala	Ernakulam	22.70	N	Kumbalangi Grama Panchayat	NA
11	Support for Community Kitchen by Kochi Municipal Corporation	Cl. (i) promoting health	Yes	Kerala	Ernakulam	20.00	Y	Self	NA
12	Support for Re Construction of Library Building at Sri Ramakrishna Advaita Ashrama, Muvattupuzha	Cl.(v) protection of national heritage, art and culture	Yes	Kerala	Ernakulam	19.60	N	Sri Ramakrishna Ashrama	CSR00002806
13	Support for Procuring a Refrigerated Vaccine Delivery Vehicle to District Medical Office Wayanad	Cl. (i) promoting health	Yes	Kerala	Wayanad - St	19.34	Y	Direct	NA
14	Support for Constructing the Second Floor of Karunya Pain and Palliative Care Hospital, Parappur, Thrissur District	Cl. (i) promoting health	Yes	Kerala	Thrissur	18.00	N	Karunya Pain and Palliative Care Society	NA
15	Support for Vypin Folklore Fest - creation of wall graffiti - in connection with Azadi ka Amrut Mahotsav - 75th year celebration of the country by DTPC, Ernakulam	Cl.(v) protection of national heritage, art and culture	Yes	Kerala	Ernakulam	18.00	N	District Tourism Promotion Council Ernakulam	CSR000023887

(₹ Lakhs)

Sl No	Name of the project	Item from the list of activities in Sch VII to the Act	Local Area Yes/No	Location of the project		Amount spent for the project	Mode of implementation - Direct (Y/N)	Mode of implementation through Implementing Agency	
				State	District			Name	CSR Registration No
16	Support for Advanced Surgical Oncology Centre for Indira Gandhi Co Operative Hospital, Kadavanthra, Ernakulam District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	17.50	N	Indian Gandhi Cooperative Society Hospital	CSR00003359
17	Support for Purchase of 50 Seater Marine Boat for Vivekananda Rock Memorial Trust, Kanyakumari, Tamil Nadu	Cl.(v) protection of national heritage, art and culture	No	Tamilnadu	Kanyakumari	17.00	N	Vivekananda Rock Memorial Trust	NA
18	Support for Construction of Relief and Rehabilitation Centre at Sri Ramakrishna Seva Asramam, Kaloor, Ernakulam District	Cl. (i) promoting health	Yes	Kerala	Ernakulam	15.00	N	Sri Ramakrishna Seva Ashram	NA
19	Projects of ₹10 Lakhs & below*	Various Schedule VII Activities	Yes	Kerala	Pan Kerala	247.53	Both	Various implementing agencies and direct.	-
<b>TOTAL</b>						<b>821.94</b>			

\*Multiple small scale CSR projects worth ₹10 Lakhs & below have been clubbed together. The details of all CSR Projects including the small scale CSR Projects undertaken by the Company during the financial year 2021-22 is available at the Company's website at the link <https://cochinshipyard.in/csr/aboutus#parentVerticalTab6>

Kochi  
May 24, 2022

For and on behalf of the Board of Directors

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798



# Annexure IV

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[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,  
**Cochin Shipyard Limited**,  
Administrative Building,  
Cochin Shipyard Premises,  
Perumanoor, Cochin,  
Ernakulam, Kerala- 682015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cochin Shipyard Limited** (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 Cochin Shipyard Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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 Cochin Shipyard Limited ("the Company") for the financial year ended 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct

Investment, Overseas Direct Investment and External Commercial borrowings (During the period under review not applicable to the Company)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations");
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (During the period under review not applicable to the Company)
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; (During the period under review not applicable to the Company)
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (During the period under review not applicable to the company);
  - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (During the period under review not applicable to the Company)

- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (During the period under review not applicable to the Company)
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (During the period under review not applicable to the Company) and
- (j) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (During the period under review not applicable to the Company)
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 ("CG Guidelines");
- (vii) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was no Woman Director on the Board of Directors of the Company for the period from 01.04.2021 to 25.11.2021 as mandated under Regulation 17 (1) of SEBI (LODR) Regulations and Section 149 of the Act. However, Ms. Amrapali Salve was appointed as a Woman Director on the Board of Directors of the Company on the 26th of November, 2021.
2. There were no Independent Directors on the Board of Directors for the period from 01.04.2021 to 21.11.2021 as mandated under Section 149(4) of the Act, also as per clause 3.1 of Corporate Governance guidelines for CPSE and Regulation 17 of SEBI (LODR) Regulations. However, Six Independent Directors were appointed by the company for which details are as below.

Sl. No.	Name	Date of Appointment
1	Prithviraj Harichandan	22.11.2021
2	Mani Venkatesan	22.11.2021
3	Ashok Kumar Sharma	26.11.2021
4	Amrapali Salve	26.11.2021
5	Nahar Singh Maheshwari	01.12.2021

Sl. No.	Name	Date of Appointment
6	Abhijit Biswas	01.12.2021

3. The minimum requirement of six directors as per Regulation 17 of SEBI (LODR) Regulations was not complied for a period from 01.05.2021 to 21.11.2021.
4. Quorum of at least one Independent Director as per Regulation 17 of SEBI (LODR) Regulations was not met in the Board Meetings held on 11.06.2021, 10.08.2021 and 11.11.2021 as there were no Independent Directors for the period 01.04.2021 to 21.11.2021.
5. The Company did not constitute an Audit Committee as required under Regulation 18 of SEBI (LODR) Regulations; Section 177 of the Act; and Clause 4.1 of the CG Guidelines for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
6. The Company did not constitute the Nomination and Remuneration Committee as required under Regulation 19 of SEBI (LODR) Regulations; Section 178 of the Act; and Clause 5.1 of the CG Guidelines for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
7. The Company did not constitute the Stakeholders Relationship Committee as required under Regulation 20 of SEBI (LODR) Regulations and Section 178 of the Act for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
8. The Company did not constitute the Corporate Social Responsibility Committee as required under Section 135 of the Act for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
9. The Company did not constitute the Risk Management Committee as required under Regulation 21 of SEBI (LODR) Regulations for a period from 05.08.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
10. A Fine has been levied by both BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") for Non-Compliance of Corporate Governance conditions of SEBI (LODR) Regulations as follows:

## BSE Quarter -1

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	30-Jun-2021	10,000	1	11,800
17(1)	30-Jun-2021	5,000	91	5,36,900
18(1)	30-Jun-2021	2000	91	2,14,760
19(1)/ 19(2)	30-Jun-2021	2000	91	2,14,760
20(2)/ (2A)	30-Jun-2021	2000	91	2,14,760
<b>Total</b>				<b>11,92,980</b>

Representation has been made by the Company for waiver of fees.

## BSE Quarter-2

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	30-Sep-2021	10,000	1	11,800
17(1)	30-Sep-2021	5,000	92	5,42,800
18(1)	30-Sep-2021	2000	92	2,17,120
19(1)/ 19(2)	30-Sep-2021	2000	92	2,17,120
20(2)/ (2A)	30-Sep-2021	2000	92	2,17,120
21(2)	30-Sep-2021	2000	57	1,34,520
<b>Total</b>				<b>13,40,480</b>

Representation has been made by the Company for waiver of fees.

## BSE Quarter-3

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	31-Dec-2021	10,000	1	11,800
17(1)	31-Dec-2021	5,000	61	3,59,900
18(1)	31-Dec-2021	2000	80	1,88,800
19(1)/ 19(2)	31-Dec-2021	2000	80	1,88,800
20(2)/ (2A)	31-Dec-2021	2000	80	1,88,800
21(2)	31-Dec-2021	2000	80	1,88,800
<b>Total</b>				<b>11,26,900</b>

Representation has been made by the Company for waiver of fees.

## NSE- Quarter-1

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	30-Jun-2021	10,000	1	10,000
17(1)	30-Jun-2021	5,000	91	4,55,000
18(1)	30-Jun-2021	2000	91	1,82,000
19(1)/19(2)	30-Jun-2021	2000	91	1,82,000
20	30-Jun-2021	2000	91	1,82,000
<b>Total (Inclusive of GST)</b>				<b>11,92,980</b>

Representation has been made by the Company for waiver of fees.

## NSE- Quarter-2

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	30-Sep-2021	10,000	1	10,000
17(1)	30-Sep-2021	5,000	92	4,60,000
18(1)	30-Sep-2021	2000	92	1,84,000
19(1)/19(2)	30-Sep-2021	2000	92	1,84,000
20	30-Sep-2021	2000	92	1,84,000
21	30-Sep-2021	2000	57	1,14,000
<b>Total (Inclusive of GST)</b>				<b>13,40,480</b>

Representation has been made by the Company for waiver of fees.

## NSE- Quarter-3

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	31-Dec-2021	10,000	1	10,000
17(1)	31-Dec-2021	5,000	61	3,05,000
18(1)	31-Dec-2021	2000	80	1,60,000
19(1)/19(2)	31-Dec-2021	2000	80	1,60,000
20	31-Dec-2021	2000	80	1,60,000
21	31-Dec-2021	2000	80	1,60,000
<b>Total (Inclusive of GST)</b>				<b>11,26,900</b>

Representation has been made by the Company for waiver of fees.

11. Subject to Regulation 38 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") a listed entity is required to comply with Minimum Public Shareholding as specified in Rule 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957.

The Company has not attained the Minimum Public Shareholding of 25% as required under Rule 19A of the Securities Contracts (Regulations) Rules, 1957 through the methods prescribed by the Securities and Exchange Board of India.

As per the Government of India (Allocation of Business) Rules 1961, all matters relating to Management of Central Government investments in equity (including disinvestment of equity in CPSEs) are vested in Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance. The power to sell the equity shares of the Promoter to attain the MPS is vested in the Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance.

The Company vide its letter no. SEC/395/2018-II dated July 20, 2020 had intimated the requirement of achieving the Minimum Public Shareholding (MPS) in the manner prescribed by SEBI to the Administrative Ministry and DIPAM and a follow up letter was also forwarded on July 09, 2021, December 01, 2021 and March 15, 2022.

A Fine has been levied by both BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") for Non-Compliance with respect to Minimum Public Shareholding requirements as follows:

## BSE

Regulation	Quarter	Schedule of fine to be levied	Total Fine payable (inclusive of GST)
38	30-Jun-21	5000	536900
38	30-Sep-21	5000	542800
38	31-Dec-21	5000	613600
<b>TOTAL</b>			<b>16,93,300</b>



## NSE

Regulation	Quarter	Fine amount per day (₹)	No. of days of Non-Compliance	Fine Amount (₹)
38	30-Jun-21	5000	91	455000
38	30-Sep-21	5000	92	460000
38	31-Dec-21	5000	80	400000
38	31-Dec-21	10,000	12	120000
<b>Total Fine (Inclusive of 18%GST)</b>				<b>16,93,300</b>

**We further report that**

Subject to the above, the changes in the composition of the Board of Directors that took place during the period have been reviewed and commented in this report.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were passed unanimously.

**We further report that** 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** during the audit period the Company had the following specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, Standards, etc...

- The Members at the Annual General Meeting held on 29.09.2021 approved a final dividend of ₹2.5/- per equity share for the financial year 2020-21;
- The Board of Directors at their Meeting held on 11.11.2021 approved an interim dividend of ₹ 6/- per equity share; and
- The Board of Directors at their Meeting held on 10.02.2022 approved a 02nd interim dividend of ₹ 7/- per equity share.

**For Mehta & Mehta,**

Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Atul Mehta**

Partner  
PCS No: 5782  
CP No: 2486

Place: Mumbai  
Date: May 20, 2022  
UDIN: F005782D000355131

Note: 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.

**ANNEXURE A**

To,  
The Members,  
**Cochin Shipyard Limited,**  
Administrative Building,  
Cochin Shipyard Premises,  
Perumanoor, Cochin,  
Ernakulam, Kerala- 682015

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

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion in these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in point vi & vii of our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,**

Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Atul Mehta**

Partner  
PCS No: 5782  
CP No: 2486

Place: Mumbai  
Date: May 20, 2022  
UDIN: F005782D000355131

For and on behalf of the Board of Directors

Kochi  
May 24, 2022

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798

# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

1. Cochin Shipyard recognizes the importance of Corporate Governance to emerge as a model corporate. The Company has adopted policies and procedures which are aimed at effectively discharging its responsibilities to various stakeholders, viz., shareholders, creditors, customers, employees and society at large. CSL strongly believes that the Company can emerge as a strong global leader only by following good & sound Corporate Governance principles. The Company has been rated 'Excellent' in Corporate Governance practices as per the evaluation criteria prescribed by the Department of Public Enterprises consistently for the last several years.

## Board of Directors

2. The Board of Directors of Cochin Shipyard Limited plays a pivotal role in ensuring good Corporate Governance. The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"). The composition of the Board during the financial year ended March 31, 2022 is as follows:

Sl. No.	Name of Director	Director Identification Number (DIN)	Category of Directorship
1.	Shri Madhu S Nair	07376798	Chairman & Managing Director
2.	Shri Suresh Babu N V*	07482491	Director (Operations)
3.	Shri Bejoy Bhasker	08103825	Director (Technical)
4.	Shri Jose V J	08444440	Director (Finance)
5.	Shri Sanjay Bandopadhyaya IAS	00088957	Official Part Time (Nominee) Director, Government of India
6.	Shri Jyothilal K R IAS	01650017	Official Part Time (Nominee) Director, Government of Kerala
7.	Smt. Amrapali Prashant Salve#	09415405	Non-official (Independent) Director
8.	Shri Nahar Singh Maheshwari#	09419082	Non-official (Independent) Director
9.	Shri Ashok Sharma#	09414565	Non-official (Independent) Director
10.	Shri Prithviraj Harichandan#	01351097	Non-official (Independent) Director
11.	Shri Venkatesan M#	07667728	Non-official (Independent) Director
12.	Shri Abhijit Biswas#	09419083	Non-official (Independent) Director

\* The Ministry of Ports, Shipping and Waterways (MoPSW), Government of India, vide letter no. SY-11012/1/2020-CSL dated February 26, 2021 extended his tenure with effect from April 26, 2021 till April 30, 2021, i.e. up to the date of his superannuation. Consequently, he retired on superannuation from the services of the Company on April 30, 2021.

# The Ministry of Ports, Shipping and Waterways, Government of India, vide letter no. SY-11012/1/2016-CSL dated November 22, 2021, appointed Smt. Amrapali Prashant Salve, Shri Nahar Singh Maheshwari, Shri Ashok Sharma, Shri Prithviraj Harichandan, Shri Venkatesan M and Shri Abhijit Biswas as the Non-official Independent Directors for a period of three years with effect from November 22, 2021. The profile of these Directors 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 these Directors are provided under the heading 'Other Directorships and Committee positions' below.

3. Disclosure of relationship between Directors inter-se: Nil
4. None of the Directors of the Company were members in more than ten committees or act as Chairperson of more than five committees across all listed entities in which he/she is a Director. None of the Independent Directors of the Company held Directorships in more than seven listed companies.

5. The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of the Director in the Board/Committee meetings through electronic mode. The Directors viz., Shri Sanjay Bandopadhyaya IAS, Shri Jyothilal K R IAS, Shri Bejoy Bhasker, Smt. Amrapali Prashant Salve, Shri Nahar Singh Maheshwari, Shri Ashok Sharma, Shri Prithviraj Harichandan, Shri Venkatesan M and Shri Abhijit Biswas have availed the facility during the financial year 2021-22.
6. The meetings of the Board of Directors and Committees have been conducted in the manner as specified in SEBI Listing Regulations and Companies Act, 2013.

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

7. Five Board Meetings were held during the year under review. Details of attendance of Directors at the Board Meetings and AGM are given below:

Name of Director	2021			2022		AGM Sep 29, 2021
	Jun 11	Aug 10	Nov 11	Feb 10	Mar 16	
Shri Madhu S Nair	Y	Y	Y	Y	Y	Y
Shri Sanjay Bandopadhyaya IAS	Y*	Y*	N	N	N	N
Shri Jyothilal K R IAS	Y*	Y*	Y*	Y*	Y*	Y*
Shri Suresh Babu N V	NA	NA	NA	NA	NA	NA
Shri Bejoy Bhasker	Y	Y*	Y	Y	Y	Y
Shri Jose V J	Y	Y	Y	Y	Y	Y
Smt. Amrapali Prashant Salve	NA	NA	NA	Y	Y	NA
Shri Nahar Singh Maheshwari	NA	NA	NA	Y	Y	NA
Shri Ashok Sharma	NA	NA	NA	Y*	Y*	NA
Shri Prithviraj Harichandan	NA	NA	NA	Y*	Y*	NA
Shri Venkatesan M	NA	NA	NA	Y*	Y*	NA
Shri Abhijit Biswas	NA	NA	NA	Y*	Y*	NA

\* attended through electronic mode

NA - Not applicable

## Other Directorships and Committee positions

8. The total number of other Directorship(s) held by Directors and other positions of Membership/Chairmanship on Committees, as on March 31, 2022 are given below:

Name of the Director	No. of Directorship in other public limited companies		Board Committee positions held in other public limited companies		Name of other Listed Entity where the person is a Director	Category of Directorship in the Listed Entity
	Chairman	Member	Chairman	Member		
Shri Madhu S Nair	2	2	-	-	-	-
Shri Sanjay Bandopadhyaya IAS	-	1	-	-	-	-
Shri Jyothilal K R IAS	-	6	-	1	-	-
Shri Bejoy Bhasker	-	2	-	-	-	-
Shri Jose V J	-	2	-	-	-	-
Smt. Amrapali Prashant Salve	-	-	-	-	-	-
Shri Nahar Singh Maheshwari	-	-	-	-	-	-
Shri Ashok Sharma	-	-	-	-	-	-
Shri Prithviraj Harichandan	-	-	-	-	-	-
Shri Venkatesan M	-	-	-	-	-	-
Shri Abhijit Biswas	-	-	-	-	-	-

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



9. None of the Directors except the following hold any shares in the Company as on March 31, 2022:

Name of the Director	No. of Equity Shares Held
Shri Madhu S Nair	1400
Shri Bejoy Bhasker	510

### Chart of skills/expertise/competence of the Board of Directors as on March 31, 2022

Sl. No.	Skills/Expertise/Competency	Shri Madhu S Nair	Shri Bejoy Bhasker	Shri Jose V J	Shri Sanjay Bandopadhyaya IAS	Shri Jyothilal K R IAS	Smt. Amrapali Prashant Salve	Shri Nahar Singh Maheshwari	Shri Ashok Sharma	Shri Prithiviraj Harichandan	Shri Venkatesan M	Shri Abhijit Biswas
1.	Ship building/repair Industry Experience	Y	Y	Y	Y	Y						
2.	Knowledge of Ship building/repair Sector	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Accounting knowledge	Y		Y					Y	Y		Y
4.	Financial/investment knowledge	Y	Y	Y	Y	Y			Y	Y		Y
5.	Law			Y	Y	Y		Y		Y		
6.	Marketing experience	Y	Y	Y						Y		Y
7.	Information Technology	Y	Y	Y	Y					Y		
8.	Developing and implementing risk management systems	Y	Y	Y	Y	Y	Y					
9.	Human Resource Management experience	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Strategy/Corporate plan development and implementation	Y	Y	Y	Y	Y						
11.	Directorship experience in other listed companies											
12.	Directorship experience in unlisted companies	Y	Y	Y	Y	Y				Y	Y	
13.	Integrity and high ethical standards	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
14.	Leadership skills	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
15.	Social welfare orientation	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
16.	Experience in government relations	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

### Independent Directors

10. During the year, the post of six Independent Directors including a Woman Director remained vacant upto November 2021. The Ministry of Ports, Shipping and Waterways vide letter no. SY-11012/1/2016-CSL dated November 22, 2021 appointed six Independent Directors including a Woman Director on the Board of CSL for a period of three years or until further orders whichever is earlier. Presently, CSL is in compliance with the corporate governance requirements prescribed by SEBI and DPE.

11. Being a Central Public Sector Undertaking, the Independent Directors of the Company are appointed by the Ministry of Ports, Shipping and Waterways, Government of India, initially for a term of 3 years or until further orders whichever is earlier. The main terms of appointment can be accessed at <https://cochinshipyard.in/board-of-directors/independent>

12. Familiarization programme for Independent Directors generally form part of the Board process. The Independent Directors are updated on an ongoing basis at the Board/Committee meetings, inter alia, on the following:

- Nature of industry in which the Company operates;
- Business environment and operational model of various business divisions of the Company including important developments thereon; and
- Important changes in regulatory framework having impact on the Company.

13. Details of the familiarization programme for Independent Directors can be accessed at <https://cochinshipyard.in/board-of-directors/independent>

14. In the opinion of the Board, the Independent Directors fulfilled the conditions specified in the SEBI Listing Regulations and were independent of the management during their term of appointment.

### Meetings of Independent Directors

15. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held during the financial year 2021-22. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Mar 16, 2022
1.	Smt. Amrapali Prashant Salve	Y
2.	Shri Nahar Singh Maheshwari	Y
3.	Shri Ashok Sharma	Y*
4.	Shri Prithiviraj Harichandan	Y*
5.	Shri Venkatesan M	Y*
6.	Shri Abhijit Biswas	Y*

\* attended through electronic mode

### Availability of information to the members of the Board

16. The Board has complete access to any information within the Company and to any employee of the Company. The Board welcomes the presence of executives in the Board meetings, who can provide additional insights into the issues being discussed in the meeting. The information normally required to be placed before the Board include the following:

- a) To make calls on shareholders in respect of money unpaid on shares.
- b) To authorize buy-back of securities.
- c) To issue securities including debentures, in India or abroad.

- d) To borrow monies.
- e) To invest funds of the Company.
- f) To grant loans or give guarantee or provide security in respect of loans.
- g) To approve financial statement and Board's Report.
- h) To diversify the business of the Company.
- i) To approve amalgamation, merger or reconstruction.
- j) To take over a company or acquire a controlling interest or substantial stake in another company.
- k) To appoint or remove Key Managerial Personnel (KMP).
- l) To appoint internal auditor and secretarial auditor.
- m) General notices of interest of Directors.
- n) Terms of reference of Board Committees.
- o) Minutes of meetings of Audit Committee and other Committees of the Board, resolutions passed by circulation and also the minutes of Board meetings of subsidiary companies.
- p) Annual operating plans of businesses, capital budgets and any updates.
- q) Quarterly results of the Company and its operating divisions or business segments.
- r) Declaration of dividend.
- s) Sale of investments, subsidiaries and assets which are material in nature and not in normal course of business.
- t) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- u) Internal audit findings and external audit reports (through the Audit Committee).
- v) Status of business risk exposures, its management and related action plans.
- w) Details of any joint venture or collaboration agreement.
- x) Show cause, demand, prosecution notices and penalty notices which are materially important.
- y) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

- z) All policy matters deliberated and introduced for implementation.
- aa) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- bb) Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- cc) The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
- dd) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- ee) Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like implementation of Voluntary Retirement Scheme (VRS) etc.
- ff) Capital budgets and any updates.
- gg) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- hh) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

### Board material distributed in advance

17. Notice of each Board meeting and Committee meeting is sent to all the members not less than seven days in advance except when it is convened as emergency meeting. The agenda notes for each Board/Committee meeting is drafted in consultation with the Chairman and are circulated to the Directors not less than seven days in advance except when it is convened as emergency meeting with the concurrence of all Board/Committee members. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to the subject in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with the consent of all Directors present at the meeting.

18. CSL digitalised its meetings by introduction of a Board Management software viz., Doss Digital Meetings, which enables to securely create, distribute and manage meeting documents in digital format. It ensures that the Board and the Committee members get the communication at the right time and securely. This Board management software will streamline the entire meeting process right from the preparation of agenda papers till the finalisation of minutes of the meetings, which will in turn save time, effort & cost and improve governance.

### Recording Minutes of proceedings at Board and Committee meeting

19. The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/Committee for their comments within fifteen days from the conclusion of the meeting. The final minutes are entered in the minutes book within 30 days from conclusion of the meeting.

### Post Meeting Follow up Mechanism

20. The important decisions taken at the Board/Committee meetings are promptly communicated to the departments/divisions concerned. The status of implementation of major decisions are apprised to the Board/Committee in the ensuing meetings.

### Compliance

21. The Company Secretary while preparing the agenda notes, minutes etc. of the meeting(s) is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules issued thereunder as also the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Government of India.

### Board Committees

22. During the year, the post of six Independent Directors including a Woman Director remained vacant upto November 2021. The Ministry of Ports, Shipping and Waterways vide letter no. SY-11012/1/2016-CSL dated November 22, 2021 appointed six Independent Directors including a Woman Independent Director on the Board of CSL. Subsequently, the statutory Committees were reconstituted with effect from December 20, 2021.

23. During the financial year 2021-22, the Board of CSL had five statutory Committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility and Sustainable Development Committee, Stakeholders Relationship Committee and Risk Management Committee.

### Audit Committee

24. The Audit Committee of CSL was formed on August 21, 2008. Subsequent to the appointment of Independent Directors on the Board of the Company, Audit Committee was reconstituted with effect from December 20, 2021.

### Terms of reference

25. The following are the terms of reference of the Audit Committee:
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Modified opinion(s) in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



(xviii) To review the functioning of the whistle blower mechanism;

(xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

(f) Statement of deviations:

(i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;

(ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(xxi) To review the follow up action on the audit observations of the C&AG audit;

(xxii) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors;

(xxiii) Audit Committee shall also review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances/ investments existing as on the date of coming into force of this provision;

(xxiv) Review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, at least once in a financial year;

(xxv) Verify that the systems for internal control required to be maintained pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended are adequate and are operating effectively; and

(xxvi) Carrying out any other function as specified by the Board from time to time.

### Powers of the Audit Committee

26. The Committee is entrusted with the following powers:

a) To investigate any activity within its terms of reference;

b) To seek information on and from any employee;

c) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

27. The recommendations of the Audit Committee on any matter relating to the financial management, including the audit report, shall be binding on the Board.

28. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

### Constitution

29. As on March 31, 2022, the Audit Committee of CSL comprises of Shri Prithviraj Harichandan (DIN: 01351097), Non-official (Independent) Director as Chairperson, Shri Ashok Sharma (DIN: 09414565), Non-official (Independent) Director and Shri Abhijit Biswas (DIN: 09419083) Non-official (Independent) Director as members.

30. Audit Committee meetings are also attended by Director (Finance), representatives of Secretarial Auditors, Statutory Auditors and Internal Auditors of the Company as invitees. The Internal audit function has been outsourced to a firm of Chartered Accountants. The Company Secretary acts as the Secretary to the Committee.

### Audit Committee meetings held during 2021-22 and attendance

31. The Committee met once during the year 2021-22. The necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	February 10, 2022
1.	Shri Prithviraj Harichandan	Y*
2.	Shri Ashok Sharma	Y*
3.	Shri Abhijit Biswas	Y*

\* attended through electronic mode

### Nomination & Remuneration Committee

32. The Nomination & Remuneration Committee of Cochin Shipyard Limited was constituted vide Circular Resolution adopted on December 13, 2008. Subsequent to the appointment of Independent Directors on the Board of the Company, Nomination & Remuneration Committee was re-constituted with effect from December 20, 2021.

### Terms of reference

33. Following are the terms of reference of the Nomination & Remuneration Committee:

(a) Decide on the annual bonus/performance pay/variable pay pool and policy for its distribution across the executives and non-unionized supervisors of our Company;

(b) Formulation and modification of schemes for providing perks and allowances for officers and non-unionized supervisors;

(c) Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionized supervisors and the employees as the case may be; and

(d) Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time.

Sl. No.	Name and Designation	Total of Basic Pay, DA, HRA & other perks & Allowances	Performance Related Payment (PRP)	Total
1.	Shri Madhu S Nair Chairman & Managing Director	59.52	25.01	84.53
2.	Shri Suresh Babu N V* Director (Operations)	21.16	21.51	42.67
3.	Shri Bejoy Bhasker Director (Technical)	46.42	20.75	67.17
4.	Shri Jose V J Director (Finance)	39.58	16.70	56.28

\* Consequent to the retirement on superannuation from the services of the Company, Shri Sureshbabu N V vacated his office on April 30, 2021.

### Constitution

34. As on March 31, 2022, the Committee comprises of Shri Ashok Sharma (DIN: 09414565), Non-official (Independent) Director as Chairperson, Shri Jyothilal K R (DIN: 01650017), Official Part-time Director and Shri Abhijit Biswas (DIN: 09419083) Non-official (Independent) Director as members.

### Nomination & Remuneration Committee meetings held during 2021-22 and attendance

35. One meeting of the Nomination & Remuneration Committee was held during 2021-22. The necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Jan 22, 2022
1.	Shri Ashok Sharma	Y*
2.	Shri Jyothilal K R	Y*
3.	Shri Abhijit Biswas	Y*

\* attended through electronic mode

### Remuneration Policy

36. Under Article 21(a) of the Articles of Association of the Company, the Directors shall be paid such remuneration as the President of India may from time to time determine. The pay and allowances of Board level executives are paid in accordance with the terms of appointment, Department of Public Enterprises (DPE) Guidelines on the above subject and other benefits and perquisites in accordance with the rules of CSL. The remuneration of below Board level executives and non-unionized supervisors is as per DPE guidelines and as approved by the Administrative Ministry (Ministry of Ports, Shipping and Waterways). The remuneration of worker is as per the Long Term Settlement between the management and recognized trade unions.

37. Details of remuneration paid to the Whole Time Directors is given below:

(₹ Lakhs)

**Notes**

- (a) The PRP mentioned in the above table pertains to the period 2019-20, paid during 2021-22. The PRP paid to the Whole Time Directors is as per the Performance Payment Scheme applicable to all executives and non-unionized supervisors of the Company, framed in line with the DPE Guidelines.
- (b) The remuneration, tenure and other terms and conditions of appointment of Whole Time Directors are as per the letter issued by the Administrative Ministry (Ministry of Ports, Shipping and Waterways) in line with the government guidelines. The Whole Time Directors are appointed for a period of 5 years with effect from the date of assumption of charge of the post or till the date of superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay may be remitted.
- (c) During the year, no Stock Options were issued by the Company to Whole Time Directors.

**Sitting fees**

38. The sitting fees paid to Non-official (Independent) Directors has been revised, vide resolution No. 263/17 at the 263rd Board Meeting held on February 10, 2022, at the rate of ₹ 25,000/- for every meeting of the Board and ₹ 20,000/- for every meeting of the Committees. The Official Part Time (Nominee) Directors are not paid any remuneration. The criteria for making payment to Non-Executive Directors is available in the Company's website at the following link: <https://cochinshipyard.in/board-of-directors/independent>
39. Sitting fees paid to the Non-official (Independent) Directors for 2021-22 are as follows:

Sl. No.	Name	Fees (in ₹)
1.	Smt. Amrapali Prashant Salve	90,000
2.	Shri Nahar Singh Maheshwari	70,000
3.	Shri Ashok Sharma	90,000
4.	Shri Prithiviraj Harichandan	70,000
5.	Shri Venkatesan M	70,000
6.	Shri Abhijit Biswas	90,000

40. Since the Non-official (Independent) Directors are appointed by the President of India, the evaluation of performance of such Directors are also done by the GOI.

**Stakeholders' Relationship Committee**

41. The Stakeholders' Relationship Committee of CSL was constituted vide resolution no. 227/08 at the 227th Board

Meeting held on September 20, 2016. Subsequent to the appointment of Independent Directors on the Board of the Company, Stakeholders' Relationship Committee was re-constituted with effect from December 20, 2021.

**Terms of reference**

42. Following are the terms of reference of the Stakeholders Relationship Committee:
- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
  - Review of measures taken for effective exercise of voting rights by shareholders;
  - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
  - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Constitution**

43. As on March 31, 2022, the Committee comprises of Shri Venkatesan M (DIN: 07667728), Non-official (Independent) Director as Chairperson, Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) and Shri Jose V J (DIN: 08444440), Director (Finance) as members.

**Stakeholders' Relationship Committee meetings held during 2021-22 and attendance**

44. One meeting of the Stakeholders' Relationship Committee was held during 2021-22. The necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Feb 10, 2022
1.	Shri Venkatesan M	Y*
2.	Shri Bejoy Bhasker	Y
3.	Shri Jose V J	Y

\* attended through electronic mode

**Name, designation and address of the Compliance Officer**

Shri Syamkamal N  
Company Secretary & Compliance Officer  
Cochin Shipyard Limited  
Administrative Building, Cochin Shipyard Premises  
Perumanoor, Ernakulam, Kerala – 682015  
Tel: +91 (484) 2501306, Fax: +91 (484) 2384001  
Email: secretary@cochinshipyard.in  
Website: www.cochinshipyard.in

**Status of Investor Complaints as on March 31, 2022 and reported under Regulation 13(3) of the SEBI Listing Regulations**

Complaints as on April 01, 2021	0
Received during the year	4
Resolved during the year	4
Not solved to the satisfaction of shareholders	0
Pending as on March 31, 2022	0

**Constitution of Risk Management Committee**

45. The Risk Management Committee of CSL was constituted in line with the SEBI Listing Regulations on February 08, 2019. Prior to the Constitution of the Committee, the risks had been periodically reviewed by the Board and the Audit Committee. Subsequent to the appointment of Independent Directors on the Board of the Company, Risk Management Committee was re-constituted with effect from December 20, 2021.
46. As on March 31, 2022, the Committee comprises of Smt. Amrapali Prashant Salve (DIN: 09415405), Non-official (Independent) Director as Chairperson, Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) and Shri Jose V J (DIN: 08444440), Director (Finance) as members.

**Terms of reference**

47. Following are the terms of reference of Risk Management Committee:
- Monitoring and reviewing of the risk management plans including steps taken for ensuring cyber security;
  - Ensure required risk documentation is done on quarterly basis;
  - Provide updates and seek approval from Board of Directors on risk management; and

- (iv) Such other functions as may be specified by the Board from time to time.

**Risk Management Committee meetings held during 2021-22 and attendance**

48. One meeting of the Risk Management Committee was held during the financial year 2021-22. Necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Mar 29, 2022
1.	Smt. Amrapali Prashant Salve	Y*
2.	Shri Bejoy Bhasker	Y
3.	Shri Jose V J	Y

\* attended through electronic mode

**Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee**

49. A sub-committee of the Board was constituted vide resolution no. 181/09 at the 181st meeting of the Board held on September 05, 2008 to decide on the matters relating to Corporate Social Responsibility in CPSEs.
50. The Sustainable Development Committee was constituted at the 197th Board Meeting held on November 23, 2011. The DPE vide OM No.3(9)/2010-DPE(MoU) dated September 23, 2011 has issued detailed guidelines on Sustainable Development in CPSEs.
51. Company decided to merge the Corporate Social Responsibility Committee and Sustainable Development Committee to decide the matters relating to CSR activities in line with the guidelines laid down under Schedule VII of the Companies Act, 2013.

**Terms of reference**

52. The following are the terms of reference of the Corporate Social Responsibility & Sustainable Development Committee:
- Recommend CSR and sustainability development policy to the Board;
  - Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;
  - To recommend the annual CSR and sustainability development plan and budget; and



- (iv) Periodic review of CSR and sustainability development policy, plans and budgets.

### Constitution

53. As on March 31, 2022, the Committee comprises of Shri Nahar Singh Maheshwari (DIN: 09419082), Non-official (Independent) Director as Chairperson, Smt. Amrapali Prashant Salve (DIN: 09415405), Non-official (Independent) Director, Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) and Shri Jose V J (DIN: 08444440), Director (Finance) as members.

### CSR & SD Committee meetings held during 2021-22 and attendance

54. One meeting of CSR & SD Committee was held during the year 2021-22. Necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of Director	Jan 22, 2022
1.	Shri Nahar Singh Maheshwari	Y*
2.	Smt. Amrapali Prashant Salve	Y*
3.	Shri Bejoy Bhasker	Y*
4.	Shri Jose V J	Y

\* attended through electronic mode

### General Body Meetings

55. The date, time and venue of the last three Annual General Meetings were as follows:

Year	Date	Time	Venue	Special resolution passed
2020-21	Sep 29, 2021	11:00 hrs.	Not Applicable since the meeting was held through electronic mode	Nil
2019-20	Sep 29, 2020	11:00 hrs.	Not Applicable since the meeting was held through electronic mode	3
2018-19	Aug 13, 2019	11:00 hrs.	The Mercy Hotel, M.G. Road, Ravipuram, Kochi – 682015	Nil

### Postal Ballot

56. During the financial year 2021-22, no resolution was put through by postal ballot.
57. None of the business proposed to be transacted in the ensuing AGM requires the passing of a special resolution by way of postal ballot.

### Means of Communication

58. All price-sensitive information and matters that are material to shareholder are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submission to the Exchanges is made through the respective electronic filing systems.
59. The financial results for the quarter/half-year/year were published as under:

Quarter/half-year/year	In the month of
Quarter ending June 30, 2021	August
Quarter/half-year ending September 30, 2021	November
Quarter ending December 31, 2021	February
Year ending March 31, 2022	May

60. Quarterly/half-yearly/annual results, notices and information relating to General Meetings, etc. are published in leading newspapers viz., Business Line (all editions), Mathrubhumi (Cochin edition) and Jansatta (all editions) and are notified to the Stock Exchanges as required under the SEBI Listing Regulations.

61. The quarterly/half-yearly/annual financial results and other communication to shareholders and Stock Exchanges, inter alia, presentations to institutional investors & analysts, press releases etc., are made available in the Company's website www.cochinshipyard.in under 'Investors' section. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Online Portal.

62. The presentation made to the institutional investors and analysts for quarterly/half-yearly/annual results are available on the Company's website under 'Investors' section.

66. The particulars of total dividend declared in the previous three financial years are given below:

Financial Year	Final Dividend Per Share (₹)	Interim Dividend Per Share (₹)	
2021-22	3.75	01st 6.00	02nd 7.00
2020-21	2.50	01st 9.00	02nd 4.00
2019-20	15.00	1.63	

### Listing of shares and stock code

67. The Company's equity shares are listed at the following Stock Exchanges and listing fees for the year 2021-22 has been paid to the Stock Exchanges.

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400 001	540678
National Stock Exchange of India Limited Exchange Plaza, 5th Floor Bandra – Kurla Complex, Bandra (East) Mumbai – 400 051	COCHINSHIP

68. The International Securities Identification Number (ISIN) for the Company's shares is INE704P01017.

### General Shareholder Information

63. Annual General Meeting for FY 2022

Date : September 29, 2022

Time : 11:00 hrs.

Venue : The Company is conducting meeting through electronic mode (VC/ OAVM) pursuant to MCA Circular dated May 05, 2022 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

64. Financial Year: April 01, 2021 to March 31, 2022.

### Dividend Payment

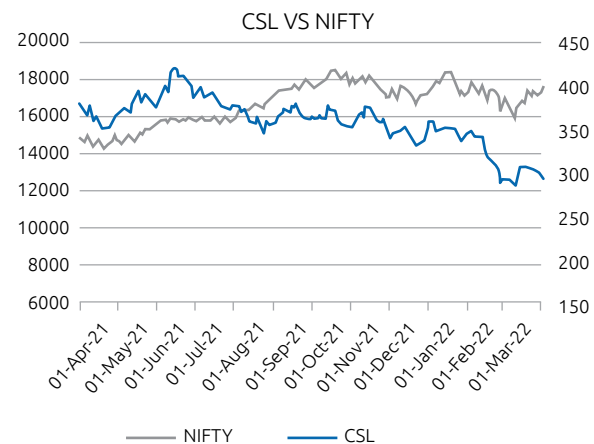
65. The final dividend for the year ended March 31, 2022 if approved at the AGM, will be paid, subject to deduction of tax at source, on or before Wednesday, October 28, 2022. The Company will be making the dividend payment by electronic mode wherever possible and by dividend warrants/demand drafts in other cases.

69. Market Price data – high, low during each month in the last financial year (i.e. year under review):

**Price and volume of shares traded**

Month/ Year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (Nos. in Lakhs)	High (₹)	Low (₹)	Volume (Nos. in Lakhs)
Apr 2021	383.45	342.25	2.40	382.50	340.50	30.05
May 2021	402.00	363.00	4.75	402.50	362.30	78.10
Jun 2021	433.75	375.70	11.72	433.90	375.40	182.11
Jul 2021	402.45	369.00	5.34	402.60	368.75	61.97
Aug 2021	380.90	345.00	3.84	380.95	345.10	42.00
Sep 2021	380.90	352.50	3.46	379.75	352.55	44.94
Oct 2021	381.00	347.60	4.33	381.30	347.10	54.02
Nov 2021	383.25	337.25	4.17	383.00	337.00	47.23
Dec 2021	359.60	328.00	1.92	360.00	328.00	23.55
Jan 2022	358.90	328.00	2.09	358.60	327.90	22.58
Feb 2022	347.65	285.00	4.33	348.00	285.05	34.71
Mar 2022	313.70	281.00	5.53	312.95	280.75	44.06

**Performance in comparison to broad based indices**



**Details of securities suspended**

Not applicable.

**Registrar and Transfer Agents (RTA)**

Link Intime India Private Limited  
 Surya, 35, Mayflower Avenue  
 Behind Senthil Nagar  
 Sowripalayam Road, Coimbatore  
 Tamil Nadu – 641 028  
 Tel: 0422 2315792; Fax: 0422 2314792  
 E-mail: coimbatore@linkintime.co.in

**Share Transfer System**

70. The Company's shares being in the compulsory demat list, are transferable through the depository system.

**Distribution of Shareholding**

71. Distribution of shareholding based on number of folio as on March 31, 2022.

No. of shares held	Members		Shares	
	No.	%	No.	%
1-500	167679	96.5159	10047199	7.64
501-1000	3405	1.9599	2616031	1.99
1001-2000	1430	0.8231	2087713	1.59
2001-3000	451	0.2596	1146481	0.87
3001-4000	197	0.1134	698394	0.53
4001-5000	164	0.0944	762765	0.58
5001-10000	189	0.1088	1360666	1.03
>10000	217	0.1249	112821141	85.77
<b>Total</b>	<b>173732</b>	<b>100.0000</b>	<b>131540390</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

72. The Company's shares are compulsorily traded in dematerialized form and are available on both the depositories viz., NSDL and CDSL.

Percentage of shares held in

Physical form : 0.00  
 Electronic form with NSDL : 88.82  
 Electronic form with CDSL : 11.18

The Company's equity shares are regularly traded on the BSE and NSE.

**Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity**

None.

**Foreign exchange risk and hedging of activities**

73. The Company has formulated a Forex Risk Management Policy duly approved by the Board and the forex exposures are being hedged depending upon the market conditions.

74. The Company is also keeping a constant watch on the forex market fluctuations and has been exploring various options of foreign currency borrowings like buyer's credit etc. as part of effective working capital management. Status of the forex exposure and the hedging position is reviewed by the Audit Committee, Risk Management Committee and the Board.

**Plant Locations**

- Shipbuilding & Ship Repair facility at Perumanoor, Ernakulam District, Kochi – 682 015

- International Ship Repair facility at Cochin Port Trust, Willingdon Island, Kochi – 682 009
- Ship repair facility at Indira Dock, Mumbai
- Ship repair facility at Netaji Subhas Dock, Kolkata
- Ship repair facility at Marine Dockyard, Port Blair

**Address for Correspondence**

Company Secretary & Compliance Officer  
 Cochin Shipyard Limited  
 Administrative Building, Cochin Shipyard Premises  
 Perumanoor, Ernakulam, Kerala – 682015  
 Tel: +91 (484) 2501306, Fax: +91 (484) 2384001  
 Email: secretary@cochinshipyard.in  
 Website: www.cochinshipyard.in

**Credit Ratings**

Instrument	ISIN	Rating
8.51% Tax Free Secured Redeemable Non-Convertible Bonds	INE704P07014	AAA by CARE Rating
8.72% Tax Free Secured Redeemable Non-Convertible Bonds	INE704P07030	AAA by CARE Rating

**Other Disclosures**

**Related Party Transactions**

75. During the year under review, there were no materially significant related party transactions that had or may have conflict with the interest of the Company at large. The Company has a policy for related party transactions, which can be accessed at the following link: [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)



**Non-compliance by the Company**

76. No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating to capital markets during the last three years except the following:

Year	Name of Authority	Nature of non-compliance	Period of non-compliance	Amount of fine/penalty imposed	Remarks
2019-20	BSE & NSE	Non-appointment of sufficient no. of Independent Directors including a Woman Director.	June 20, 2019 to July 28, 2019	₹1,95,000 (plus GST @18%) each.	As the appointment of Directors is beyond the powers of the Company and is to be done by GOI, the fine levied was waived based on the representation made by the Company.
2020-21	BSE & NSE	Non-compliance with the requirements pertaining to quorum of Board Meetings i.e. not having at least one Independent Director.	July 15, 2020 to September 30, 2020	₹10,000 (plus GST @18%) each.	With effect from July 15, 2020 the Company does not have Independent Directors on its Board. As the appointment of Directors is beyond the powers of the Company and is to be done by GOI, the Company has forwarded the request for waiver of fines imposed. BSE has waived the fines and response from NSE is awaited.
	BSE & NSE	Non-appointment of Independent Directors including a Woman Director.	October 01, 2020 to December 31, 2020	₹4,60,000 (plus GST @18%) each.	With effect from July 15, 2020 the Company does not have Independent Directors on its Board. As the appointment of Directors is beyond the powers of the Company and is to be done by GOI, the Company has forwarded the request for waiver of fines imposed. BSE has waived the fines and response from NSE is awaited.
		Non-compliance with respect to the constitution of Audit Committee.	October 15, 2020 to December 31, 2020	₹1,56,000 (plus GST @18%) each.	
		Non-compliance with respect to the constitution of Nomination and Remuneration Committee	October 15, 2020 to December 31, 2020	₹1,56,000 (plus GST @18%) each.	
		Non-compliance with respect to the constitution of Stakeholders Relationship Committee	October 15, 2020 to December 31, 2020	₹1,56,000 (plus GST @18%) each.	
		Non-compliance with requirement of minimum public shareholding	December 20, 2020 to March 31, 2021	₹5,05,000 (plus GST @18%) each.	CSL achieved Minimum Public Shareholding in February 2020 through sale of shares (2.35%) by President of India, through Department of Investment and Public Asset Management (DIPAM), as part of CPSE Exchange Traded Fund FFO-6. The application for regularising this transaction was forwarded to SEBI by DIPAM. The Company has forwarded the request for waiver of fines imposed to BSE & NSE.

Year	Name of Authority	Nature of non-compliance	Period of non-compliance	Amount of fine/penalty imposed	Remarks
	NSE	Non-compliance with respect to the requirements pertaining to quorum of Board Meetings i.e. not having at least one Independent Director.	October 01, 2020 to December 31, 2020	₹20,000 (plus GST @18%)	With effect from July 15, 2020 the Company does not have Independent Directors on its Board. As the appointment of Directors is beyond the powers of the Company and is to be done by GOI, the Company has forwarded the request for waiver of fines imposed. BSE has waived the fines and response from NSE is awaited.
2021-22	NSE & BSE	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint Woman Director	April 01, 2021 to November 25, 2021	₹12,20,000 (plus GST @18%) each.	For the financial year 2021-22, the Company did not have Independent Directors till the appointment of six Independent Directors including a Woman Independent Director on November 22, 2021 by GOI vide MoPSW letter dated November 22, 2022. The Company has forwarded the request for waiver of fines imposed.
		Non-compliance with the requirements pertaining to quorum of Board meetings.	April 01, 2021 to November 21, 2021	₹30,000 (plus GST @18%) each.	
		Non-compliance with the constitution of Audit Committee	April 01, 2021 to December 20, 2021	₹5,26,000 (plus GST @18%) each.	
		Non-compliance with the constitution of Nomination and Remuneration Committee	April 01, 2021 to December 20, 2021	₹5,26,000 (plus GST @18%) each.	
		Non-compliance with the constitution of Stakeholder Relationship Committee	April 01, 2021 to December 20, 2021	₹5,26,000 (plus GST @18%) each.	
		Non-compliance with the constitution of Risk Management Committee	August 05, 2021 to December 20, 2021	₹2,74,000 (plus GST @18%) each.	
		Non-compliance with requirement of minimum public shareholding	April 01, 2021 to December 31, 2021	₹14,35,000 (plus GST @18%) each.	CSL achieved Minimum Public Shareholding in February 2020 through sale of shares (2.35%) by President of India, through Department of Investment and Public Asset Management (DIPAM), as part of CPSE Exchange Traded Fund FFO-6. The application for regularising this transaction was forwarded to SEBI by DIPAM. The Company has forwarded the request for waiver of fines imposed to BSE & NSE.

During the year, the post of six Independent Directors including a Woman Director remained vacant upto November 2021. The Ministry of Ports, Shipping and Waterways vide letter no. SY-11012/1/2016-CSL dated November 22, 2021 appointed six Independent Directors including a Woman Independent Director on the Board of CSL. Subsequently, the statutory Committees were re-constituted with effect from December 20, 2021.

#### Vigil Mechanism and Whistle Blower Policy

77. Cochin Shipyard has adopted a Whistle Blower Policy approved by the Board at its 198th meeting held on February 22, 2012. Cochin Shipyard is a Government of India undertaking and follows Government guidelines on reporting of any illegal or unethical practices. Directors/employees/stakeholders/representative bodies of employees are given freedom to report to their immediate Supervisor/Chief Vigilance Officer or Chairman & Managing Director, details of any violation of rules, regulations and unethical conduct. The Directors and Senior Management are bound to maintain confidentiality of such reporting and ensure that the whistle blowers are afforded protection against any harassment and not subjected to any discriminatory practices. During the period under report no personnel has been denied access to the Audit Committee. The Board in its 228th meeting held on December 14, 2016 amended its Whistle Blower Policy. Further, in line with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, CSL had adopted Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019. The said policy is available in the website of the Company at [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

#### Code of Conduct for Prevention of Insider Trading

78. The Company has in place a Code of Conduct for Prevention of Insider Trading in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code of Conduct for Prevention of Insider Trading is hosted on the website of the Company and can be accessed at: [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

#### Mandatory Requirements

79. A comprehensive report on the status of compliance with all the applicable corporate laws, rules and regulations by the Company is placed before the Board on a quarterly basis for their information and review. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations, except with respect to the composition of Board of Directors viz., appointment of Independent Directors including a Woman Director and consequent compliances related to Statutory Committees.

#### Non-Mandatory Requirements

80. The Company has complied with the following non-mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the SEBI Listing Regulations is as under:

- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit position.

#### Subsidiary Company

81. Regulation 16 of the SEBI Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India.

82. Hooghly Cochin Shipyard Limited (HCSL) is a wholly owned subsidiary company of Cochin Shipyard Limited (CSL) which was incorporated as Joint Venture Company on October 23, 2017, venturing with Hooghly Dock & Port Engineers Limited. However, since November 01, 2019, HCSL is a wholly owned subsidiary of CSL. Further, the Company has taken over Tebma Shipyards Limited (TSL) through the statutory insolvency resolution process with effect from September 15, 2020. Accordingly, TSL has become a wholly owned subsidiary of CSL with effect from September 15, 2020. Subsequently with effect from April 22, 2022 the name of TSL has been changed to Udupi Cochin Shipyard Limited (UCSL).

83. Pursuant to the Explanation under Regulation 16(1)(c) of the SEBI Listing Regulations, the Company has formulated

a policy for determining 'material subsidiaries' which is disclosed on the Company's website at the following link: [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

84. Details of compliance with the requirement of Corporate Governance guidelines:

In terms of Listing Regulations and DPE guidelines on Corporate Governance, Certificate regarding Compliance of Corporate governance guidelines from Practicing Company Secretary is placed at **Annexure I** to this report.

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

The Company has complied with all presidential directives issued by Central Government regarding the operation of PSUs.

86. Items of expenditure debited in books of accounts, which are not for the purposes of the business: Nil

87. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

The administrative and office expenditure of the Company for the year 2021-22 was 1.73% of the total expenditure as against 2.05% in 2020-21. Financial expenditure stood at 1.75% of the total expenditure in 2021-22, against 2.29% in the previous year.

88. A certificate from a Company Secretary in practice, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is placed at **Annexure II** to this report.

89. The Company has paid an amount of ₹26.24 Lakhs to M/s. Elias George & Co., Statutory Auditors for the services provided to the Company and its subsidiaries.

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

a. Number of complaints filed during the financial year 2021-22	1
b. Number of complaints disposed of during the financial year 2021-22	1
c. Number of complaints pending as on end of the financial year 2021-22	Nil

#### Code of Conduct

90. The Board has prescribed a Code of Conduct ('Code') for all the Board members and Senior Management of the Company. All Board members and Senior Management personnel have confirmed compliance with the Code for the year 2021-22. The Code is hosted on the website of the Company and can be accessed at: [https://cochinshipyard.in/investor/investor\\_titles/68](https://cochinshipyard.in/investor/investor_titles/68)

91. A declaration signed by the Chairman & Managing Director of the Company is given below:

*I hereby declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management personnel in respect of the financial year 2021-22.*

*Madhu S Nair*  
Chairman & Managing Director  
DIN: 07376798

#### CEO/CFO Certification

92. The CEO/CFO certification of the financial statements for the year is appended at **Annexure III** to this report.

#### Risk Management Process

93. CSL reviewed the existing risk management policy and adopted a revised policy encompassing a comprehensive system of risk management at its 259th Board Meeting held on February 12, 2021. The salient features of the new risk management policy is as follows:

- Risk Management Vision Statement: Minimize the organizational risks to an acceptable level and adopt risk management practices which would help the Company to attain its goals and objectives while at the same time ensuring minimization of risks.
- Risk Management Policy:
  - The Risk Management process is implemented to improve the Company's ability to prevent risks and ensure timely detection of risk.
  - To identify risks and its mitigation.
  - Risk Management process to be standardized.
  - Facilitate sharing of risk information.



94. The risk management policy intends to put in place an effective risk management framework and an appropriate reporting mechanism. The management of Cochin Shipyard would periodically identify the various risks and assess/analyze their impact on the Company. Risk mitigation and management measures would be put in place to effectively manage these risks. The Board may approve changes to the policy from time to time in order to align it with the changes in business environment.

### Risk Management System and Structure

95. The Board has constituted a Risk Management Committee to review the risk management system within CSL. The Board also

b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Steel	₹17.79 Crores	2520.19 Tonnes	-	-	-	-	-

c) In order to avoid risk relating to increase in input cost, the Company places order for all major inputs with staggered delivery at the time of signing of shipbuilding contract. The offers are checked with the estimates taken for arriving at the estimated cost. In the case of ship repair, major components are normally supplied to ship owners at cost plus basis as the components are normally of the owner's preference.

### Shareholding pattern

98. The Company has issued 13,15,40,390 equity shares of ₹10/- each, details of which as on March 31, 2022 are as follows:

Category of share holders	Number of share holders	Total number of shares	Percentage (%)
Central Government	1	95843464	72.8624
Clearing Members	105	187820	0.1428
Other Bodies Corporate	519	1948119	1.481
Directors	2	1910	0.0015
Hindu Undivided Family	4850	808188	0.6144
Mutual Funds	7	3005540	2.2849
Non-Nationalised Banks	1	110	0.0001
Non-Resident Indians	2627	1890979	1.4376
Non-Resident (Non Repatriable)	1131	366524	0.2786
Public	164362	20996372	15.9619
Trusts	6	19240	0.0146
Insurance Companies	6	2592807	1.9711
Body Corporate - Limited Liability Partnership	37	237052	0.1802
Foreign Portfolio Investors (Individual)	3	3700	0.0028
Foreign Portfolio Investors (Corporate)	73	3595565	2.7334
NBFCs registered with RBI	1	3000	0.0023
Alternate Investment Funds – III	1	40000	0.0304
<b>Total</b>	<b>173732</b>	<b>131540390</b>	<b>100.0000</b>

discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The CSL management comprising of CSL Board level and below Board level executives are entrusted with the implementation of the risk management process. In this respect, Risk Management Steering Committee and Functional Risk Management Committees have been constituted to implement the policy in CSL.

96. Due to the peculiar nature of business carried on by CSL, it avoids the risk relating to its commodities.

97. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities in INR: ₹17.79 Crores.

### Means of Communication

99. The quarterly/half-yearly/yearly financial results are posted on the websites of the BSE, NSE and the Company, after consideration and approval by the Board and are also published in one English national daily having all India circulation and at least in one Malayalam national daily, Kochi edition within 48 hours of its approval. These results have also been published in one Hindi national daily having all India circulation. The Annual Report of the Company is posted in the website viz., www.cochinshipyard.in. The website of the Company also displays all official news releases.

### Audit Qualifications

100. The Report submitted by M/s. Elias George & Co., Statutory Auditors of the Company does not contain any qualification, reservation or adverse remark or disclaimer.

101. The Secretarial Auditors, M/s. Mehta & Mehta, in their Report observed the following viz., non-compliance with respect to the Minimum Public Shareholding (MPS) requirements, non-appointment of Independent Directors including a Woman Director on the Board of CSL and the consequent non-compliances including, non-constitution of statutory committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. Further, the details with respect to the fines imposed by the stock exchanges viz., BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") on account of the said non-compliances have also been included in the Secretarial Audit Report.

102. The explanation of the Board to the observations in the Secretarial Audit Report is given below:

As per Article 21(a) of the Articles of Association of the Company, the Directors on the Board of the Company are appointed by the President of India through the Administrative Ministry viz., Ministry of Ports, Shipping and Waterways (MoPSW). The MoPSW vide their letter No. SY-11012/1/2016-CSL dated November 22, 2021, appointed six Independent Directors including one Woman Director on the Board of CSL for a period of three years from November 22, 2021. Subsequently, all the statutory Committees were re-constituted with effect from December 20, 2021.

With respect to the non-compliance with the Minimum Public Shareholding (MPS) requirements, the Company is already having 27.14% public shareholding. However, the

SEBI's observation was that the attainment of MPS as above was not through the methods of disinvestments notified by SEBI.

As per the Government of India (Allocation of Business) Rules 1961, all matters relating to Management of Central Government investments in equity (including disinvestment of equity in CPSEs) are vested in Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance. The power to sell the equity shares of the Promoter to attain the MPS is vested in the Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance.

The Company vide its letter no. SEC/395/2018-II dated July 20, 2020 had intimated the requirement of achieving the Minimum Public Shareholding (MPS) in the manner prescribed by SEBI to the Administrative Ministry and DIPAM and a follow up letter was also forwarded on July 09, 2021, December 01, 2021 and March 15, 2022.

CSL has made representations to the stock exchanges for waiver of fines imposed for the above non-compliances and the reply is awaited.

### Training Board Members

103. The Board members of CSL are senior executives who have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. CSL has benefited from their vision and knowledge. Presentations are made to the Board members on the Company's performance, business model, corporate plan and future outlook, on their induction in the Board. In addition, at the Board/Committee/other meetings, detailed presentations are made by the senior management personnel/professionals/consultants on business related issues, risk assessment, risk policy etc. The Directors are encouraged to identify and attend specific training programmes to improve their effectiveness. The Board has also adopted a policy regarding training of Directors.

For and on behalf of the Board of Directors

**Madhu S Nair**

Chairman & Managing Director

Kochi

May 24, 2022

DIN: 07376798

## Annexure I

# CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**COCHIN SHIPYARD LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Cochin Shipyard Limited** (hereinafter referred as "Company") for the Financial Year ended March 31, 2022, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR Regulations").

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

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations **subject to the following observations:**

- There was no Woman Director on the Board of Directors of the Company for the period from 01.04.2021 to 25.11.2021 as mandated under Regulation 17 (1) of SEBI (LODR) Regulations. However, Ms. Amrapali Salve was appointed as a Woman Director on the Board of Directors of the Company on the 26th of November, 2021.
- There were no Independent Directors on the Board of Directors for the period from 01.04.2021 to 21.11.2021 as mandated under Regulation 17 of SEBI (LODR) Regulations. However, Six Independent Directors were appointed by the company for which details are as below.

Sr. No	Name	Date of Appointment
1.	Prithviraj Harichandan	22.11.2021
2.	Mani Venkatesan	22.11.2021
3.	Ashok Kumar Sharma	26.11.2021
4.	Amrapali Salve	26.11.2021

Sr. No	Name	Date of Appointment
5.	Nahar Singh Maheshwari	01.12.2021
6.	Abhijit Biswas	01.12.2021

- The minimum requirement of six directors as per Regulation 17 of SEBI (LODR) Regulations was not complied for a period from 01.05.2021 to 21.11.2021.
- Quorum of at least one Independent Director as per Regulation 17 of SEBI (LODR) Regulations was not met in the Board Meetings held on 11.06.2021, 10.08.2021 and 11.11.2021 as there were no Independent Directors for the period 01.04.2021 to 21.11.2021.
- The Company did not constitute an Audit Committee as required under Regulation 18 of SEBI (LODR) Regulations. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
- The Company did not constitute the Nomination and Remuneration Committee as required under Regulation 19 of SEBI (LODR) Regulations for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
- The Company did not constitute the Stakeholders Relationship Committee as required under Regulation 20 of SEBI (LODR) Regulations for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
- The Company did not constitute the Risk Management Committee as required under Regulation 21 of SEBI (LODR) Regulations for a period from 05.08.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.
- A Fine has been levied by both BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") for Non-Compliance of Corporate Governance conditions of SEBI (LODR) Regulations as follows:

### BSE Quarter -1

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	30-Jun-2021	10,000	1	11,800
17(1)	30-Jun-2021	5,000	91	5,36,900
18(1)	30-Jun-2021	2000	91	2,14,760
19(1)/ 19(2)	30-Jun-2021	2000	91	2,14,760
20(2)/ (2A)	30-Jun-2021	2000	91	2,14,760
<b>Total</b>				<b>11,92,980</b>

Representation has been made by the Company for waiver of fees.

### BSE Quarter-2

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	30-Sep-2021	10,000	1	11,800
17(1)	30-Sep-2021	5,000	92	5,42,800
18(1)	30-Sep-2021	2000	92	2,17,120
19(1)/ 19(2)	30-Sep-2021	2000	92	2,17,120
20(2)/ (2A)	30-Sep-2021	2000	92	2,17,120
21(2)	30-Sep-2021	2000	57	1,34,520
<b>Total</b>				<b>13,40,480</b>

Representation has been made by the Company for waiver of fees.

### BSE Quarter-3

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹) (Inclusive of GST)
17 (2A)	31-Dec-2021	10,000	1	11,800
17(1)	31-Dec-2021	5,000	61	3,59,900
18(1)	31-Dec-2021	2000	80	1,88,800
19(1)/ 19(2)	31-Dec-2021	2000	80	1,88,800
20(2)/ (2A)	31-Dec-2021	2000	80	1,88,800
21(2)	31-Dec-2021	2000	80	1,88,800
<b>Total</b>				<b>11,26,900</b>

Representation has been made by the Company for waiver of fees.

### NSE- Quarter-1

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	30-Jun-2021	10,000	1	10,000
17(1)	30-Jun-2021	5,000	91	4,55,000
18(1)	30-Jun-2021	2000	91	1,82,000
19(1)/19(2)	30-Jun-2021	2000	91	1,82,000
20	30-Jun-2021	2000	91	1,82,000
<b>Total (Inclusive of GST)</b>				<b>11,92,980</b>

Representation has been made by the Company for waiver of fees.



## NSE- Quarter-2

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	30-Sep-2021	10,000	1	10,000
17(1)	30-Sep-2021	5,000	92	4,60,000
18(1)	30-Sep-2021	2000	92	1,84,000
19(1)/19(2)	30-Sep-2021	2000	92	1,84,000
20	30-Sep-2021	2000	92	1,84,000
21	30-Sep-2021	2000	57	1,14,000
<b>Total (Inclusive of GST)</b>				<b>13,40,480</b>

Representation has been made by the Company for waiver of fees.

## NSE- Quarter-3

Regulation	Quarter/ Month	Fine Amount per day (₹) / Instance	Days of Non-Compliance / No of instances	Fine Amount (₹)
17 (2A)	31-Dec-2021	10,000	1	10,000
17(1)	31-Dec-2021	5,000	61	3,05,000
18(1)	31-Dec-2021	2000	80	1,60,000
19(1)/19(2)	31-Dec-2021	2000	80	1,60,000
20	31-Dec-2021	2000	80	1,60,000
21	31-Dec-2021	2000	80	1,60,000
<b>Total (Inclusive of GST)</b>				<b>11,26,900</b>

Representation has been made by the Company for waiver of fees.

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Arun K Kamalobhavan**  
Partner

FCS No : 9609  
CP No. : 11657

Place: Cochin  
Date: May 24, 2022

UDIN: F009609D000379506

## CERTIFICATE ON CORPORATE GOVERNANCE

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

To,  
The Members,  
**Cochin Shipyard Limited**

We have examined the compliance of conditions of Corporate Governance by **Cochin Shipyard Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2022, as stipulated under Clause 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 ("CPSEs") issued by Department of Public Enterprises ("DPE"), Ministry of Heavy Industries and Public Enterprises, Government of India.

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines **subject to the following observations:**

- 1) *The composition of the Board of Directors was not in accordance with Clause 3.1 of the above mentioned guidelines for the period from 01.04.2021 till the date of appointment of Independent Directors as below:*

Sr. No	Name	Date of Appointment
1.	Prithiviraj Harichandan	22.11.2021
2.	Mani Venkatesan	22.11.2021
3.	Ashok Kumar Sharma	26.11.2021
4.	Amrapali Salve	26.11.2021
5.	Nahar Singh Maheshwari	01.12.2021
6.	Abhijit Biswas	01.12.2021

- 2) *The Company did not constitute an Audit Committee as required under Clause 4.1 of the above mentioned guidelines for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.*

- 3) *The Company did not constitute a Remuneration Committee as required under Clause 5.1 of the above mentioned guidelines for a period from 01.04.2021 to 19.12.2021. However, the Committee was formed w.e.f. 20th December, 2021 after the appointment of the Independent Directors.*

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

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

For **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Arun K Kamalobhavan**  
Partner

FCS No : 9609  
CP No. : 11657  
UDIN : F009609D000379616

Place : Cochin  
Date : May 24, 2022

## Annexure II

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**Cochin Shipyard Limited,**  
Administrative Building,  
Cochin Shipyard Premises,  
Perumanoor, Cochin,  
Ernakulam, Kerala - 682015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Cochin Shipyard Limited** having **CIN L63032KL1972GOI002414** and having registered office at Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam, Kerala – 682015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Directors	DIN	Date of appointment in Company
1.	Madhu Sankunny Nair	07376798	01/01/2016
2.	Bejoy Bhasker	08103825	05/04/2018
3.	Valiyaparambil Jacob Jose	08444440	01/08/2019
4.	Sanjay Bandopadhyaya	00088957	03/02/2020
5.	Kalluvila Veedu Ravindran Jyothilal	01650017	24/08/2020
6.	Prithviraj Harichandan	01351097	22/11/2021
7.	Mani Venkatesan	07667728	22/11/2021
8.	Ashok Kumar Sharma	09414565	26/11/2021
9.	Amrapali Salve	09415405	26/11/2021
10.	Nahar Singh Maheshwari	09419082	01/12/2021
11.	Abhijit Biswas	09419083	01/12/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Arun K Kamalobhavan**  
Partner

FCS No : 9609  
CP No. : 11657

Place: Cochin  
Date: May 24, 2022

UDIN: F009609D000379561

## Annexure III

To  
The Board of Directors  
Cochin Shipyard Limited  
Kochi – 682 015

Dear Sirs,

**CEO/CFO CERTIFICATE**

- We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
- We have indicated to the Auditors that:
  - There has not been any significant change in internal control over financial reporting during the year;
  - There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- We further certify that the funds disbursed for Corporate Social Responsibility (CSR) activities have been utilised by the Company for the purposes and in the manner as approved by the Board of Directors from time to time and also in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder.

**Jose V J**  
Director (Finance) and CFO  
DIN: 08444440

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798

Kochi  
May 20, 2022



# 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 and comply with the Accounting Standards specified under Section 133 of the Act. The Company has used estimates and judgements 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.

## Shipbuilding Industry

### Global Shipbuilding Industry

3. Shipping markets performed moderately in 2021 compared to past year due to trade volume recovery to the pre-COVID levels by Mid 2021 and with widespread congestion and modest fleet supply growth, there was 93% increase in Clarkson's sea Index (\$28,700/day). This also supported the highest new build order volumes since 2014 (120m dwt, \$107bn).

4. Despite various risk perceptions such as Chinese "cooling" policies, political instability due to Russia-Ukraine war, inflation, tax increases, regional protection etc., Clarkson's is projecting the trade expectation to reach an encouraging 12.4bn tonnes in 2022 (up 3.5%). Disruption to global logistics and supply chains was widespread across 2021, helping "tighten" markets particularly in the container, dry bulk and car carrier markets thus driving the freight costs up.
5. However, the fleet growth continued below 3% by dwt vs. 4.1% ten year average, due to lower order intakes in the past years. The new building investment is skewed towards container (\$42bn) and gas (\$21.6bn) in traditional shipbuilding segments. The focus on "Green & Tech" in post-COVID planning intensified, with decarbonisation as the major talk point across maritime segments. With developments at IMO and the EU amongst others, the regulatory and policy framework is evolving which reflects in 34% of newbuild orders (by GT) is with alternative fuelled technology. Developments in International Maritime Organization (IMO) or EU emissions regulations could affect the medium-term outlook for cost structures or the earnings capacity of some shipping segments. The fillip due to the prospects of large ageing fleet replacements and new regulatory restrictions generated some interest and likely to impact positively on long term basis driving new ship acquisition investments.
6. Fitch Ratings maintains its neutral outlook on the global shipping sector due to continued strong market conditions for container shipping (albeit with some downside risk) and dry bulk, and expectations that the tanker segment could improve after a weak 2021. A continued global economic recovery is important for all shipping segments to maintain their favourable supply-demand balances into 2022. Key downside risks include a slower-than-forecast economic recovery or a resurgence of COVID-19 cases, leading to a collapse in demand. On the other hand, pandemic-related restrictions have also led to supply-chain issues, including port congestion, which have supported rates, particularly for container shipping. A potential increase in trade protectionism during the recovery could limit demand in some segments.
7. The overall new shipbuilding prices rose over 30% and is still on the upward trend but at the same time may not result

in better profits for the yards as the inflationary levels of various major commodity costs such as power, petroleum products, steel, copper, aluminium etc., persisting and thus eroding the profit margins.

### Indian Shipbuilding Industry and Government Initiatives

8. Positive outlook at global levels have also resulted in build-up of interest and more interest thus increased enquiries to Indian yards. But lack of infrastructure in the country due to collapse of many private shipyards resulted in erosion of capacity and no proper financing mechanism became a big deterrent to attract the attention of the leading ship owners and market players. However, the objective of propelling India to the forefront of the global maritime sector as per the road map of Ministry of Ports, Shipping and Waterways (MoPSW), formulated and published as per the vision document 'Maritime India Vision 2030 (MIV 2030)' if to be believed indicates co-ordinated and accelerated growth of India's maritime sector in the next decade.
9. Various government policies listed below are showing positive impacts in the segment and will act as enablers for the growth of the segment:
  - a) Financial Assistance Policy on Shipbuilding (2016)
  - b) Grant of Infrastructure Status (2016)
  - c) AatmaNirbhar Bharat Policy (Revised in 2020)
  - d) SOP for chartering/procurement of tugs (2020)
  - e) Pradhan Mantri Matsya Sampada Yojana (2020)
  - f) New Defence Acquisition Policy (DAP 2020)
10. Vision 2030 envisions Indian ship building to become competitive with reaching the threshold on volumes by 2025 and then build the momentum in high volumes to reach "Make in India Make for World" levels and be one of the top 10 shipbuilding nations in the world. Major initiatives include channelizing the cargo to improve demand, improving the ecosystem for ancillary industries, generate standardised designs for better productivity with appropriate Governmental interventions to create level playing fields to make the industry competitive in International arena. The MIV document also advocates creation of a Maritime Development Fund to provide easy access to working capital and long-term finance needs across marine sectors but is yet to be implemented which otherwise can give access to Indian ship owners to improve their capacity and shipyards to improve the infrastructure.

### Some Key Sectors focused by CSL

11. Defence Shipbuilding: The Indian shipbuilding industry still continues to be driven by the defence requirements and the vision of Government of India (GOI) as per the Defence Production Policy, was "to make India among the top five countries of the world in Aerospace and Defence Industries". CSL completed its contract negotiation of the Next Generation Missile Vessel (NGMV) project for Indian Navy for which the contract is likely to be signed this year thus adding good order book value to the Company.

### Inland and Coastal Shipping

12. Inland Water Transport: India has increased the share of cargo transported through water from 0.5% to 2% and continued a focus with over 20% year-on-year growth in cargo volumes over the last 5 years. Hooghly Cochin Shipyard Limited (HCSL), the wholly owned subsidiary of the Company in West Bengal is fully equipped with its infrastructure and is ready to cater to this segment. Company is fully focussed and equipped to tap this potential segment.
13. The future shipbuilding will be driven by alternate fuels, carbon neutral solutions, autonomous vessels and cost-efficient technologies. New hydrogen policy announced by the government in 2021 has significant impact on the alternate fuel infrastructure. The Company with the research development funding of government is undertaking a pilot project to venture into this segment and build up the domestic technology to meet future requirement of the country as well as cater to the world fleet.

### Tugs, Dredgers and Port Craft

14. The dredger market is showing significant demand in line with the huge infrastructure outlay the government is providing in the port/ inland and coastal shipping infrastructure. This can boost the opportunity for the Indian yards to bring necessary technology through alliance and bring business to India. CSL in technological partnership with the market leader IHC, Netherlands entered into a contract with Dredging Corporation of India (DCI) to build the country's largest Trailer Suction Hopper Dredger of 12000 cubic metre capacity. This is a major milestone in the new market for which the company was working more than a decade.
15. In addition, as envisaged, the new policy of the Ministry which stipulates all the service requirement of Tugs for

the major ports to be reserved to Indian Built Indian Flag Tugs only has opened up new business opportunity to the Indian shipyards to service this segment. The demand in this segment has picked up and the Company (through its wholly owned subsidiary) won a new contract for building 2 Tugs under this scheme. More enquiries are received and this segment is showing high potential for further growth.

#### Cruise and Ferry Market

16. The Indian cruise industry, though in its nascent stage, is growing at a faster pace due to multiple government interventions in the past years. However, the operations got dampened due to pandemic and travel restrictions. However the growth projection is that, the Indian cruise market has the potential to increase by 8X driven by rising demand and disposable incomes with the young middle income groups. The MIV 2030 gives definitive plan towards the infrastructural development of ports to cater this industry. This in turn will result in great opportunity for the Indian shipbuilding as well ship repair and service industry catering to this growing segment. Company is well positioned on this segment offering services from multiple locations in east and west coast of India.

#### Fishing Segment

17. The Pradhan Mantri Matsya Sampada Yojana (PMMSY) scheme is aimed to strengthen critical gaps in the fish production, productivity, quality, technology, post-harvest infrastructure and management, modernisation and improve the value chain and to establish a robust fisheries management framework in the entire fishing segment. The Scheme was announced with long term goals of the government to improve the livelihood of the fishers and also to increase the overall revenue growth in the segment. The earmarked investment of around ₹480 Crores is set aside as a support for acquisition of deep sea fishing vessels for traditional fishermen is yet to take full momentum probably due to the COVID and other depressed market situation. CSL is actively engaged in the programme and was a member of the committee which published the guidelines for inspection and quality standards for the boat building yards towards manufacturing of standardised efficient deep sea fishing vessels. CSL is also gearing up to participate in this programme with different standard variants to suit the customer requirements of fishers from various states. As of now the Company is building 10 boats (through its wholly owned subsidiary) under this guidelines which is expected to attract the attention of fishermen of

various coastal states and thus bring in the momentum to the segment.

#### Green Shipping/ Low-carbon Shipping segment

18. The decarbonization of shipping is rapidly moving up the agenda for policymakers and industry alike. The International Maritime Organization (IMO) is putting various policies to reduce the impact on the maritime industry by regulating exhaust emissions, anti-fouling, ballast water, and more. According to the European Commission, the shipping industry releases 940 million tonnes of CO2 and makes 2.5% of the GHG emissions. Green shipping initiatives of government promotes cleaner practices to enforce emission control, efficient to port management, and equipment management. CSL is strongly engaged in this segment and is presently constructing two nos. of Autonomous Electric Vessels for ASKO Maritime AS, Norway. Further, CSL is ready with the designs of various types of advanced green technology vessels with low emission, which would be ideally suited for the Inland Waterways and coastal shipping in India. CSL is also in advance stages of discussion with various European clients for construction of their new generation green technology vessels in CSL. This is a sunrise segment opening multiple opportunities for the Company.

#### Ship Repair Industry

##### India & the Global Ship Repair Industry

19. Global ship repair market is currently dominated by shipyards in China, Singapore and Middle East largely due to the availability of skilled workforce and latest technology. The global market for ship repair and maintenance service is expected to witness significant growth, reaching a market value of USD 40 Billion by 2030 supported by developments in the markets in South East Asia and India. Though India's share in global ship repair is currently less than 1%, the country is favourably located in respect of the major trade routes / shipping routes with 7 to 9 % of the global trade passing within 300 NM of the coastline. Additionally, India is poised well to offer repair services to Indian Navy and the allies US Navy for its 5th and 7th fleet deployed in Indian Ocean & Arabian Sea.

20. Ship repair industry being labour intensive, India has got the advantage of having strong work force to cater for the requirement. However, the untapped potential in the Indian ship repair market can be attributed to the

presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kinds of vessels. Other reasons of cost disadvantages include high cost of financing, lack of supply of ship spares in India, ancillary support and technology related issues increasing ship repair execution cycle time.

21. To address the above gaps, under MIV 2030, Government of India is giving a strong forward thrust to the industry with multiple initiatives including channelising of domestic demands leveraging AatmaNirbhar Bharat Policy, infrastructure development through better access to financial instruments, providing better opportunities for overall development and enhanced business in the Industry by creating free trade depots, maritime clusters etc.

22. The COVID-19 pandemic had negatively impacted the global economy and thus, disrupted the global trade and allied ship repair and maintenance services industry. Ship repair and maintenance service activities were significantly reduced or suspended for several months. Operations globally, gradually resumed with new safety measures in place. These factors have collectively hampered the growth in global ship repair and maintenance market.

23. CSL Ship repair business has grown leaps and bounds. In addition to the ship repair facilities at Kochi, the Company has also established ship repair units at Mumbai, Kolkata and Port Blair. The Ship Repair Division is focusing on increased business volumes (at present close to 100 ships are being repaired/ refitted annually). The Yard is also focussing on entering new areas of ship repair market such as weapons platforms, offshore fabrications, conversions etc.

##### CSL initiatives in Ship repair

24. CSL is in the final phase of completion of work at "International Ship Repair Facility (ISRF)" at Willingdon Island, Cochin which would host a state-of-the-art Ship Lift System with six independent work stations. This new greenfield facility, in close proximity to the Southern Naval Command in Kochi is scheduled to be up and running shortly and would be capable of accommodating vessels up to 130 Mtrs length & 6000 T displacement. The Yard is also setting up a new dry-dock within its main premises to cater for the shipbuilding and ship repair activity which includes building of larger capacity vessels and repair to offshore rigs. CSL has also expanded its foot prints across the Indian coast by setting up ship repair units at Mumbai, Kolkata and Port Blair to cater to the demand in ship repair segment. CSL has also signed MoUs with various stakeholders in the field of ship repair, with a view to enhance business growth and technological advancement in the field.

25. With GOI, MIV 2030 in place and fuelled with various initiatives brought out by the Yard in line with the CRUISE 2030, CSL is poised for vibrant ship repair business times in the future.

#### Operations

26. Our Company's performance continued to be promising in all segments. The total turnover of the Company is ₹3,190.00 Crores as against the previous year of ₹2,818.90 Crores. The shipbuilding income during the year is ₹2,511.48 Crores as against the previous year income of ₹2,405.59 Crores. During the year, CSL delivered four nos. of 8000 T Cargo Vessels built for JSW Shipping & Logistics Private Limited which opened up a new vertical in the coastal/ shortsea shipping segment for the Company. CSL also delivered one no. of Technology Demonstration Vessel, INS Anvesh, built for Defence Research and Development Organisation (DRDO) which is a unique platform to be used to test various innovative products being developed by DRDO labs. In addition to above, CSL has also designed and delivered the first Hybrid Electric Aluminium Catamaran Hull Vessel for the Kochi Water Metro Project thus creating a revolutionary sustainable urban mobility water transportation solution. Furthermore, CSL has also successfully delivered six nos. of Floating Border Out-Post (FBOPs) Vessels out of nine FBOPs being built for Ministry of Home Affairs. Further, the construction of five nos. of Anti-Submarine Warfare Shallow Watercraft for Indian Navy, three nos. of Floating Border Out-Post (FBOP) Vessels for the Ministry of Home Affairs and balance 22 nos. of Hybrid Electric Aluminium Catamaran Hull Vessels for Kochi Water Metro Project are progressing. During the financial year 2021-22, the Company delivered a total of twelve vessels under defence as well as commercial segment.

27. The Yard has also completed major milestones on various projects such as:

- Keel laying of eight Hybrid Electric Aluminium Catamaran Hull Vessels and launching of three such Vessels for Kochi Water Metro Project;
- Launching of three FBOPs for the Ministry of Home Affairs;
- Launching and keel laying of two Autonomous Electric Vessels for ASKO Maritime AS, Norway; and
- Steel cutting and start of fabrication of three Anti-Submarine Warfare Shallow Water Crafts for the Indian Navy.

28. CSL achieved these milestones in spite of the COVID-19 pandemic challenging conditions by putting extra efforts amidst various uncertainties.



## Financial Information

29. The financial information of the Company pertaining to the last decade is given below:

(Amount in ₹ Crores)

Year	Paid up capital	Nominal value of shares (₹ per share)	Capital employed	Net worth	Profit Before Tax	Tax on Profits	Net Profits	EPS (₹)	Dividend	Payout ratio
21-22	131.54	10	4355.75	4359.18	794.39	207.82	586.57	44.59	220.33	0.38
20-21	131.54	10	3964.27	3977.57	810.59	200.49	610.10	46.38	203.89	0.33
19-20	131.54	10	3748.78	3731.80	863.43	225.74	637.69	48.48	218.75	0.34
18-19	131.54	10	3327.72	3332.08	751.38	270.20	481.18	35.72	171.00	0.35
17-18	135.94	10	3271.03	3255.87	604.86	208.11	396.75	31.03	163.12	0.41
16-17	113.28	10	2062.02	2028.58	493.40	171.85	321.55	28.39	101.61	0.32
15-16	113.28	10	1749.31	1814.33	419.65	145.86	273.79	24.07	86.65	0.32
14-15	113.28	10	1585.68	1561.07	367.56	132.49	235.07	20.75	16.99	0.07
13-14	113.28	10	1401.52	1352.53	290.96	96.71	194.24	17.15	16.99	0.08
12-13	113.28	10	1175.10	1175.70	275.55	90.28	185.27	16.35	16.99	0.09

## Key Financial Ratios

Sl. No.	Particulars	FY 2021-22	FY 2020-21	Change (in %) as compared to FY 2020-21	Detailed explanation for change of 25% or more
1.	Debtors Turnover	6.72	6.41	4.78	NA
2.	Inventory Turnover	8.76	7.56	15.85	NA
3.	Interest Coverage	18.09	17.06	6.04	NA
4.	Current Ratio	1.69	1.73	-2.56	NA
5.	Debt Equity Ratio	0.03	0.03	-5.95	NA
6.	Operating Profit Margin (%)	26	31	-16.13	NA
7.	Net Profit Margin (%)	18.39	21.64	-15.04	NA

## Return on Net Worth

Particulars	FY 2021-22	FY 2020-21	Change (in %) as compared to FY 2020-21	Detailed explanation for change
Return on Networth (%)	13.46	15.34	-12.26	#

#Change is on account of decrease in PAT and increase in net worth due to increase in input costs and impact of second wave COVID lockdown.

## Proposed / Declared Dividend

30. As per Office Memorandum F.No.5/2/2016-Policy dated May 27, 2016 issued by Department of Investment and Public Asset Management (DIPAM), every CPSE have to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Accordingly, your Directors are pleased to recommend a final dividend of ₹3.75/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. Earlier, interim dividends of ₹6/- and ₹7/-, aggregating ₹13/- per equity share had been paid to the shareholders during 2021-22. Thus, the total dividend for the year 2021-22 is ₹16.75/- per equity share (167.50%), amounting to ₹220.33 Crores.

## Segment-wise/ Product-wise Performance

31. The Company is engaged in two major activities viz., shipbuilding and repair of ships/offshore rigs etc. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis. The segment wise performance is given below:

(₹ Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Segment Assets</b>		
Shipbuilding	251516.16	319484.51
Ship Repair	287038.89	259606.41
Unallocated	293292.23	160863.06
<b>Total</b>	<b>831847.28</b>	<b>739953.98</b>
<b>Segment Liabilities</b>		
Shipbuilding	155888.80	104576.01
Ship Repair	64318.72	11264.54
Unallocated	175721.79	226356.75
<b>Total</b>	<b>395929.31</b>	<b>342197.30</b>
<b>Segment Revenue</b>		
Shipbuilding	251148.16	240559.27
Ship Repair	67852.09	41330.43
Unallocated	26641.68	19386.07
<b>Total</b>	<b>345641.93</b>	<b>301275.77</b>
<b>Segment Result</b>		
Shipbuilding	57749.03	76229.86
Ship Repair	12041.89	9419.89
Unallocated	9648.14	-4591.11
<b>Total</b>	<b>79439.06</b>	<b>81058.64</b>

32. The Company has two major business segments – “shipbuilding” and “ship repair”. Revenue under shipbuilding includes ₹2,04,473.56 Lakhs (previous year: ₹2,03,736.66 Lakhs) from one customer (previous year: one customer) having more than 10% revenue of the total revenue, and for ship repair includes ₹40,786.31 Lakhs (previous year: ₹29,714.58 Lakhs) from two customers (previous year: three customers) having more than 10% revenue of the total revenue.

- (d) Highly evolved shipbuilding processes and practices permitting modular construction of ships;
- (e) A very good product mix compatibility comprising of defence ships, commercial ships and offshore support ships;
- (f) Availability of quality sub-contractors and good supply chain network; and
- (g) ‘State-of-the-art’ facilities especially in terms of craneage, transporters, covered mobile shops, covered marine coating facility, high quality welding equipment, international standard hull fabrication facilities, substantial material storage facilities etc.

## SWOT

### Strengths:

- (a) Highly trained, motivated and knowledgeable manpower with an average of 15 years of experience at all levels of hierarchy resulting in extremely high quality workmanship;
- (b) A well planned and laid out shipyard enabling smooth work flow;
- (c) A modern ‘state-of-the-art’ design centre manned by highly trained, experienced and competent naval architects/engineers, draftsman etc.;

### Weaknesses:

- (a) Virtually non-existent indigenous ancillary industries and consequently non-availability of major equipment/raw materials in India;
- (b) Infrastructure constraints due to non-availability of large sized dock to build and repair ships beyond 1,10,000 DWT

and 1,25,000 DWT respectively. (This will be overcome with the proposed new dry-dock);

- (c) Difficulty to arrange long term project finance to ship owners which is offered by other overseas shipbuilding countries; and
- (d) Comparatively higher social and employee overheads and certain restrictive labour practices especially for contracting labour.

#### Opportunities:

- (a) Projected increase in requirement of ships for the domestic commercial segment, owing to the new GOI policy to encourage "Make in India";
- (b) Projected demand in the defence sector;
- (c) Indian Navy, Coast Guard and other maritime security agencies have embarked on an ambitious expansion programme which will open new opportunities;
- (d) LNG fuelled vessels, both deep sea and coastal;
- (e) Emerging opportunities in the inland waterways and coastal shipping sector in India;
- (f) Fishing vessels for both domestic and overseas market;
- (g) Tap opportunities for FRP boats for coastal security; and
- (h) Huge demand – supply gap for the repair of commercial and defence ships and virtually no competition in India.

#### Threats:

- (a) Spread of contagious diseases like COVID-19 pandemic;
- (b) Natural disasters;
- (c) Distress pricing policies of competitors;
- (d) Adverse reputational impact on the Indian shipbuilding industry due to under performance by Indian yards;
- (e) Rising cost of labour; and
- (f) Non-flexible government regulations on procurement policies delaying the product delivery timelines and cost.

#### CRUISE 2030

- 33. CSL has embarked on a bold transformation programme, CRUISE 2030 in March 2019 to achieve breakout growth along with globally competitive operations to profitably achieve the growth. CRUISE 2030 exercise clearly mandates

the need to tap new revenue generation streams beyond the current Ship Building & Ship Repair portfolios and a new division by name 'C-SAS' (CSL Strategic & Advanced Solutions) has already been formed. CRUISE 2030 had focused strongly on building the new businesses such as deep sea fishing vessels and electronic control systems, strengthening the operations maturity through 'Shipyard 4.0' and Project Management initiatives. The programme also focused on CSL's breakthrough into the Dredging and Inland Barges, and structured cost reduction initiatives across fishing vessels and other businesses. The Company is also working towards building capability in advanced technologies to tap business potential in new emerging vessel segments such as autonomous, hybrid/ electric vessels and alternative fuels. CSL has formed a dedicated Centre of Excellence team to drive digital transformation across the value chain, i.e. Planning, Design, Procurement and Operations.

#### CSL Strategic & Advanced Solutions (C-SAS)

- 34. In order to tap new revenue generation streams beyond the current Shipbuilding & Ship Repair portfolios, a dedicated division named CSL Strategic & Advanced Solutions (C-SAS) has been formed to enable the Company to venture into the arena of strategic and knowledge driven future technologies in the maritime sector. C-SAS has been actively engaged in identifying and developing sustainable and future oriented business models. Keeping pace with the Global Maritime Green Transitions, the Company is in the process of developing and building India's first indigenous Hydrogen Fuelled Electric Vessel, a pilot project part funded by the Ministry of Ports, Shipping and Waterways (MoPSW). The pilot project is based on development of a Low Temperature Proton Exchange Membrane Technology (LT-PEM) – also called Fuel Cell Electric Vessel (FCEV) and the C-SAS division is in charge of the technological part of design, development and construction of the Vessel. The move is part of India's transformative efforts on the innovative and new technology front with respect to green energy and sustainable cost-effective alternate fuel. The pilot project is being carried out in collaboration with Indian partners and the necessary action this regard has already commenced.
- 35. Further, C-SAS has recently acquired an order through competitive bidding process from the DRDO for the Development Cum Production Partner (DcPP) with NSTL for High Endurance Autonomous Underwater Vehicle (HEAUV). This is expected to enable the Company in acquiring knowledge in autonomous underwater sector, a segment with good growth potential.

#### Risks and Concerns

- 36. Pandemics like COVID-19 and the resultant lock down also impose various risks on the operations of the Company. The scale of production will be reduced due to various factors including restricted working arrangements, travel constraints, reduction in outsourced manpower (which to a certain extent due to reduced migrant labour availability), non-availability of service engineers and OEM representatives especially related to foreign equipment on account of international and inter-state travel restrictions. Projects can also run at a delayed pace due to the factors mentioned above and also on account of issues in material availability and logistic and also issues relating to cash flows from customers.
- 37. Also, there are possibilities of withholding of future projects by clients, cancellation of running enquiries and potential projects might have to be put on hold citing liquidity issues. Additionally, impaired cargo movement through road, shipping channels and air routes (due to labour shortages, operational hurdles at ports, airlines cutting down on operations) would add to cost of imports as well as exports further pressuring Company.
- 38. The risks for the Company arise from the inherent nature of the shipbuilding industry. About 20 to 30% of the Company's revenue is from the commercial shipbuilding which is highly cyclical in nature. The commercial shipbuilding industry prospects are dependent on world trade and the cyclicity of oil, natural gas, shipping, transportation and other trade related industries. Offshore Industry continues to be in the trough. The pandemic situation had created concerns world over and the situation are on watch for the probable indications towards the tectonic shifts in the international economy with significant impact in the shipbuilding & repair industries too.
- 39. Substantial portion of the Company's activities involve the fabrication and refurbishment of large steel structures and its erection which would entail the operation of cranes and other heavy machinery and other operating hazards. The operational risks faced by the Company also could result in fires and explosions etc. Though the losses caused on such eventualities are covered under a standard fire and special perils policy, CSL do not have insurance for business interruption. These risks could expose the Company to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages.
- 40. Another high risk area for the Company is the availability and price fluctuations of major raw materials. The major raw materials include steel (the grade and quality of which, in each project, depends on the applicable classification rules)

and other materials, equipment and other components such as pumps, propellers and engines. In fiscals 2020, 2021 and 2022 respectively, the Company's material consumption costs constituted, 63.99%, 55.39% and 60.67% of its total costs, respectively. In particular, bought out components accounted for around 95% of our total raw material cost in these recent fiscals.

- 41. Shortages in the supply of raw materials may result in an increase in the price of these raw materials. For example, there are supply-side constraints in relation to steel in India which we expect will continue in future. The Indian steel industry has been unable to compete globally due to which the GOI has imposed significant duties on the import of steel from other countries such as China to protect the domestic steel industry. This has adverse impacts when CSL is unable to source steel economically. In addition, the cost of certain raw materials, such as steel, aluminium, copper etc., may fluctuate in line with any changes in their global supply and demand and thus impacting the material cost.
- 42. In the event that the price of the Company's raw materials increase, the Company will not be able to pass these price increases to its customers on its existing fixed contracts and its business, financial condition and results of operations can be adversely affected.
- 43. Changes in currency exchange rates may influence our results of operations. Globally, a substantial part of all worldwide ship sales transactions and purchase of offshore structures is generally conducted in USD. To mitigate this risk, the Company hedges the net forex exposure on the export receivables. However, in the case of import components in respect of shipbuilding/ship repair contracts denominated in Rupee terms, CSL is exposed to exchange rate fluctuation risk unless the contract with the ship owner provides for an exchange variation reimbursement clause. Currently, some of the shipbuilding contracts do not contain such provision. Hence, adverse fluctuation in the currency rates will affect and influence our results of operations.

#### Product Diversification

- 44. As the Company is presently on the cusp of transformational growth, CSL is undertaking transformative efforts on the innovative and new technology front including that on Green Energy, Alternate Fuels, Autonomy, etc. Towards this, CSL is building 23 Hybrid Electric Aluminium Catamaran Hull Vessels for the Kochi Water Metro Project, which is one of its kind, modern, technologically advanced, energy efficient and environment friendly boat and is expected to integrate the urban water transport system for the seamless transportation requirements of the Kochi citizenry. CSL



is also executing the order for two Autonomous Electric Vessels for ASKO Maritime AS, Norway.

45. CSL in collaboration with indigenous partners and under the aegis of the Ministry of Ports, Shipping and Waterways is implementing a pilot project for design, development and construction of Hydrogen Fuel Cell Vessel based on Low Temperature Proton Exchange Membrane Technology (LT-PEM) also called Fuel Cell Electric Vessel (FCEV). Taking into consideration the growing impetus on hydrogen economy and hydrogen-based fuel cell technology both nationally and internationally, it is only prudent to explore its use case in the marine segment, especially in India, where there is vast possibility for its use on Coastal & Inland vessels.
46. CSL has also conceived a Start-up engagement framework which was unveiled by Hon'ble Minister for Ports, Shipping & Waterways at the inaugural function of the Company's Golden Jubilee celebrations held on April 30, 2022. With this framework CSL has committed to invest an initial corpus of ₹50 Crores in start-up companies engaged in maritime sector. The start-up framework is envisaged to augment Government of India's initiatives to develop an ecosystem in India to support Maritime Start-ups from technical, regulatory, financial and marketing point of view by bringing stakeholders together. The framework will provide a platform for the young and talented entrepreneurs to develop the products/services in the marine space with financial support provided by CSL.

### Internal Control

47. The Company has promulgated an internal control and internal audit manual and has in place adequate internal control systems. The internal audit function is carried out by an independent firm of Chartered Accountants who carry out an in-depth review of internal control systems in critical areas based on the audit programme approved by the Board level Audit Committee headed by an Independent Director. During the financial year 2021-22, the Company had engaged M/s. Varma & Varma, Chartered Accountants for reviewing and installing adequate Internal Financial Controls and to ensure proper and adequate systems for compliance with the provisions of all applicable laws. Such controls were tested and no reportable material weakness in the design or operation was observed.

### Human Resource Development and Industrial Relations

48. The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' Report.

### Women Empowerment

49. CSL has constituted an Internal Complaints Committee in accordance with the guidelines and norms prescribed by Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). A senior woman executive is the Chairperson of the Internal Complaints Committee. The Certified Standing Orders applicable to workmen include sexual harassment as an act constituting misconduct. The Internal Complaints Committee is empowered to enquire into such complaints as per the procedure laid down in the Certified Standing Orders and Industrial Employment (Standing Orders) Acts and Rules.
50. As a part of fostering women welfare measures, CSL has conducted awareness session regarding the usage of menstrual cup and free distribution of menstrual cups were done as a part of Women's Day celebration.
51. CSL has commemorated the 8th anniversary of POSH Act on December 09, 2021 by organizing a grand ceremony wherein a workshop on POSH Act was also conducted along with various other competitions.
52. An online session on 'Prevention of sexual harassment of women at workplace', was conducted by CSL on July 16, 2021 and the same was attended by 33 employees.
53. The Company ensures the participation of women in various forum including Joint Council, Shop Council, Central Safety Council, Shop Safety Council, Employees Contributory Provident Fund Trust, Employees Cochin Shipyard Recreation Club, Employees Cochin Shipyard Consumer Society etc.

### Technology Conservation

54. CSL continuously strives for conservation and upgradation of technology to remain competitive in the global shipbuilding market. Towards this the Company has taken the following initiatives:
- Development of NAPA software code for automatic generation of loading conditions and intact & damage stability criteria check of these loading conditions.
  - Development of basic design of tugs in collaboration with Robert Allan Limited, a leading Canadian design firm, specialized in Tug design.
  - Development of five standard designs for Tugs for IPA.
  - Development of three standard designs for Fishing vessels for GOI.

- Developed concept design of 12m Autonomous Surface vessel as feasibility study project.
- Developed working concept of Semi-Automatic Mooring System for implementation in Kochi Water Metro Project.
- Developed concept design of hydrogen powered fuel cell passenger ferry boat. Rating of fuel cell and bill of materials for the project were finalized with MoU partner M/s. KPIT Technologies.
- Developed concept design for 3000 T Inland Cargo Carrier for operation in NW1, NW2 and Indo Bangladesh protocol route.
- Developed concept design of battery powered Ro-Ro vessel.
- Developed concept design for 80 Pax River Cruise vessel for operation in Ayodhya.
- Developed concept design for Submersible Testing Platform.
- Implementation of IPMS software and hardware upgradation for INS Deepak through MoU partner M/s. Seastema Italy.

### Corporate Social Responsibility (CSR) and Sustainability

55. For more details, please refer the annual report on CSR activities placed at Annexure III to Directors' Report.

### Micro, Small and Medium Enterprises (MSME) as per the Public Procurement Policy 2012

56. The Company is making all out efforts to increase the procurement/ availing services from MSMEs. The Company has achieved a target of 52%, against the required target of 25% procurement of goods and services from MSMEs, out of total indigenous procurement for FY 2021-22, till March 31, 2022, in spite of COVID-19 pandemic effects and restrictions. SC/ST and women MSME entrepreneurs are also getting benefitted due to CSL's initiatives.

57. With a view to promote procurement/ avail services through MSMEs as per the Public Procurement Policy 2012 promulgated by the Government of India (GOI), Cochin Shipyard Limited attended a Vendor Development Program for MSME SC/ ST entrepreneurs in Kerala, organised by Department of Industries, Government of Kerala along with Federation of Indian Chambers of Commerce & Industry (FICCI) on November 02, 2021 at Kottayam and also organised a Vendor Development Programme exclusively for MSME SC/ ST and women entrepreneurs on January 06, 2022 in association with FICCI and National Small Industries Corporation (NSIC), at CSL.
58. Other initiatives include, making CSL website user-friendly for MSME vendors, regular uploading of procurement data and other details in "MSME SAMBANDH" portal, ensuring no vendor complaint is pending in "MSME SAMADHAAN" portal on delayed payment monitoring system which implies payments to MSME vendors are effected without delay, on boarding of around 180 vendors in TReDS platform etc.

### Cautionary statement

59. 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

Kochi  
May 24, 2022

**Madhu S Nair**  
Chairman & Managing Director  
DIN: 07376798

# Business Responsibility Report

## About this report

In terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Reports of the top one thousand listed entities based on market capitalization at the BSE and NSE shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective, which includes CSL.

The reporting framework is based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI.

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L63032KL1972GOI002414
2. Name of the Company	Cochin Shipyard Limited
3. Registered address	Administrative Building, Cochin Shipyard Premises, Perumanoor, Ernakulam, Kerala – 682015.
4. Website	www.cochinshipyard.in
5. E-mail id	secretary@cochinshipyard.in
6. Financial Year reported	2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Shipbuilding and Ship Repair (Industrial Group 301 and 331 as per National Industrial Classification of the Ministry of Statistics and Programme Implementation)
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)	The Company is engaged in the business of shipbuilding and ship repair. Inter alia considering nature of production process and infrastructure facilities used, there are no other reportable segment.
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	Nil
b) Number of National Locations	Five
10. Markets served by the Company – Local/State/National/ International	Local, State, National and International

## Section B: Financial Details of the Company

1. Paid up Capital	₹131.54 Crores
2. Total Turnover	₹3190.00 Crores
3. Total profit after taxes	₹586.57 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹16.19 Crores 2.76%
5. List of activities in which expenditure in 4 above has been incurred	CSL's CSR activities are carried out in the following focus areas: <ul style="list-style-type: none"> <li>Health, Nutrition, Education with special focus on COVID related measures including setting up makeshift hospitals and temporary COVID care facilities and COVID vaccination.</li> </ul>

## Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes, CSL has two Subsidiaries viz., Hooghly Cochin Shipyard Limited (HCSL) and Udipi Cochin Shipyard Limited (UCSL) (formerly known as Tebma Shipyards Limited).
2. Do the Subsidiary Company/ Companies participate in the BR initiatives of parent company? If yes, then indicate the number of such subsidiary company(s)	No. Both the subsidiary companies are in a very nascent stage of their operations and hence have not started to participate in the BR initiatives of CSL.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has adopted well established procedures for outsourcing and procurement activities in order to ensure quality, on time delivery and optimum cost. Care is taken to have a panel of vendors with sound integrity. The Company has introduced e-payment, integrity pact etc., for a more transparent method of procurement. The standard terms and conditions of purchase order conforms to the Company policy on safety, environment etc., and are accepted by the vendor. Hence, majority (more than 60%) conform to the key principles of the business responsibility.

## Section D: BR Information

1. Details of Director/Directors responsible for BR	
(a) Details of the Director/Directors responsible for implementation of the BR policy/policies	BR function relating to corporate social responsibility and sustainability was monitored by the Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee of the Board of Directors. The details of the composition of the CSR & SD Committee during 2021-22 is provided in the Corporate Governance Report.
1. DIN	
2. Name	The details of the Chairperson of the Committee are as follows:
3. Designation	DIN : 09419082 Name: Shri Nahar Singh Maheshwari Designation: Non-official (Independent) Director Email ID: nsmaheshwari@cochinshipyard.in
(b) Details of the BR head	The Board has not assigned responsibilities specifically to any Director to function as the BR head.



## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with ethics, transparency and accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Various policies at CSL conform to different applicable statutes/ guidelines/ rules etc. issued by GOI, and updated from time to time. Industry practices, national/ international standards are kept in view while formulating policies.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Different policies are approved by the Board/Competent Authorities as per delegation of power.								
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: <a href="https://cochinshipyard.in/investor/investor_titles/68">https://cochinshipyard.in/investor/investor_titles/68</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies have been communicated to the stakeholders by uploading on the Company's above mentioned website. Quality, Health, Safety and Environmental Policy is uploaded in intranet of the Company as well as CSL's website. The same is also displayed at all major locations of the Company.								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	The Board has set up a Committee to address the grievances of the stakeholders, debenture holders and other persons holding securities in the Company as required under the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is subject to various audits such as Statutory Audit by firm of Chartered Accountants appointed by the Comptroller & Auditor General of India (C&AG), Internal Audit, C&AG Audit, Cost Audit, Secretarial Audit, Energy Audit, Safety Audit, Integrated Management Systems Audit etc. These audits ensure compliance to various internal and external policies.								

## 3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The senior management of the Company reviews BR performance on an ongoing basis. The Board/ Committees constituted by it review the same periodically.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company publishes BR Report annually as part of its annual report. The hyperlink for viewing the report: [https://cochinshipyard.in/investor/investor\\_titles/53](https://cochinshipyard.in/investor/investor_titles/53)

## Section E: Principle-Wise Performance

### Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company has positioned an Integrity Pact which is signed with bidders to enable them to raise any issues with regard to high value tenders of more than ₹100 Lakhs floated from time to time. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said Integrity Pact.

The pact essentially envisages an agreement between the prospective vendors/bidders and CSL committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year under review, a total of 22 complaints were received from various stakeholders and all the complaints were resolved to their satisfaction.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the business of shipbuilding and ship repair. As such the Company has only one product, which has been designed to incorporate social or environmental concerns as well as benefit from the available opportunities.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

The Company recognizes its commitment to achieve economic development through sustainable methods. This is proposed to be achieved through employment of appropriate technology, transparency in procurement and outsourcing and participation in sustainable development programmes.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.

CSL has implemented various energy conservation measures viz., installation of solar power plant having capacity of 1622 kWp, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of high electricity consuming light fittings with energy efficient LED fittings, replacement of conventional split air conditioner system with VRF air conditioning system, use of energy efficient BLDC/ 5 star fans instead of ordinary ceiling fans, regular monitoring and rectification of leakages in the compressed air distribution system and other industrial gas lines, switching off air compressor during lunch break, switching off main power supply to shops, quays & docks momentarily at 12:00 hrs. which trips man coolers, roof extractors (controlled through starters), etc., which are not required during the lunch break, displayed energy saving stickers & posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power, continuously monitoring and maintaining power factor

near unity etc. Energy savings of approximately 3.38 Lakhs units per annum have been achieved with the implementation of measures specified above.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company has been following approved criteria for the selection of vendors to ensure sustainable sourcing which inter alia includes vendors having ISO 9000 certification, vendors approved by regulatory bodies, various authorized dealers of the manufacturer, ability to provide materials as per laid down specification and other requirements, ability to supply materials as per stipulated delivery period. Annual evaluation of the orders placed on a vendor is completed to decide the average performance. A vendor is removed / suspended from approved vendor list based on his average performance over the period of evaluation. Vendors list is reviewed and updated once in a year.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

With a view to promote procurement/avail services through local and small producers and service providers including Micro, Small and Medium Enterprises (MSME) as per the Public Procurement Policy 2012 promulgated by the Government of India (GOI), the Company is making all out efforts to increase the procurement/ availing services from MSMEs. The Company has achieved a target of 52%, against the required target of 25% procurement of goods and services from MSMEs, out of total indigenous procurement for FY 2021-22, till March 31, 2022, in spite of COVID-19 pandemic effects and restrictions. SC/ST and women MSME entrepreneurs are also getting benefitted due to CSL's initiatives.

Further, Cochin Shipyard Limited attended a Vendor Development Program for MSME SC/ ST entrepreneurs in Kerala, organised by Department of Industries, Government of Kerala along with Federation of Indian Chambers of Commerce & Industry (FICCI) on November 02, 2021 at Kottayam and also organised a Vendor Development Programme exclusively for MSME SC/ ST and women entrepreneurs on January 06, 2022 in association with FICCI and National Small Industries Corporation (NSIC), at CSL.

Other initiatives include, making CSL website user-friendly for MSME vendors, regular uploading of procurement data and other details in "MSME SAMBANDH" portal, ensuring no vendor application is pending in "MSME SAMADHAAN" portal on delayed payment monitoring system which implies payments to MSME vendors are effected without delay, on boarding of around 180 vendors in TReDS platform etc.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)?**

Due to the nature of products of the Company and the waste generated, mechanism to recycle is not available. However, the wastes are disposed off through agencies dealing in such disposal or recycling and approved by the environmental authorities.

**Principle 3: Businesses should promote the well being of all employees**

1. **Total number of employees:** 1756 (permanent employees)
2. **Total number of employees hired on temporary / contractual /casual basis:** Average 6500 per day
3. **The number of permanent women employees:** 172
4. **The number of permanent employees with disabilities:** 56
5. **Do you have an employee association that is recognized by management?**  
Yes, CSL have four employee association recognised by the management viz.:  
a. Cochin Shipyard Officers Association (CSOA)  
b. Cochin Shipyard Supervisory Staff Association (CSSSA)  
c. Cochin Shipyard Employees Organisation (CSEO)  
d. Cochin Shipyard Employees Federation (CSEF)
6. **What percentage of your permanent employees is members of this recognized employee association?**

Most executives are members of Cochin Shipyard Officers Association. In the case of permanent workmen, most of them are affiliated to various recognised unions.

**7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour/ involuntary labour	The Company does not hire child labour, forced labour or involuntary labour. No compliant.	Not Applicable
2.	Sexual harassment	1	0
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

Permanent Employees: 100%  
Permanent Women Employees: 100%  
Casual/Temporary/Contractual Employees: 100%  
Employees with Benchmark Disabilities: 100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. **Has the Company mapped its internal and external stakeholders?**  
Yes, the Company has mapped its internal as well as external stakeholders.
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**  
CSL's CSR projects aims at benefiting the disadvantaged, vulnerable and marginalized community who are present across Kerala particularly in remote rural/tribal communities. Further, CSL ensures that the reservation policy as advised by the Government of India (GOI) is implemented. CSL is also involved in improving the quality of life of persons for whom projects are specially designed. The Company has identified (i) SC/ST (ii) differently abled as disadvantaged, vulnerable and marginalized for employment purpose.
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

CSL has made commitments for various projects across Kerala in its CSR thrust areas, largely catering to disadvantaged, vulnerable and marginalized stakeholders

viz., education, sanitation & smart class rooms for children, healthcare initiatives for tribal communities, several initiatives for differently abled persons, empowerment of women through income enhancing skill development programmes and other interventions in rural/tribal/semi-urban areas. The Company follows all the GOI regulations regarding reservations for SC/ST and differently abled.

**Principle 5: Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?**  
The human resource policies of the Company cover all aspects of human rights of its employees and others associated with it for operation of its business and covers human rights of employees of the subsidiaries also. No complaints have been received in the past financial year on human rights.  
The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year under review, the Company has received one such complaint and the same was closed.  
The Company is committed to comply with all human rights practices across subsidiaries and other stakeholders associated with the Company.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the year under review, a total of 22 complaints were received from various stakeholders and all the complaints were resolved to their satisfaction.



**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?**

Covers the Company. As a part of the integrated approach of the Company, our commitment to the mother nature is demonstrated through our ongoing effort to reduce the adverse impact on the environment and reinforcing the positive contribution. We strive to achieve this by identifying the significant environmental aspects of its activities and products and developing programmes and processes to reduce or control them with an aim of protecting the environment. During the reporting period, the company has received CII SR EHS Excellence Awards 2021 in the EHS engagement in work force category. The Company also persuades and encourages its business partners/vendors/contractors to move towards environmental friendly processes, right from design to disposal.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.**

The Company has a detailed manual which describe the common procedures that need to be established for the effective implementation of the environmental management system, meeting the requirements of the international standards ISO 14001:2015.

**3. Does the Company identify and assess potential environmental risks?**

Yes.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Presently, CSL does not have any project under Clean Development Mechanism.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.**

The Company has undertaken various initiatives like, installation of solar power plant having capacity of 1622 kWp, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of high electricity consuming light fittings with energy

efficient LED fittings, replacement of conventional split air conditioner system with VRF air conditioning system, use of energy efficient BLDC/5 star fans instead of ordinary ceiling fans, regular monitoring and rectification of leakages in the compressed air distribution system and other industrial gas lines, switching off air compressor during lunch break, switching off main power supply to shops, quays & docks momentarily at 12:00 hrs. which trips man coolers, roof extractors (controlled through starters), etc., which are not required during the lunch break, displayed energy saving stickers & posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power, continuously monitoring and maintaining power factor near unity etc. These initiatives resulted in energy savings of approximately 3.38 Lakhs units per annum.

Further, CSL is undertaking transformative efforts on the innovative and new technology front including that on Green Energy, Alternate Fuels, Autonomy, etc. Towards this, CSL is building 23 Hybrid Electric Aluminium Catamaran Hull Vessels for the Kochi Water Metro Project, which is one of its kind, modern, technologically advanced, energy efficient and environment friendly boat and is expected to integrate the urban water transport system for the seamless transportation requirements of the Kochi citizenry. CSL is also executing the order for two Autonomous Electric Vessels for ASKO Maritime AS, Norway. The Project is an ambitious project in Norway partially funded by the Norwegian government as a part of a green shipping programme aimed at emission-free transport of goods across the Oslo fjords.

CSL in collaboration with indigenous partners and under the aegis of the Ministry of Ports, Shipping and Waterways is implementing a pilot project for design, development and construction of Hydrogen Fuel Cell Vessel based on Low Temperature Proton Exchange Membrane Technology (LT-PEM) also called Fuel Cell Electric Vessel (FCEV).

**6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

In the financial year 2021-22, there are no pending CPCB/SPCB show cause/legal notices.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

- Indian Shipbuilders Association
- Indo Japan Chamber of Commerce
- Confederation of Indian Industry (CII)
- Cochin Chamber of Commerce and Industry
- All India Management Association
- The Federation of Indian Chambers of Commerce and Industry (FICCI)
- Standing Conference of Public Enterprises (SCOPE)
- Society of Indian Defence Manufacturers (SIDM)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others).**

The above mentioned organisations act as a platform for CSL to address issues that might impact its stakeholders. CSL encourages participation in advocating policy level processes rather than lobbying on any specific issues.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

As mentioned in the sections above, CSL's CSR projects aim at benefitting the community from low socio-economic strata across the state of Kerala and are identified as vulnerable. These projects are attempting for inclusive growth & equitable development of such communities.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

CSL largely collaborates with various NGOs, foundations, government agencies and other professional agencies for execution of the projects on the ground.

**3. Have you done any impact assessment of your initiative?**

Yes. Impact assessment is crucial to view the effect of the activity conducted. CSL conducts impact assessment as a part of the project for the majority of projects.

**4. What is your Company's direct contribution to community development projects – amount in INR and the details of the projects undertaken?**

In the financial year 2021-22, the contribution to community development projects was around ₹15 Crores. Please refer to the Report on CSR Activities forming part of this Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Engagement of the community is paramount for sustaining any community development program on ground. We ensure engagement of the community at the very planning stage and thereafter induct them at the implementation level. This not only ensures acceptance of the programme on ground but also its continuity and sustainability.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The Company's customers are large corporate houses, corporations both national and international or Ministries of the Central Government. During the year under review the Company has not received any complaints.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Not applicable as it engages in shipbuilding and ship repair operations.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

No cases have been filed by any stakeholders against the Company regarding unfair trade practices during the last five years.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes. All the contracted vessels are conducted with a customer satisfaction survey and feedbacks are taken from owners willing to share their experience. The surveys are conducted by an independent third party firm in order to have open & genuine feedback from the customer.

Customer satisfaction survey is conducted in two phases for the vessels contracted; one during construction phase (Phase I) and one after completion of warranty period (Phase II). Phase I is intended for an interim feedback during the ongoing construction stage, in order to identify any concerns from the owner during the construction phase. This also helps the Yard to understand the area of concerns (if any), and can initiate actions appropriately for improvements to the level of owner expectations. Phase II survey is after the delivery and the completion of warranty period of the vessel where owner would have

sufficient time to understand the performance & quality of construction, which will provide an overall perspective of their satisfaction for the new building contracted & delivered.

The surveys conducted cover all phases of construction starting from the pre-contract stage. Feedbacks are requested from owners regarding approachability, accessibility, quality of construction, overall technical capabilities of the Yard & post delivery services. The independent agency submits a report in each financial year for the surveys conducted and elaborates regarding the feedbacks from various clients, specifying the areas where Shipyard is performing well & areas where improvements are suggested. This independent report provides a scope to understand the strength & weakness of the Yard from the owner perspective and is much helpful while approaching the same client / similar clients.

# Financial Statements



# Independent Auditors' Report

To the Members of  
Cochin Shipyard Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Cochin Shipyard Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Ind AS) 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, 2022, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Measurement of Physical Completion of Ship Building and Ship Repair activities.

The company recognises revenue from ship building and ship repair activities based on percentage of completion method. The percentage of completion is arrived at based on estimated percentage of physical completion as assessed by the management of the company which involves exercise of significant judgements. [Refer Note 2.4 (Critical Accounting Estimates & Judgements) & 2.19(a) (Revenue from operations) to the Standalone Financial Statements]. The physical completion is ascertained as per an in-house procedure developed by the management of the company. The procedure and the assumptions therein are based on certain judgements made by the management based on inputs received from the planning, design and technical departments of the company. Further, the ascertainment of the actual physical completion of each sub-activity on reporting date also involves management estimation. Our audit approach consisted of understanding the basis and assumptions made in adopting such procedure, understanding the system for capturing data and monitoring the progress of completion of various works for internal reporting to the management, evaluating the internal controls in such system, selecting samples and performing substantive checking and analytical procedures. However, we have placed substantial reliance on the technical and activity-based assessment made by the management for the purpose of recognition of income.

### 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 Director's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also 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 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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 Companies Act, 2013, 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 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 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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.

2. Based on the verification of records of the Company and based on information and explanation given to us, we give in "Annexure B", a report on the Directions and Sub-Directions issued by the Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all 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 so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) In view of the exemption given vide notification no. G.S.R 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company.
  - (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".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, we offer no comments as the Company is exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.
  - (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 has disclosed the impact of pending litigations on its financial position in its Standalone financial statements (refer Note Nos. 44,45,46 of the Standalone Financial Statements).

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 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, as disclosed in the Note 48 to the accounts, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, as disclosed in the Note 48 to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- (c) Based on the 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) above contain any material misstatement.
- v. The dividend declared/paid by the Company during the year is in compliance with section 123 of the Companies Act, 2013.

Kochi  
20.05.2022

For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 0008015

**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRRE5626



## Annexure-A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2022, we report the following:

- (i) (a) (A) In our opinion, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) In our opinion, the company is maintaining proper records showing full particulars of intangible assets.
- (b) There is a regular program of physical verification of Property, Plant and Equipment, which in our opinion is reasonable having regard to the size of the company and the nature of assets. During the year, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) Inventories were physically verified during the year in accordance with the inventory verification procedure adopted by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed during such verification.
- (b) The company has been sanctioned Non-Fund Based limits in excess of Rs. 5 crores by banks which are availed as and when required. It has also been sanctioned Fund Based limits in excess of Rs. 5 crores by banks which have not been availed by the company. The company is not required to file quarterly returns or statements with the banks.
- (iii) During the year, the company has invested Rs. 10 Crores and Rs. 31 Crores in Non-Convertible Debenture of its wholly owned subsidiaries M/s Udipi Cochin Shipyard Limited (formerly Tebma Shipyard Limited) and M/s Hoogly Cochin Shipyard Limited respectively. Also, advances have been given to directors during the year on the same terms and conditions at which it is given to other employees of the company.
- a) During the year, the company has not provided loans or provided advances in the nature of loans or stood guarantee or provided security to any other entity except advances given to directors on the same terms and conditions at which it is given to other employees. Loan had been given to subsidiary in the preceding year and remains receivable as on Balance Sheet, the details of which are as follows :-

Particulars	Guarantees	Security	Loans	Advance in Nature of loans
<b>Aggregate amount granted or provided during the year:</b>				
Subsidiaries	-	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others - Directors	-	-	-	Rs. 1.20 Lakhs
<b>Balance outstanding as at balance sheet date in respect of:</b>				
Subsidiaries:				
Udipi Cochin Shipyard Limited (formerly Tebma Shipyards Limited)	-	-	Rs. 5 Crores	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others - Directors	-	-	-	Rs. 0.36 Lakhs

- (b) In our opinion, the investments made, and the terms and conditions of the grant of loans and advances provided are not prejudicial to the company's interest.
- (c) In respect of the loans and advances, the schedule of repayment of principal and payment of interest has been stipulated and the repayments / receipts are regular.
- (d) As per our examination of the company's records, no amount is overdue in respect of the above loans and advances.
- (e) There has been no such instance where any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) Based on the information and explanations given to us, and procedures performed by us, we are of the opinion that 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.
- (iv) In our opinion and according to the information and explanation provided to us, the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to the information and explanation given to us, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of

India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.

- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate and complete.

- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues, we report that:

- (a) The company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2022 for a period of more than six months from the date they become payable.
- (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of disputes, except the following:

(Rupees in lakhs)

Name of the Statute	Nature of Dues	Amount	Amount paid/adjusted	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1369.11	1369.11*	-	AY 2010 - 11 AY 2011 - 12 AY 2014 - 15 AY 2017 - 18	Commissioner of Income Tax (Appeals)
		700.86	700.86*	-	AY 2010 - 11 AY 2011 - 12	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	4,601.92	-	4,601.92	2004-05 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
		393.97	15.14	378.83	2015-16 2016-17	Commissioner (Appeals)

(Rupees in lakhs)

Name of the Statute	Nature of Dues	Amount	Amount paid/adjusted	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Duty of Customs	9,358.73	6,725.48	2,633.25	2003-2004 2013-2014 2018-2019	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
		50.77	-	50.77	1984-1990 2004-2005	Commissioner of Customs, Cochin
		14,961.22	-	14,961.22	2010-2015	Case dismissed by Hon'ble High Court of Kerala directing department to file appeal under Section 130E of the Customs Act with the Hon'ble Supreme Court.
Employees' State Insurance Act, 1948	Employees' State Insurance	17.26	-	17.26	2010-2013	Hon'ble Insurance Court, Alappuzha

\*Adjusted against the refund due for the subsequent years

- (viii) Based on our examination of the books and other records of the company and based on the information and explanations given to us, we are of the opinion that there are no instances of transactions not recorded in the books of account and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- (c) The company has not availed any term loan.
- (d) The company has not raised any funds on short term basis.
- (e) Based on the information and explanations given to us, and audit procedures performed by us, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us and audit procedures performed by us, we report that no fraud by the company or on the company has been noticed or reported during the year other than a petty theft of materials valued at approximately Rs. 6000/- by an on-contract employee.
- (b) No report in Form ADT-4 under sub-section (12) of Section 143 of the Companies Act has been filed by us. Based on information and explanations provided to us, and other audit procedures performed by us, we report that Form ADT-4 has not been filed by cost auditors or secretarial auditors of the company.
- (c) Based on the information and explanations provided to us by the management, we report that no whistle blower complaints were received during the year.
- (xii) The Company is not a Nidhi company as prescribed under Section 406 of the Companies Act, 2013. Accordingly, the reporting requirement under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and based on the information and explanations provided to us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable, and the details have been disclosed in the standalone Financial Statements as required by the applicable Indian 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) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, the group has no Core Investment Companies.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting requirement under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of

financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. 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 all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) In our opinion, and according to the information and explanations given to us, there is no unspent amount required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013.
- (b) In our opinion, and according to the information and explanations given to us, there is no unspent amount required to be transferred to a special account in compliance with the provision of sub-section (6) of Section 135 of the Companies Act, 2013.
- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, except for the following:

Sr. No	Name	Relationship	Clause of the CARO Report
1.	Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Limited) CIN : U27209TN1984GOI010994	Subsidiary	Clause xvii – The Company has incurred Cash Losses of Rs 163.39 Lakh during the year ( Rs 124.98 Lakh during the Previous Year)

Kochi  
20.05.2022For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 0008015**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRRE5626



## Annexure-B to the Independent Auditors' Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the audit of standalone financial statements for the year ended March 31, 2022, we report the following:

### A. General Directions

- Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

In our opinion, the company has a system in place to process all the accounting transactions through IT system. Based on the information and explanations given to us, and based on procedures performed by us, we are of the opinion that the company has an adequate internal control system to prevent and detect processing of accounting transactions outside the IT system. As per information provided to us, there has been no such instance reported during the year.

- Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?**

According to the information and explanation given to us and based on our examination of the records of the company, there has not been any restructuring of any existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company.

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

In our opinion and based on the information and explanations given to us, the funds received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/in lines with applicable Indian Accounting Standards and utilized (wherever received) as per their terms and conditions.

### B. Sub Directions

- Whether revenue sharing/ revenue recognition and cost allocation were properly accounted for in the books as per agreement, in the case of leased ship repair facilities in Kochi, Mumbai, Kolkata and Andaman.**

In our opinion and based on the information and explanations given to us, revenue sharing/ revenue recognition and cost allocation in the case of leased ship repair facilities wherever operations have commenced were properly accounted for in the books as per agreement.

For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 0008015

**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRRE5626

Kochi  
20.05.2022

## Annexure-C to the Independent Auditors' Report

**The Annexure referred to in our Independent Auditors' Report to the members of Cochin Shipyard Limited on the audit of standalone financial statements for the year ended 31st March 2022.**

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

### Opinion

We have audited the internal financial controls over financial reporting of Cochin Shipyard Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, 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, 2022, 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.

### 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 authorizations 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.

### Management's Responsibility for Internal Financial Controls

The Company's management 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 ('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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **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.

For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 000801S

**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRRE5626

Kochi  
20.05.2022

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED, FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of Cochin Shipyard Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cochin Shipyard Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

Place: Chennai  
Date: 28.07.2022

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

**(DEVIKA NAYAR)**  
Director General of Commercial Audit, Chennai



# Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	32,984.41	33,275.15
(b) Right of Use Assets	3	35,181.57	36,565.74
(c) Capital work-in-progress	4	1,24,720.14	1,06,164.35
(d) Intangible assets	5	5,856.48	5,748.61
<b>Financial assets</b>			
(i) Investments	6	25,544.52	21,444.52
(ii) Loans	7	847.84	791.60
(iii) Other Financial Assets	8	3,170.72	4,402.23
(f) Income tax assets (net)	9	3,386.91	3,854.01
(g) Deferred tax assets (net)	10	6,785.94	7,880.94
(h) Other non-current assets	11	18,275.93	21,388.54
<b>Total Non-Current assets</b>		<b>2,56,754.46</b>	<b>2,41,515.69</b>
<b>Current assets</b>			
(a) Inventories	12	29,610.69	43,221.40
<b>Financial Assets</b>			
(i) Trade receivables	13	39,005.86	35,330.43
(ii) Cash and cash equivalents	14	1,36,731.59	66,721.59
(iii) Bank balances other than (ii) above	15	1,79,551.09	1,47,916.77
(iv) Loans	16	68.56	57.20
(v) Other Financial assets	17	3,681.88	1,734.65
(c) Other current assets	18	1,86,443.15	2,03,456.25
<b>Total Current assets</b>		<b>5,75,092.82</b>	<b>4,98,438.29</b>
<b>Total Assets</b>		<b>8,31,847.28</b>	<b>7,39,953.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity :</b>			
(a) Equity share capital	19	13,154.04	13,154.04
(b) Other equity	20	4,22,763.93	3,84,602.64
<b>Total Equity</b>		<b>4,35,917.97</b>	<b>3,97,756.68</b>
<b>Liabilities :</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	12,300.00	12,300.00
(ia) Lease Liabilities	22	38,680.71	38,374.71
(ii) Other financial liabilities	23	261.22	261.22
(b) Provisions	24	3,551.00	3,161.39
(c) Other non current liabilities	25	9.16	10.30
<b>Total Non-Current Liabilities</b>		<b>54,802.09</b>	<b>54,107.62</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease Liabilities	26	3,374.84	2,556.23
(ii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	27	701.25	1,527.88
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		36,509.75	42,014.71
(iii) Other financial liabilities	28	15,946.45	20,959.85
(b) Other current liabilities	29	2,35,276.98	1,64,236.68
(c) Provisions	30	46,751.86	49,484.69
(d) Current tax liabilities (net)	9	2,566.09	7,309.64
<b>Total Current Liabilities</b>		<b>3,41,127.22</b>	<b>2,88,089.68</b>
<b>Total Equity and Liabilities</b>		<b>8,31,847.28</b>	<b>7,39,953.98</b>

Corporate overview and Significant Accounting Policies 1 - 2  
Notes to the Financial Statements 3 - 59

The accompanying notes are an integral part of these financial statements

As per our report attached

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

For and on behalf of Board of Directors

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Standalone Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Income</b>			
Revenue from operations	31	319000.25	281889.70
Other income	32	26641.68	19386.07
<b>Total Income</b>		<b>345641.93</b>	<b>301275.77</b>
<b>II Expenses:</b>			
Cost of materials consumed	33	161516.94	121981.82
Sub contract and other direct expenses	34	41251.43	33631.38
Employee benefits expense	35	30588.56	29157.79
Finance costs	36	4648.04	5046.62
Depreciation and amortisation expense	37	5604.75	5307.07
Other expenses	38	17810.08	15928.33
Provision for anticipated losses and expenditure	39	4783.07	9164.12
<b>Total expenses</b>		<b>266202.87</b>	<b>220217.13</b>
<b>III Profit before tax</b>		<b>79439.06</b>	<b>81058.64</b>
<b>IV Tax expense:</b>			
(1) Current tax	9	19687.24	23293.20
(2) Deferred tax	9	1095.00	(3245.00)
<b>V Profit for the year</b>		<b>58656.82</b>	<b>61010.44</b>
<b>VI Other comprehensive income</b>			
<b>A) Items that will be reclassified to profit or loss</b>			
i) Effective portion of gains/losses on cash flow hedging instruments		(119.78)	121.08
ii) Income tax relating to items that will be reclassified to profit or loss		30.15	(30.48)
<b>B) Items that will not be reclassified to profit or loss</b>			
i) Remeasurements of defined employee benefit obligations		(23.00)	411.01
ii) Income tax relating to items that will not be reclassified to profit or loss		5.98	(103.44)
<b>Other comprehensive income for the year</b>		<b>(106.65)</b>	<b>398.17</b>
<b>VII Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>58550.17</b>	<b>61408.61</b>
<b>VIII Earnings per equity share of Rs 10 each :</b>			
(1) Basic (Rs)	40	44.59	46.38
(2) Diluted (Rs)		44.59	46.38

Corporate overview and Significant Accounting Policies 1 - 2  
Notes to the Financial Statements 3 - 59

The accompanying notes are an integral part of these financial statements

As per our report attached

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

For and on behalf of Board of Directors

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	79,439.06	81,058.64
Adjustments for :		
Depreciation and amortisation	5,604.75	5,307.07
Interest expense	4,648.04	5,046.62
Interest income	(7,587.24)	(10,623.21)
Rental income	(100.06)	(63.66)
Dividend income	(285.99)	(46.56)
Loss on sale/write off of property, plant and equipment	1.02	1.25
Income recognised on Govt. assistance	(1.14)	(1.14)
Loss/(gain) on derivative contracts (net)	(178.41)	(123.99)
Net (gain) /loss on foreign currency transactions	(173.26)	(404.65)
<b>Operating cash flow before working capital changes</b>	<b>81,366.77</b>	<b>80,150.37</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in inventories	13,446.95	(12,066.39)
(Increase) / decrease in trade, other receivables and assets	13,400.94	(51,773.02)
Increase / (decrease) in trade and other payables	48,292.36	61,385.08
	<b>1,56,507.02</b>	<b>77,696.04</b>
Income tax paid net of refunds	(15,092.50)	(10,741.43)
<b>Net cash flows from operating activities (A)</b>	<b>1,41,414.52</b>	<b>66,954.61</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(3,878.79)	(5,019.95)
(Increase) / decrease in capital work in progress	(18,555.79)	(29,343.70)
(Increase) / decrease in Other Bank balances	(31,634.31)	(15,176.50)
(Increase) / decrease in Capital advance	3,112.61	7,930.06
Dividend received	0.00	0.89
Investment in equity shares of HCSL (Subsidiary)	0.00	(2,800.00)
Investment in NCD of HCSL (Subsidiary)	(3,100.00)	0.00
Investment in Preference shares of HCSL (Subsidiary)	0.00	(5,600.00)
Investment in equity share of UCSL (Subsidiary)	0.00	(6,500.00)
Investment in NCD of UCSL (Subsidiary)	(1,000.00)	0.00
Loan to HCSL (Subsidiary)	0.00	(1,000.00)
Repayment of loans by HCSL Subsidiary	0.00	1,000.00
Loan to UCSL (Subsidiary)	0.00	(500.00)
Sale or withdrawal of property, plant and equipment	3.78	2.49
Interest received	7,384.39	12,359.02
Rent received	100.06	63.66
<b>Net cash flows from investing activities (B)</b>	<b>(47,568.05)</b>	<b>(44,584.03)</b>

# Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
(Borrowings)/ Repayment of loans by employees	(67.60)	(274.98)
Net gain / (loss) on foreign currency transactions	143.43	555.92
Repayment of lease liability	(2,471.99)	(2,407.38)
Dividend paid	(20,388.76)	(36,831.31)
Interest paid	(1,051.55)	(1,542.87)
<b>Net cash flows from financing activities (C)</b>	<b>(23,836.47)</b>	<b>(40,500.62)</b>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>70,010.00</b>	<b>(18,130.04)</b>
<b>Cash and cash equivalent at the beginning of the Year</b>	<b>66,721.59</b>	<b>84,851.63</b>
<b>Cash and cash equivalent at the end of the Year</b>	<b>1,36,731.59</b>	<b>66,721.59</b>

Cash and Cash Equivalents include earmarked funds of Rs.91155.67 lakhs as on March 31, 2022 (Rs.37749.10 lakhs as on March 31, 2021)

Corporate overview and Significant Accounting Policies 1 - 2  
Notes to the Financial Statements 3 - 59

The accompanying notes are an integral part of these financial statements

As per our report attached

For and on behalf of Board of Directors

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798



# Standalone Statement of Changes in Equity

For the year ended March 31, 2022

## A. Equity Share Capital

Balance at the beginning of the current reporting period	Changes in Equity Share Capital		Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year		As at March 31, 2022
	Share Capital due to prior period errors	Changes in equity share capital during the year		Changes in equity share capital during the year	As at March 31, 2022	
13,154.04	0.00	0.00	13,154.04	0.00	0.00	13,154.04
(₹ in Lakhs)						
Balance as at April 01, 2020	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 year		As at March 31, 2021
13,154.04	0.00	0.00	13,154.04	0.00	0.00	13,154.04
(₹ in Lakhs)						

## B. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debt Redemption Reserve	Effective portion of Cash Flow Hedges	Total	
<b>Balance as at April 01, 2021</b>	263.56	93,152.20	6,322.75	2,70,751.33	12,353.76	1,668.44	90.60	3,84,602.64	
Changes in accounting policy or prior period errors								-	
Restated balance at the beginning of the reporting period	263.56	93,152.20	6,322.75	2,70,751.33	12,353.76	1,668.44	90.60	3,84,602.64	
Profit for the year				58,656.82				58,656.82	
Other comprehensive income for the year				(17.02)			(89.63)	(106.65)	
<b>Total comprehensive income for the year</b>				<b>58,639.80</b>			<b>(89.63)</b>	<b>58,550.17</b>	
Dividends				(20,388.76)				(20,388.76)	
Transfer to retained earnings				-				0.00	
Amortisation of premium		(0.12)						(0.12)	
<b>Balance as at March 31, 2022</b>	<b>263.56</b>	<b>93,152.08</b>	<b>6,322.75</b>	<b>3,09,002.37</b>	<b>12,353.76</b>	<b>1,668.44</b>	<b>0.97</b>	<b>4,22,763.93</b>	
(₹ in Lakhs)									

# Standalone Statement of Changes in Equity

For the year ended March 31, 2022

## B. Other Equity (Contd..)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debt Redemption Reserve	Effective portion of Cash Flow Hedges	Total	
<b>Balance as at April 01, 2020</b>	263.56	93,152.32	6,322.75	2,46,264.63	12,353.76	1,668.44	-	3,60,025.46	
Changes in accounting policy or prior period errors								-	
Restated balance at the beginning of the reporting period	263.56	93,152.32	6,322.75	2,46,264.63	12,353.76	1,668.44	-	3,60,025.46	
Profit for the year				61,010.44				61,010.44	
Other comprehensive income for the year				307.57			90.60	398.17	
<b>Total comprehensive income for the year</b>				<b>61,318.01</b>			<b>90.60</b>	<b>61,408.61</b>	
Dividends (including taxes)				(36,831.31)				(36,831.31)	
Transfer to retained earnings				-				0.00	
Amortisation of premium		(0.12)						(0.12)	
<b>Balance as at March 31, 2021</b>	<b>263.56</b>	<b>93,152.20</b>	<b>6,322.75</b>	<b>2,70,751.33</b>	<b>12,353.76</b>	<b>1,668.44</b>	<b>90.60</b>	<b>3,84,602.64</b>	
(₹ in Lakhs)									

Refer Note 20 for further details

As per our report attached

For and on behalf of Board of Directors

**For M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 0008015)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSEPH V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Corporate information

Cochin Shipyard Limited (referred to as “CSL” or “the Company”) is mainly engaged in the construction of vessels and repairs and refits of all types of vessels including upgradation of ships periodical layup repairs and life extension of ships.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is Perumanoor, Kochi, Kerala. As at March 31, 2022, the Government of India holds 72.86% of the Company’s equity share capital. The Company’s equity shares are listed for trading on NSE Limited and BSE Limited in India and tax free bonds are listed for trading on BSE Limited.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 20, 2022.

## 2. Significant Accounting Policies

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India.

### 2.2 Basis of preparation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Current/ Non-Current Classification

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

- i. the asset/ liability is expected to be realized/ settled in the Company’s normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/ liability is held primarily for the purpose of trading;
- iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

- (i) In case of ship building and ship repair, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of delivery of the vessel.
- (ii) In the case of other business activities, normal operating cycle is 12 months.

### 2.3 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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of

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to the Standalone Financial Statements for the year ended 31st March, 2022

the revision and future periods if the revision affects both current and future periods.

### 2.4 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.

#### Impairment of unquoted investments

The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### 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.

#### 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



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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.

## 2.5 Property , Plant and Equipment (PPE)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

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.

## 2.6 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.

## 2.7 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.

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to the Standalone Financial Statements for the year ended 31st March, 2022

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.

Right to use: Up- front fee paid for securing right to use of land and other facility is capitalized as intangible asset and amortised on a straight line basis over the period of lease for which the right has been obtained.

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.

## 2.8 Leases

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Company has adopted the same using modified retrospective transition method, where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and the right-of-use assets are initially recognised at cost, which comprises of 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. Accordingly, the comparatives have not been retrospectively adjusted.

### As a Lessee:

The Company's lease 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. 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-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.

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.

### 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 receivable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

## 2.9 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties

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are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

## 2.10 Depreciation

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

For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF), depreciation is provided on the basis of remaining useful life as assessed by technical experts. Right Of Use assets/Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of the end of the useful life of the Right Of Use asset/ Assets on leased premises or the end of the lease term.

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.

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 asset classes are as follows:

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

Asset Class	Useful Life
Docks and quays	15 years
Railway sidings	15 years
Electrical installation	10 years
Drainage and water supply	15 years
Vessels	13-28 years

## 2.11 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.

## 2.12 Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

## 2.13 Investment in subsidiary

The Company has accounted for its equity investments in subsidiaries at cost in its standalone financial statements in accordance with Ind AS- 27, Separate Financial Statements.

## 2.14 Inventories

(a) Raw materials, components, 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

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to the Standalone Financial Statements for the year ended 31st March, 2022

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. Stock of materials in respect of construction of defence vessels wherein the cost incurred is reimbursed by the owner are shown as reduction from the advances paid by the owner for construction of the vessel.

- (b) Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.
- (c) Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.

## 2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### 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.

## 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.

## Investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

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

Investment in a 'debt instrument' is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is -

- (1) To hold assets for collecting contractual cash flows, and
- (2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

## Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as



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contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

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

The Company 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.

Full provision is made for all trade receivables considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable. Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities/courts. 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.

## 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.

## Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

## 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.

## 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.

## Foreign Currency Transactions

### Functional & Presentation Currency

The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

### 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 at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the statement of Profit and Loss.

### Derivative instruments and hedge accounting:

The Company designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The use of foreign currency derivative contracts is governed by the Company's foreign exchange risk management policy approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the foreign currency exposure that is being hedged is assessed and measured at inception and on an ongoing basis at fair value.

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The effective portion of change in the fair value of the designated hedging instrument is recognised in the Other Comprehensive Income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity till that time remains and is recognised in Statement of Profit and Loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

## 2.16 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.

## 2.17 Contract Liabilities

Where the Company receives consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

## 2.18 Provisions , Contingent Liabilities and Contingent assets

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.

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.

## 2.19 Revenue Recognition

### a) Revenue from Operations

Effective April 1, 2018, the Company has adopted Ind AS115 "Revenue from Contracts with Customers". In respect of contracts that were not completed on the date of initial application (April 1, 2018), the company has applied the standard retrospectively by recognizing the cumulative effect of applying the same at the effective date, as an adjustment to the Opening balance of Retained earnings and accordingly figures for earlier years have not been retrospectively adjusted.

Revenue from contracts with customers is measured based on transaction price, which is the fair value of consideration received or receivable. Revenue is recognized when the company satisfies performance

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obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date in respect of contracts with customers for ship building and ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue from fixed price portion is recognized as explained above. The revenue by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled upon making payments to the suppliers. The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the statement of Profit and Loss when materials are consumed/ activities are performed/expenses are incurred and are simultaneously grossed up with the value of work done and recognized as income.

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 except in the case of Ship Building Financial Assistance (SBFA) which is recognised over a period of time being output method based on measurement of physical performance completed to date in respect of contracts which are eligible under SBFA policy. Management fee is also recognised over a period of time.

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 stand alone 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.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Company estimates the net amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same. The payment terms are based on milestones specified in the respective contracts with customers. On achieving the specified milestones these payments are released.

## b) Other income

### i) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is

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accounted as revenue from operations in the manner specified in para (a)

### ii) 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

#### (i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statements in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

#### (ii) Other Insurance Policies

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

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

### iv) Others

Dividend income is recognized when the Company's right to receive payment has been established.

## 2.20 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

### Post-employment benefit plans

#### Defined Contribution plans

Defined contribution to Employees Pension scheme for eligible employees are made to CSL Superannuation Pension Trust for Executives and Supervisors and CSL Workmen Pension Trust and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards Employees Medical Assistance Trusts which are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

#### 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.



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

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

## Provident Fund and Pension Scheme

The Company also makes contribution towards provident fund. The provident fund is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the deficiency shall be made good by the Company. The deficiency, if any assessed by the Company based on actuarial valuation will be provided for in the accounts.

## 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.

## 2.21 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. 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.

## 2.22 Corporate Social Responsibility

The Corporate Social responsibility (CSR) expenditure is charged to the Statement of Profit & Loss in the period in which it is incurred, except to the extent the Company decides to carry forward any amount in excess of the minimum required CSR expenditure for adjustment in future years in terms of Sec 135(5) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

## 2.23 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Company, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

## 2.24 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.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 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.

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.

## 2.25 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.

## 2.26 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 & Managing Director.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Repair of Ships/offshore structures.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## 2.27 Statement of cash flows

Cash Flows are reported 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. 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 (other than lien marked deposits), 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

## 2.28 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting. In the case of interim dividends, recognition is done in the period in which the same is recommended and approved by Board of the Company.

## 2.29 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

(Indian Accounting Standards) Amendment Rules, 2022, as below.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Ind AS16**– Property Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable

costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The company will evaluate the same to give effect to them as required by the standard.

**Ind AS 37**– Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The company will evaluate the same to give effect to them as required by the standard.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2022

### Note 3 : Property, Plant and Equipment

Particulars	Gross carrying amount		Depreciation		Net Carrying amount			
	As at 1st April 2021	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2022	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2022	As at 31st March 2021
<b>Owned Assets</b>								
Land (Freehold)	587.54			587.54			587.54	587.54
Buildings	16,576.51	1,244.63		17,821.14	579.64		14,260.12	13,595.13
Plant and equipment	20,056.24	955.05	0.91	21,010.38	2,005.72	0.61	10,927.04	11,134.31
Furniture and fixtures	1,360.41	92.47	0.40	1,452.48	118.32	0.06	716.45	762.22
Vehicles	612.74	26.95		639.69	55.03		367.15	300.62
Office equipment	454.11	56.64	0.48	510.27	62.19	0.34	290.78	225.18
Others								
Data Processing Equipments	1,819.28	573.30	9.43	2,383.15	303.11	5.88	1,368.61	747.90
Docks and quays	4,466.45			4,466.45	299.41		2,141.37	2,624.49
Railway sidings	1.10			1.10			1.10	1.10
Electrical installation	1,831.03	56.51	0.53	1,887.01	120.54		1,102.71	848.86
Drainage and water supply	6.67			6.67			6.67	6.67
Vessels	19.74			19.74	1.36		8.44	12.66
<b>Sub Total</b>	<b>47,791.82</b>	<b>3,005.55</b>	<b>11.75</b>	<b>50,785.62</b>	<b>3,545.32</b>	<b>6.89</b>	<b>20,483.57</b>	<b>30,846.68</b>
<b>Assets on leased premises</b>								
Buildings	2,193.35	129.04		2,322.39	105.83		647.88	1,651.30
Plant and equipment	654.65	217.22		871.87	44.78		154.15	545.28
Docks and quays	9.62			9.62			8.35	1.27
Electrical installation	400.26	101.06		501.32	42.82		212.46	230.62
<b>Sub Total</b>	<b>3,257.88</b>	<b>447.32</b>	<b>-</b>	<b>3,705.20</b>	<b>193.43</b>	<b>-</b>	<b>1,022.84</b>	<b>2,428.47</b>
<b>Right Of Use Assets</b>								
Right of Use - Land	39,172.92			39,172.92	1,354.62		4,064.22	36,463.32
Right of Use - Buildings	173.07			173.07	29.55		100.20	102.42
<b>Sub Total</b>	<b>39,345.99</b>	<b>-</b>	<b>-</b>	<b>39,345.99</b>	<b>1,384.17</b>	<b>-</b>	<b>4,164.42</b>	<b>36,565.74</b>
<b>Total</b>	<b>90,395.69</b>	<b>3,452.87</b>	<b>11.75</b>	<b>93,836.81</b>	<b>5,122.92</b>	<b>6.89</b>	<b>25,670.83</b>	<b>69,840.89</b>



Notes to the Standalone Financial Statements for the year ended 31st March, 2022

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

Particulars	Gross carrying amount		Depreciation		Net Carrying amount			
	As at 1st April 2020	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2021	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2021	As at 31st March 2020
<b>Owned Assets</b>								
Land (Freehold)	587.54			587.54			587.54	587.54
Buildings	13,805.43	2,771.08		16,576.51	533.20		2,981.38	13,595.13
Plant and equipment	18,908.02	1,148.83	0.61	20,056.24	1,845.72	0.39	8,921.93	11,134.31
Furniture and fixtures	1,237.54	125.09	2.22	1,360.41	113.99	1.55	598.19	762.22
Vehicles	599.11	13.67	0.04	612.74	55.65	0.02	312.12	300.62
Office equipment	382.04	72.73	0.66	454.11	57.27	0.41	228.93	225.18
Others								
Data Processing Equipments	1,338.03	489.13	7.88	1,819.28	246.54	5.30	1,071.38	747.90
Docks and quays	4,466.45			4,466.45	299.41		1,841.96	2,624.49
Railway sidings	1.10			1.10				1.10
Electrical installation	1,765.00	66.03		1,831.03	117.37		982.17	848.86
Drainage and water supply	6.67			6.67				6.67
Vessels	19.74			19.74	1.36		7.08	12.66
<b>Sub Total</b>	<b>43,116.67</b>	<b>4,686.56</b>	<b>11.41</b>	<b>47,791.82</b>	<b>3,270.51</b>	<b>7.67</b>	<b>16,945.14</b>	<b>30,846.68</b>
<b>Assets on leased premises</b>								
Buildings	2,105.50	87.85		2,193.35	100.60		542.05	1,651.30
Plant and equipment	518.62	136.03		654.65	35.17		109.37	545.28
Docks and quays	9.62			9.62	8.35		8.35	1.27
Electrical installation	360.77	39.49		400.26	37.58		169.64	230.62
<b>Sub Total</b>	<b>2,994.51</b>	<b>263.37</b>	<b>-</b>	<b>3,257.88</b>	<b>173.35</b>	<b>-</b>	<b>829.41</b>	<b>2,428.47</b>
<b>Right Of Use Assets</b>								
Right of Use - Land	39,172.92			39,172.92	1,354.98		2,709.60	36,463.32
Right of Use - Buildings	98.11	74.96		173.07	35.29		70.65	102.42
<b>Sub Total</b>	<b>39,271.03</b>	<b>74.96</b>	<b>-</b>	<b>39,345.99</b>	<b>1,389.91</b>	<b>-</b>	<b>2,780.25</b>	<b>36,565.74</b>
<b>Total</b>	<b>85,382.21</b>	<b>5,024.89</b>	<b>11.41</b>	<b>90,395.69</b>	<b>4,833.77</b>	<b>7.67</b>	<b>20,554.80</b>	<b>69,840.89</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Cochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

Assets taken over from Cochin Port Trust (CoPT) (₹ 1291.52 lakhs) have been valued and life assessed by technical experts. This life has been taken as a base for arriving at the remaining useful life for providing depreciation for these assets. These assets together with assets constructed/installed on land taken on lease from CoPT, Mumbai Port Trust (MbPT) and Kolkata Port Trust (KoPT) have been disclosed separately as assets on leased premises in the note no 3 to Property, Plant & Equipments.

The Company has created mortgage for ₹ 12300 Lakhs on the landed properties of the Company as security for the tax free bonds issued by the Company during the year 2013-14.

## Note 4 : Capital work-in-progress

Particulars	As at	
	March 31,2022	March 31,2021
Plant and machinery, Buildings and Civil works	1,13,288.18	98,315.49
Capital yard items	11,431.96	5,371.20
Goods in Transit	-	2,477.66
<b>Total</b>	<b>1,24,720.14</b>	<b>1,06,164.35</b>

## CWIP Ageing schedule as on 31.03.2022

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22317.74	43,052.90	34049.39	25300.11	124720.14
Projects temporarily suspended	-	-	-	-	-

## CWIP Ageing schedule as on 31.03.2021

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	46,646.83	34,214.38	19,312.19	5,990.95	1,06,164.35
Projects temporarily suspended	-	-	-	-	-

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

### Overdue CWIP as on 31.03.2022

(₹ in Lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
International Ship Repair Facility	-	56136.01	-	-
Dry Dock	65082.67	-	-	-
3D Experience Ship building software	1625.24	-	-	-
IT Security and Monitoring system	817.93	-	-	-
Dock Monitoring system	32.17	-	-	-
Caisson gate	565.90	-	-	-

### Overdue CWIP as on 31.03.2021

(₹ in Lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
3D Experience Ship building software	-	1534.84	-	-
Dry Dock	-	52183.49	-	-
Electrification works at CMSRU	36.31	-	-	-
Supply and installation of IT network infrastructure	318.76	-	-	-

## Note 5 : Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2021	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2022	As at 1st April 2021	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2022	As at 31st Mar 2022	As at 31st March 2021
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	1,565.16	425.95	-	1,991.11	1,443.22	107.74	-	1,550.96	440.15	121.94
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	1,373.33	210.34	-	1,583.67	5,416.33	5,626.67
	<b>8,592.83</b>	<b>425.95</b>	<b>-</b>	<b>9,018.78</b>	<b>2,844.22</b>	<b>318.08</b>	<b>-</b>	<b>3,162.30</b>	<b>5,856.48</b>	<b>5,748.61</b>

(₹ in Lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2020	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2021	As at 1st April 2020	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st March 2020
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	1,495.14	70.02	-	1,565.16	1,366.57	76.65	-	1,443.22	121.94	128.57
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	1,162.99	210.34	-	1,373.33	5,626.67	5,837.01
	<b>8,522.81</b>	<b>70.02</b>	<b>-</b>	<b>8,592.83</b>	<b>2,557.23</b>	<b>286.99</b>	<b>-</b>	<b>2,844.22</b>	<b>5,748.61</b>	<b>5,965.58</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 5 : Intangible assets (Contd..)

The Right to use of land and ship repair facility shown under Intangible Assets represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be amortised over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

## Note 6 : Investments-Non Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unquoted (Fully Paid up)</b>		
<b>Investment in equity instruments</b>		
<b>a) At Cost</b>		
Equity shares in subsidiary companies		
Hooghly Cochin Shipyard Ltd - 5,00,00,000 Equity shares of face value of ₹10 each	4,935.34	4,935.34
Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Ltd) - 6,50,00,000 Equity shares of face value of ₹ 10 each	6,500.00	6,500.00
<b>b) At Fair Value Through Other Comprehensive Income</b>		
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares of ₹ 100 each	2.18	2.18
Kerala Enviro Infrastructure Limited - 70000 equity shares of ₹10 each	7.00	7.00
Cochin Waste to Energy Private Limited -100000 equity shares of ₹10 each	-	-
<b>Investment in Debt instruments</b>		
<b>a) At Amortised Cost</b>		
Investment in Cumulative Redeemable Preference Shares of M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, 5,60,00,000, 6% Cumulative Redeemable Preference Shares of ₹10 each (Redemption at any time at the option of the Company but not later than 10 years from the date of allotment.)	5,600.00	5,600.00
Investment in Non Convertible Debentures (NCD) of M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, 440000, 6.5% Unsecured Redeemable Non-convertible Debentures of ₹1000 each (Redeemable at par at the end of 60 months)	4,400.00	4,400.00
Investment in Non Convertible Debentures (NCD) of M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, 310000, 6.15% Unsecured Redeemable Non-convertible Debentures of ₹1000 each (The duration of the debentures is 120 months with an option to redeem after 5 years from the date of allotment)	3,100.00	-
Investment in Non Convertible Debentures (NCD) of M/s Udupi Cochin Shipyard Ltd. (Formerly Tebma Shipyards Limited) a subsidiary of Cochin Shipyard Ltd, 100000, 6% Unsecured Redeemable Non-convertible Debentures of ₹1000 each (Redeemable at par at the end of 84 months)	1,000.00	-
<b>Total</b>	<b>25,544.52</b>	<b>21,444.52</b>
Aggregate value of unquoted investment	25,544.52	21,444.52

Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste to Energy (P) Ltd is noticed and accordingly fair value is considered as Nil.



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 6 : Investments-Non Current (Contd..)

M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, was incorporated on October 23, 2017 as an arrangement between M/s Cochin Shipyard Ltd (CSL) and M/s Hooghly Dock & Port Engineers Limited (HDPEL) wherein CSL had invested in 16280000 equity shares of face value of ₹10 each for cash (74%) and Hooghly Dock & Port Engineers Limited had invested in 5720000 equity shares of face value of ₹ 10 each for consideration other than cash (26%). During 2019-20, the Company acquired 57,20,000 (26%) equity shares of Hooghly Cochin Shipyard Limited (HCSL) held by HDPEL, for an amount of Rs 506.08 lakhs and HCSL has become a wholly owned (100%) subsidiary of CSL. The paid up equity share capital of HCSL is Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs. 10 each. During 2020-21, the Company also invested on rights basis in 2,80,00,000 equity shares of face value of Rs. 10/- each fully paid up of M/s Hooghly Cochin Shipyard Limited (HCSL) aggregating to Rs. 28,00,00,000/.The said equity shares shall rank pari passu with the existing equity shares of the Company in all respects, including dividend. Investments in equity shares of HCSL are accounted at cost as per Ind AS 27- Separate Financial Statements.

The National Company Law Tribunal (NCLT), Chennai on March 04, 2020, approved the Resolution Plan submitted by CSL for acquisition of Tebma Shipyards Limited (TSL) which was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). In compliance with the NCLT Order, Cochin Shipyard Limited (CSL) paid the bid amount for takeover of TSL on September 15, 2020 with effect from which UCSL (formerly TSL) has become a wholly owned subsidiary of CSL.The paid up equity share capital of UCSL (formerly TSL) is Rs. 65,00,00,000 divided into 6,50,00,000 equity shares of Rs. 10 each.and this investment in UCSL (formerly TSL) is accounted at cost as per Ind AS 27- Separate Financial Statements with effect from September 30, 2020.

## Note 7: Loans - Non Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured, considered good:</b>		
<b>(a) Loans to related parties</b>		
Udupi Cochin Shipyard Ltd	500.00	500.00
<b>(b) Other Loans</b>		
Loan to employees		
Loans to related parties	0.00	0.00
Other employees	347.84	291.60
<b>Total</b>	<b>847.84</b>	<b>791.60</b>

No significant increase in credit risk or credit impairment

The Company infused Rs 500 lakhs as unsecured loan to Udupi Cochin Shipyards Ltd , the Subsidiary company for meeting expenses during its operational phase, carrying an interest rate of 5.5% p.a. The principal amount is to be repaid at the end of 5 years from the date of disbursement i.e; on 17th September 2025. Interest repayments to be made on yearly basis from the date of disbursal.

## Note 8: Other Financial Assets - Non Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Security deposits	77.42	71.16
Ship Building Financial Assistance Scheme Subsidy	2,739.94	4,255.65
Accrued Lease Rental Asset	21.70	29.75
Accrued dividend income from investments in preference shares	331.66	45.67
<b>Total</b>	<b>3,170.72</b>	<b>4,402.23</b>

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 9 : Income tax assets / liability (net)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Non current tax assets</b>		
Income Tax Assets net of provisions	3,386.91	3,854.01
<b>Current tax assets / (liabilities)</b>		
Advance income tax net of provisions	(2,566.09)	(7,309.64)

## Income tax recognised in the Statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
<b>Current tax:</b>		
Current income tax charge	20,431.12	24,372.08
Adjustment in respect of prior years	(743.88)	(1,078.88)
<b>Total (A)</b>	<b>19,687.24</b>	<b>23,293.20</b>
<b>Deferred tax:</b>		
In respect of current year	1,095.00	(3,245.00)
<b>Total (B)</b>	<b>1,095.00</b>	<b>(3,245.00)</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>20,782.24</b>	<b>20,048.20</b>

## The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in Lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Profit before tax	79,439.06	81,058.64
Income tax expense calculated at respective applicable rates	19,993.22	20,400.85
Effect of expenses that are not deductible in determining taxable profit	5,542.57	7,469.50
Effect of expenses that are allowable in determining taxable profit	(5,388.12)	(3,909.11)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	407.59	374.25
Others	(124.14)	36.59
	<b>20,431.12</b>	<b>24,372.08</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(743.88)	(1,078.88)
Adjustments for changes in estimates of deferred tax assets	1,095.00	(3,245.00)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>20,782.24</b>	<b>20,048.20</b>

## Note 10 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Deferred tax liabilities	(2,540.98)	(2,682.55)
Deferred tax assets	9,326.92	10,563.49
<b>Total</b>	<b>6,785.94</b>	<b>7,880.94</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 10 : Deferred tax assets (net) (Contd..)

### Deferred tax liabilities/(assets) in relation to 2021-22

(₹ in Lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(9,003.68)	1,667.49	-	(7,336.19)
Property, plant and equipment	2,697.54	(140.88)	-	2,556.66
Intangible assets	(17.86)	(0.41)	-	(18.27)
Others	(1,556.94)	(431.20)	-	(1,988.14)
<b>Total</b>	<b>(7,880.94)</b>	<b>1,095.00</b>	<b>-</b>	<b>(6,785.94)</b>

### Deferred tax liabilities/(assets) in relation to 2020-21

(₹ in Lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(6,425.47)	(2,578.21)	-	(9,003.68)
Property, plant and equipment	2,813.14	(115.60)	-	2,697.54
Intangible assets	(28.88)	11.02	-	(17.86)
Others	(994.73)	(562.21)	-	(1,556.94)
<b>Total</b>	<b>(4,635.94)</b>	<b>(3,245.00)</b>	<b>-</b>	<b>(7,880.94)</b>

## Note 11 : Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured, considered good</b>		
Capital advances	17,775.05	20,887.66
Advances other than capital advances:		
Security deposits	239.66	239.66
Deposits with Customs department	261.22	261.22
<b>Total</b>	<b>18,275.93</b>	<b>21,388.54</b>

Deposit with Customs Department of ₹ 261.22 lakhs pertains to a refund appeal lying before Commissioner (Appeals) to cover a liability in respect of customs duty which is also shown as Payable to Chennai Port Trust under Note No. 23- Other Financial Liabilities- Non Current

## Note 12 : Inventories

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Raw Materials and components*	28,138.34	40,614.93
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(480.14)	(353.87)
Goods-in transit*	533.53	994.01
<b>Total</b>	<b>28,191.73</b>	<b>41,255.07</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 12 : Inventories (Contd..)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Stores & Spares*	669.26	714.45
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(49.89)	(11.61)
Goods-in transit*	32.72	393.16
	<b>652.09</b>	<b>1,096.00</b>
Loose Tools*	627.07	658.82
Scrap*	139.80	211.51
<b>Total</b>	<b>29,610.69</b>	<b>43,221.40</b>

\* Valuation of inventories is done in accordance with Accounting Policy no. 2.14 given in Note no.2

(i) Inventory does not include stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹ 8977.28 lakhs (previous year ₹ 14757.40 lakhs) held on behalf of Indian Navy lying with the Company and is adjusted against Advances from Indian Navy for Indigenous Aircraft Carrier.

(ii) Maintenance spares included in the inventory represent spares of general nature and are not related to a particular asset.

## Note 13 : Trade Receivables-Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured</b>		
Considered good:		
Trade Receivables considered good - Unsecured	39,005.86	35,330.43
Trade Receivables which have significant increase in Credit Risk	10,439.67	10,215.58
Less: Allowance for Expected credit loss	(10,439.67)	(10,215.58)
Trade Receivables - Credit impaired	-	-
<b>Total</b>	<b>39,005.86</b>	<b>35,330.43</b>

Trade receivables are non-interest bearing and receivable in normal operating cycle.

### Trade Receivables ageing schedule as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	28300.71	6015.39	4294.08	395.68	0.00	39005.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	226.00	70.28	1117.23	1413.51
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables– considered good	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	63.65	15.55	8946.96	9026.16



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 13 : Trade Receivables-Current (Contd..)

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
	28,300.71	6,015.39	4,583.73	481.51	10,064.19	49,445.53
Less: ECL provision as on 31.03.2022						10,439.67
<b>Trade receivable as on 31.03.2022</b>						<b>39,005.86</b>

## Trade Receivables ageing schedule as on 31.03.2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	18972.95	8195.52	5710.12	145.57	0.00	33024.16
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	300.36	25.69	1061.86	1387.91
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables– considered good	0.00	0.00	0.00	2306.27	0.00	2306.27
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	1336.56	7491.11	8827.67
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
	18,972.95	8,195.52	6,010.48	3,814.09	8,552.97	45,546.01
Less: ECL provision as on 31.03.2021						10,215.58
<b>Trade receivable as on 31.03.2021</b>						<b>35,330.43</b>

## Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Opening balance</b>	<b>10,215.58</b>	<b>13,588.08</b>
Add: Provision made/transfer during the year	2,984.36	672.78
Less: Amount collected/reversal of provision	2,760.27	4,045.28
<b>Closing Balance</b>	<b>10,439.67</b>	<b>10,215.58</b>

## Note 14 : Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Cash on hand	-	-
Balance with Banks		
In current account	10,525.92	10,660.42
In current account on behalf of Indian Navy	91,155.67	37,749.10
Term deposits with original maturity of less than three months	35,050.00	18,312.07
<b>Total</b>	<b>1,36,731.59</b>	<b>66,721.59</b>

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 15 : Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Lien Marked Term deposits with original maturity of less than three months*	15,100.00	62,262.58
Lien Marked Term deposits with original maturity of more than three months*	59,797.71	-
Term Deposits with banks with original maturity more than 3 months and less than 12 months**	33,432.00	687.34
Term Deposits with banks with original maturity more than 3 months and less than 12 months earmarked for objects of IPO	71,161.67	84,929.09
Earmarked balances (Unpaid Dividend account)	59.71	37.76
<b>Total</b>	<b>1,79,551.09</b>	<b>1,47,916.77</b>

\*Deposits with banks with maturity less than three months represents lien marked deposits in favour of Union Bank of India and State Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

\*\*Deposits with banks with maturity upto 12 months, include ₹ 97.45 lakhs ( previous year ₹ 93.01 lakhs) lien marked in favour of The Registrar of High Court of Kerala.

## Note 16 : Loans - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Unsecured, considered good		
Employee advances		
Loans to related parties	-	-
Other employees	68.56	57.20
<b>Total</b>	<b>68.56</b>	<b>57.20</b>

No significant increase in credit risk or credit impairment

## Note 17 : Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Interest accrued on fixed deposits	1,424.87	1,371.77
Interest accrued from Others		
Related parties	295.13	167.17
Interest accrued on employee advances		
Related parties		-
Other employees	39.23	17.43
Ship Building Financial Assistance	1,921.35	
Foreign Exchange Derivatives Assets	1.30	178.28
<b>Total</b>	<b>3,681.88</b>	<b>1,734.65</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 18 : Other Current Assets

(₹ in Lakhs)

Particulars	As at	
	March 31,2022	March 31,2021
Unsecured advances		
Advances other than capital advances		
Advances to related party	0.36	0.39
Other advances	39,806.87	21,067.43
Advances considered doubtful	1,030.17	0.07
	<b>40,837.40</b>	<b>21,067.89</b>
Less: Provision for doubtful advances	1,030.17	0.07
	<b>39,807.23</b>	<b>21,067.82</b>
Others		
Contract Assets for IAC works	-	49,677.10
Contract Assets for other works	34,961.10	45,461.76
Balance with Sales Tax department and CBEC	283.22	290.66
Miscellaneous deposits	76.23	17.72
Prepaid expenditure	618.86	323.88
Input Tax Credit on GST	1,08,348.77	84,861.03
Miscellaneous current assets	2,347.74	1,756.28
<b>Total</b>	<b>1,86,443.15</b>	<b>2,03,456.25</b>

## Note 19 : Equity Share Capital

Particulars	As at March 31,2022		As at March 31,2021	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity shares of ₹ 10/- each	250000000	25,000.00	250000000	25,000.00
<b>Issued, Subscribed and Fully paid up</b>				
Equity shares of ₹ 10 each fully paid up	131540390	13,154.04	131540390	13,154.04
<b>Total</b>	<b>131540390</b>	<b>13,154.04</b>	<b>131540390</b>	<b>13,154.04</b>

### 19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31,2022		As at March 31,2021	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Equity Shares outstanding at the beginning of the year</b>	131540390	13,154.04	131540390	13,154.04
Add : shares issued during the year	0	0.00	0	0.00
Less : Shares bought back during the year	0	0.00	0	0.00
<b>Equity Shares outstanding at the end of the year</b>	<b>131540390</b>	<b>13154.04</b>	<b>131540390</b>	<b>13,154.04</b>

Terms & Rights attached 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 by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General Meeting. 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.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 19 : Equity Share Capital (Contd..)

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

Particulars	As at March 31,2022		As at March 31,2021	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	95843464	72.86	95843464	72.86

### 19.3 Shares held by promoters at the end of the year

Promoter name	No. of Shares	% of total shares	% Change during the year
The President of India	95843464	72.86	Nil

## Note 20 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,152.08	93,152.20
Debenture Redemption Reserve	1,668.44	1,668.44
General Reserve	6,322.75	6,322.75
Cash flow Hedge Reserve	0.97	90.60
Retained Earnings	3,09,002.37	2,70,751.33
<b>Total</b>	<b>4,22,763.93</b>	<b>3,84,602.64</b>

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

**Capital Reserve:** Capital reserve includes Rs 263.56 lakhs being restoration charges received from M/s Indian Oil Corporation Ltd for laying pipe line through the Company's land.

**Capital Redemption Reserve:** Capital Redemption Reserve of ₹ 12353.76 includes ₹ 11914.20 lakhs being reserves created on redemption of preference shares and ₹ 439.56 lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

**Securities Premium:** Premium on tax free bonds is amortised on straight line basis over the period of bonds. The company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of Rs 10 each at premium (Rs 93929.76 lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting Rs 777.93 lakhs has been debited in Securities Premium in accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

**Debenture Redemption Reserve:** The Company was hitherto creating Debenture Redemption Reserve at 25% of the value of bonds issued by the company over the maturity period of such debentures in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the company is not required to create Debenture Redemption Reserves in respect of the bonds issued by it. However, the Debenture Redemption Reserve already created up to 30.09.2019, Rs. 1668.44 Lakhs, shall be retained in the books till the time of redemption of the bonds.



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 20 : Other Equity (Contd..)

**General Reserve:** General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc. The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits were required to be transferred to General reserve before declaring dividends. As per the Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory.

**Cash flow Hedge Reserve:** Cash flow hedge reserve represents the effective portion of change in the fair value of designated hedging instruments recognised in the Other Comprehensive Income. (Refer Note No. 43)

**Interim dividend:** During the year, the Company paid interim dividends of Rs 6 per equity share of face value of Rs.10 and Rs 7 per equity share of face value of Rs 10, as recommended at the board meetings held on Nov 11, 2021 and Feb 10, 2022 respectively

**Proposed dividend:** The Board of Directors of the Company have recommended a final dividend of Rs 3.75 per equity share of face value of Rs 10 for the financial year ended March 31, 2022 at the Board meeting held on May 20, 2022. This is subject to approval/regularisation by the share holders in the Annual General Meeting.

## Note 21 : Borrowings

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Bonds - (Secured)		
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00	12,300.00
<b>Total</b>	<b>12,300.00</b>	<b>12,300.00</b>

### Tax Free Infrastructure Bond Series 2013-14

- Tranche 1: 1000 bonds of face value of ₹10 lakhs totalling ₹10000 lakhs with interest rate of 8.51% payable annually, redeemable at par, due for redemption on 02nd December 2023
- Tranche 2: 230 bonds of face value of ₹10 lakhs totalling ₹ 2300 lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029.

These bonds are secured against the landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹12300 lakhs received, the Company has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

## Note 22 : Lease Liabilities-Non current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Lease Liabilities under Ind AS 116	38,680.71	38,374.71
<b>Total</b>	<b>38,680.71</b>	<b>38,374.71</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 23 : Other Financial liabilities - Non Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Payable to Chennai Port Trust	261.22	261.22
<b>Total</b>	<b>261.22</b>	<b>261.22</b>

Liability of Rs 261.22 lakhs to Chennai Port Trust in respect of customs duty is covered by a refund appeal lying before Commissioner (Appeals) which is also shown as deposits with Customs department under Note No. 11

## Note 24 : Provisions - Non Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Provision for employee benefits - Compensated absences (Refer Note No 35)	3,551.00	3,161.39
<b>Total</b>	<b>3,551.00</b>	<b>3,161.39</b>

## Note 25 : Other non current liabilities

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Deferred Income arising from Government Assistance	9.16	10.30
<b>Total</b>	<b>9.16</b>	<b>10.30</b>

## Note 26 : Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Lease Liabilities under Ind AS 116	3,374.84	2,556.23
<b>Total</b>	<b>3,374.84</b>	<b>2,556.23</b>

## Note 27 : Trade Payables

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	701.25	1,527.88
Outstanding dues of creditors other than Micro enterprises and Small enterprises	36,509.75	42,014.71
<b>Total</b>	<b>37,211.00</b>	<b>43,542.59</b>

To the extent, the Company has received intimation from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 27 : Trade Payables (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	701.25	1,527.88
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act,2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act,2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act,2006;	-	-

### Trade Payables ageing schedule as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
Not due	701.25				701.25
Due					
(ii) Others					
Not due	33626.43				33626.43
Due	2778.84	26.50	50.44	27.54	2883.32
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues – Others					0.00
<b>Total</b>	<b>37,106.52</b>	<b>26.50</b>	<b>50.44</b>	<b>27.54</b>	<b>37,211.00</b>

### Trade Payables ageing schedule as on 31.03.2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
Not due	1,527.88				1527.88
Due					
(ii) Others					
Not due	35937.02				35937.02
Due	5999.71	50.44	17.90	9.64	6077.69
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					
<b>Total</b>	<b>43,464.61</b>	<b>50.44</b>	<b>17.90</b>	<b>9.64</b>	<b>43,542.59</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 28 : Other Financial Liabilities - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Interest accrued but not due	281.98	281.98
Unpaid Dividend	59.71	37.76
Foreign Exchange Derivatives Liabilities	-	57.21
Others		
Security and other deposits	6,943.36	9,349.34
Others Payables	8,661.40	11,233.56
<b>Total</b>	<b>15,946.45</b>	<b>20,959.85</b>

## Note 29 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Contract Liability for Indigenous Aircraft Carrier works (Net)	48,950.10	-
Contract Liability for other works	1,77,104.53	1,60,155.13
Advances for ship building , ship repair and other contracts	4,402.27	758.45
Income received in advance	27.76	26.46
Statutory dues	4,791.18	3,295.50
Deferred Income arising from Government Assistance	1.14	1.14
<b>Total</b>	<b>2,35,276.98</b>	<b>1,64,236.68</b>

Refer Note No 41 on Ind AS 115 "Revenue from Contract with Customers"

### Cost of infrastructure facilities which has been met out of funds from Navy till date.

(₹ in Lakhs)

Details	As at March 31,2022	As at March 31,2021
Buildings and other civil works	16,196.67	13,764.07
Data processing equipment	1,338.81	1,338.51
Furniture and Office equipments	387.03	386.75
Plant and machinery	16,885.70	16,885.70
<b>Total</b>	<b>34,808.21</b>	<b>32,375.03</b>

## Note 30 : Provisions - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Provision for Employee benefits</b>		
Gratuity	546.79	272.09
Compensated absences (Refer Note No 35)	419.62	515.45
Others	-	-
	<b>966.41</b>	<b>787.54</b>



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 30 : Provisions - Current (Contd..)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Other Provisions</b>		
Provision for Taxes and duties	2,665.50	2,662.17
Provision for shipbuilding loss	7,573.00	11,658.00
Provision for Expenditure / contingencies	35,546.95	34,376.98
	<b>45,785.45</b>	<b>48,697.15</b>
<b>Total</b>	<b>46,751.86</b>	<b>49,484.69</b>

### 30.1 Details of movement of provisions

(₹ in Lakhs)

Particulars	As at 01.04.2021	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2022
Provision for employee benefits- Gratuity	272.09	396.09		121.39	546.79
Compensated absences	515.45	435.07		530.90	419.62
Provision for taxes and duties	2,662.17	3.33			2,665.50
Provision for shipbuilding loss	11,658.00			4,085.00	7,573.00
Provision for expenditure / contingencies	34,376.98	36,459.80	31,553.48	3,736.35	35,546.95

(₹ in Lakhs)

Particulars	As at 01.04.2020	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2021
Provision for employee benefits- Gratuity	1,048.51	272.09	(1,048.51)	-	272.09
Compensated absences	533.22	-	(17.77)	-	515.45
Provision for taxes and duties	209.12	2,560.12	(107.07)	-	2,662.17
Provision for shipbuilding loss	5,287.00	6,371.26	(0.26)	-	11,658.00
Provision for expenditure / contingencies	31,059.28	30,884.93	(25,127.66)	(2,439.57)	34,376.98

## Note 31 : Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Sale of products</b>		
Ship building:		
Indigenous Aircraft Carrier (IAC)	179266.04	200925.37
Vessels other than IAC	67606.85	35831.94
	<b>2,46,872.89</b>	<b>2,36,757.31</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 31 : Revenue from operations (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Sale of services</b>		
Ship repairs	65,752.72	40,850.24
Engineering works	-	5.50
	<b>65,752.72</b>	<b>40,855.74</b>
<b>Other operating revenue</b>		
Sale of stock items	14.67	-
Ship Building Financial Assistance	3,486.17	3,420.09
Sale of scrap	1,373.80	544.23
Management fee	1,500.00	312.33
	<b>6,374.64</b>	<b>4,276.65</b>
<b>Total</b>	<b>3,19,000.25</b>	<b>2,81,889.70</b>

Refer Note No 41 on Ind AS 115 "Revenue from Contract with Customers"

Out of the Revenue from Operations, Rs 9503.19 lakhs (Rs 2567.77 lakhs in previous year) pertain to revenue from export orders.

The Company has considered the lock down period due to COVID 19 & GoI circular dated May 13, 2020, which ever is applicable to the projects and Kerala Flood natural calamity 2018 as Force Majeure period for computation of Liquidated Damages while calculating Revenue from operations.

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Recognition of revenue for this Assistance is based on measurement of percentage of completion of the vessel under subsidy, completed to date.

Cochin Shipyard Ltd (CSL) has entered into an Agreement with the Andaman and Nicobar Administration to commence its operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Management fee on pro rata basis is accounted based on this agreement. Under the ambit of this Agreement signed on 28 Nov 2019, CSL shall assist the Administration to set up a Ship repair ecosystem at A&N islands. CSL shall also associate in Augmentation and Modernisation of the facility and also focus efforts towards Skill Development in the Islands in consultation with the Administration and Technical Institutions located in the Islands.

## Note 32 : Other Income

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Training facilities	342.84	106.27
Income from sale of scrap and stores	582.05	85.90
Income from laboratory services	24.11	12.94
Rent received	325.23	259.19
Hire charges received	1.72	1.10
Interest on bank deposits	5,679.22	8,718.43
Interest from others	1,908.02	1,904.78
Dividend income from Preference shares	285.99	45.67
Dividend income from equity investments/ Mutual Funds	-	0.89
Net gain on foreign currency transactions	173.26	404.65

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 32 : Other Income (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Net gain on derivative contracts	178.41	123.99
Provision no longer required	8,418.30	4,365.45
Proceeds from Bank Guarantee encashment - Performance guarantee/security deposits forfeited**	6,100.00	-
Miscellaneous income*	2,622.53	3,356.81
<b>Total</b>	<b>26,641.68</b>	<b>19,386.07</b>

\*Miscellaneous income includes ₹ 1.14 lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

\*\*During the year, the company cancelled the contract for the turnkey work in setting up the international ship repair facility at Kochi due to the inability of the contractor to carry out the work as per terms of the contract. Consequently, the company encashed the bank guarantees received by it towards performance guarantee and security deposits, and forfeited the proceeds as per the terms of the contract, and has treated the same as income.

## Note 33 : Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Raw Materials</b>		
Steel	1,778.80	3,965.41
Pipe	831.32	966.05
Paint	1,772.05	1,312.48
Bought out components	1,57,134.77	1,15,737.88
<b>Total</b>	<b>1,61,516.94</b>	<b>1,21,981.82</b>

## Note 34 : Sub Contract and Other Direct Expenses

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Sub contract and off loaded jobs	33,290.31	26,544.41
Hull insurance	620.67	849.62
Other direct expenses	7,340.45	6,237.35
<b>Total</b>	<b>41,251.43</b>	<b>33,631.38</b>

## Note 35 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Salaries, wages, bonus/exgratia and allowances	26,276.93	25,416.91
Contribution to Provident Fund and Family Pension Fund	1,814.08	1,719.52
Gratuity	350.43	345.54
Staff welfare expenses	2,147.12	1,675.82
<b>Total</b>	<b>30,588.56</b>	<b>29,157.79</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 20.46 lakhs (previous year ₹ 19.23 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 47.67 lakhs (previous year ₹ 72.62 lakhs)

Employee benefit expenses of previous year includes ₹ 6.15 Lakhs being secondment to subsidiary (Hooghly Cochin Shipyard Ltd)

Employee benefit expenses of previous year includes ₹ 13.05 Lakhs being secondment to subsidiary (Udupi Cochin Shipyard Ltd. (Formerly Tebma Shipyards Limited))

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued.

### Post-employment obligations

#### Provident fund

Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with relevant statute. Employer's contribution to Provident Fund & Family Pension fund is Rs.1353.43 Lakhs for the year 2021-22 (Rs.1287.92 Lakhs for the year 2020-21). The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate, which is determined on the basis of actuarial valuation.

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund for the period ended 31st March 2022.

#### The details of fund obligations as per actuarial valuation are given below:

(₹ in Lakhs)

Particulars	2021-22	2020-21
Fair value of plan assets	18689.22	17546.07
Present value of benefit obligation at year end	18558.63	17538.21
Net liability / (Net asset)	(130.59)	(7.86)
Additional provision	Nil	Nil

#### Other Benefit Plan - Compensated absences

#### The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Discount Rate (p.a)	7.37%	6.97%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate- Half Pay Leave	0.70%	0.70%
Attrition Rate- Earned Leave	0.70%	0.70%



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Average Duration of Defined Benefit Obligation (In years)	8.56	8.23

### Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
<b>Service Cost:</b>		
Current Service Cost	214.03	244.95
Net Interest expense	229.10	205.06
Actuarial (Gain)/Loss recognised during the period	630.2	474.16
<b>Expenses recognised in the statement of profit and loss</b>	<b>1073.33</b>	<b>924.17</b>

### The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Present Value of Defined Benefit Obligation at end of the year	3970.62	3676.83
Fair Value of Plan Assets at the end of the year	-	-
<b>Net Liabilities/(Assets) recognized in the Balance Sheet</b>	<b>3,970.62</b>	<b>3,676.83</b>

Type of Employee Benefit	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Current Component of PVO	419.62	515.44
Non-Current Component of PVO	3551.00	3161.39
<b>TOTAL PVO</b>	<b>3970.62</b>	<b>3676.83</b>

### Movements in present value of the defined benefit obligation are as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Defined Benefit Obligation at beginning of the year	3676.83	3405.42
Current & Past Service Cost	214.03	244.95
Current Interest Cost	229.10	205.06
Actuarial (Gain)/ Loss	630.20	474.16
Benefits paid	(779.54)	(652.76)
<b>Defined Benefit Obligation at end of the year</b>	<b>3,970.62</b>	<b>3,676.83</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

### Movements in the fair value of the plan assets are as follows:

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	779.54	652.76
Benefits paid	(779.54)	(652.76)
<b>Fair Value of the Assets at the end of the year</b>	<b>-</b>	<b>-</b>

### Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Year 1	125.67	87.43
Year 2	273.81	401.76
Year 3	104.67	89.56
Year 4	159.02	74.69
Year 5	139.61	126.07
Next 5 Years	551.92	438.26

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Year 1	125.67	87.43
Year 2	273.81	401.76
Year 3	104.67	89.56
Year 4	159.02	74.69
Year 5	139.61	126.07
Next 5 Years	551.92	438.26

Sensitivity Analysis - Half Pay Leave	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	3,347.70	2,988.16
Current Service Cost	141.10	128.15
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	3,618.91	3,225.63
Current Service Cost	154.28	140.20
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,624.36	3,229.92
Current Service Cost	154.54	140.42

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Sensitivity Analysis - Half Pay Leave	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	3,341.72	2,983.37
Current Service Cost	140.81	127.91

BP denotes "Basis Points"

Sensitivity Analysis - Earned Leave	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	3,347.70	2,988.16
Current Service Cost	141.10	128.15
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	3,618.91	3,225.63
Current Service Cost	154.28	140.20
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,624.36	3,229.92
Current Service Cost	154.54	140.42
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	3,341.72	2,983.37
Current Service Cost	140.81	127.91

BP denotes "Basis Points"

### Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)	7.37%	6.97%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	0.70%	0.70%
Expected Rate of Return on Plan Asset	7.37%	6.97%

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Average Duration of Defined Benefit Obligations (In years)	9.71	8.50

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
<b>Service Cost:</b>		
Current Service Cost	251.58	252.11
Past Service Cost	-	-
Net Interest expense	(6.88)	34.92
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>244.70</b>	<b>287.02</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	246.93	(76.82)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(113.10)	(308.94)
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>133.83</b>	<b>(385.76)</b>

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Present Value of Defined Benefit Obligation at end of the year	4,313.35	4,664.16
Less: Fair Value of Plan Assets at the end of the year	4,033.56	4,762.90
<b>Net Liabilities / (Assets) recognized in the Balance Sheet</b>	<b>279.79</b>	<b>(98.74)</b>

Movements in present value of the defined benefit obligation are as follows:-

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Defined Benefit Obligation at beginning of the year	4,664.16	5,240.37
Current Service Cost	251.58	252.11
Current Interest Cost	285.54	313.54
Past Service Cost	-	-
Actuarial (Gain)/ Loss	246.93	(76.82)
Benefits paid	(1,134.86)	(1,065.04)
<b>Defined Benefit Obligation at end of the year</b>	<b>4,313.35</b>	<b>4,664.16</b>

Movements in the fair value of the plan assets are as follows:

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
(₹ in Lakhs)		
Fair Value of Plan Assets at the beginning of the year	4,762.90	4,191.87
Expected Return on Plan Assets	292.42	278.63
Actuarial Gain/(Loss)	113.10	308.94
Contributions from the employer	-	1,048.51
Benefits paid	(1,134.86)	(1,065.04)
<b>Fair Value of the Assets at the end of the year</b>	<b>4,033.55</b>	<b>4,762.90</b>



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

### Expected Contributions in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	349.40	324.46
Year 2	865.52	1,561.59
Year 3	291.48	350.89
Year 4	400.43	261.87
Year 5	386.67	370.83
Next 5 Years	1,172.15	1,203.18

Sensitivity Analysis	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	4,127.61	4,487.42
Current Service Cost	247.97	235.32
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	4,514.29	4,855.15
Current Service Cost	283.98	269.48
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,494.68	4,835.23
Current Service Cost	279.16	267.74
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,141.13	4,504.03
Current Service Cost	250.01	237.00

BP denotes "Basis Points"

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Government of India Securities	30.42%	36.77%
State Government Securities	31.51%	27.10%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	24.32%	24.48%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.31%	0.25%
Others (to specify)	13.44%	11.39%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The plan assets are managed by the Gratuity Trust formed by the Company.

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) and CSL Mumbai Ship Repair Unit (CMSRU) were as follows:	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)-ISRF	6.30%	5.65%
Discount Rate (p.a)-CMSRU	5.40%	5.00%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	2.00%	2.00%
Expected Rate of Return on Plan Asset	0.00%	0.00%

### Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Service Cost:</b>		
Current Service Cost	35.68	44.24
Past Service Cost	0	-
Net Interest expense	15.19	14.28
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>50.87</b>	<b>58.52</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(55.96)	(25.26)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	-	-
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(55.96)</b>	<b>(25.26)</b>

### The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Present Value of Defined Benefit Obligation at end of the year	267.00	272.09
Less: Fair Value of Plan Assets at the end of the year	-	-
<b>Net Liabilities /(Assets) recognized in the Balance Sheet</b>	<b>267.00</b>	<b>272.09</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Movements in present value of the defined benefit obligation are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Defined Benefit Obligation at beginning of the year	272.09	238.83
Current Service Cost	35.68	44.24
Current Interest Cost	15.19	14.28
Past Service Cost	-	-
Actuarial (Gain)/ Loss	(55.96)	(25.26)
Benefits paid	-	-
<b>Defined Benefit Obligation at end of the year</b>	<b>267.00</b>	<b>272.09</b>

ISRF & CMSRU gratuity is self managed by the Company.

### Expected Contributions in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

### Expected Contributions in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	ISRF	CMSRU
Year 1	70.02	15.36
Year 2	23.72	1.09
Year 3	25.62	2.69
Year 4	18.79	-
Year 5	26.51	3.20
Next 5 Years	75.25	4.71

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 35 : Employee Benefits Expense (Contd..)

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	ISRF	CMSRU
Year 1	71.07	13.06
Year 2	40.48	6.17
Year 3	15.32	2.23
Year 4	30.73	1.59
Year 5	15.51	0.12
Next 5 Years	71.70	4.09

### Sensitivity Analysis as on 31.03.2022

Particulars	ISRF	CMSRU
A. Discount Rate + 100 BP	7.30%	6.40%
Defined Benefit Obligation [PVO]	23.13	26.43
Variation	(3.60%)	(2.38%)
B. Discount Rate - 100 BP	5.30%	4.40%
Defined Benefit Obligation [PVO]	24.93	27.76
Variation	3.92%	2.56%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	24.84	27.63
Variation	3.51%	2.10%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	23.20	26.53
Variation	(3.27%)	(1.98%)

BP denotes "Basis Points"

### Sensitivity Analysis as on 31.03.2021

Particulars	ISRF	CMSRU
A. Discount Rate + 100 BP	6.65%	6.00%
Defined Benefit Obligation [PVO]	235.97	26.71
Variation	(3.61%)	(2.06%)
B. Discount Rate - 100 BP	4.65%	4.00%
Defined Benefit Obligation [PVO]	254.48	27.87
Variation	3.95%	2.20%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	253.41	27.74
Variation	3.51%	1.73%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	236.82	26.82
Variation	(3.27%)	(1.64%)

BP denotes "Basis Points"



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 36 : Finance Costs

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest expense on lease liabilities	3,596.60	3,503.84
Interest others	0.00	491.34
Interest on tax free bonds	1,051.44	1,051.44
<b>Total</b>	<b>4,648.04</b>	<b>5,046.62</b>

## Note 37 : Depreciation and Amortisation Expense

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Depreciation on property, plant and equipments	3,738.75	3,443.86
Depreciation on RoU Assets	1,384.17	1,389.91
Amortisation of other intangible asset	318.08	286.99
<b>Total</b>	<b>5,441.00</b>	<b>5,120.76</b>
Add : Loss on revaluation of tools	163.75	186.31
<b>Total</b>	<b>5,604.75</b>	<b>5,307.07</b>

## Note 38 : Other Expenses

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Consumption of stores	1,990.67	1,592.62
Consumption of spares	66.49	54.51
Rates and taxes	265.74	500.00
Power	2,584.04	1,920.42
Fuel	2,024.63	1,340.70
Water	303.61	303.95
Repairs and maintenance:		
Building and roads	612.26	449.05
Plant and machinery	217.01	158.23
Others	1,250.76	1,214.20
Maintenance dredging	287.15	467.32
Transport and stores handling	89.08	170.91
Travelling and conveyance expenses	719.72	491.24
Printing and stationery	68.79	75.02
Postage, telephone and telex	54.34	45.52
Advertisement and publicity	306.88	161.12
Lease rent	9.53	11.28
Hire charges	570.90	268.01
Insurance charges	689.23	744.77
Security expenses	2,057.56	1,996.50

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 38 : Other Expenses (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Payments to Auditors	26.24	26.70
Training expenses	657.33	359.40
Legal expenses	27.15	29.02
Consultancy	40.66	82.56
Bank charges	602.99	699.18
Corporate social responsibility (Refer Note no.47)	1,619.47	1,486.98
Loss on sale/write off of property, plant and equipments	1.02	1.25
Miscellaneous expenses	666.83	1,277.87
<b>Total</b>	<b>17,810.08</b>	<b>15,928.33</b>

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

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
For Audit Fees	16.00	15.00
For Limited Review/other services	8.25	7.50
For Certifications	1.99	4.20
<b>Total</b>	<b>26.24</b>	<b>26.70</b>

## Note 39 : Provision for Anticipated Losses and Expenditure

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Provision for:</b>		
Doubtful debts / advances	4,134.08	98.18
Non moving / perpetual inventory verification	166.92	2.92
Expenses and contingencies	482.07	2,692.02
Provision for loss on Ship Building	-	6,371.00
<b>Total</b>	<b>4,783.07</b>	<b>9,164.12</b>

## Note 40 : Earnings per Equity Share

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Net Profit after tax (₹ in lakhs)	58,656.82	61,010.44
Basic and Diluted Earnings Per Share (EPS) ( in ₹ )	<b>44.59</b>	<b>46.38</b>
Face value per share ( in ₹ )	10.00	10.00

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 41: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

### Disclosures of Disaggregated revenue as per IND AS 115

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Revenue from Contracts with customers</b>		
<b>A. Revenue from goods or services transferred over time</b>		
<b>(i) Sale of products (Including Excise Duty Nil)</b>		
Ship building:		
Indigenous Aircraft Carrier (IAC)	179266.04	200925.37
Vessels other than IAC	67606.85	35831.94
<b>Other operating revenue</b>		
Ship Building Financial Assistance	3486.17	3420.09
Management fee	1500.00	312.33
<b>(ii) Sale of services</b>		
Ship repairs	65752.72	40850.24
Engineering works	0.00	5.50
<b>B. Revenue from goods or services transferred to customers at a point in time</b>		
<b>Other operating revenue</b>		
Sale of Ship Building Scrap	774.42	381.88
Sale of Ship Repair Scrap	599.38	162.35
<b>Total</b>	<b>318985.58</b>	<b>281889.70</b>

### Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to Rs 754026.30 lakhs (excluding Cost Plus Part of IAC contract). The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 18.03 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2022, as stated above, will be recognised as revenue during FY 2022-23 and the remaining thereafter.

During the year ended March 31, 2022 the Company recognised revenue of Rs 42131.88 lakhs arising from opening Contract Liability as of April 01, 2021

### Reconciliation of contracted price with revenue during the year

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Opening contracted price of orders</b>	<b>1495498.24</b>	<b>1504739.51</b>
Add:		
Fresh orders/change orders received (net)	117822.69	11336.93
Increase due to additional consideration including Shipbuilding Financial assistance	(74.03)	1766.45
Increase due to exchange rate movements (net)	720.76	250.84
Less:		
Other deductions including variations, change orders etc.	2479.72	15654.69
Orders completed during the year	109388.84	6940.80

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 41: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers" (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Closing contracted price of orders</b>	<b>1502099.10</b>	<b>1495498.24</b>
Total Revenue recognised during the year:	146428.73	137551.03
Less: Revenue out of orders completed during the year	14774.27	2613.13
Revenue out of orders under execution at the end of the year (I)	131654.46	134937.90
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	616418.34	575676.23
Decrease due to exchange rate movements (net) (III)		
Balance revenue to be recognised in future viz. Order book (IV)	754026.30	784884.10
<b>Closing contracted price of orders (I+II+III+IV)</b>	<b>1502099.10</b>	<b>1495498.24</b>

## Note 42: Additional Disclosures under Ind AS 116-"Leases"

Rent and Hire charges Expense includes expense incurred for the year ended 31.03.2022 relating to Short term leases and leases of low value assets amounting to Rs.83.83 lakhs (Previous year Rs 39.93 lakhs)

Total Cash outflow for leases for the year ended March 31, 2022 including outflow for short term and low value leases is Rs.2560.62 lakhs (Previous year Rs 2439.02 lakhs)

The Company has lease term extension options that are not reflected in the measurement of lease liabilities

### The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Less than one year	2,638.68	2,567.03
One to five years	11,430.74	11,079.59
More than five years	1,16,909.71	1,19,899.03
<b>Total</b>	<b>1,30,979.13</b>	<b>1,33,545.65</b>

### The details of the contractual maturities of leased assets as at March 31, 2022 on an undiscounted basis are as follows

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Less than one year	200.78	191.23
One to five years	152.94	313.02
More than five years	247.12	287.82
<b>Total</b>	<b>600.84</b>	<b>792.07</b>

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 43: Additional Disclosures for Hedge Accounting

The company enters into foreign exchange derivative contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the company's foreign currency forward contracts is generally a bank.

The company has the following outstanding forward contracts, which have been designated as Cash Flow Hedges, as on 31 Mar 22:

(₹ in Lakhs)

Currency	No. of contracts	31-Mar-22		No. of contracts	31-Mar-21	
		Notional amount of contracts	Fair Value Gain/ (Loss)		Notional amount of contracts	Fair Value Gain/ (Loss)
Euro	1	794.61	1.30	2	2982.30	(24.62)
NOK				2	4319.34	145.70
<b>Total</b>		<b>794.61</b>	<b>1.30</b>	<b>4</b>	<b>7301.64</b>	<b>121.08</b>

The movement in Hedge reserve for derivatives designated as cash Flow Hedges is as follows:

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Balance at the beginning of the year Cr/(Dr)</b>	90.60	0.00
Changes in the fair value of effective portion of outstanding cash flow derivatives (Net)	(89.63)	90.60
<b>Balance at the end of the year</b>	<b>0.97</b>	<b>90.60</b>

## Note 44 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 Mar 2022 (₹ in Lakhs)	As at 31 Mar 2021 (₹ in Lakhs)	Brief Description of the nature and obligation
<b>A CONTINGENT LIABILITY (To the extent not provided for)</b>			
<b>a Guarantees</b>			
i Letters of Credit	11,664.67	12,356.31	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii Bank Guarantees	4,03,824.02	3,53,929.06	Bank guarantees (including continuity guarantees) represent guarantees issued by various banks on behalf of the Company to its customers and other beneficiaries
iii Corporate Performance Guarantee to Cochin Port Trust	3,925.00	3,925.00	Performance guarantee given by Company to CoPT for performance of obligations under the contract agreement entered with CoPT during the contract period.
<b>b Other money for which the company is contingently liable</b>			
i Greater Cochin Development Authority (GCDA)	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at Rs.69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 44 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

Particulars	As at 31 Mar 2022 (₹ in Lakhs)	As at 31 Mar 2021 (₹ in Lakhs)	Brief Description of the nature and obligation
ii Customs duties	17,984.71	17,984.48	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of Rs. 69.83 lakhs being Customs duty refund granted by CESTAT, Bangalore, against which an appeal was filed by the Department before the Hon'ble High Court of Kerala. The Hon'ble High Court of Kerala has since disposed off the appeal with a direction to the Department to prefer the appeal before the Hon'ble Supreme Court of India. In absence of any further information on the departmental appeal, the same has been retained as Contingent Liability.
iii Income Tax	2,069.97	2,069.97	Demand relating to Assessment Years: AY 2010-11 - Rs. 457.63 Lakhs AY 2011-12 - Rs. 369.50 Lakhs AY 2014-15 - Rs. 911.07 Lakhs AY 2017-18 - Rs. 331.77 Lakhs Detailed notes in Note no. 44.1 (I)
iv Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Adjudication pending
	376.68	376.68	Refund claim of Service Tax on IAC granted by Commissioner (Appeal). However Department filed Appeal before CESTAT against the order of Commissioner (Appeals). Also issued Show Cause Notice on CSL & adjudication pending.
	323.04	323.04	Demand of Service Tax on IAC (Management Fee/ Handling Charges) as per Show Cause Notice issued. Adjudication pending
	2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-18-17-18 dt 19.03.2018. Department filed appeal to CESTAT.
	1,885.60	1,885.60	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-11-17-18 dt 07.03.2018. Department filed appeal to CESTAT.
Service Tax	513.71	513.71	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 44 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

Particulars	As at	As at	Brief Description of the nature and obligation
	31 Mar 2022 (₹ in Lakhs)	31 Mar 2021 (₹ in Lakhs)	
	734.93	734.93	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
	150.56	150.56	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Joint Commissioner vide OIO No.48/2020-ST(JC) dt 31.12.2020 confirmed demand. Appeal filed to Commissioner (Appeals) against OIO.
	286.85	286.85	Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.
	279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transportation of Barge from Cochin to Abu Dhabi.
v Alekton Engineering Industries Ltd	195.09	165.91	The petitioner (claimant) approached MSME Council for recovery of Liquidated damages (LD) along with interest in respect of LD deducted by CSL for delay in submission of drawings and supply of goods . MSME Council , Chennai has referred the case to Madras High Court Arbitration Centre for arbitration. Madras High Court Arbitration Centre has appointed Mr. Suhrith Parthsarrathy as the sole arbitrator . Claim petition filed by the petitioner. Examination of witness is in progress.
vi Employee State Insurance Corporation	17.26	17.26	Claims towards interest and damages in respect of delayed payments of ESI contributions payable in respect of advanced trainees during the period from June 2010 to Jul 2013. Aggrieved, CSL filed cases I.C No.60/2016, IC No: 09/2020, IC No: 03/2021 challenging the illegality and violation of instructions and the manner in which the claims were preferred by ESI Corporation.
<b>B COMMITMENTS (To the extent not provided for)</b>			
a Estimated amount of contracts remaining to be executed on capital account and not provided for:	57,686.00	1,15,886.00	Estimated amount of contracts remaining to be executed on capital account and not provided for

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## Note 44 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

### 44.1. CONTINGENCIES AND COMMITMENTS

#### (I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2019-20.

Demands raised as per the assessment orders totaling to ₹ 1369.11 lakhs for the Assessment Years 2010-11, 2011-12, 2014-15 and 2017-18 are shown under Contingent Liability pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance of certain genuine claims. However the above demands have been adjusted against the refund due for the subsequent years.

For the Assessment years 2010-11 and 2011-12 although the appeals filed before the Commissioner of Income Tax (Appeals) has been disposed in favour of the company, the Income Tax Department has gone for appeal against the order of Commissioner of Income Tax (Appeals) before the ITAT, the amount involved under appeal before the ITAT amounts to Rs.700.86 lakhs.

**45.** The dispute between M/s Apeejay Shipping Ltd (formerly known as Surendra Overseas Ltd) and the Company, in the matter of ship 005 was referred for arbitration by the Hon'ble Supreme Court of India. The arbitration award (July 2009) was in favour of the Company under which the Company is to receive ₹2803.64 lakhs from M/s Apeejay Shipping Ltd. The company has filed a petition before Sub Court, Ernakulam for passing a decree. M/s Apeejay Shipping Ltd has moved to the Sub Court to quash the Award of the Umpire and the Company has filed Counter Affidavit against this move. Petition is dismissed by the Sub Court. Petitioners have filed appeal before the High Court against the order of the Sub- Court . The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.

#### 46. Litigations :

The Company is subject to legal proceedings and claims, in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operation.

#### Details of material litigation as on 31 March 2022

M/s. Vigil Marine Services in 2004 raised claims towards Agency Commission payable for winning orders for ATCO Tugs. The arbitration proceedings commenced on 10 Oct 2004. Examination and cross examination of witnesses completed and posted the matter for arguments on 01 and 02 Feb 2014. The Arbitrator completed the proceedings and passed his award directing the Company to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum. Aggrieved on this CSL filed Original Suit No 187/2016 before Sub Court, Ernakulam and obtained an interim order staying execution of the award. However the Company has already provided for the principal amount and interest thereon.

**47. Corporate Social Responsibility (CSR) :** As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(a) Gross amount required to be spent by the Company during the period ended March 31, 2022	₹ 1617 lakhs
(b) Amount spent during the year	₹ 1619.47 Lakhs

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	1000.10	-	1,000.10
(ii) On purposes other than (i) above	619.37	-	619.37

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 47. (Contd..)

### In case of Sec.135(5) Excess amount spent

(₹ in Lakhs)			
Amount carry forwarded from previous financial years	Amount spent during the year	Amount charged to P&L as CSR expenses	Amount carry forwarded to succeeding financial years
40.00	1619.47	1619.47	40.00

Additional Disclosures on CSR	As at March 31,2022 Rs Lakhs
(i) Amount required to be spent by the company during the year,	1617.00
(ii) Amount of expenditure incurred,	1619.47
(iii) Shortfall at the end of the year,	0.00
(iv) Total of previous years shortfall,	0.00
(v) Reason for shortfall,	NA
(vi) Nature of CSR activities: As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee.	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil

**48.** 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, 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. 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, 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.

## 49. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2021-22	2020-21
Shri Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri Suresh Babu N V (Upto April 30, 2021) Director (Operations)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J Director (Finance) & Chief Financial Officer	Key Managerial Personnel	Key Managerial Personnel

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

Related Party	Nature of Relationship	
	2021-22	2020-21
Shri Sanjay Bandopadyaya Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	Key Managerial Personnel
Shri K R Jyothilal Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	Key Managerial Personnel
Smt. Amrapali Prashant Salve (From Nov 26, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Nahar Singh Maheshwari (From Dec 01, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Ashok Sharma (From Nov 26, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Prithiviraj Harichandan (From Nov 22, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Venkatesan M (From Nov 22, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Abhijit Biswas (From Dec 01, 2021) Non-Official (Independent) Director	Key Managerial Personnel	-
Shri Jiji Thomson (Upto July 14, 2020) Non Official Part Time (Independent) Director	-	Key Managerial Personnel
Shri Pradipta Banerjee (Upto July 14, 2020) Non Official Part Time (Independent) Director	-	Key Managerial Personnel
Shri Nanda Kumaran Puthethath (Upto July 14, 2020) Non Official Part Time (Independent) Director	-	Key Managerial Personnel
Shri Syamkamal N Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Hooghly Cochin Shipyard Limited (Principal place of business:Kolkata)	Subsidiary Company	Subsidiary Company
Udupi Cochin Shipyard Limited (Principal place of business:Malpe)	Subsidiary Company	Subsidiary Company

### Nature of transaction-Remuneration to Key Managerial Person

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Short term benefit	267.62	251.05
Post employment Benefit	29.11	34.00
<b>Total</b>	<b>296.73</b>	<b>285.05</b>

### Nature of transaction-Advances

Name of Related Party	(₹ in Lakhs)				
	Opening Balance as on 1/4/2021	Loans/advances Taken during 2021-22	Repay ment	Balance as on 31/03/22	Interest accrued as on 31/03/22
SURESH BABU N V	0.08	0.00	0.08	0.00	0.00
BEJOY BHASKER	0.08	0.40	0.35	0.13	0.00
JOSE V J	0.11	0.40	0.40	0.11	0.00
SYAMKAMAL N	0.12	0.40	0.40	0.12	0.00

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

(₹ in Lakhs)

Name of Related Party	Opening Balance as on 1/4/2020	Loans/advances Taken during 2020-21	Repayment	Balance as on 31/03/21	Interest accrued as on 31/03/21
SURESH BABU N V	0.20	0.25	0.37	0.08	0.00
BEJOY BHASKER	0.20	0.25	0.37	0.08	0.00
JOSE V J	0.20	0.40	0.49	0.11	0.00
SYAMKAMAL N	0.24	0.40	0.52	0.12	0.00

### Nature of transaction-Sitting Fee to Independent Directors

(₹ in Lakhs)

Name of the meeting	Amrapali Prashant Salve	Nahar Singh Maheshwari	Ashok Sharma	Prithiviraj Harichandan	Venkatesan M	Abhijit Biswas
Board Meeting	0.50	0.50	0.50	0.50	0.50	0.50
Audit Committee	-	-	0.20	0.20	-	0.20
Corporate Social Responsibility Committee	0.20	0.20	-	-	-	-
Nomination and Remuneration Committee	-	-	0.20	-	-	0.20
Stakeholders' Relationship Committee	-	-	-	-	0.20	-
Risk Management Committee	0.20	-	-	-	-	-
<b>Total payment for 2021-22</b>	<b>0.90</b>	<b>0.70</b>	<b>0.90</b>	<b>0.70</b>	<b>0.70</b>	<b>0.90</b>

(₹ in Lakhs)

Name of the meeting	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Board Meeting	0.15	0.15	0.15
Audit Committee	0.15	0.15	0.15
Corporate Social Responsibility Committee	0.15	0.15	0.00
Nomination and Remuneration Committee	0.15	0.15	0.15
Contracts and Capex Committee	0.15	0.15	0.15
<b>Total payment for 2020-21</b>	<b>0.75</b>	<b>0.75</b>	<b>0.60</b>

### Nature of transaction - Transaction with other related parties

As CSL is a Government company under the control of Ministry of Shipping (MoS), the Company has availed exemption from detailed disclosures prepared under Ind AS 24 with respect to related party transactions with Government and Government related entities. However, as required under Ind AS 24, following are the individually significant transactions:

### Transactions/balances with Government and Government related entities by the parent company.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secondment to subsidiary - Hooghly Cochin Shipyard Ltd.(HCSL)	0.00	6.15
Secondment to subsidiary - Udupi Cochin Shipyard Limited	0.00	13.05
Investment in NCDs issued by subsidiary - HCSL	7500.00	4400.00
Investment in NCDs issued by subsidiary - UCSL	1000.00	-
Investment in Right Issue in subsidiary - HCSL	2800.00	2800.00

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Cumulative Redeemable Preference Shares in subsidiary -HCSL	5600.00	5600.00
Loans to subsidiary HCSL	0.00	1000.00
Repayment by subsidiary HCSL	0.00	1000.00
Loans to subsidiary UCSL	500.00	500.00
Amount payable to Government of India	234.19	234.19
Amount paid as dividend during the year to Govt. of India	14855.74	26836.17
Receiving of services from UCSL	574.64	-
Sales of stock items (unfinished) to UCSL	14.67	-
Interest on NCD issued by HCSL	395.68	286.00
Interest on NCD issued by UCSL	20.71	-
Interest on loan to HCSL	0.00	20.12
Interest on loan to UCSL	27.50	14.69
Advance paid to UCSL for sub contract works	442.23	-
Advance paid to HCSL for sub contract works	484.00	-
Receivable from UCSL for manpower services	35.24	-
Dividend on preference shares issued by HCSL	286.00	45.67

In addition to the above, around 94 % of the companies turnover and 99.48% (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

Shares held by Nominee Directors in HCSL on behalf of CSL	As at March 31, 2022	As at March 31, 2021
	No of Shares	
MADHU S NAIR (First Director)	10	10
SURESH BABU N V (First Director)	-	10
BEJOY BHASKER (Director)	10	10
JOSE V J (Director)	10	10
K J RAMESH (Subscriber to Memorandum)	0	10
SYAMKAMAL N (Company Secretary, CSL)	10	10
RAJESH GOPALAKRISHNAN	10	-
KIRAN K.A (Company Secretary, HCSL)	10	-

Shares held by Nominee Directors in UCSL on behalf of CSL	As at March 31, 2022	As at March 31, 2021
	No of Shares	
MADHU S NAIR (First Director)	10	10
SURESH BABU N V (First Director)	-	10
BEJOY BHASKER (Director)	10	10
JOSE V J (Director)	10	10
SHIBU JOHN (DGM FIN i/c, CSL)	10	10
ASWIN SARMA M (Asst. Company Secretary, CSL)	10	10



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 50. FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31,2022	As at March 31,2021	
<b>Financial Assets</b>			
<b>Non Current</b>			
(i) Investments	25,544.52	21,444.52	Level III
(ii) Loans	847.84	791.60	Level II
(iii) Others	3,170.72	4,402.23	Level II
<b>Current</b>			
(i) Trade Receivables	39,005.86	35,330.43	Level II
(ii) Cash & Cash equivalents	1,36,731.59	66,721.59	Level II
(iii) Bank Balances other than (ii)	1,79,551.09	1,47,916.77	Level II
(iv) Loans	68.56	57.20	Level II
(v) Others	3,681.88	1,734.65	Level II
<b>Total Financial Assets</b>	<b>3,88,602.06</b>	<b>2,78,398.99</b>	
<b>Financial Liabilities</b>			
<b>Non Current</b>			
(i) Borrowings	12300.00	12300.00	Level I
(ii) Lease liabilities	38680.71	38374.71	Level II
(iii) Other financial liabilities	261.22	261.22	Level II
<b>Current</b>			
(i) Trade Payables	37,211.00	43542.59	Level II
(ii) Lease liabilities	3374.84	2556.23	Level II
(iii) Other financial liabilities	15,946.45	20959.85	Level II
<b>Total Financial Liabilities</b>	<b>1,07,774.22</b>	<b>1,17,994.60</b>	

### Note:

- The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27) and other equity instruments at FVTOCI (as per Ind AS 109), as the directors believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. The investments in debt instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments at Amortised Cost.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 50. FINANCIAL INSTRUMENTS (Contd..)

Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There were no transfers between Level 1 and 2 in the period.

- Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
- The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

### Financial Instruments by category

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost/At Cost
<b>Financial Assets</b>						
Investments (Non-current)						
- Equity instruments		9.18	11,435.34		9.18	11,435.34
- Debt instruments			14,100.00			10,000.00
- Preference shares						
Investments (Current)						
- Mutual Funds						
Trade receivables			39,005.86			35,330.43
Cash & Cash equivalents			1,36,731.59			66,721.59
Bank Balances			1,79,551.09			1,47,916.77
Other Financial Assets			7,769.00			6,985.68
<b>Total Financial Assets</b>	<b>0.00</b>	<b>9.18</b>	<b>3,88,592.88</b>	<b>0.00</b>	<b>9.18</b>	<b>2,78,389.81</b>
<b>Financial liabilities</b>						
Borrowings			12,300.00			12,300.00
Trade payables			37,211.00			43,542.59
Capital creditors						
Other financial liabilities			58,263.22			62,152.01
<b>Total Financial Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>1,07,774.22</b>	<b>0.00</b>	<b>0.00</b>	<b>1,17,994.60</b>

## 51. Financial Risk Management Policy

### Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 51. Financial Risk Management Policy (Contd..)

### Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, being mainly commodity price risk. Financial Assets affected by market risk include loans and advances, deposits and derivative financial instruments.

#### A. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal since the exposure relates primarily to the Company's long-term debt obligations of redeemable non-convertible bonds with fixed interest rates as disclosed in Note 21. With the current profile of fixed rate borrowing, the company is not sensitive to interest rate fluctuations.

#### B. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the company is managed through a properly documented risk management policy approved by the board. The Board of directors also reviews the foreign currency exposure of the Company on quarterly basis. The company manages the net foreign currency risk mainly by entering into forward contracts with the bank as the counter party. The disclosures of outstanding forward contract as on reporting date is given in Note 43.

The company's exposure to foreign currency risk net of hedged exposure at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate) are as follows:

Particulars	USD	EURO	GBP	NOK	Total
<b>Financial Assets</b>					
31st March 2022	3003.87	5283.96	0.00	0.00	8287.84
31st March 2021	7271.52	5220.98	0.00	1451.51	13944.00
<b>Financial Liabilities</b>					
31st March 2022	3251.89	8667.46	22.61	176.87	12118.83
31st March 2021	9416.42	6641.14	31.77	529.09	16618.42

The sensitivity of profit/loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetary items net of hedge accounting impact and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. The sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates.

Particulars	5% change in foreign currency rates	
	As at March 31,2022	As at March 31,2021
<b>Receivables</b>		
USD - Strengthening of ₹ by 5%	0.00	0.00
USD - Weakening of ₹ by 5%	0.00	0.00
EURO - Strengthening of ₹ by 5%	0.00	0.00
EURO - Weakening of ₹ by 5%	0.00	0.00
GBP - Strengthening of ₹ by 5%	0.00	0.00

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 51. Financial Risk Management Policy (Contd..)

Particulars	5% change in foreign currency rates	
	As at March 31,2022	As at March 31,2021
GBP - Weakening of ₹ by 5%	0.00	0.00
NOK - Strengthening of ₹ by 5%	0.00	0.00
NOK - Weakening of ₹ by 5%	0.00	0.00
<b>Payables</b>		
USD - Strengthening of ₹ by 5%	(162.59)	(470.82)
USD - Weakening of ₹ by 5%	162.59	470.82
EURO - Strengthening of ₹ by 5%	(433.37)	(332.06)
EURO - Weakening of ₹ by 5%	433.37	332.06
GBP - Strengthening of ₹ by 5%	(1.13)	(1.59)
GBP - Weakening of ₹ by 5%	1.13	1.59
NOK - Strengthening of ₹ by 5%	(8.84)	(26.45)
NOK - Weakening of ₹ by 5%	8.84	26.45
<b>Profit Before Tax</b>		
USD - Strengthening of ₹ by 5%	162.59	470.82
USD - Weakening of ₹ by 5%	(162.59)	(470.82)
EURO - Strengthening of ₹ by 5%	433.37	332.06
EURO - Weakening of ₹ by 5%	(433.37)	(332.06)
GBP - Strengthening of ₹ by 5%	1.13	1.59
GBP - Weakening of ₹ by 5%	(1.13)	(1.59)
NOK - Strengthening of ₹ by 5%	8.84	26.45
NOK - Weakening of ₹ by 5%	(8.84)	(26.45)

#### C. Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of steel, being the primary raw material inputs. The Company aims to sell the finished products based on firm contract which is negotiated after due consideration of the expected raw material prices. Therefore, the Company plans its purchases closely to optimise the price. Further since the products are of a specific nature which does not entail competition and is heterogeneous in nature due to its specification, the company's exposure to commodity risk is minimal.

The following table details the Company's sensitivity to a 5% movement in the input price of steel. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant.

Commodity	Increase of 5 %		Decrease of 5 %	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Steel	88.94	198.27	(88.94)	(198.27)

#### Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset quickly at a rate close to its fair value.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 51. Financial Risk Management Policy (Contd..)

The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provides liquidity in the short-term and long-term and manages the liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities as depicted below.

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	< 1 year	1-3 years	> 3 years	< 1 year	1-3 years	> 3 years
<b>Financial Assets</b>						
Non-current investments		4400.00	21144.52		4400.00	17044.52
Loans	112.28	733.00	2.56	270.56	19.58	501.46
Other Financial Assets		21.70	3149.02		29.75	4372.48
Trade Receivables	39005.86			35330.43		
Cash and Cash Equivalents	136731.59			66721.59		
Bank Balances other than cash and cash equivalents	179551.09			147916.77		
Loans	68.56			57.20		
Other Financial Assets	3681.88			1734.65		
<b>Total Financial Assets</b>	<b>359151.26</b>	<b>5154.70</b>	<b>24296.10</b>	<b>252031.20</b>	<b>4449.33</b>	<b>21918.46</b>
<b>Financial Liabilities</b>						
Borrowings		10000.00	2300.00		10000.00	2300.00
Lease Liabilities		59.24	38621.47		58.40	38316.31
Other financial liabilities			261.22			261.22
Lease Liabilities	3374.84			2556.23		
Trade payables	37211.00			43542.59		
Other financial liabilities	15946.45			20959.85		
<b>Total Financial Liabilities</b>	<b>56532.29</b>	<b>10059.24</b>	<b>41182.69</b>	<b>67058.67</b>	<b>10058.40</b>	<b>40877.53</b>

### Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its exposure to other financial assets, including deposits with banks and financial institutions, derivative instruments, and other financial instruments. The company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating in order to manage the credit risk. Trade receivables mainly comprise of government entities and the cash and cash equivalents and derivative instruments are maintained with banks and recognised financial institutions with high credit rating.

For trade receivables, as a practical expedient the company computes credit loss allowance based on a provision matrix which considers historically observed default rates over expected life of trade receivables, adjusted for forward looking estimates. The movement in expected credit loss allowance is disclosed in Note 13.

The Company's maximum exposure to the credit risk for the components of balance sheet as 31st March 2022 and 31st March 2021 is the carrying amounts mentioned in Note no 13 and as stated in Note 49, around 94% of company's turnover and 99.48% (approx.) of trade receivables and customer advance it with respect to Government and Govt. regulated entities. The maximum exposure relating to financial derivative instruments and financial guarantees is disclosed in Note 43 and Note 44 respectively.

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 52. Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Repair of ships/ offshore structures. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Segment Assets</b>		
Ship building	251516.16	319484.51
Ship Repair	287038.89	259606.41
Unallocated	293292.23	160863.06
<b>Total</b>	<b>831847.28</b>	<b>739953.98</b>
<b>Segment Liability</b>		
Ship building	155888.80	104576.01
Ship Repair	64318.72	11264.54
Unallocated	175721.79	226356.75
<b>Total</b>	<b>395929.31</b>	<b>342197.30</b>
<b>Segment Revenue</b>		
Ship building	251148.16	240559.27
Ship Repair	67852.09	41330.43
Unallocated	26641.68	19386.07
<b>Total</b>	<b>345641.93</b>	<b>301275.77</b>
<b>Segment Result</b>		
Ship building	57749.03	76229.86
Ship Repair	12041.89	9419.89
Unallocated	9648.14	(4591.11)
<b>Total</b>	<b>79439.06</b>	<b>81058.64</b>

The Company has two major business segments –“Ship Building” and “Ship Repair”. Revenue under Ship building includes Rs. 204473.56 lakhs (Previous year: Rs. 203736.66 lakhs) from one customer (Previous year: one customer) having more than 10% revenue of the total revenue, and for Ship repair includes Rs. 40786.31 lakhs (Previous year: Rs. 29714.58 lakhs) from two customers (Previous year: three customers) having more than 10% revenue of the total revenue.

Out of ship building segment revenue, Rs. 9503.19 lakhs (Rs. 2567.77 lakhs in previous year) pertain to revenue from export orders.

## 53 . Capital Management

The company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).



# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

## 53 . Capital Management (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13154.04
Other equity	422763.93	384602.64
Total Equity	435917.97	397756.68
Gearing Ratio	2.82%	3.09%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Ratios	Numerator	Denominator	As at March 31,2022	As at March 31,2021	% change	Remarks if change is more than 25%
(a) Current Ratio,	Current Assets	Current Liabilities	1.69	1.73	(2.56%)	-
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.03	0.03	(5.95%)	-
(c) Debt Service Coverage Ratio,	*Earnings available for debt service	Debt Service	8.24	8.27	(0.35%)	-
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.14	0.16	(11.46%)	-
(e) Inventory turnover ratio,	Revenue from Operations	Average Inventory	8.76	7.56	15.85%	-
(f) Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	6.72	6.41	4.78%	-
(g) Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	3.66	3.13	16.87%	-
(h) Net capital turnover ratio,	Net Sales	Working Capital	1.36	1.34	1.74%	-
(i) Net profit ratio,	Net Profits	Net Sales	0.18	0.22	(15.04%)	-
(j) Return on Capital employed,	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.19	0.22	(11.12%)	-
(k) Return on investment.-Equity	Return from Equity investments	Avg Equity investments	0.00	0.00		
(l) Return on investment.-Debt	Return from Debt investments	Avg Debt investments	0.06	0.06	0.47%	

\*Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

\*Debt service = Interest & Lease Payments + Principal Repayments

# Notes

to the Standalone Financial Statements for the year ended 31st March, 2022

54. Consumption of imported goods/services for the year amounts to Rs 92189.67 lakhs (Rs 64107.73 lakhs in previous year)

55. In the case of contracts/sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.

56. Balance shown under Trade Receivables, Trade Payables, loans, deposits and claims are subject to confirmation and consequent reconciliation, if any

57. The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.

58. Figures in brackets denote negative figures.

59. Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

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The accompanying notes are an integral part of these financial statements

As per our report attached

For and on behalf of Board of Directors

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN- 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Independent Auditors' Report

To the Members of  
Cochin Shipyard Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Cochin Shipyard Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Ind AS) Rules, 2015, as amended ("Ind AS") and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit (including Other Comprehensive Income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Measurement of Physical Completion of Ship Building and Ship Repair activities.

The company recognises revenue from ship building and ship repair activities based on percentage of completion method. The percentage of completion is arrived at based on estimated percentage of physical completion as assessed by the management of the company which involves exercise of significant judgements. Refer Note 2.4 (Critical Accounting Estimates and Judgements) & 2.18(a) (Revenue Recognition) to the Consolidated Financial Statements. The physical completion is ascertained as per an in-house procedure developed by the management of the company. The procedure and the assumptions therein are based on certain judgements made by the management based on inputs received from the planning, design and technical departments of the company. Further, the ascertainment of the actual physical completion of each sub-activity on reporting date also involves management estimation. Our audit approach consisted of understanding the basis and assumptions made in adopting such procedure, understanding the system for capturing data and monitoring the progress of completion of various works for internal reporting to the management, evaluating

the internal controls in such system, selecting samples and performing substantive checking, and analytical procedures. However, we have placed substantial reliance on the technical and activity based assessment made by the management for the purpose of recognition of income.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

#### Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), Consolidated Changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 consolidated 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.

### Other Matters

We did not audit the financial statements of the company's subsidiaries (Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited (formerly Tebma Shipyards Limited)), whose Standalone financial statements reflect total assets of Rs.21,873.04 Lakhs and Rs. 17,124.30 Lakhs as at March 31, 2022, total revenues of Rs. 45.16 Lakhs and Rs. 1,008.06 Lakhs and net cash outflows amounting Rs. 427.87 Lakhs and Rs. 946.48 Lakhs for the year ended on that date respectively, as considered in the consolidated financial statements (before eliminating inter Company balances and transactions).

These financial statements have been audited by another auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiary, since they are Government Companies.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we offer no

comments as the Holding Company and its Subsidiary are exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.

- (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer Note Nos 47, 48, 49 of the Consolidated Financial Statements).
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - iv. a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 51 to the Consolidated Financial Statements, 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 or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 51 to Consolidated Financial Statements, no funds have been received by the Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.
- v. In respect of the holding company, we report that
- The dividend declared/paid by the holding Company during the year is in compliance with section 123 of the Companies Act, 2013.
- The subsidiaries have not declared or paid any dividends during the year.

For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 000801S

**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRSW3720

Kochi  
20.05.2022

## Annexure A to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Cochin Shipyard Limited

### Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Cochin Shipyard Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India, as of that date.

In our opinion to the best of our information and according to the explanation given to us, the Holding Company and its subsidiary companies incorporated in India, have, 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, 2022, 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 ICAI.

#### 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 authorizations 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.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company incorporated in India 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 (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 the Holding 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### 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.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies incorporated in India is based on the corresponding reports of the auditors of the subsidiary companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **Elias George & Co.**  
Chartered Accountants  
Firm Regn. No. 000801S

**Joseph Atul Thomson**  
Partner  
Membership No. 243850  
UDIN:22243850AJIRSW3720

Kochi  
20.05.2022

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 20 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Cochin Shipyard Limited, and Udupi Cochin Shipyard Limited and but did not conduct supplementary audit of the financial statements of Hoogly Cochin Shipyard Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**(DEVIKA NAYAR)**  
Director General of Commercial Audit, Chennai

Place: Chennai  
Date: 28.07.2022

# Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	54,738.76	43,172.58
(b) Right of Use Assets	3	35,804.87	37,225.25
(c) Capital work-in-progress	4	1,26,438.61	1,17,585.19
(d) Intangible assets	5	6,421.07	6,317.69
(e) Financial assets			
(i) Investments	6	9.18	9.18
(ii) Loans	7	347.84	291.60
(iii) Other Financial Assets	8	2,839.43	4,356.89
(f) Income tax assets (net)	9	3,439.92	3,917.02
(g) Deferred tax assets (net)	10	11,514.13	12,024.94
(h) Other non-current assets	11	17,836.74	21,436.19
<b>Total Non-Current assets</b>		<b>2,59,390.55</b>	<b>2,46,336.53</b>
<b>Current assets</b>			
(a) Inventories	12	30,602.90	43,410.32
(b) Financial Assets			
(i) Trade receivables	13	39,040.78	35,336.95
(ii) Cash and cash equivalents	14	1,41,505.80	72,870.14
(iii) Bank balances other than (ii) above	15	1,79,761.04	1,48,023.19
(iv) Loans	16	68.56	57.20
(v) Other Financial assets	17	3,395.10	1,574.24
(c) Other current assets	18	1,87,594.21	2,04,311.07
<b>Total Current assets</b>		<b>5,81,968.39</b>	<b>5,05,583.11</b>
Assets held for Sale	19	13.59	-
<b>Total Assets</b>		<b>8,41,372.53</b>	<b>7,51,919.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
(a) Equity share capital	20	13,154.04	13,154.04
(b) Other equity	21	4,26,164.14	3,90,191.08
<b>Total Equity</b>		<b>4,39,318.18</b>	<b>4,03,345.12</b>
<b>Liabilities:</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	12,300.00	12,300.00
(ii) Lease Liabilities	23	39,363.70	39,099.47
(iii) Other Financial liabilities	24	261.22	261.22
(b) Provisions	25	3,568.12	3,161.39
(c) Other non current liabilities	26	9.16	10.30
<b>Total Non-Current Liabilities</b>		<b>55,502.20</b>	<b>54,832.38</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	27	3432.87	2,564.67
(ii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises		1,074.47	1,527.88
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	28	36,538.69	42,015.54
(iii) Other financial liabilities	29	18,956.39	22,720.06
(b) Other current liabilities	30	2,35,381.22	1,64,278.09
(c) Provisions	31	48,602.42	53,326.26
(d) Current tax liabilities (net)	9	2,566.09	7,309.64
<b>Total Current Liabilities</b>		<b>3,46,552.15</b>	<b>2,93,742.14</b>
<b>Total Equity and Liabilities</b>		<b>8,41,372.53</b>	<b>7,51,919.64</b>

Corporate overview and Significant Accounting Policies 1 - 2

Notes to the Financial Statements 3 - 64

The accompanying notes are an integral part of these financial statements

As per our report attached  
For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

For and on behalf of Board of Directors  
**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Consolidated Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I Income</b>			
Revenue from operations	32	319094.70	281889.70
Other income	33	26281.60	19082.67
<b>Total Income</b>		<b>345376.30</b>	<b>300972.37</b>
<b>II Expenses:</b>			
Cost of materials consumed	34	161891.99	121981.82
Changes in inventories of work in progress	35	(352.31)	0.00
Sub contract and other direct expenses	36	41080.97	33631.38
Employee benefits expense	37	31107.18	29228.30
Finance costs	38	4711.37	5126.10
Depreciation and amortisation expense	39	6966.41	5983.08
Other expenses	40	18299.39	16308.17
Provision for anticipated losses and expenditure	41	4801.96	9164.12
<b>Total expenses</b>		<b>268506.96</b>	<b>221422.97</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>76869.34</b>	<b>79549.40</b>
<b>IV Exceptional Items</b>			
Profit before Tax (III+IV)	42	(275.15)	1263.40
<b>V Tax expense:</b>			
(1) Current tax	9	19687.24	23293.20
(2) Deferred tax	9	510.81	(3346.84)
<b>VI Profit for the year</b>		<b>56396.14</b>	<b>60866.44</b>
<b>VII Other comprehensive income</b>			
<b>A) Items that will be reclassified to profit or loss</b>			
i) Effective portion of gains/losses on cash flow hedging instruments		(119.78)	121.08
ii) Income tax relating to items that will be reclassified to profit or loss		30.15	(30.48)
<b>B) Items that will not be reclassified to profit or loss</b>			
i) Remeasurements of defined employee benefit obligations		(23.00)	411.01
ii) Income tax relating to items that will not be reclassified to profit or loss		5.98	(103.44)
Other comprehensive income for the year		(106.65)	398.17
<b>VIII Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>56289.49</b>	<b>61264.61</b>
<b>Profit attributable to:</b>			
Owners of the Company		56396.14	60866.44
Non-controlling interest		0.00	0.00
<b>Profit for the year</b>		<b>56396.14</b>	<b>60866.44</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		(106.65)	398.17
Non-controlling interest		0.00	0.00
Other comprehensive income for the year		(106.65)	398.17
<b>Total Comprehensive Income</b>		<b>56289.49</b>	<b>61264.61</b>
<b>IX Earnings per equity share of ₹ 10 each:</b>			
(1) Basic (₹)	43	42.87	46.27
(2) Diluted (₹)		42.87	46.27

Corporate overview and Significant Accounting Policies 1 - 2  
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The accompanying notes are an integral part of these financial statements

As per our report attached

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

For and on behalf of Board of Directors

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798



# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	76,594.19	80,812.80
Adjustments for :		
Depreciation and amortisation	6,966.41	5,983.08
Interest expense	4,711.37	5,126.10
Interest income	(7,222.31)	(10,346.50)
Rental income	(100.06)	(63.66)
Dividend income	0.00	(0.89)
Exceptional items	275.15	(1,263.40)
Loss on sale/write off of property, plant and equipment	1.02	1.25
Income recognised on Govt. assistance	(1.14)	(1.14)
Loss/(gain) on derivative contracts (net)	(178.41)	(123.99)
Net (gain) /loss on foreign currency transactions	(173.62)	(404.65)
<b>Operating cash flow before working capital changes</b>	<b>80,872.60</b>	<b>79,719.00</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in inventories	12,642.95	(12,066.39)
(Increase) / decrease in trade, other receivables and assets	13,268.46	(50,572.60)
Increase / (decrease) in trade and other payables	48,003.93	64,686.89
	<b>1,54,787.94</b>	<b>81,766.90</b>
Income tax paid net of refunds	(15,064.04)	(10,747.97)
<b>Net cash flows from operating activities (A)</b>	<b>1,39,723.90</b>	<b>71,018.93</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(17,451.60)	(5,310.63)
(Increase) / decrease in capital work In progress	(8,853.43)	(37,659.79)
(Increase) / decrease in Other Bank balances	(31,737.85)	(15,182.11)
(Increase) / decrease in Capital advance	3,596.61	7,930.06
Dividend received	0.00	0.89
Acquisition of subsidiary net of cash acquired	0.00	(6,250.26)
Sale or withdrawal of property, plant and equipment	3.78	2.49
Interest received	7,145.82	12,095.89
Rent received	100.06	63.66
<b>Net cash flows from investing activities (B)</b>	<b>(47,196.61)</b>	<b>(44,309.80)</b>

# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
(Borrowings)/ Repayment of loans by employees	(67.60)	(274.98)
Net gain /(loss) on foreign currency transactions	143.78	555.92
Repayment of lease liability	(2,527.50)	(2,427.89)
Dividend paid	(20,388.76)	(36,831.31)
Interest paid	(1,051.55)	(1,542.87)
<b>Net cash flows from financing activities (C)</b>	<b>(23,891.63)</b>	<b>(40,521.13)</b>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>68,635.66</b>	<b>(13,812.00)</b>
<b>Cash and cash equivalent at the beginning of the Year</b>	<b>72,870.14</b>	<b>86,682.14</b>
<b>Cash and cash equivalent at the end of the Year</b>	<b>1,41,505.80</b>	<b>72,870.14</b>

Cash and Cash Equivalents include earmarked funds of ₹91155.67 lakhs as on March 31, 2022 (₹ 37749.10 lakhs as on March 31, 2021)

Corporate overview and Significant Accounting Policies	1 - 2
Notes to the Consolidated Financial Statements	3 - 64

The accompanying notes are an integral part of these financial statements

As per our report attached

For and on behalf of Board of Directors

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSE V J**  
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DIN - 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

## A. Equity Share Capital

	As at April 01, 2021		As at March 31, 2022	
	Balance	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the year
Balance as at April 01, 2021	13,154.04	0.00	0.00	0.00
Balance as at April 01, 2020	13,154.04	0.00	0.00	0.00

## B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 01, 2021	6887.15	93152.20	6322.75	269716.18	90.60	390191.08
Changes in accounting policy or prior period errors						0.00
Restated balance at the beginning of the reporting period	6887.15	93152.20	6322.75	269716.18	90.60	390191.08
Profit for the year				56396.14		56396.14
Other comprehensive income for the year				(17.02)	(89.63)	(106.65)
Total comprehensive income for the year				56379.12	(89.63)	56289.49
Dividends				(20388.76)		(20388.76)
Transfer to retained earnings						0.00
Land accounted at fair value			72.45			72.45
Amortisation of premium		(0.12)				(0.12)
Balance as at March 31, 2022	6887.15	93152.08	6395.20	305706.54	0.97	426164.14

Refer Note 21 for further details

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

## B. Other Equity (Contd.)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 01, 2020	263.56	93152.32	6322.75	245373.48	1668.44	359134.31
Changes in accounting policy or prior period errors						0.00
Restated balance at the beginning of the reporting period	263.56	93152.32	6322.75	245373.48	1668.44	0.00
Profit for the year				60866.44		60866.44
Other comprehensive income for the year				307.57	90.60	398.17
Total comprehensive income for the year				61174.01	90.60	61264.61
Dividends				(36831.31)		(36831.31)
Transfer to retained earnings						0.00
Amortisation of premium		(0.12)				(0.12)
Acquisition of subsidiary	6623.59					6623.59
Balance as at March 31, 2021	6887.15	93152.20	6322.75	269716.18	1668.44	390191.08

Refer Note 21 for further details

As per our report attached

For **M/s Elias George and Co.**,  
Chartered Accountants  
(Firm Registration No. 000801S)

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)

Kochi, dated May 20, 2022

For and on behalf of Board of Directors

**SYAMKAMAL N**  
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**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Corporate information

Cochin Shipyard Limited (referred to as “CSL” or “the Group”) is mainly engaged in the construction of vessels and repairs and refits of all types of vessels including upgradation of ships periodical layup repairs and life extension of ships.

The Group is a public limited Group incorporated and domiciled in India. The address of its corporate office is Perumanoor, Kochi, Kerala. As at March 31, 2022, the Government of India holds 72.86% of the Group’s equity share capital. The Group’s equity shares are listed for trading on NSE Limited and BSE Limited in India and tax free bonds are listed for trading on BSE.

The consolidated financial statements relate to Cochin Shipyard Limited (Parent Group) and its Subsidiary Groups, Hooghly Cochin Shipyard Limited (hereinafter referred to as HC SL) and Udupi Cochin Shipyard Limited (hereinafter referred to as UC SL) (Formerly Tebma Shipyards Ltd).

The Group and its Subsidiary are together referred to as “Group”.

The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 20, 2022.

Details of Subsidiary Groups	Share holding
Hooghly Cochin Shipyard Ltd. (hereinafter referred to as HC SL) incorporated on October 23, 2017 is proposed to be mainly engaged in the business of construction and repair of vessels of all types.	100%
Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Ltd), acquired on September 15, 2020 through NCLT process, is proposed to be mainly engaged in the business of construction and repair of vessels of all types.	100%

## 2. Significant Accounting Policies

### 2.1 Statement of compliance

These consolidated 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.

### 2.2 Basis of preparation of consolidated financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Current/ Non-Current Classification

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

- the asset/ liability is expected to be realized/ settled in the Company’s normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/ liability is held primarily for the purpose of trading;
- the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;
- 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;
- 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:

- 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.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

- In the case of other business activities, normal operating cycle is 12 months.

### 2.2.1 Basis of consolidation of consolidated financial statements

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated commencing from the date on which control is transferred to the Group until the date on which control ceases.

The Group consolidate the consolidated financial statements of the parent and its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

### 2.2.2 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Purchase consideration in excess of the Company’s interest in the acquiree’s net fair value of identifiable assets and liabilities is recognised as goodwill. Excess of the Company’s interest in the net fair value of the acquiree’s identifiable assets and liabilities over the purchase consideration is recognised in the Capital Reserve. Acquisition related transaction costs are recognised as expense in the statement of profit and loss as and when incurred.

### 2.3 Use of estimates and judgements

The preparation of the consolidated 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 consolidated 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 recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 2.4 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 consolidated financial statements have been disclosed below:

#### Useful lives of property, plant and equipment

The Group 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 Group 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 Group 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 Group uses



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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.

## Impairment of unquoted investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

## 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.

## 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 Group. 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

## Recoverability of advances / receivables

The Group 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 consolidated financial statements for any obsolete and slow-moving items and that adequate provision for obsolete and slow-moving inventories has been made in the consolidated financial statements.

## Liquidated Damages

Claims for liquidated damages against the Group 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 Group exercises significant judgement in measuring progress of performance obligations satisfied over time

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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 Group 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.

## 2.5 Property , Plant and Equipment (PPE)

The parent company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS 16. Hence the same is regarded thereafter as historical cost. However in case of UCSSL, fair value has been adopted as deemed cost on the transition date to IndAS.

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 Group 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.

## 2.6 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.

## 2.7 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.

Right to use: Up-front fee paid for securing right to use of land and other facility is capitalized as intangible asset and amortised on a straight line basis over the period of lease for which the right has been obtained.

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.

## 2.8 Leases

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Group has adopted the same using modified retrospective transition method, where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and the right-of-use assets are initially recognised at cost, which comprises of 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. Accordingly, the comparatives have not been retrospectively adjusted.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## As a Lessee:

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognises the lease payments as an operating expense on a straightline basis or another systematic basis over the term of the lease. 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-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. 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.

## As a lessor:

Leases for which the Group 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 receivable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

## 2.9 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

## 2.10 Depreciation

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

For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF), depreciation is provided on the basis of remaining useful life as assessed by technical experts. Right Of Use assets/Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of the end of the useful life of the Right Of Use asset/ Assets on leased premises or the end of the lease term.

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

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

when the asset is derecognised. Fully depreciated assets still in use are retained in consolidated financial statements at residual value.

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 asset classes are as follows:

Asset Class	Useful Life
Buildings	3-60 years
Plant and equipment	5-15 years
Furniture and fixtures	8-10 years
Vehicles	8-10 years
Office equipment	3-10 years
Data Processing Equipments	3-6 years
Docks and quays	15 years
Railway sidings	15 years
Electrical installation	10 years
Drainage and water supply	15 years
Vessels	13-28 years

## 2.11 Impairment of Assets

The Group 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.

## 2.12 Non-current assets held for sale

Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell

and presented separately in the consolidated financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

## 2.13 Inventories

- Raw materials, components, 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. Stock of materials in respect of construction of defence vessels wherein the cost incurred is reimbursed by the owner are shown as reduction from the advances paid by the owner for construction of the vessel.
- Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.
- Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.
- Work In Progress (WIP) other than construction contracts have been valued at lower of cost and net realisable value.
- Finished goods are valued at cost or net realisable value which ever is lower.

## 2.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 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.

## 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.

## Investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Investment in a 'debt instrument' is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is -

- (1) To hold assets for collecting contractual cash flows, and
- (2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

## Trade Receivables

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

The Group 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 Group uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

Full provision is made for all trade receivables considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable.

Where debts are disputed in legal proceedings, provision is made if any decision is given against the Group even if the same is taken up on appeal to higher authorities/courts.

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.

## Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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.

## Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

## Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in consolidated 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.

## Foreign Currency Transactions

### Functional & Presentation Currency

The consolidated financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Group.

### 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 at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the statement of Profit and Loss.

### Derivative instruments and hedge accounting:

The Group designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The use of foreign currency derivative contracts is governed by the Company's foreign exchange risk management policy approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the foreign currency exposure that is being hedged is assessed and measured at inception and on an ongoing basis at fair value.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the Other Comprehensive Income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity till that time remains and is recognised in Statement of Profit and Loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

## 2.15 Contract Assets

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

## 2.16 Contract Liabilities

Where the Group receives consideration, or the Group has a right to an amount of consideration that is unconditional (ie a receivable), before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Group's



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to the Consolidated Financial Statements for the year ended 31st March, 2022

obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

## 2.17 Provisions, Contingent Liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Group 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.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Group does not expect them to have a materially adverse impact on our financial position or profitability. The Group does not recognise a contingent liability but discloses its existence in the consolidated 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 Group does not recognize a contingent asset but discloses its existence in the financial statements where an inflow of economic benefits is probable.

## 2.18 Revenue Recognition

### a) Revenue from Operations

Effective April 1, 2018, the Group has adopted Ind AS115 "Revenue from Contracts with Customers". In

respect of contracts that were not completed on the date of initial application (April 1, 2018), the Group has applied the standard retrospectively by recognizing the cumulative effect of applying the same at the effective date, as an adjustment to the Opening balance of Retained earnings and accordingly figures for earlier years have not been retrospectively adjusted.

Revenue from contracts with customers is measured based on transaction price, which is the fair value of consideration received or receivable. Revenue is recognized when the Group satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date in respect of contracts with customers for ship building and ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue from fixed price portion is recognized as explained above. The revenue by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled upon making payments to the suppliers. The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the statement of Profit and Loss when materials are consumed/ activities are performed/expenses are incurred and are simultaneously grossed up with the value of work done and recognized as income.

Other Operating Revenue is recognized at the point of time when the Group satisfies performance obligations by transferring promised goods and services to the customer except in the case of Ship Building Financial Assistance (SBFA) which is recognised over a period of time being output method based on measurement of physical performance completed to date in respect of contracts which are eligible under SBFA policy. Management fee is also recognised over a period of time.

In circumstances, where the Group may not be able to reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation, the

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

Group 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 stand alone 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.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Group estimates the net amount of consideration to which the Group is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same. The payment terms are based on milestones specified in the respective contracts with customers. On achieving the specified milestones these payments are released.

## b) Other income

### i) Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants

are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is accounted as revenue from operations in the manner specified in para a).

### ii) 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

#### (i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statements in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

#### (ii) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the financial statements on

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to the Consolidated Financial Statements for the year ended 31st March, 2022

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) Others

Dividend income is recognized when the Group's right to receive payment has been established.

Charter hire charges income is accounted on time period basis.

## 2.19 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

### Post-employment benefit plans

#### Defined Contribution plans

In respect of parent company, defined contribution to Employees Pension scheme for eligible employees are made to CSL Superannuation Pension Trust for Executives and Supervisors and CSL Workmen Pension Trust and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

The parent company also makes contribution towards Employees Medical Assistance Trusts which are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

In respect of subsidiaries, contributions to Provident Fund 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.

### Defined benefit plans

#### Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability or asset recognised in the balance sheet in respect of its

defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

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

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

#### Defined benefit plans of Subsidiaries

Defined benefit plans comprises gratuity.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is unfunded.

The liability recognised in the Standalone Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee costs in the Standalone Statement of Profit and Loss.

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to the Consolidated Financial Statements for the year ended 31st March, 2022

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the Standalone Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Standalone Statement of Profit and Loss as past service cost.

### Provident Fund and Pension Scheme

The holding company also makes contribution towards provident fund. The provident fund is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the deficiency shall be made good by the Company. The deficiency, if any assessed by the Company based on actuarial valuation will be provided for in the accounts.

### Other employee benefits

#### Compensated absences

The Group 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.

## 2.20 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. 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.

## 2.21 Corporate Social Responsibility

The Corporate Social Responsibility (CSR) expenditure is charged to the Statement of Profit & Loss in the period in which it is incurred, except to the extent the Company decides to carry forward any amount in excess of the minimum required CSR expenditure for adjustment in future years in terms of Sec 135(5) of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

## 2.22 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Group, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

## 2.23 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

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to the Consolidated Financial Statements for the year ended 31st March, 2022

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.

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.

## 2.24 Earnings Per Share

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

## 2.25 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 Group's chief operating decision maker is the Chairman & Managing Director.

The Group has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Repair of Ships/offshore structures.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## 2.26 Consolidated Statement of cash flows

Cash Flows are reported 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. Cash flows from operating, investing and financial activities of the Group 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 (other than lien marked deposits), 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.

## 2.27 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting. In the case of interim dividends, recognition is done in the period in which the same is recommended and approved by Board of the Company.

## 2.28 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders

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which are under active consideration by the Ministry. The Company and its subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Ind AS16– Property Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group will evaluate the same to give effect to them as required by the standard.

Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets–The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group will evaluate the same to give effect to them as required by the standard.



# Notes

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## Note 3 : Property, Plant and Equipment

Particulars	Gross carrying amount			Depreciation			Net Carrying amount			
	As at 1st April 2021	On Acquisition of Subsidiary	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2022	As at 1st April 2021	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2022	As at 31st Mar 2021
<b>Owned Assets</b>										
Land (Freehold)	3,195.41		72.45		3,267.86	-	-	-	3,267.86	3,195.41
Buildings	18,666.28		840.01	8.10	19,498.19	3,189.25	777.20	8.01	3,958.44	15,539.75
Plant and equipment	24,737.37		4,780.63	771.30	28,746.70	10,011.90	2,575.57	336.03	12,251.44	16,495.26
Furniture and fixtures	1,402.83		136.53	10.31	1,529.05	608.72	125.12	7.25	726.59	802.46
Vehicles	620.07		54.95	-	675.02	312.81	57.22	-	370.03	304.99
Office equipment	495.10		89.99	19.90	565.19	237.18	69.28	10.57	295.89	269.30
Others										
Data Processing Equipments	1,845.10		627.78	26.69	2,446.19	1,087.94	314.89	16.88	1,385.95	1,060.24
Docks and quays	4,466.45		-	-	4,466.45	1,841.96	299.41	-	2,141.37	2,325.08
Railway sidings	1.10		-	-	1.10	-	-	-	1.10	1.10
Electrical installation	1,831.03		830.68	0.53	2,661.18	982.17	121.01	-	1,103.18	1,558.00
Drainage and water supply	6.67		-	-	6.67	-	-	-	6.67	6.67
Vessels	19.74		-	-	19.74	7.08	1.36	-	8.44	11.30
<b>Sub Total</b>	<b>57,287.15</b>		<b>7,433.02</b>	<b>836.83</b>	<b>63,883.34</b>	<b>18,279.01</b>	<b>4,341.06</b>	<b>378.75</b>	<b>22,241.33</b>	<b>41,642.01</b>
<b>Assets on leased premises</b>										
Buildings	4,023.75		9,325.35	20.76	13,328.34	1,291.08	391.17	5.87	1,676.38	11,651.96
Plant and equipment	654.65		217.22	-	871.87	109.37	44.78	-	154.15	717.72
Docks and quays	9.62		-	-	9.62	8.35	-	-	8.35	1.27
Electrical installation	400.26		101.06	-	501.32	169.64	42.82	-	212.46	288.86
SLIP WAY	1,108.00		9.99	-	1,117.99	453.40	227.65	-	681.05	436.94
<b>Sub Total</b>	<b>6,196.28</b>		<b>9,653.62</b>	<b>20.76</b>	<b>15,829.14</b>	<b>2,031.84</b>	<b>706.42</b>	<b>5.87</b>	<b>2,732.39</b>	<b>13,096.75</b>
<b>Right Of Use Assets</b>										
Right of Use - Land	39,874.95		-	-	39,874.95	2,752.12	1,390.83	-	4,142.95	35,732.00
Right of Use - Buildings	173.07		-	-	173.07	70.65	29.55	-	100.20	72.87
<b>Sub Total</b>	<b>40,048.02</b>		<b>-</b>	<b>-</b>	<b>40,048.02</b>	<b>2,822.77</b>	<b>1,420.38</b>	<b>-</b>	<b>4,243.15</b>	<b>35,804.87</b>
<b>Total</b>	<b>1,03,531.45</b>		<b>17,086.64</b>	<b>857.59</b>	<b>1,19,760.50</b>	<b>23,133.62</b>	<b>6,467.86</b>	<b>384.62</b>	<b>29,216.87</b>	<b>90,543.63</b>

(₹ in Lakhs)

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

Particulars	Gross carrying amount			Depreciation			Net Carrying amount			
	As at 1st April 2020	On Acquisition of Subsidiary	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2021	As at 1st April 2020	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2021	As at 31st Mar 2020
<b>Owned Assets</b>										
Land (Freehold)	587.54	2,607.87	-	-	3,195.41	-	-	-	3,195.41	587.54
Buildings	13,832.24	2,060.41	2,773.63	-	18,666.28	2,459.26	141.29	588.70	3,189.25	15,477.03
Plant and equipment	18,909.92	4,657.45	1,170.61	0.61	24,737.37	7,076.66	817.11	2,118.52	10,011.90	14,725.47
Furniture and fixtures	1,237.82	20.06	147.17	2.22	1,402.83	485.80	7.76	116.71	608.72	794.11
Vehicles	599.11	7.33	13.67	0.04	620.07	256.49	5.70	56.34	312.81	307.26
Office equipment	382.21	19.42	94.13	0.66	495.10	172.09	5.70	59.80	237.18	257.92
Others										
Data Processing Equipments	1,345.71	17.26	490.01	7.88	1,845.10	833.47	8.49	251.28	1,087.94	757.16
Docks and quays	4,466.45		-	-	4,466.45	1,542.55	299.41	-	1,841.96	2,624.49
Railway sidings	1.10		-	-	1.10	-	-	-	1.10	1.10
Electrical installation	1,765.00		66.03	-	1,831.03	864.80	117.37	-	982.17	848.86
Drainage and water supply	6.67		-	-	6.67	-	-	-	6.67	6.67
Vessels	19.74		-	-	19.74	5.72	1.36	-	7.08	12.66
<b>Sub Total</b>	<b>43,153.51</b>	<b>9,389.80</b>	<b>4,755.25</b>	<b>11.41</b>	<b>57,287.15</b>	<b>13,696.84</b>	<b>980.35</b>	<b>3,609.49</b>	<b>18,279.01</b>	<b>39,008.14</b>
<b>Assets on leased premises</b>										
Buildings	2,105.50	1,830.40	87.85	-	4,023.75	441.45	562.03	287.60	1,291.08	2,732.67
Plant and equipment	518.62		136.03	-	654.65	74.20	35.17	35.17	109.37	545.28
Docks and quays	9.62		-	-	9.62	8.35	-	-	8.35	1.27
Electrical installation	360.77		39.49	-	400.26	132.06	340.21	37.58	169.64	230.62
Slip way	1,108.00		-	-	1,108.00	656.06	902.24	473.54	453.40	654.60
<b>Sub Total</b>	<b>2,994.51</b>	<b>2,938.40</b>	<b>263.37</b>	<b>-</b>	<b>6,196.28</b>	<b>656.06</b>	<b>902.24</b>	<b>473.54</b>	<b>2,031.84</b>	<b>4,164.44</b>
<b>Right Of Use Assets</b>										
Right of Use - Land	39,550.14	95.90	228.91	-	39,874.95	1,360.32	12.93	1,378.87	2,752.12	37,122.83
Right of Use - Buildings	98.11		74.96	-	173.07	35.36	35.29	-	70.65	102.42
<b>Sub Total</b>	<b>39,648.25</b>	<b>95.90</b>	<b>303.87</b>	<b>-</b>	<b>40,048.02</b>	<b>1,395.68</b>	<b>12.93</b>	<b>1,414.16</b>	<b>2,822.77</b>	<b>37,225.25</b>
<b>Total</b>	<b>85,796.27</b>	<b>12,424.10</b>	<b>5,322.49</b>	<b>11.41</b>	<b>1,03,531.45</b>	<b>15,748.58</b>	<b>1,895.52</b>	<b>5,497.19</b>	<b>23,133.62</b>	<b>80,397.83</b>

(₹ in Lakhs)

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Cochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

Assets taken over from Cochin Port Trust (CoPT) (₹ 1291.52 lakhs) have been valued and life assessed by technical experts. This life has been taken as a base for arriving at the remaining useful life for providing depreciation for these assets. These assets together with assets constructed/installed on land taken on lease from CoPT, Mumbai Port Trust (MbPT) and Kolkata Port Trust (KoPT) have been disclosed separately as assets on leased premises in the Note no 3 to Property, Plant & Equipments.

The Company has created mortgage for ₹ 12300 Lakhs on the landed properties of the Company as security for the tax free bonds issued by the Company during the year 2013-14.

UCSL has entered into agreements with Kundapura Port & Govt of Karnataka for lands taken on lease at Malpe and Hangarkatta. The lease agreement for Malpe will expire in 2023, while the lease period for Hangarkatta land has already expired in 2019. Discussions are currently underway with the Government of Karnataka to renew the lease licenses. Meanwhile Company paid during the year an amount of ₹ 13.49 Lakhs towards Malpe lease rent and ₹ 1.67 lakhs towards Hangarkatta Lease rent. Ind AS 116 is applied only for Malpe leasehold land.

78.05 cents of land at Hangarkatta belonging to UCSL (Subsidiary) has been valued at ₹ 72.45 lakhs and same been recognized in General reserve. The value of Land at Kulpi (Kolkata- 230 cents) have not been recognized in accounts due to pending verification & valuation of the same.

Assets which cannot be detached and transported for alternate use ("Non Removable Assets") constructed on leasehold land at Malpe yard are amortized/ depreciated over the lower of the period of lease and useful life of those assets.

## Note 4 : Capital work -in -progress

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Plant and machinery, Buildings and Civil works	1,13,757.35	98,419.10
Capital yard items	11,431.96	5,371.20
Goods in Transit	-	2,477.66
Project Management fees and miscellaneous capital expenditure	1,249.30	11,317.23
<b>Total</b>	<b>1,26,438.61</b>	<b>1,17,585.19</b>

### CWIP Ageing schedule as on 31.03.22

(₹ in Lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	23,051.37	43,949.27	34,137.87	25,300.10	1,26,438.61
Projects temporarily suspended	-	-	-	-	-

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

### CWIP Ageing schedule as on 31.03.21

(₹ in Lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54,694.07	37,040.98	19,859.19	5,990.95	1,17,585.19
Projects temporarily suspended	-	-	-	-	-

### Overdue CWIP as on 31.03.2022

(₹ in Lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
International Ship Repair Facility	-	56136.01	-	-
Dry Dock	65082.67	-	-	-
3D Experience Ship building software	1625.24	-	-	-
IT Security and Monitoring system	817.93	-	-	-
Dock Monitoring system	32.17	-	-	-
Caisson gate	565.90	-	-	-

### Overdue CWIP as on 31.03.2021

(₹ in Lakhs)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
3D Experience Ship building software	-	1534.84	-	-
Dry Dock	-	52183.49	-	-
Electrication works at CMSRU	36.31	-	-	-
Supply and installation of IT network infrastructure	318.76	-	-	-

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 5 : Intangible assets

Particulars	Gross carrying amount			Amortisation			Net Carrying amount	
	As at 1st April 2021	On Acquisition of Subsidiary	As at 31st Mar 2022	As at 1st April 2021	On Acquisition of Subsidiary	As at 31st Mar 2022	As at 31st Mar 2022	As at 31st Mar 2021
Internally generated weld procedure	27.67	-	27.67	-	-	27.67	-	-
Computer software	1,565.16	437.45	2,002.61	1,443.22	109.04	1,552.26	450.35	121.94
Right to use - land and ship repair facility (ISRF)	7,000.00	-	7,000.00	1,373.33	210.34	1,583.67	5,416.33	5,626.67
Tally Software	0.53	-	0.53	0.18	0.17	0.35	0.18	0.35
Leased land at Nazirgunge (5.31 Acres)- Right to use	118.94	-	118.94	4.20	1.98	6.18	112.76	114.74
Leased land at Nazirgunge (10.45 Acres)- Right to use	234.07	-	234.07	6.94	3.97	10.91	223.16	227.13
Leased Land at Saikia (9.91 Acres)- Right to use	221.99	-	221.99	4.09	3.76	7.85	214.14	217.90
Right to Use - land (Malpe)	16.68	-	16.68	7.72	4.81	12.53	4.15	8.96
<b>Total</b>	<b>9,185.04</b>	<b>437.45</b>	<b>9,622.49</b>	<b>2,867.35</b>	<b>334.07</b>	<b>3,201.42</b>	<b>6,421.07</b>	<b>6,317.69</b>

Particulars	Gross carrying amount			Amortisation			Net Carrying amount	
	As at 1st April 2020	On Acquisition of Subsidiary	As at 31st Mar 2021	As at 1st April 2020	On Acquisition of Subsidiary	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st Mar 2020
Internally generated weld procedure	27.67	-	27.67	-	-	27.67	-	-
Computer software	1,495.14	70.02	1,565.16	1,366.57	76.65	1,443.22	121.94	128.57
Right to use - land and ship repair facility (ISRF)	7,000.00	-	7,000.00	1,162.99	210.34	1,373.33	5,626.67	5,837.01
Tally software	0.53	-	0.53	0.01	0.17	0.18	0.35	0.52
Leased land at Nazirgunge (5.31 Acres)- Right to use	118.94	-	118.94	2.22	1.98	4.20	114.74	116.72
Leased land at Nazirgunge (10.45 Acres)- Right to use	234.07	-	234.07	2.98	3.96	6.94	227.13	231.09
Leased Land at Saikia (9.91 Acres)- Right to use	-	221.99	221.99	-	4.09	4.09	217.90	-
Right to Use - land (Malpe)	-	16.68	16.68	-	5.32	2.40	7.72	8.96
<b>Total</b>	<b>8,876.35</b>	<b>292.01</b>	<b>9,185.04</b>	<b>2,562.44</b>	<b>299.59</b>	<b>2,867.35</b>	<b>6,317.69</b>	<b>6,313.91</b>

The Right to use of land and ship repair facility shown under Intangible Assets represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be amortised over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

The Right to use of land (Malpe) represents the upfront fee paid to Port Officer Kundapura towards using Malpe leasehold land, which is amortised over the lease period.

## Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

### Note 6 : Investments-Non Current

Particulars	As at March 31,2022	As at March 31,2021
<b>Unquoted (Fully Paid up)</b>		
<b>Investment in equity instruments</b>		
<b>At Fair Value Through Other Comprehensive Income</b>		
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares of ₹ 100 each	2.18	2.18
Kerala Enviro Infrastructure Limited - 70000 equity shares of ₹10 each	7.00	7.00
Cochin Waste to Energy Private Limited -100000 equity shares of ₹10 each	-	-
<b>Total</b>	<b>9.18</b>	<b>9.18</b>
Aggregate value of unquoted investment	9.18	9.18

Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste to Energy (P) Ltd is noticed and accordingly Fair value is considered as Nil.

### Note 7 : Loans - Non Current

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured, considered good:</b>		
<b>Other Loans</b>		
Loans to employees	-	-
Loans to related parties	0.00	0.00
Other employees	347.84	291.60
<b>Total</b>	<b>347.84</b>	<b>291.60</b>

No significant increase in credit risk or credit impairment.

### Note 8: Other Financial Assets - Non Current

Particulars	As at March 31,2022	As at March 31,2021
Security deposits	77.79	71.49
Ship Building Financial Assistance Scheme Subsidy	2,739.94	4,255.65
Accrued Lease Rental Asset	21.70	29.75
<b>Total</b>	<b>2,839.43</b>	<b>4,356.89</b>

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026.

### Note 9: Income tax assets / liability (net)

Particulars	As at March 31,2022	As at March 31,2021
<b>Non current tax assets</b>		
Income Tax Assets net of provisions	3,439.92	3,917.02
<b>Current tax assets / (liabilities)</b>		
Advance income tax net of provisions	(2,566.09)	(7,309.64)



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 9: Income tax assets / liability (net) (Contd..)

### Income tax recognised in the Statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
<b>Current tax:</b>		
Current income tax charge	20,431.12	24,372.08
Adjustment in respect of prior years	(743.88)	(1,078.88)
<b>Total (A)</b>	<b>19,687.24</b>	<b>23,293.20</b>
<b>Deferred tax:</b>		
In respect of current year	510.81	(3,346.84)
<b>Total (B)</b>	<b>510.81</b>	<b>(3,346.84)</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>20,198.05</b>	<b>19,946.36</b>

### The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in Lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Profit before tax	76,594.19	80,812.80
Income tax expense calculated at respective applicable rates	19,993.22	20,338.97
Effect of expenses that are not deductible in determining taxable profit	5,542.57	7,830.83
Effect of expenses that are allowable in determining taxable profit	(5,388.12)	(4,089.02)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	407.59	374.25
Set off of carried forward business losses	-	(133.35)
Others	(124.14)	50.40
	<b>20,431.12</b>	<b>24,372.08</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(743.88)	(1,078.88)
Adjustments for changes in estimates of deferred tax assets	510.81	(3,346.84)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>20,198.05</b>	<b>19,946.36</b>

## Note 10 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Deferred tax liabilities	(3,174.38)	(3,500.25)
Deferred tax assets	14,688.51	15,525.19
<b>Total</b>	<b>11,514.13</b>	<b>12,024.94</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 10 : Deferred tax assets (net) (Contd..)

### Deferred tax liabilities/(assets) in relation to 2021-22

(₹ in Lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(9,318.48)	1,717.32		(7,601.16)
Property, plant and equipment	3,509.71	(321.15)		3,188.56
Intangible assets	(4,492.42)	(198.18)		(4,690.60)
Carry forward losses	(17.86)	(0.41)		(18.27)
Others	(1,705.89)	(686.77)		(2,392.66)
<b>Total</b>	<b>(12,024.94)</b>	<b>510.81</b>	<b>-</b>	<b>(11,514.13)</b>

### Deferred tax liabilities/(assets) in relation to 2020-21

(₹ in Lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(6,425.48)	(2,568.00)	(325.00)	(9,318.48)
Property, plant and equipment	2,813.16	(274.74)	971.29	3,509.71
Carry forward losses		133.39	(4,625.81)	(4,492.42)
Intangible assets	(28.88)	11.02	-	(17.86)
Others	(1,057.38)	(648.51)	-	(1,705.89)
<b>Total</b>	<b>(4,698.58)</b>	<b>(3,346.84)</b>	<b>(3,979.52)</b>	<b>(12,024.94)</b>

## Note 11 : Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured, considered good</b>		
Capital advances	17,291.05	20,887.66
Advances other than capital advances:		
Security deposits	247.38	249.56
Advance lease rentals	37.09	37.75
Deposits with Customs department	261.22	261.22
Subsidy Receivable		179.36
Less : Provision for Subsidy receivable		(179.36)
<b>Total</b>	<b>17,836.74</b>	<b>21,436.19</b>

Deposit with Customs Department of ₹ 261.22 lakhs pertains to a refund appeal lying before Commissioner (Appeals) to cover a liability in respect of customs duty which is also shown as Payable to Chennai Port Trust under Note No. 24- Other Financial Liabilities- Non Current.

The subsidy amount receivable for previous year is calculated as per the Ship Building Subsidy Scheme issued by the Ministry of Ports, Shipping and Waterways, Government of India vide Press Note (2003).

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 12 : Inventories

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Raw Materials and components*	31,424.97	43,431.69
Work in Progress	352.31	
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(3,126.87)	(2,981.71)
Goods-in transit*	533.53	994.01
	<b>29,183.94</b>	<b>41,443.99</b>
Stores & Spares*	669.26	714.45
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(49.89)	(11.61)
Goods-in transit*	32.72	393.16
	<b>652.09</b>	<b>1,096.00</b>
Loose Tools*	627.07	658.82
Scrap*	139.80	211.51
<b>Total</b>	<b>30,602.90</b>	<b>43,410.32</b>

\* Valuation of inventories is done in accordance with Accounting Policy no. 2.13 given in Note no.2

- (i) Inventory does not include stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹ 8977.28 lakhs (previous year ₹ 14757.40 lakhs) held on behalf of Indian Navy lying with the Company and is adjusted against Advances from Indian Navy for Indigenous Aircraft Carrier.
- (ii) Maintenance spares included in the inventory represent spares of general nature and are not related to a particular asset.

## Note 13 : Trade Receivables-Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Unsecured</b>		
Considered good:		
Trade Receivables considered good - Unsecured	39,040.78	35,336.95
Trade Receivables which have significant increase in Credit Risk	10,439.67	10,215.58
Less: Allowance for Expected credit loss	(10,439.67)	(10,215.58)
Trade Receivables - Credit impaired	-	-
<b>Total</b>	<b>39,040.78</b>	<b>35,336.95</b>

Trade receivables are non-interest bearing and receivable in normal operating cycle.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 13 : Trade Receivables-Current (Contd..)

### Trade Receivables ageing schedule as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	28,335.63	6,015.39	4,294.08	395.68	-	39,040.78
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	226.00	70.28	1,117.23	1,413.51
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	63.65	15.55	8,946.96	9,026.16
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	28,335.63	6,015.39	4,583.73	481.51	10,064.19	49,480.45
Less: ECL provision as on 31.03.2022						10,439.67
<b>Trade receivable as on 31.03.2022</b>						<b>39,040.78</b>

### Trade Receivables ageing schedule as on 31.03.2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	18,979.47	8,195.52	5,710.12	145.57	-	33,030.68
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	300.36	25.69	1,061.86	1,387.91
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	2,306.27	-	2,306.27
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	1,336.56	7,491.11	8,827.67
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	18,979.47	8,195.52	6,010.48	3,814.09	8,552.97	45,552.53
Less: ECL provision as on 31.03.2021						10,215.58
<b>Trade receivable as on 31.03.2021</b>						<b>35,336.95</b>

### Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Opening balance</b>	<b>10,215.58</b>	<b>13,588.08</b>
Add: Provision made/transfer during the year	2,984.36	672.78
Less: Amount collected/reversal of provision	2,760.27	4,045.28
<b>Closing Balance</b>	<b>10,439.67</b>	<b>10,215.58</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 14 : Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Cash on hand	-	
Balance with Banks		
In current account	12,397.71	10,944.37
In current account on behalf of Indian Navy	91,155.67	37,749.10
Term deposits with original maturity of less than three months	37,952.42	24,176.67
<b>Total</b>	<b>1,41,505.80</b>	<b>72,870.14</b>

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

## Note 15 : Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Lien Marked Term deposits with original maturity of less than three months*	15,200.00	62,262.58
Lien Marked Term deposits with original maturity of more than three months*	59,797.71	
Term Deposits with banks with original maturity more than 3 months and less than 12 months**	33,541.95	793.76
Term Deposits with banks with original maturity more than 3 months and less than 12 months earmarked for objects of IPO	71,161.67	84,929.09
Earmarked balances (Unpaid Dividend account)	59.71	37.76
<b>Total</b>	<b>1,79,761.04</b>	<b>1,48,023.19</b>

\*Deposits with banks with maturity less than three months represents lien marked deposits in favour of Union Bank of India and State Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

\*\*Deposits with banks with maturity upto 12 months, include ₹ 97.45 lakhs ( previous year ₹ 93.01 lakhs) lien marked in favour of The Registrar of High Court of Kerala.

## Note 16 : Loans - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Unsecured, considered good		
Employee advances		
Loans to related parties	-	-
Other employees	68.56	57.20
<b>Total</b>	<b>68.56</b>	<b>57.20</b>

No significant increase in credit risk or credit impairment

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 17 : Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Interest accrued on fixed deposits	1,433.22	1,378.53
Interest accrued on employee advances		
Related parties		-
Other employees	39.23	17.43
Foreign Exchange Derivatives Assets	1.30	178.28
Ship Building Financial Assistance	1,921.35	
<b>Total</b>	<b>3,395.10</b>	<b>1,574.24</b>

## Note 18 : Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Unsecured advances		
Advances other than capital advances		
Advances to related party	0.36	0.39
Other advances	39,366.72	21,068.21
Advances considered doubtful	1,030.17	0.07
	40,397.25	21,068.67
Less: Provision for doubtful advances	1,030.17	0.07
	39,367.08	21,068.60
Others		
Contract Assets for IAC works	-	49,677.10
Contract Assets for other works	35,028.44	45,461.76
Balance with Sales Tax department and CBEC	283.22	290.66
Miscellaneous deposits	85.12	19.14
Prepaid expenditure	651.12	350.18
Input Tax Credit on GST	1,09,684.67	85,599.59
Other receivables	54.32	24.17
Miscellaneous current assets	2,440.24	1,819.87
<b>Total</b>	<b>1,87,594.21</b>	<b>2,04,311.07</b>

## Note 19 : Assets held for Sale

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Asset held for Sale	13.59	-
<b>Total</b>	<b>13.59</b>	<b>-</b>

On physical verification of the assets of UCSL undertaken by management during Q4 2021-22, it was found that various assets of the company aggregating to ₹ 468.10 Lakhs were in a dilapidated condition or has become obsolete due to shutdown of the operations of the yard and passage of time. As these assets are beyond economic repairs and occupying considerable space, it was proposed to dispose off these assets at the earliest, which is considered appropriate for optimum utilization of the available Yard space to ensure smooth business operations. These class of assets subject to disposal has been regrouped as Assets held for sale and has been retained in books at its fair value less cost to disposal and the asset shall be disposed off within 12 months. The difference between the WDV and the NRV of the assets has been charged to P&L as exceptional items.



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 20 : Equity Share Capital

Particulars	As at March 31,2022		As at March 31,2021	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity shares of ₹ 10/- each	250000000	25,000.00	250000000	25,000.00
<b>Issued, Subscribed and Fully paid up</b>				
Equity shares of ₹ 10 each fully paid up	131540390	13,154.04	131540390	13,154.04
<b>Total</b>	<b>131540390</b>	<b>13,154.04</b>	<b>131540390</b>	<b>13,154.04</b>

### 20.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31,2022		As at March 31,2021	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Equity Shares outstanding at the beginning of the year</b>	131540390	13,154.04	131540390	13,154.04
Add : shares issued during the year	0	0.00	0	0.00
Less : Shares bought back during the year	0	0.00	0	0.00
<b>Equity Shares outstanding at the end of the year</b>	<b>131540390</b>	<b>13154.04</b>	<b>131540390</b>	<b>13,154.04</b>

Terms & Rights attached 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 by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. 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.

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

Particulars	As at March 31,2022		As at March 31,2021	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	95843464	72.86	95843464	72.86

### 20.3 Shares held by promoters at the end of the year

Promoter Name	No. of Shares	%of total shares	% Change during the year
The President of India	95843464	72.86	Nil

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 21 : Other Equity

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Capital Reserves	6,887.15	6,887.15
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,152.08	93,152.20
Debenture Redemption Reserve	1,668.44	1,668.44
General Reserve	6,395.20	6,322.75
Cash flow Hedge Reserve	0.97	90.60
Retained Earnings	3,05,706.54	2,69,716.18
<b>Total</b>	<b>4,26,164.14</b>	<b>3,90,191.08</b>

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

**Capital Reserve:** Capital reserve includes ₹ 263.56 lakhs being restoration charges received from M/s Indian Oil Corporation Ltd for laying pipe line through the Company's land. It also includes gain on acquisition of subsidiary M/s Tebma Shipyards Limited as explained below.

The National Company Law Tribunal (NCLT), Chennai on March 04, 2020, approved the Resolution Plan submitted by holding company for acquisition of Tebma Shipyards Limited (TSL) which was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). In compliance with the NCLT Order, holding company paid the bid amount for takeover of TSL on September 15, 2020 with effect from which date TSL has become a wholly owned subsidiary of CSL. Accordingly, the excess of the Company's interest in the net fair value of the acquiree's identifiable assets and liabilities over the purchase consideration is recognised, in the Capital Reserve.

Particulars	(₹ in Lakhs)			
	Carrying value as at acquisition date	Fair Value Adjustments	Purchase Price Allocated	Capital Reserve
Net Assets acquired (including cash and cash equivalents)	13123.59	0	6500.00	6623.5

Major components of net assets acquired include Property, Plant and Equipment ₹ 10528.58 Lakhs and Deferred Tax Assets ₹ 3979.52 Lakhs

**Capital Redemption Reserve:** Capital Redemption Reserve of ₹ 12353.76 includes ₹ 11914.20 lakhs being reserves created on redemption of preference shares and ₹ 439.56 lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

**Securities Premium:** Premium on tax free bonds is amortised on straight line basis over the period of bonds. The company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of ₹ 10 each at premium (₹ 93929.76 lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting ₹ 777.93 lakhs has been debited in Securities Premium in accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

**Debenture Redemption Reserve:** The Company was hitherto creating Debenture Redemption Reserve at 25% of the value of bonds issued by the company over the maturity period of such debentures in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the company is not required to create Debenture Redemption

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 21 : Other Equity (Contd..)

Reserves in respect of the bonds issued by it. However, the Debenture Redemption Reserve already created up to 30.09.2019, ₹ 1668.44 Lakhs, shall be retained in the books till the time of redemption of the bonds.

**General Reserve:** General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc. The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits were required to be transferred to General reserve before declaring dividends. As per the Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory.

**Cash flow Hedge Reserve:** Cash flow hedge reserve represents the effective portion of change in the fair value of designated hedging instruments recognised in the Other Comprehensive Income. (Refer Note No. 46)

**Interim dividend:** During the year, the Company paid interim dividends of ₹ 6 per equity share of face value of ₹ 10 and ₹ 7 per equity share of face value of ₹ 10, as recommended at the board meetings held on Nov 11, 2021 and Feb 10, 2022 respectively.

**Proposed dividend:** The Board of Directors of the Company have recommended a final dividend of ₹ 3.75 per equity share of face value of ₹ 10 for the financial year ended March 31, 2022 at the Board meeting held on May 20, 2022. This is subject to approval/regularisation by the share holders in the Annual General meeting.

## Note 22 : Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Bonds - (Secured)		
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00	12,300.00
<b>Total</b>	<b>12,300.00</b>	<b>12,300.00</b>

### Tax Free Infrastructure Bond Series 2013-14

- Tranche 1: 1000 bonds of face value of ₹10 lakhs totalling ₹10000 lakhs with interest rate of 8.51% payable annually, redeemable at par, due for redemption on 02nd December 2023.
- Tranche 2: 230 bonds of face value of ₹10 lakhs totalling ₹ 2300 lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029.

These bonds are secured against the landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹12300 lakhs received, the Company has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 23: Lease Liabilities-Non Current

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Lease Liabilities under Ind AS 116	39,363.70	39,099.47
<b>Total</b>	<b>39,363.70</b>	<b>39,099.47</b>

## Note 24: Other Financial liabilities - Non Current

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Payable to Chennai Port Trust	261.22	261.22
<b>Total</b>	<b>261.22</b>	<b>261.22</b>

Liability of ₹ 261.22 lakhs to Chennai Port Trust in respect of customs duty is covered by a refund appeal lying before Commissioner (Appeals) which is also shown as deposits with Customs department under Note No. 11.

## Note 25: Provisions - Non Current

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Provision for employee benefits - Compensated absences (Refer Note No 37)	3,568.12	3,161.39
<b>Total</b>	<b>3,568.12</b>	<b>3,161.39</b>

## Note 26 : Other non current liabilities

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Deferred Income arising from Government Assistance	9.16	10.30
<b>Total</b>	<b>9.16</b>	<b>10.30</b>

## Note 27 : Lease liabilities

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Lease Liabilities under Ind AS 116	3,432.87	2,564.67
<b>Total</b>	<b>3,432.87</b>	<b>2,564.67</b>

## Note 28 : Trade Payables

Particulars	(₹ in Lakhs)	
	As at March 31,2022	As at March 31,2021
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	1,074.47	1,527.88
Outstanding dues of creditors other than Micro enterprises and Small enterprises	36,538.69	42,015.54
<b>Total</b>	<b>37,613.16</b>	<b>43,543.42</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 28 : Trade Payables (Contd..)

To the extent, the Company has received intimation from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	1,074.47	1,527.88
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act,2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act,2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act,2006;	-	-

### Trade Payables ageing schedule as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
Not due	1,074.47				1074.47
Due					0.00
(ii) Others					
Not due	33,655.38	-	-	-	33655.38
Due	2,778.84	26.50	50.44	27.53	2883.31
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues – Others					0.00
<b>Total</b>	<b>37,508.69</b>	<b>26.50</b>	<b>50.44</b>	<b>27.53</b>	<b>37,613.16</b>

### Trade Payables ageing schedule as on 31.03.2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
Not due	1527.88				1527.88
Due					0.00
(ii) Others					0.00
Not due	35937.85				35937.85
Due	5999.71	50.44	17.90	9.64	6077.69
(iii) Disputed dues – MSME					0.00
(iv) Disputed dues – Others					0.00
<b>Total</b>	<b>43,465.44</b>	<b>50.44</b>	<b>17.90</b>	<b>9.64</b>	<b>43,543.42</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 29 : Other Financial Liabilities - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Interest accrued but not due	281.98	281.98
Unpaid Dividend	59.71	37.76
Foreign Exchange Derivatives Liabilities	-	57.21
Others		
Security and other deposits	8,144.28	9,431.56
Others Payables	10,470.42	12,911.55
<b>Total</b>	<b>18,956.39</b>	<b>22,720.06</b>

## Note 30 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Contract Liability for Indigenous Aircraft Carrier works (Net)	48,950.10	-
Contract Liability for other works	1,77,104.52	1,60,155.13
Advances for ship building , ship repair and other contracts	4,405.16	758.45
Income received in advance	27.76	26.46
Statutory dues	4,892.54	3,336.91
Deferred Income arising from Government Assistance	1.14	1.14
<b>Total</b>	<b>2,35,381.22</b>	<b>1,64,278.09</b>

Refer Note No 44 on Ind AS 115 "Revenue from Contract with Customers"

## Cost of infrastructure facilities which has been met out of funds from Navy till date.

(₹ in Lakhs)

Details	As at March 31,2022	As at March 31,2021
Buildings and other civil works	16,196.67	13,764.07
Data processing equipment	1,338.81	1,338.51
Furniture and Office equipments	387.03	386.75
Plant and machinery	16,885.70	16,885.70
<b>Total</b>	<b>34,808.21</b>	<b>32,375.03</b>

## Note 31 : Provisions - Current

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Provision for Employee benefits</b>		
Gratuity	546.85	272.09
Compensated absences (Refer Note No 37)	419.76	515.45
Others	-	-
	<b>966.61</b>	<b>787.54</b>



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 31 : Provisions - Current (Contd..)

(₹ in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Other Provisions</b>		
Provision for Taxes and duties	2,665.50	2,662.17
Provision for shipbuilding loss	7,573.00	11,658.00
Provision for Expenditure / contingencies	37,397.31	38,218.55
	<b>47,635.81</b>	<b>52,538.72</b>
<b>Total</b>	<b>48,602.42</b>	<b>53,326.26</b>

### 31.1 Details of movement of provisions

(₹ in Lakhs)

Particulars	As at 01.04.2021	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2022
Provision for employee benefits- Gratuity	272.09	396.15	-	121.39	546.85
Compensated absences	515.45	435.21	-	530.90	419.76
Provision for taxes and duties	2,662.17	3.33	-	-	2,665.50
Provision for shipbuilding loss	11,658.00	-	-	4,085.00	7,573.00
Provision for expenditure / contingencies	38,218.57	37,300.94	34,375.35	3,746.85	37,397.31

(₹ in Lakhs)

Particulars	As at 01.04.2020	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2021
Provision for employee benefits- Gratuity	1,048.51	272.09	(1,048.51)	-	272.09
Compensated absences	533.22	-	(17.77)	-	515.45
Provision for taxes and duties	209.12	2,560.12	(107.07)	-	2,662.17
Provision for shipbuilding loss	5,287.00	6,371.26	(0.26)	-	11,658.00
Provision for expenditure / contingencies	31,608.78	34,765.74	(25,716.40)	(2,439.57)	38,218.55

## Note 32 : Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Sale of products</b>		
Ship building:		
Indigenous Aircraft Carrier (IAC)	179266.04	200925.37
Vessels other than IAC	67674.19	35831.94
	<b>2,46,940.23</b>	<b>2,36,757.31</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 32 : Revenue from operations (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Sale of services</b>		
Ship repairs	65,794.50	40,850.24
Engineering works	-	5.50
	<b>65,794.50</b>	<b>40,855.74</b>
<b>Other operating revenue</b>		
Ship Building Financial Assistance	3,486.17	3,420.09
Sale of scrap	1,373.80	544.23
Management fee	1,500.00	312.33
	<b>6,359.97</b>	<b>4,276.65</b>
<b>Total</b>	<b>3,19,094.70</b>	<b>2,81,889.70</b>

Refer Note No 44 on Ind AS 115 "Revenue from Contract with Customers."

Out of the Revenue from Operations, ₹ 9503.19 lakhs (₹ 2567.77 lakhs in previous year) pertain to revenue from export orders.

The Company has considered the lock down period due to COVID 19 & GoI circular dated May 13, 2020, which ever is applicable to the projects and Kerala Flood natural calamity 2018 as Force Majeure period for computation of Liquidated Damages while calculating Revenue from operations.

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Recognition of revenue for this Assistance is based on measurement of percentage of completion of the vessel under subsidy, completed to date.

Cochin Shipyard Ltd (CSL) has entered into an Agreement with the Andaman and Nicobar Administration to commence its operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Management fee on pro rata basis is accounted based on this agreement. Under the ambit of this Agreement signed on 28 Nov 2019, CSL shall assist the Administration to set up a Ship repair ecosystem at A&N islands. CSL shall also associate in Augmentation and Modernisation of the facility and also focus efforts towards Skill Development in the Islands in consultation with the Administration and Technical Institutions located in the Islands.

## Note 33 : Other Income

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Training facilities	342.84	106.27
Income from sale of scrap and stores	743.38	85.90
Income from laboratory services	24.11	12.94
Rent received	325.23	261.26
Hire charges received	1.72	1.10
Interest on bank deposits	5,755.80	8,750.56
Interest from others	1,466.51	1,595.94
Dividend income from equity investments/ Mutual Funds	-	0.89
Net gain on foreign currency transactions	173.62	404.65
Net gain on derivative contracts	178.41	123.99
Provision no longer required	8,469.70	4,365.45

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 33 : Other Income (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Income from Charter Hire	75.90	35.48
Proceeds from Bank Guarantee encashment - Performance guarantee/security deposits forfeited**	6,100.00	
Miscellaneous income*	2,624.38	3,338.24
<b>Total</b>	<b>26,281.60</b>	<b>19,082.67</b>

\*Miscellaneous income includes ₹ 1.14 lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

\*\*During the year, the company cancelled the contract for the turnkey work in setting up the international ship repair facility at Kochi due to the inability of the contractor to carry out the work as per terms of the contract. Consequently, the company encashed the bank guarantees received by it towards performance guarantee and security deposits, and forfeited the proceeds as per the terms of the contract, and has treated the same as income.

## Note 34 : Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Raw Materials</b>		
Steel	2,058.46	3,965.41
Pipe	831.45	966.05
Paint	1,775.94	1,312.48
Bought out components	1,57,226.14	1,15,737.88
<b>Total</b>	<b>1,61,891.99</b>	<b>1,21,981.82</b>

## Note 35 : Changes in inventories of work in progress

(Other than those which are recognised as income on percentage / proportionate completion method)

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
<b>Work -in-progress at cost:</b>		
At the beginning of the year	-	-
Less: at the end of the year	(352.31)	-
<b>Decretion/(Accretion) to work-in-progress</b>	<b>(352.31)</b>	<b>-</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 36 : Sub Contract and Other Direct Expenses

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Sub contract and off loaded jobs	33,046.22	26,544.41
Hull insurance	620.67	849.62
Other direct expenses	7,414.08	6,237.35
<b>Total</b>	<b>41,080.97</b>	<b>33,631.38</b>

## Note 37 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended Mar 31,2022	For the year ended Mar 31,2021
Salaries, wages, bonus/exgratia and allowances	26,736.16	25,477.44
Contribution to Provident Fund and Family Pension Fund	1,833.79	1,720.72
Gratuity	358.49	345.54
Staff welfare expenses	2,178.74	1,684.60
<b>Total</b>	<b>31,107.18</b>	<b>29,228.30</b>

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 20.46 lakhs (previous year ₹ 19.23 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 47.67 lakhs (previous year ₹ 72.62 lakhs)

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued.

In respect of subsidiaries, contribution towards Provident fund is remitted to Employee Provident Fund Organisation.

### Post-employment obligations

#### Provident fund

Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with relevant statute. Employer's contribution to Provident Fund & Family Pension fund is ₹ 1353.43 Lakhs for the year 2021-22 (₹ 1287.92 Lakhs for the year 2020-21). The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate, which is determined on the basis of actuarial valuation.

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund for the period ended 31st March 2022.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

The details of fund obligations as per actuarial valuation are given below:

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
Fair value of plan assets	18689.22	17546.07
Present value of benefit obligation at year end	18558.63	17538.21
Net liability / (Net asset)	(130.59)	(7.86)
Additional provision	Nil	Nil

### Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)	7.37%	6.97%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate- Half Pay Leave	0.70%	0.70%
Attrition Rate- Earned Leave	0.70%	0.70%

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Average Duration of Defined Benefit Obligation (In years)	8.56	8.23

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Service Cost:</b>		
Current Service Cost	214.03	244.95
Net Interest expense	229.10	205.06
Actuarial (Gain)/Loss recognised during the period	630.2	474.16
<b>Expenses recognised in the statement of profit and loss</b>	<b>1073.33</b>	<b>924.17</b>

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Present Value of Defined Benefit Obligation at end of the year	3970.62	3676.83
Fair Value of Plan Assets at the end of the year	-	-
<b>Net Liabilities /(Assets) recognized in the Balance Sheet</b>	<b>3,970.62</b>	<b>3,676.83</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Type of Employee Benefit	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Current Component of PVO	419.62	515.44
Non-Current Component of PVO	3551.00	3161.39
<b>TOTAL PVO</b>	<b>3970.62</b>	<b>3676.83</b>

Movements in present value of the defined benefit obligation are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Defined Benefit Obligation at beginning of the year	3676.83	3405.42
Current & Past Service Cost	214.03	244.95
Current Interest Cost	229.10	205.06
Actuarial (Gain)/ Loss	630.20	474.16
Benefits paid	(779.54)	(652.76)
<b>Defined Benefit Obligation at end of the year</b>	<b>3,970.62</b>	<b>3,676.83</b>

Movements in the fair value of the plan assets are as follows:

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Fair Value of Plan Assets at the beginning of the year</b>		-
Expected Return on Plan Assets		-
Actuarial (Gain)/ Loss		-
Contributions from the employer	779.54	652.76
Benefits paid	(779.54)	(652.76)
<b>Fair Value of the Assets at the end of the year</b>	<b>-</b>	<b>-</b>

Expected Contributions in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	125.67	87.43
Year 2	273.81	401.76
Year 3	104.67	89.56
Year 4	159.02	74.69
Year 5	139.61	126.07
Next 5 Years	551.92	438.26

"NA " denoted " Not Available"



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

### Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in Lakhs)

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	125.67	87.43
Year 2	273.81	401.76
Year 3	104.67	89.56
Year 4	159.02	74.69
Year 5	139.61	126.07
Next 5 Years	551.92	438.26

Sensitivity Analysis - Half Pay Leave	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	3,347.70	2,988.16
Current Service Cost	141.10	128.15
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	3,618.91	3,225.63
Current Service Cost	154.28	140.20
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,624.36	3,229.92
Current Service Cost	154.54	140.42
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	3,341.72	2,983.37
Current Service Cost	140.81	127.91

BP denotes "Basis Points"

Sensitivity Analysis - Earned Leave	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	3,347.70	2,988.16
Current Service Cost	141.10	128.15
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	3,618.91	3,225.63
Current Service Cost	154.28	140.20
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,624.36	3,229.92
Current Service Cost	154.54	140.42
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	3,341.72	2,983.37
Current Service Cost	140.81	127.91

BP denotes "Basis Points"

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

### Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)	7.37%	6.97%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	0.70%	0.70%
Expected Rate of Return on Plan Asset	7.37%	6.97%

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Average Duration of Defined Benefit Obligations (In years)	9.71	8.50

### Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Service Cost:</b>		
Current Service Cost	251.58	252.11
Past Service Cost	-	-
Net Interest expense	(6.88)	34.92
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>244.70</b>	<b>287.02</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	246.93	(76.82)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(113.10)	(308.94)
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>133.83</b>	<b>(385.76)</b>

### The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Present Value of Defined Benefit Obligation at end of the year	4,313.35	4,664.16
Less: Fair Value of Plan Assets at the end of the year	4,033.56	4,762.90
Net Liabilities /(Assets) recognized in the Balance Sheet	279.79	(98.74)

### Movements in present value of the defined benefit obligation are as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Defined Benefit Obligation at beginning of the year	4,664.16	5,240.37
Current Service Cost	251.58	252.11
Current Interest Cost	285.54	313.54

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Past Service Cost		-
Actuarial (Gain)/ Loss	246.93	(76.82)
Benefits paid	(1,134.86)	(1,065.04)
<b>Defined Benefit Obligation at end of the year</b>	<b>4,313.35</b>	<b>4,664.16</b>

### Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Fair Value of Plan Assets at the beginning of the year	4,762.90	4,191.87
Expected Return on Plan Assets	292.42	278.63
Actuarial Gain/(Loss)	113.10	308.94
Contributions from the employer	-	1,048.51
Benefits paid	(1,134.86)	(1,065.04)
<b>Fair Value of the Assets at the end of the year</b>	<b>4,033.55</b>	<b>4,762.90</b>

### Expected Contributions in Following Years [mid-year cash flows]

(₹ in Lakhs)

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in Lakhs)

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	349.40	324.46
Year 2	865.52	1,561.59
Year 3	291.48	350.89
Year 4	400.43	261.87
Year 5	386.67	370.83
Next 5 Years	1,172.15	1,203.18

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Sensitivity Analysis	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.87%	7.47%
Defined Benefit Obligation [PVO]	4,127.61	4,487.42
Current Service Cost	247.97	235.32
B. Discount Rate - 50 BP	6.87%	6.47%
Defined Benefit Obligation [PVO]	4,514.29	4,855.15
Current Service Cost	283.98	269.48
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	4,494.68	4,835.23
Current Service Cost	279.16	267.74
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	4,141.13	4,504.03
Current Service Cost	250.01	237.00

BP denotes "Basis Points"

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Government of India Securities	30.42%	36.77%
State Government Securities	31.51%	27.10%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	24.32%	24.48%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.31%	0.25%
Others (to specify)	13.44%	11.39%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The plan assets are managed by the Gratuity Trust formed by the Company.

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) and CSL Mumbai Ship Repair Unit (CMSRU) were as follows:	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)-ISRF	6.30%	5.65%
Discount Rate (p.a)-CMSRU	5.40%	5.00%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	2.00%	2.00%
Expected Rate of Return on Plan Asset	0.00%	0.00%

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Service Cost:</b>		
Current Service Cost	35.68	44.24
Past Service Cost	0	-
Net Interest expense	15.19	14.28
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>50.87</b>	<b>58.52</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(55.96)	(25.26)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	-	-
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(55.96)</b>	<b>(25.26)</b>

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Present Value of Defined Benefit Obligation at end of the year	267.00	272.09
Less: Fair Value of Plan Assets at the end of the year	-	-
<b>Net Liabilities /(Assets) recognized in the Balance Sheet</b>	<b>267.00</b>	<b>272.09</b>

Movements in present value of the defined benefit obligation are as follows:-

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Defined Benefit Obligation at beginning of the year	272.09	238.83
Current Service Cost	35.68	44.24
Current Interest Cost	15.19	14.28
Past Service Cost	-	-
Actuarial (Gain)/ Loss	(55.96)	(25.26)
Benefits paid	-	-
<b>Defined Benefit Obligation at end of the year</b>	<b>267.00</b>	<b>272.09</b>

ISRF & CMSRU gratuity is self managed by the Company.

Expected Contributions in Following Years [mid-year cash flows]

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	
Year	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Expected Contributions in Following Years [mid-year cash flows]

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2021	
Year	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	
Year	ISRF	CMSRU
Year 1	70.02	15.36
Year 2	23.72	1.09
Year 3	25.62	2.69
Year 4	18.79	-
Year 5	26.51	3.20
Next 5 Years	75.25	4.71

Expected Benefit Payments in Following Years [mid-year cash flows]

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2021	
Year	ISRF	CMSRU
Year 1	71.07	13.06
Year 2	40.48	6.17
Year 3	15.32	2.23
Year 4	30.73	1.59
Year 5	15.51	0.12
Next 5 Years	71.70	4.09

Sensitivity Analysis as on 31.03.2022

Particulars	ISRF	CMSRU
A. Discount Rate + 100 BP	7.30%	6.40%
Defined Benefit Obligation [PVO]	23.13	26.43
Variation	(3.60%)	(2.38%)
B. Discount Rate - 100 BP	5.30%	4.40%
Defined Benefit Obligation [PVO]	24.93	27.76
Variation	3.92%	2.56%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	24.84	27.63
Variation	3.51%	2.10%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	23.20	26.53
Variation	(3.27%)	(1.98%)

BP denotes "Basis Points"



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

### Sensitivity Analysis as on 31.03.2021

Particulars	For the year ended 31st March, 2021	
	ISRF	CMSRU
A. Discount Rate + 100 BP	6.65%	6.00%
Defined Benefit Obligation [PVO]	235.97	26.71
Variation	(3.61%)	(2.06%)
B. Discount Rate - 100 BP	4.65%	4.00%
Defined Benefit Obligation [PVO]	254.48	27.87
Variation	3.95%	2.20%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	253.41	27.74
Variation	3.51%	1.73%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	236.82	26.82
Variation	(3.27%)	(1.64%)

BP denotes "Basis Points"

### Employee Benefit Plans of Hooghly Cochin Shipyard Ltd, Subsidiary

#### Description of Employee Benefit Plans :

Defined Benefit Plans/Long Term Compensated Absences

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

#### Risk:

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

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

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

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

Particulars	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
Components of Employer Expense		
Recognised in the Statement of Profit and Loss:		
Current Service Cost	3.56	5.70
Past Service Cost		
Net Interest Cost		
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>3.56</b>	<b>5.70</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Particulars	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
Re-measurements recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate		
Effect of changes in assumptions		
Effect of experience adjustments		
Total re-measurements included in Other Comprehensive Income		
<b>Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+8)</b>	<b>3.56</b>	<b>5.70</b>

Particulars	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
<b>I Components of Employer Expense</b>		
Recognised in the Statement of Profit and Loss:		
Current Service Cost		
Past Service Cost	-	-
Net Interest Cost		
<b>Total expense recognised in the Statement of Profit and Loss</b>		-
Re-measurements recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate		
Effect of changes in assumptions		
Effect of experience adjustments		
Total re-measurements included in Other Comprehensive Income		
<b>Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+8)</b>		-

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

Particulars	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
<b>II Net Asset/(Liability) recognised in Balance Sheet</b>		
Present Value of Defined Benefit Obligation		
Fair Value of Plan Assets		
<b>Net liability:</b>		
- Non-Current		
- Current		

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Particulars	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
<b>III. Change in Defined Benefit Obligation (DBO)</b>		
Present Value of DBO at the beginning of the year		
Current Service Cost	3.56	5.70
Past Service Cost		
Net Interest Cost		
Remeasurement gains /(losses):		
Effect of changes in demographic assumptions		
Effect of changes in financial assumptions		
Changes in asset ceiling (excluding interest income)		
Effect of experience adjustments		
Curtailement Cost/(Credits)		
Settlement Cost/(Credits)		
Acquisitions credit/ (cost)		
Effects of transfer In/(Out)		
Benefits Paid		
<b>Net defined benefit asset/ (liability) at end of current period</b>	<b>3.56</b>	<b>5.70</b>

Particulars	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
<b>III. Change in Defined Benefit Obligation (DBO)</b>		
Present Value of DBO at the beginning of the year		
Current Service Cost		
Past Service Cost		
Net Interest Cost		
Remeasurement gains /(losses):		
Effect of changes in demographic assumptions		
Effect of changes in financial assumptions		
Changes in asset ceiling (excluding interest income)		
Effect of experience adjustments		
Curtailement Cost/(Credits)		
Settlement Cost/(Credits)		
Acquisitions credit/ (cost)		
Effects of transfer In/(Out)		
Benefits Paid		
<b>Net defined benefit asset/ (liability) at end of current period</b>		

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>IV. Best Estimate of Employers' Expected Contribution for the next year</b>		
Gratuity	3.56	0.00

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Particulars	For the year ended 31st March, 2022 and 31st March, 2021	
	Gratuity	Leave Encashment
<b>V. Change in Fair Value of Assets</b>		
Plan Assets at the beginning of the year	-	-
Acquisition adjustment	-	-
Interest income on plan assets	-	-
Employer contributions	-	-
Return on plan assets greater/(lesser) than discount rate	-	-
Benefits paid	-	-
Fair Value of assets at the end of current period	-	-

Particulars	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
<b>VI. Actuarial Assumptions</b>		
Discount rate per annum	7.30%	7.30%
Rate of Escalation in Salary	3.00%	7.30%
Mortality Rate	Indian Assured Lives Mortality (2006-08 Ultimate)	Indian Assured Lives Mortality (2006-08 Ultimate)
Withdrawal	0.70%	0.70%

Particulars	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
<b>VI. Actuarial Assumptions</b>		
Discount rate per annum		
Rate of Escalation in Salary		
Mortality Rate		
Withdrawal		

## 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.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Particulars	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
<b>Discount Rate</b>	7.30%	7.30%
Effect on DBO due to 1% increase in Discount Rate	(0.46)	(0.71)
Percentage Impact	(13.00%)	(12.40%)
Effect on DBO due to 1% decrease in Discount Rate	0.55	0.84
Percentage Impact	15.60%	14.80%
<b>Salary Escalation Rate</b>	3.00%	3.00%
Effect on DBO due to 1% increase in Salary Escalation Rate	0.57	0.87
Percentage Impact	16.10%	15.30%
Effect on DBO due to 1% decrease in Salary Escalation Rate	(0.49)	(0.74)
Percentage Impact	(13.70%)	(13.00%)

Particulars	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
<b>Discount Rate</b>		
Effect on DBO due to 1% increase in Discount Rate		
Percentage Impact		
Effect on DBO due to 1% decrease in Discount Rate		
Percentage Impact		
<b>Salary Escalation Rate</b>		
Effect on DBO due to 1% increase in Salary Escalation Rate		
Percentage Impact		
Effect on DBO due to 1% decrease in Salary Escalation Rate		
Percentage Impact		

Maturity Analysis of the Benefit Payments	For the year ended 31st March, 2022	
	Gratuity	Leave Encashment
Year 1	0.03	0.14
Year 2	0.00	0.19
Year 3	0.00	0.24
Year 4	0.00	0.29
Year 5	0.00	0.35
Next 5 Years	0.01	2.81

Maturity Analysis of the Benefit Payments	For the year ended 31st March, 2021	
	Gratuity	Leave Encashment
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Next 5 Years		

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

### Employee Benefit Plans of Udipi Cochin Shipyard Ltd, Subsidiary

#### Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Discount Rate (p.a)	6.20%	
Rate of increase in compensation levels	3.00%	
Expected Rate of Return on Asset	5.00%	

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Service Cost:</b>		
Current Service Cost	8.06	
Past Service Cost		
Net Interest expense		
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>8.06</b>	<b>0.00</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	-	-
Difference between Actual Return and Interest income on Plan assets (gain)/loss	-	-
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>-</b>	<b>-</b>

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Present Value of Defined Benefit Obligation at end of the year	8.06	-
Less: Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities/(Assets) recognized in the Balance Sheet	8.06	-

Movements in present value of the defined benefit obligation are as follows:-

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Defined Benefit Obligation at beginning of the year	-	-
Current Service Cost	8.06	-
Current Interest Cost	-	-
Past Service Cost	-	-
Actuarial (Gain)/ Loss	-	-
Benefits paid	-	-
<b>Defined Benefit Obligation at end of the year</b>	<b>8.06</b>	<b>-</b>



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Movements in the fair value of the plan assets are as follows:

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	-	-
Benefits paid	-	-
<b>Fair Value of the Assets at the end of the year</b>	<b>-</b>	<b>-</b>

### Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

(₹ in Lakhs)

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Year 1		
Year 2		
Year 3		
Year 4	1.11	
Year 5	6.95	
Next 5 Years		

Sensitivity Analysis	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
A. Discount Rate + 50 BP	7.20%	-
Defined Benefit Obligation [PVO]	7.73	-
Current Service Cost	(4.09%)	-
B. Discount Rate - 50 BP	5.20%	-
Defined Benefit Obligation [PVO]	8.40	-
Current Service Cost	4.30%	-

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 37 : Employee Benefits Expense (Contd..)

Sensitivity Analysis	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
C. Salary Escalation Rate + 50 BP	4.00%	-
Defined Benefit Obligation [PVO]	8.37	-
Current Service Cost	3.89%	-
D. Salary Escalation Rate - 50 BP	2.00%	-
Defined Benefit Obligation [PVO]	7.75	-
Current Service Cost	(3.78%)	-

BP denotes "Basis Points"

## Note 38 : Finance Costs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest expense on lease liabilities	3,659.93	3,583.32
Interest others	0.00	491.34
Interest on tax free bonds	1,051.44	1,051.44
<b>Total</b>	<b>4,711.37</b>	<b>5,126.10</b>

(₹ in Lakhs)

## Note 39 : Depreciation and Amortisation Expense

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Depreciation on property, plant and equipments	5,047.48	4,083.04
Depreciation on RoU Assets	1,420.38	1,414.14
Amortisation of other intangible asset	334.07	299.59
<b>Total</b>	<b>6,801.93</b>	<b>5,796.77</b>
Add : Loss on revaluation of tools	164.48	186.31
<b>Total</b>	<b>6,966.41</b>	<b>5,983.08</b>

(₹ in Lakhs)

## Note 40 : Other Expenses

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Consumption of stores	1,990.67	1,592.62
Consumption of spares	66.52	54.51
Rates and taxes	277.43	507.46
Power	2,667.42	1,942.79
Fuel	2,024.63	1,340.87
Water	306.34	303.95

(₹ in Lakhs)

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 40 : Other Expenses (Contd..)

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Repairs and maintenance:		
Building and roads	618.42	457.78
Plant and machinery	227.99	158.23
Docks	8.23	12.18
Others	1,303.74	1,232.57
Maintenance dredging	287.35	467.32
Transport and stores handling	89.08	170.91
Travelling and conveyance expenses	735.91	497.21
Printing and stationery	77.02	75.92
Postage, telephone and telex	55.30	46.47
Advertisement and publicity	315.60	168.59
Lease rent	11.87	14.82
Hire charges	591.89	288.66
Insurance charges	703.02	744.93
Security expenses	2,246.37	2,154.69
Payments to Auditors	34.34	33.40
Fee for statutory compliances	1.02	2.71
Training expenses	657.33	359.40
Legal expenses	29.22	38.63
Consultancy	46.76	86.86
Bank charges	604.71	699.91
Corporate social responsibility (Refer Note no.50)	1,619.47	1,486.98
Loss on sale/write off of property, plant and equipments	1.02	1.25
Miscellaneous expenses	700.72	1,366.55
<b>Total</b>	<b>18,299.39</b>	<b>16,308.17</b>

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

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
For Audit Fees	20.50	19.50
For Limited Review/other services	11.85	12.85
For Certifications	1.99	5.90
<b>Total</b>	<b>34.34</b>	<b>38.25</b>

## Note 41 : Provision for Anticipated Losses and Expenditure

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Provision for:</b>		
Doubtful debts / advances	4,134.08	98.18
Non moving / perpetual inventory verification	185.81	2.92
Expenses and contingencies	482.07	2,692.02
Provision for loss on Ship Building	-	6,371.00
<b>Total</b>	<b>4,801.96</b>	<b>9,164.12</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 42 : Exceptional items

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Provision for Inventory written back / (Provision for inventory)		(188.92)
Write off of property, plant and equipments	454.51	
Provision for Subsidy Receivable written back / (Provision for subsidy receivable)	(179.36)	(1,074.48)
<b>Total</b>	<b>275.15</b>	<b>(1,263.40)</b>

## Note 43 : Earnings per Equity Share

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Net Profit after tax (₹ in lakhs)	56,396.14	60,866.44
Basic and Diluted Earnings Per Share (EPS) ( in ₹ )	42.87	46.27
Face value per share ( in ₹ )	10.00	10.00

## Note 44: Additional Disclosures under Ind AS 115-“Revenue from Contract with Customers”

### Disclosures of Disaggregated revenue as per IND AS 115

(₹ in Lakhs)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Revenue from Contracts with customers</b>		
<b>A. Revenue from goods or services transferred over time</b>		
<b>(i) Sale of products (Including Excise Duty Nil)</b>		
Ship building:		
Indigenous Aircraft Carrier (IAC)	179266.04	200925.37
Vessels other than IAC	67674.19	35831.94
<b>Other operating revenue</b>		
Ship Building Financial Assistance	3486.17	3420.09
Management fee	1500.00	312.33
<b>(ii) Sale of services</b>		
Ship repairs	65794.50	40850.24
Engineering works	0.00	5.50
<b>B. Revenue from goods or services transferred to customers at a point in time</b>		
<b>Other operating revenue</b>		
Sale of Ship Building Scrap	774.42	381.88
Sale of Ship Repair Scrap	599.38	162.35
<b>Total</b>	<b>319094.70</b>	<b>281889.70</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 44 : Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers" (Contd..)

### Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹ 754093.96 lakhs (excluding Cost Plus Part of IAC contract). The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 18.04 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2022, as stated above, will be recognised as revenue during FY 2022-23 and the remaining thereafter.

During the year ended March 31,2022 the Company recognised revenue of ₹ 42131.88 lakhs arising from opening Contract Liability as of April 01,2021.

### Reconciliation of contracted price with revenue during the year

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
<b>Opening contracted price of orders</b>	<b>1495498.24</b>	<b>1504739.51</b>
Add:		
Fresh orders/change orders received (net)	117957.69	11336.93
Increase due to additional consideration including Shipbuilding Financial assistance	(74.03)	1766.45
Increase due to exchange rate movements (net)	720.76	250.84
Less:		
Other deductions including variations, change orders etc.	2479.72	15654.69
Orders completed during the year	109388.84	6940.80
<b>Closing contracted price of orders</b>	<b>1502234.10</b>	<b>1495498.24</b>
Total Revenue recognised during the year:	146496.07	137551.03
Less: Revenue out of orders completed during the year	14774.27	2613.13
Revenue out of orders under execution at the end of the year (I)	131721.80	134937.90
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	616418.34	575676.23
Decrease due to exchange rate movements (net) (III)	0.00	0.00
Balance revenue to be recognised in future viz. Order book (IV)	754093.96	784884.10
<b>Closing contracted price of orders (I+II+III+IV)</b>	<b>1502234.10</b>	<b>1495498.23</b>

## Note 45 : Additional Disclosures under Ind AS 116-"Leases"

Rent and Hire charges Expense includes expense incurred for the year ended 31.03.2022 relating to Short term leases and leases of low value assets amounting to ₹ 85.50 lakhs.

Total Cash outflow for leases for the year ended March 31,2022 including outflow for short term and low value leases is ₹ 2575.78 lakhs.

The Company has lease term extension options that are not reflected in the measurement of lease liabilities.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 45 : Additional Disclosures under Ind AS 116-"Leases" (Contd..)

### The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Less than one year	2,742.78	2,649.25
One to five years	11,636.06	11,314.36
More than five years	1,21,828.25	1,24,865.12
<b>Total</b>	<b>1,36,207.09</b>	<b>1,38,828.73</b>

### The details of the contractual maturities of leased assets as at March 31, 2022 on an undiscounted basis are as follows

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Less than one year	200.78	191.23
One to five years	152.94	313.02
More than five years	247.12	287.82
<b>Total</b>	<b>600.84</b>	<b>792.07</b>

## Note 46: Additional Disclosures for Hedge Accounting

The company enters into foreign exchange derivative contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the company's foreign currency forward contracts is generally a bank.

The company has the following outstanding forward contracts, which have been designated as Cash Flow Hedges, as on 31 Mar 22:

Currency	No. of contracts	31-Mar-22		No. of contracts	31-Mar-21	
		Notional amount of contracts	Fair Value Gain/ (Loss)		Notional amount of contracts	Fair Value Gain/ (Loss)
Euro	1	794.61	1.30	2	2982.30	(24.62)
NOK	0	0.00	0.00	2	4319.34	145.70
<b>Total</b>		<b>794.61</b>	<b>1.30</b>	<b>4</b>	<b>7301.64</b>	<b>121.08</b>

The movement in Hedge reserve for derivatives designated as cash Flow Hedges is as follows:

Particulars	(₹ in Lakhs)	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Balance at the beginning of the year Cr/(Dr)	90.60	0.00
Changes in the fair value of effective portion of outstanding cash flow derivatives (Net)	(89.63)	90.60
<b>Balance at the end of the year</b>	<b>0.97</b>	<b>90.60</b>



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 47 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at	As at	Brief Description of the nature and obligation
	31 Mar 2022	31 Mar 2021	
	(₹ in Lakhs)	(₹ in Lakhs)	
<b>A CONTINGENT LIABILITY</b>			
<b>(To the extent not provided for)</b>			
<b>a Guarantees</b>			
i Letters of Credit	11,664.67	12,356.31	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets.
ii Bank Guarantees	4,03,880.02	3,53,929.06	Bank guarantees (including continuity guarantees) represent guarantees issued by various banks on behalf of the Company to its customers and other beneficiaries.
iii Corporate Performance Guarantee to Cochin Port Trust	3,925.00	3,925.00	Performance guarantee given by Company to CoPT for performance of obligations under the contract agreement entered with CoPT during the contract period.
<b>b Other money for which the company is contingently liable</b>			
i Greater Cochin Development Authority (GCDA)	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at ₹ 69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii Customs duties	17,984.71	17,984.48	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of ₹ 69.83 lakhs being Customs duty refund granted by CESTAT, Bangalore, against which an appeal was filed by the Department before the Hon'ble High Court of Kerala. The Hon'ble High Court of Kerala has since disposed off the appeal with a direction to the Department to prefer the appeal before the Hon'ble Supreme Court of India. In absence of any further information on the departmental appeal, the same has been retained as Contingent Liability.
iii Income Tax	2,069.97	2,069.97	Demand relating to Assessment Years: AY 2010-11 - ₹ 457.63 Lakhs AY 2011-12 - ₹ 369.50 Lakhs AY 2014-15 - ₹ 911.07 Lakhs AY 2017-18 - ₹ 331.77 Lakhs Detailed notes in Note no. 47.1 (I)
iv Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Adjudication pending.
	376.68	376.68	Refund claim of Service Tax on IAC granted by Commissioner (Appeal). However Department filed Appeal before CESTAT against the order of Commissioner(Appeals). Also issued Show Cause Notice on CSL & adjudication pending.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 47 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

Particulars	As at	As at	Brief Description of the nature and obligation
	31 Mar 2022	31 Mar 2021	
	(₹ in Lakhs)	(₹ in Lakhs)	
	323.04	323.04	Demand of Service Tax on IAC (Management Fee/ Handling Charges) as per Show Cause Notice issued. Adjudication pending.
	2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-18-17-18 dt 19.03.2018. Department filed appeal to CESTAT.
	1,885.60	1,885.60	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-11-17-18 dt 07.03.2018. Department filed appeal to CESTAT.
	513.71	513.71	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
	734.93	734.93	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
	150.56	150.56	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Joint Commissioner vide OIO No.48/2020-ST(JC) dt 31.12.2020 confirmed demand. Appeal filed to Commissioner (Appeals) against OIO.
	286.85	286.85	Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.
	279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transport of Barge from Cochin to Abu Dhabi.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## Note 47 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

Particulars	As at	As at	Brief Description of the nature and obligation
	31 Mar 2022 (₹ in Lakhs)	31 Mar 2021 (₹ in Lakhs)	
v Alekton Engineering Industries Ltd	195.09	165.91	The petitioner (claimant) approached MSME Council for recovery of Liquidated damages (LD) along with interest in respect of LD deducted by CSL for delay in submission of drawings and supply of goods. MSME Council, Chennai has referred the case to Madras High Court Arbitration Centre for arbitration. Madras High Court Arbitration Centre has appointed Mr. Suhrith Parthsarrathy as the sole arbitrator. Claim petition filed by the petitioner. Examination of witness is in progress.
vi Employee State Insurance Corporation	17.26	17.26	Claims towards interest and damages in respect of delayed payments of ESI contributions payable in respect of advanced trainees during the period from June 2010 to Jul 2013. Aggrieved, CSL filed cases I.C No.60/2016, IC No: 09/2020, IC No: 03/2021 challenging the illegality and violation of instructions and the manner in which the claims were preferred by ESI Corporation.
<b>B COMMITMENTS (To the extent not provided for)</b>			
a Estimated amount of contracts remaining to be executed on capital account and not provided for:	58,207.57	1,17,275.12	Estimated amount of contracts remaining to be executed on capital account and not provided for.

### 47.1. CONTINGENCIES AND COMMITMENTS

#### (I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2019-20.

Demands raised as per the assessment orders totaling to ₹ 1369.11 lakhs for the Assessment Years 2010-11, 2011-12, 2014-15 and 2017-18 are shown under Contingent Liability pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance of certain genuine claims. However the above demands have been adjusted against the refund due for the subsequent years.

For the Assessment years 2010-11 and 2011-12 although the appeals filed before the Commissioner of Income Tax (Appeals) has been disposed in favour of the company, the Income Tax Department has gone for appeal against the order of Commissioner of Income Tax (Appeals) before the ITAT, the amount involved under appeal before the ITAT amounts to ₹ 700.86 lakhs.

**48.** The dispute between M/s Apeejay Shipping Ltd (formerly known as Surendra Overseas Ltd) and the Company, in the matter of ship 005 was referred for arbitration by the Hon'ble Supreme Court of India. The arbitration award (July 2009) was in favour of the Company under which the Company is to receive ₹2803.64 lakhs from M/s Apeejay Shipping Ltd. The company has filed a petition before Sub Court, Ernakulam for passing a decree. M/s Apeejay Shipping Ltd has moved to the Sub Court to quash the Award of the Umpire and the Company has filed Counter Affidavit against this move. Petition is dismissed by the Sub Court. Petitioners have filed appeal before the High Court against the order of the Sub- Court. The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 49. Litigations :

The Company is subject to legal proceedings and claims, in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operation.

### Details of material litigation as on 31 March 2022

M/s. Vigil Marine Services in 2004 raised claims towards Agency Commission payable for winning orders for ATCO Tugs. The arbitration proceedings commenced on 10 Oct 2004. Examination and cross examination of witnesses completed and posted the matter for arguments on 01 and 02 Feb 2014. The Arbitrator completed the proceedings and passed his award directing the Company to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum. Aggrieved on this CSL filed Original Suit No 187/2016 before Sub Court, Ernakulam and obtained an interim order staying execution of the award. However the Company has already provided for the principal amount and interest thereon.

**50. Corporate Social Responsibility (CSR) :** As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(a) Gross amount required to be spent by the Company during the period ended March 31, 2022	₹ 1617 lakhs
(b) Amount spent during the year	₹ 1619.47 Lakhs

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	1000.10	-	1,000.10
(ii) On purposes other than (i) above	619.37	-	619.37

### In case of Sec.135(5) Excess amount spent

(₹ in Lakhs)

Amount carry forwarded from previous financial years	Amount spent during the year	Amount charged to P&L as CSR expenses	Amount carry forwarded to succeeding financial years
40.00	1619.47	1619.47	40.00

(₹ in Lakhs)

Additional Disclosures on CSR	As at March 31, 2022
(i) Amount required to be spent by the company during the year,	1617.00
(ii) Amount of expenditure incurred,	1619.47
(iii) Shortfall at the end of the year,	0.00
(iv) Total of previous years shortfall,	0.00
(v) Reason for shortfall,	NA
(vi) Nature of CSR activities: As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and other areas permitted in Schedule VII to the Companies Act 2013. The utilisation of CSR funds are done as per the recommendations of CSR committee.	

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 50. Corporate Social Responsibility (CSR) : (Contd..)

(₹ in Lakhs)

Additional Disclosures on CSR	As at
	March 31, 2022
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil

**51.** 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 and its subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. No funds have been received by the Company and its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its subsidiaries shall, 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.

## 52. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2021-22	2020-21
Shri Madhu S Nair Chairman & Managing Director, CSL Chairman (HCSL, UCSSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Suresh Babu N V (Upto April 30, 2021) Director (Operations), CSL Director (HCSL, UCSSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical), CSL Director (HCSL, UCSSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J Director (Finance) & Chief Financial Officer, CSL Director (HCSL, UCSSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Sanjay Bandopadyaya Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	Key Managerial Personnel
Shri K R Jyothilal Official Part Time (Nominee) Director, Government of Kerala, CSL	Key Managerial Personnel	Key Managerial Personnel
Smt. Amrapali Prashant Salve (From Nov 26, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-
Shri Nahar Singh Maheshwari (From Dec 01, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-
Shri Ashok Sharma (From Nov 26, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-
Shri Prithviraj Harichandan (From Nov 22, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

Related Party	Nature of Relationship	
	2021-22	2020-21
Shri Venkatesan M (From Nov 22, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-
Shri Abhijit Biswas (From Dec 01, 2021) Non-Official (Independent) Director, CSL	Key Managerial Personnel	-
Shri Jiji Thomson (Upto July 14, 2020) Non Official Part Time (Independent) Director, CSL		Key Managerial Personnel
Shri Pradipta Banerjee (Upto July 14, 2020) Non Official Part Time (Independent) Director, CSL		Key Managerial Personnel
Shri Nanda Kumaran Puthezhath (Upto July 14, 2020) Non Official Part Time (Independent) Director, CSL		Key Managerial Personnel
Shri Syamkamal N Company Secretary, CSL	Key Managerial Personnel	Key Managerial Personnel
Shri S Balaji Arunkumar, Director (Upto May 29, 2020), (HCSL)	-	Key Managerial Personnel
Shri Shekhar Chakravarthy, Chief Executive Officer (from 22.12.2021), (HCSL)	Key Managerial Personnel	-
Shri.Saibal Chattopadyay, Chief Financial Officer (from 14.02.2022) (HCSL)	Key Managerial Personnel	-
Shri Rajesh Gopalakrishnan, Chief Executive Officer (till 21.12.2021) (HCSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Sreejith K Narayanan, Nominee Director (from 26.03.2022) (HCSL)	Key Managerial Personnel	-
Shri Anjana K R, Nominee Director (from 26.03.2022) (HCSL)	Key Managerial Personnel	-
Shri.Balakrishnan Poovathra, Chief Financial Officer (till 13.02.2022) (HCSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Kiran.K.A, Company Secretary, HCSL (From October 16, 2020) (HCSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Harikumar A Chief Executive Officer, (UCSL)	Key Managerial Personnel	Key Managerial Personnel
Shri Shibu John Chief Financial Officer, (UCSL) (CFO of HCSL upto October 15, 2020)	Key Managerial Personnel	Key Managerial Personnel
Shri Aswin Sarma M Company Secretary, (UCSL) (CS of HCSL upto October 15, 2020)	Key Managerial Personnel	Key Managerial Personnel
Hooghly Cochin Shipyard Limited (Principal place of business:Kolkata)	Subsidiary Company	Subsidiary Company
Udupi Cochin Shipyards Limited (Principal place of business:Malpe)	Subsidiary Company	Subsidiary Company



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

### Nature of transaction-Remuneration to Key Managerial Person\*

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Short term benefit	300.18	256.83
Post employment Benefit	29.69	34.00
<b>Total</b>	<b>329.87</b>	<b>290.83</b>

### Nature of transaction-Advances

(₹ in Lakhs)

Name of Related Party	Opening Balance as on 1/4/2021	Loans/advances Taken during 2021-22	Repay ment	Balance as on 31/03/22	Interest accrued as on 31/03/22
SURESH BABU N V	0.08	0.00	0.08	0.00	0.00
BEJOY BHASKER	0.08	0.40	0.35	0.13	0.00
JOSE V J	0.11	0.40	0.40	0.11	0.00
SYAMKAMAL N	0.12	0.40	0.40	0.12	0.00

(₹ in Lakhs)

Name of Related Party	Opening Balance as on 1/4/2020	Loans/advances Taken during 2020-21	Repay ment	Balance as on 31/03/21	Interest accrued as on 31/03/21
SURESH BABU N V	0.20	0.25	0.37	0.08	0.00
BEJOY BHASKER	0.20	0.25	0.37	0.08	0.00
JOSE V J	0.20	0.40	0.49	0.11	0.00
SYAMKAMAL N	0.24	0.40	0.52	0.12	0.00

### Nature of transaction-Sitting Fee to Independent Directors

(₹ in Lakhs)

Name of the meeting	Amrapali Prashant Salve	Nahar Singh Maheshwari	Ashok Sharma	Prithiviraj Harichandan	Venkatesan M	Abhijit Biswas
Board Meeting	0.50	0.50	0.50	0.50	0.50	0.50
Audit Committee	-	-	0.20	0.20	-	0.20
Corporate Social Responsibility Committee	0.20	0.20	-	-	-	-
Nomination and Remuneration Committee	-	-	0.20	-	-	0.20
Stakeholders' Relationship Committee	-	-	-	-	0.20	-
Risk Management Committee	0.20	-	-	-	-	-
<b>Total payment for 2021-22</b>	<b>0.90</b>	<b>0.70</b>	<b>0.90</b>	<b>0.70</b>	<b>0.70</b>	<b>0.90</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

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

(₹ in Lakhs)

Name of the meeting	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Board Meeting	0.15	0.15	0.15
Audit Committee	0.15	0.15	0.15
Corporate Social Responsibility Committee	0.15	0.15	-
Nomination and Remuneration Committee	0.15	0.15	0.15
Contracts and Capex Committee	0.15	0.15	0.15
<b>Total payment for 2020-21</b>	<b>0.75</b>	<b>0.75</b>	<b>0.60</b>

### Nature of transaction - Transaction with other related parties

As CSL is a Government company under the control of Ministry of Shipping (MoS), the Company has availed exemption from detailed disclosures prepared under Ind AS 24 with respect to related party transactions with Government and Government related entities. However, as required under Ind AS 24, following are the individually significant transactions:

### Transactions/balances with Government and Government related entities by the parent company.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount payable to Government of India	234.19	234.19
Amount paid as dividend during the year to Govt. of India	14855.74	26836.17

In addition to the above, around 94 % of the companies turnover and 99.48% (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

## 53. FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level I** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level II** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level III** inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 53. FINANCIAL INSTRUMENTS (Contd..)

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31,2022	As at March 31,2021	
<b>Financial Assets</b>			
<b>Non Current</b>			
(i) Investments	9.18	9.18	Level III
(ii) Loans	347.84	291.60	Level II
(iii) Others	2,839.43	4,356.89	Level II
<b>Current</b>			
(i) Trade Receivables	39,040.78	35,336.95	Level II
(ii) Cash & Cash equivalents	1,41,505.80	72,870.14	Level II
(iii) Bank Balances other than (ii)	1,79,761.04	1,48,023.19	Level II
(iv) Loans	68.56	57.20	Level II
(v) Others	3,395.10	1,574.24	Level II
<b>Total Financial Assets</b>	<b>3,66,967.73</b>	<b>2,62,519.39</b>	
<b>Financial Liabilities</b>			
<b>Non Current</b>			
(i) Borrowings	12300.00	12300.00	Level I
(ii) Lease liabilities	39363.70	39099.47	Level II
(iii) Other financial liabilities	261.22	261.22	Level II
<b>Current</b>			
(i) Trade Payables	37,613.16	43543.42	Level II
(ii) Lease liabilities	3432.87	2564.67	Level II
(iii) Other financial liabilities	18,956.39	22720.06	Level II
<b>Total Financial Liabilities</b>	<b>1,11,927.34</b>	<b>1,20,488.84</b>	

### Note:

- The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27) and other equity instruments at FVTOCI (as per Ind AS 109), as the directors believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. The investments in debt instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments at Amortised Cost.

Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There were no transfers between Level 1 and 2 in the period.

- Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
- The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 53. FINANCIAL INSTRUMENTS (Contd..)

### Financial Instruments by category

(₹ in Lakhs)

	As at 31st March, 2022			As at 31st March, 2021		
	FVTPL	FVTOCI	Amortised Cost/ At cost	FVTPL	FVTOCI	Amortised Cost/ At cost
<b>Financial Assets</b>						
Investments (Non-current)						
- Equity instruments		9.18			9.18	
Loans						291.60
Others						4,356.89
Trade receivables			39,040.78			35,336.95
Cash & Cash equivalents			1,41,505.80			72,870.14
Bank Balances			1,79,761.04			1,48,023.19
Loans						57.20
Other Financial Assets			6,650.93			1,574.24
<b>Total Financial Assets</b>	<b>0.00</b>	<b>9.18</b>	<b>3,66,958.55</b>	<b>0.00</b>	<b>9.18</b>	<b>2,62,510.21</b>

(₹ in Lakhs)

	As at 31st March, 2022			As at 31st March, 2021		
	FVTPL	FVTOCI	Amortised Cost/ At cost	FVTPL	FVTOCI	Amortised Cost/ At cost
<b>Financial Liabilities</b>						
Borrowings			12,300.00			12300.00
Lease liabilities			39,363.70			39099.47
Other financial liabilities			261.22			261.22
Trade payables			37,613.16			43543.42
Lease liabilities			3,432.87			2564.67
Other financial liabilities			18,956.39			22,720.06
<b>Total Financial Liabilities</b>			<b>1,11,927.34</b>	<b>0.00</b>	<b>0.00</b>	<b>1,20,488.84</b>

## 54. Financial Risk Management Policy

### Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The Company's principal financial assets include investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

### Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, being mainly commodity price risk. Financial Assets affected by market risk include loans and advances, deposits and derivative financial instruments.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 54. Financial Risk Management Policy (Contd..)

### A. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is minimal since the exposure relates primarily to the Company's long-term debt obligations of redeemable non-convertible bonds with fixed interest rates as disclosed in Note 22. With the current profile of fixed rate borrowing, the company is not sensitive to interest rate fluctuations.

### B. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the company is managed through a properly documented risk management policy approved by the board. The Board of directors also reviews the foreign currency exposure of the Company on quarterly basis. The company manages the net foreign currency risk mainly by entering into forward contracts with the bank as the counter party. The disclosures of outstanding forward contract as on reporting date is given in Note 46.

The company's exposure to foreign currency risk net of hedged exposure at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate) are as follows:

Particulars	USD	EURO	GBP	NOK	Total
<b>Financial Assets</b>					
31st March 2022	3003.87	5283.96	0.00	0.00	8287.84
31st March 2021	7271.52	5220.98	0.00	1451.51	13944.00
<b>Financial Liabilities</b>					
31st March 2022	0.00	0.00	0.00	0.00	0.00
31st March 2021	9416.42	6641.14	31.77	529.09	16618.42

The sensitivity of profit/loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetary items net of hedge accounting impact and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. The sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates.

Particulars	5% change in foreign currency rates	
	As at 31st March 2022	As at 31st March 2021
<b>Receivables</b>		
USD - Strengthening of ₹ by 5%	0.00	0.00
USD - Weakening of ₹ by 5%	0.00	0.00
EURO - Strengthening of ₹ by 5%	0.00	0.00
EURO - Weakening of ₹ by 5%	0.00	0.00
GBP - Strengthening of ₹ by 5%	0.00	0.00
GBP - Weakening of ₹ by 5%	0.00	0.00
NOK - Strengthening of ₹ by 5%	0.00	0.00
NOK - Weakening of ₹ by 5%	0.00	0.00
<b>Payables</b>		
USD - Strengthening of ₹ by 5%	(162.59)	470.82
USD - Weakening of ₹ by 5%	162.59	(470.82)
EURO - Strengthening of ₹ by 5%	(433.37)	332.06

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 54. Financial Risk Management Policy (Contd..)

Particulars	5% change in foreign currency rates	
	As at 31st March 2022	As at 31st March 2021
EURO - Weakening of ₹ by 5%	433.37	(332.06)
GBP - Strengthening of ₹ by 5%	(1.13)	1.59
GBP - Weakening of ₹ by 5%	1.13	(1.59)
NOK - Strengthening of ₹ by 5%	(8.84)	(26.45)
NOK - Weakening of ₹ by 5%	8.84	26.45
<b>Profit Before Tax</b>		
USD - Strengthening of ₹ by 5%	162.59	(470.82)
USD - Weakening of ₹ by 5%	(162.59)	470.82
EURO - Strengthening of ₹ by 5%	433.37	(332.06)
EURO - Weakening of ₹ by 5%	(433.37)	332.06
GBP - Strengthening of ₹ by 5%	1.13	(1.59)
GBP - Weakening of ₹ by 5%	(1.13)	1.59
NOK - Strengthening of ₹ by 5%	8.84	26.45
NOK - Weakening of ₹ by 5%	(8.84)	(26.45)

### A. Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of steel, being the primary raw material inputs. The Company aims to sell the finished products based on firm contract which is negotiated after due consideration of the expected raw material prices. Therefore, the Company plans its purchases closely to optimise the price. Further since the products are of a specific nature which does not entail competition and is heterogeneous in nature due to its specification, the company's exposure to commodity risk is minimal.

The following table details the Company's sensitivity to a 5% movement in the input price of steel. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant.

(₹ in Lakhs)

Commodity	Increase of 5 %		Decrease of 5 %	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Steel	102.92	198.27	(102.92)	(198.27)

### Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset quickly at a rate close to its fair value.

The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provides liquidity in the short-term and long-term and manages the liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities as depicted below.



# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 54. Financial Risk Management Policy (Contd..)

(₹ in Lakhs)

Particulars	As on 31.03.2022			As on 31.03.2021		
	< 1 year	1-3 years	> 3 years	< 1 year	1-3 years	> 3 years
<b>Financial Assets</b>						
Non-current investments			9.18			9.18
Loans	112.28	233.00	2.56	270.56	19.58	1.46
Other Financial Assets		21.70	2817.73		29.75	4327.14
Trade Receivables	39040.78			35336.95		
Cash and Cash Equivalents	141505.80			72870.14		
Bank Balances other than cash and cash equivalents	179761.04			148023.19		
Loans	68.56			57.20		
Other Financial Assets	3395.10			1574.24		
<b>Total Financial Assets</b>	<b>363883.56</b>	<b>254.70</b>	<b>2829.47</b>	<b>258132.28</b>	<b>49.33</b>	<b>4337.78</b>
<b>Financial Liabilities</b>						
Borrowings		10000.00	2300.00		10000.00	2300.00
Lease Liabilities	0.00	253.62	39110.08	0.00	263.04	38836.43
Other financial liabilities	0.00	0.00	261.22			261.22
Lease Liabilities	3432.87			2564.67		
Trade payables	37613.16			43543.42		
Other financial liabilities	18956.39			22720.06		
<b>Total Financial Liabilities</b>	<b>60002.42</b>	<b>10253.62</b>	<b>41671.30</b>	<b>68828.15</b>	<b>10263.04</b>	<b>41397.65</b>

### Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its exposure to other financial assets, including deposits with banks and financial institutions, derivative instruments, and other financial instruments. The company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating in order to manage the credit risk. Trade receivables mainly comprise of government entities and the cash and cash equivalents and derivative instruments are maintained with banks and recognised financial institutions with high credit rating.

For trade receivables, as a practical expedient the company computes credit loss allowance based on a provision matrix which considers historically observed default rates over expected life of trade receivables, adjusted for forward looking estimates. The movement in expected credit loss allowance is disclosed in Note 13.

The Company's maximum exposure to the credit risk for the components of balance sheet as 31st March 2022 and 31st March 2021 is the carrying amounts mentioned in Note no 13 and as stated in Note 52, around 94% of company's turnover and 99.48% (approx.) of trade receivables and customer advance it with respect to Government and Govt. regulated entities. The maximum exposure relating to financial derivative instruments and financial guarantees is disclosed in Note 46 and Note 47 respectively.

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 55. Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Repair of ships/ offshore structures. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Segment Assets</b>		
Ship building	258545.34	319484.51
Ship Repair	287038.89	259606.41
Unallocated	295788.30	172828.72
<b>Total</b>	<b>841372.53</b>	<b>751919.64</b>
<b>Segment Liability</b>		
Ship building	155917.43	104576.01
Ship Repair	64318.72	11264.54
Unallocated	181818.20	232733.97
<b>Total</b>	<b>402054.35</b>	<b>348574.52</b>
<b>Segment Revenue</b>		
Ship building	251200.83	240559.27
Ship Repair	67893.87	41330.43
Unallocated	26281.60	19082.67
<b>Total</b>	<b>345376.30</b>	<b>300972.37</b>
<b>Segment Result</b>		
Ship building	57776.43	76229.86
Ship Repair	12041.89	9419.89
Unallocated	6775.87	(4836.95)
<b>Total</b>	<b>76594.19</b>	<b>80812.80</b>

The Company has two major business segments – "Ship Building" and "Ship Repair". Revenue under Ship building includes ₹ 204473.56 lakhs (Previous year: ₹ 203736.66 lakhs) from one customer (Previous year: one customer) having more than 10 % revenue of the total revenue, and for Ship repair includes ₹ 40786.31 lakhs (Previous year: ₹ 29714.58 lakhs) from two customers ( Previous year: three customers) having more than 10% revenue of the total revenue.

Out of ship building segment revenue, ₹ 9503.19 lakhs (₹ 2567.77 lakhs in previous year) pertain to revenue from export orders.

## 56. Capital Management

The company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 56. Capital Management (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13154.04
Other equity	426164.14	390191.08
Total Equity	439318.18	403345.12
Gearing Ratio	2.80%	3.05%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Ratios	Numerator	Denominator	As at March 31,2022	As at March 31,2021	% change	Remarks if change is more than 25%
(a) Current Ratio,	Current Assets	Current Liabilities	1.68	1.72	(2.43%)	
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.03	0.03	(8.19%)	
(c) Debt Service Coverage Ratio,	*Earnings available for debt service	Debt Service	8.01	8.19	(2.29%)	
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.13	0.16	(14.71%)	
(e) Inventory turnover ratio,	Revenue from Operations	Average Inventory	8.62	7.54	14.36%	
(f) Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	6.72	6.41	4.77%	
(g) Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	3.67	3.14	17.05%	
(h) Net capital turnover ratio,	Net Sales	Working Capital	1.36	1.33	1.86%	
(i) Net profit ratio,	Net Profits	Net Sales	0.18	0.22	(18.15%)	
(j) Return on Capital employed,	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.19	0.21	(11.74%)	
(k) Return on investment-Equity	Return from Equity investments	Avg Equity investments	0.00	0.00		
(l) Return on investment-Debt	Return from Debt investments	Avg Debt investments	0.00	0.00		

\*Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Debt service = Interest & Lease Payments + Principal Repayments

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 57 . Details of Subsidiaries

	Name	Relationship	Nature of activity	Principal place of business	As at 31st March 2021 & 31st March 2022 Proportionate ownership in %
1	Hooghly Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	Kolkata, India	100%
2	Udupi Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	Malpe, India	100%

## 58 . Summarised financial information of subsidiary company is as follows:

The amounts disclosed for subsidiary are before inter-company eliminations

### A. HOOGHLY COCHINSHIPYARD LIMITED

(₹ in Lakhs)

Summarised Balance sheet	2021-22	2020-21
Non-current assets	17374.21	13626.34
Current assets	4498.83	4507.23
<b>Total Assets</b>	<b>21873.04</b>	<b>18133.57</b>
Non-current liabilities	13730.17	10607.34
Current liabilities	4161.20	3260.95
<b>Total Liabilities</b>	<b>17891.37</b>	<b>13868.29</b>
<b>Net Assets</b>	<b>3981.67</b>	<b>4265.28</b>
<b>Accumulated NCI</b>	<b>0.00</b>	<b>0.00</b>

(₹ in Lakhs)

Summarised Statement of Profit & Loss	2021-22	2020-21
Revenue	41.78	0.00
Profit/(Loss) for the year	(283.61)	(315.70)
Other Comprehensive Income	0.00	0.00
<b>Total Comprehensive Income</b>	<b>(283.61)</b>	<b>(315.70)</b>
<b>Profit/(Loss) attributable to NCI</b>	<b>0.00</b>	<b>0.00</b>

(₹ in Lakhs)

Summarised Cashflows	2021-22	2020-21
Cashflows from operating activities	(211.34)	1985.25
Cashflows from investing activities	(2988.50)	(8549.32)
Cashflows from financing activities	2771.97	8355.16
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(427.87)</b>	<b>1791.09</b>

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

## 58 . Summarised financial information of subsidiary company is as follows: (Contd..)

### B. UDUPI COCHIN SHIPYARD LIMITED (Formerly Tebma Shipyards Limited)

(₹ in Lakhs)

Summarised Balance sheet	2021-22	2020-21
Non-current assets	13690.55	14070.24
Current assets	3420.16	2817.85
Assets held for sale	13.59	0.00
<b>Total Assets</b>	<b>17124.30</b>	<b>16888.09</b>
Non-current liabilities	1569.93	575.39
Current liabilities	3122.84	2659.49
<b>Total Liabilities</b>	<b>4692.77</b>	<b>3234.88</b>
<b>Net Assets</b>	<b>12431.53</b>	<b>13653.20</b>
<b>Accumulated NCI</b>	<b>0.00</b>	<b>0.00</b>

(₹ in Lakhs)

Summarised Statement of Profit & Loss	2021-22	2020-21
Revenue	641.98	0.00
Profit/(Loss) for the year	(1294.13)	(136.04)
Other Comprehensive Income	0.00	0.00
<b>Total Comprehensive Income</b>	<b>(1294.13)</b>	<b>(136.04)</b>
Profit/(Loss) attributable to NCI	0.00	0.00

(₹ in Lakhs)

Summarised Cashflows	2021-22	2020-21
Cashflows from operating activities	(1045.38)	1605.85
Cashflows from investing activities	(860.47)	(165.96)
Cashflows from financing activities	959.37	999.80
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(946.48)</b>	<b>2439.70</b>

## 59. Information required by schedule III of the companies act 2013,with respect to consolidated financial statements

(₹ in Lakhs)

Name of the entity in the group	Net Asset			Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Ownership in % As at March 31, 2022	Proportionate Share	As % of Consolidated Net Asset	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive income
Cochin Shipyard Limited	100.00%	435917.97	99.23%	58656.82	104.01%	(106.65)	100.00%	58550.18	104.02%
<b>Subsidiary</b>									
Hooghly Cochin Shipyard Limited	100.00%	3981.67	0.91%	(283.61)	(0.50%)	0.00	0	(283.61)	(0.50%)
Udupi Cochin Shipyard Limited	100.00%	12431.53	2.83%	(1294.13)	(2.29%)	0.00	0	(1294.13)	(2.30%)
<b>Consolidation adjustments</b>		<b>(13012.98)</b>	<b>(2.96%)</b>	<b>(682.95)</b>	<b>(1.21%)</b>	<b>0.00</b>	<b>0</b>	<b>(682.95)</b>	<b>(1.21%)</b>

Consumption of imported goods/services for the year amounts to ₹ 92189.67 lakhs (₹ 64107.73 lakhs in previous year)

# Notes

to the Consolidated Financial Statements for the year ended 31st March, 2022

**60.** In the case of contracts/sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.

**61.** Balance shown under Trade Receivables, Trade Payables, loans, deposits and claims are subject to confirmation and consequent reconciliation, if any.

**62.** The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.

**63.** Figures in brackets denote negative figures.

**64.** Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

Corporate overview and Significant Accounting Policies	1 - 2
Notes to the Financial Statements	3 - 64

The accompanying notes are an integral part of these financial statements

As per our report attached

For and on behalf of Board of Directors

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 0008015)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798



Annexure

# FORM AOC 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Part "A" : Subsidiaries

Sl No	Particulars.	Details	Details
		1	2
1	Sl No		
2	Name of the subsidiary	Hooghly Cochin Shipyard Ltd	Udupi Cochin Shipyard Ltd
3	The date since when subsidiary was acquired	October 23, 2017	September 15, 2020
4	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	No	No
5	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
6	Share Capital	₹ 5000 Lakhs	₹ 6500 Lakhs
7	Reserves and Surplus	₹ (1018.33) Lakhs	₹ 5931.53 Lakhs
8	Total Assets	₹ 21873.04 Lakhs	₹ 17124.30 Lakhs
9	Total Liabilities	₹ 21873.04 Lakhs	₹ 17124.30 Lakhs
10	Investments	Nil	Nil
11	Turnover	₹ 41.78 Lakhs	₹ 641.98 Lakhs
12	Profit Before Taxation	₹ (382.47) Lakhs	₹ (1779.46) Lakhs
13	Provision for taxation		
	(i) Current Tax		
	(ii) Deferred Tax	₹ (98.86) Lakhs	₹ (485.33) Lakhs
14	Profit after taxation	₹ (283.61) Lakhs	₹ (1294.13) Lakhs
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (in %)	100%	100%

## Part "B": Associates and Joint Ventures :Not applicable

As per our report attached

For and on behalf of Board of Directors

For **M/s Elias George and Co.,**  
Chartered Accountants  
(Firm Registration No. 000801S)

**SYAMKAMAL N**  
Company Secretary  
Membership No. A25337

**BEJOY BHASKER**  
Director (Technical)  
DIN - 08103825

**JOSEPH ATUL THOMSON**  
Partner  
(Membership No. 243850)  
Kochi, dated May 20, 2022

**JOSE V J**  
Director (Finance) &  
Chief Financial Officer  
DIN - 08444440  
Kochi, dated May 20, 2022

**MADHU S NAIR**  
Chairman and Managing Director  
DIN - 07376798



## COCHIN SHIPYARD LIMITED

**Corporate Identity Number:** L63032KL1972GOI002414

**Registered Office:** Administrative Building, Cochin Shipyard Premises  
Perumanoor, Ernakulam, Kerala – 682015

**Tel:** +91 (484) 2501306 **Fax:** +91 (484) 2384001

**E-mail:** [secretary@cochinshipyard.in](mailto:secretary@cochinshipyard.in) **Website:** [www.cochinshipyard.in](http://www.cochinshipyard.in)

## NOTICE

Notice is hereby given that, the 50th Annual General Meeting (AGM) of Cochin Shipyard Limited (CSL) will be held on Thursday, September 29, 2022 at 11:00 hrs. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business

- To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors' and the Auditors' thereon.
- To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors' thereon.
- To confirm the payment of first interim dividend of ₹6.00 (60%) per equity share and second interim dividend of ₹7.00 (70%) per equity share and to declare final dividend of ₹3.75 (37.50%) per equity share (face value ₹10/-) for the financial year 2021-22.
- To appoint a Director in place of Shri Jose V J (DIN: 08444440), who retires by rotation and being eligible, offers himself for re-appointment.
- 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 2022-23.

### Special Business

#### 6. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus applicable tax payable to M/s. BBS & Associates, Cost Accountants (Firm Registration No.: 00273), who are appointed by the Board of Directors as Cost Auditors of the Company to conduct audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2023."

**"RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

#### 7. Appointment of Smt. Amrapali Prashant Salve (DIN: 09415405) as Non-official (Independent) Director

To consider and if thought fit, to pass the following resolution as special resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Smt. Amrapali Prashant Salve (DIN: 09415405) as the Non-official (Independent) Director of the Company, with effect from November 26, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier."

**8. Appointment of Shri Nahar Singh Maheshwari (DIN: 09419082) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Shri Nahar Singh Maheshwari (DIN: 09419082) as the Non-official (Independent) Director of the Company, with effect from December 01, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier.”

**9. Appointment of Shri Ashok Sharma (DIN: 09414565) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Shri Ashok Sharma (DIN: 09414565) as the Non-official (Independent) Director of the Company, with effect from November 26, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier.”

**10. Appointment of Shri Prithviraj Harichandan (DIN: 01351097) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Shri Prithviraj Harichandan (DIN:

01351097) as the Non-official (Independent) Director of the Company, with effect from November 22, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier.”

**11. Appointment of Shri Venkatesan M (DIN: 07667728) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Shri Venkatesan M (DIN: 07667728) as the Non-official (Independent) Director of the Company, with effect from November 22, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier.”

**12. Appointment of Shri Abhijit Biswas (DIN: 09419083) as Non-official (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, and the order of the Government of India vide letter No. SY-11012/1/2016-CSL dated November 22, 2021, consent of the Shareholders of the Company be and is hereby accorded for the appointment of Shri Abhijit Biswas (DIN: 09419083) as the Non-official (Independent) Director of the Company, with effect from December 01, 2021 till November 21, 2024 or until further orders of the Government of India, whichever is earlier.”

**13. Appointment of Shri Sreejith K Narayanan (DIN: 09543968) as Director (Operations)**

To consider and if thought fit, to pass the following resolution as ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152, 196 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies

(Appointment and Qualification of Directors) Rules, 2014 and other applicable Rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the Government of India letter F.No.SY-11012/1/2020-CSL dated July 21, 2022 issued by the Ministry of Ports, Shipping and Waterways (on behalf of the President of India), and as per the recommendation made by the Nomination and Remuneration Committee, the approval of the shareholders be and is hereby accorded for the appointment of Shri Sreejith K Narayanan (DIN: 09543968) as Director (Operations) of the Company with effect from July 21, 2022 till the date of his superannuation i.e. May 31, 2025, or until further orders, whichever is earlier, and whose office is liable to retire by rotation.”

**14. Amendment of Articles of Association**

To consider and if thought fit, to pass the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any

amendments thereto or re-enactment thereof) the Articles of Association of Company be and is hereby amended by deleting the existing Article 29(b) viz., ‘Any proposal of investment in a particular type of security or shares, if such investment exceeds Rs. 10 lakhs except as provided in clause 28A.’.”

**“RESOLVED FURTHER THAT** the Chairman & Managing Director or any one of the Directors of the Board of Directors and the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the above resolution, including but not limited to filing necessary e-forms with the Registrar of Companies.”

By Order of the Board of Directors

Kochi  
September 06, 2022

**Syamkamal N**  
**Company Secretary**  
M. No. A25337

**Notes:**

- In view of the continuing COVID-19 Pandemic and the social distancing norms, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 2/2022 dated May 05, 2022, read with Circular No. 21/2021 dated December 14, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 02/2021 dated January 13, 2021 Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, and all other relevant Circulars issued from time to time (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, MCA Circulars, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and SEBI Circulars, the 50th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
- The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
- The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), in respect of Director seeking appointment / re-appointment at this AGM is annexed to this Notice.
- Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with and hence the facility for appointment of proxies by the Members will not be available for the AGM. Therefore, the proxy form, attendance slip and route map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- Annual Report for the year 2021-22 including the audited financial statements for the year ended March 31, 2022, is being sent by e-mail to those Members whose e-mail

addresses are registered with Company's RTA/ Depository Participants (DP). Further, the hard copies of the same would also be made available to the Members on request. Members may forward their request for hard copy to [secretary@cochinshipyard.in](mailto:secretary@cochinshipyard.in). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.cochinshipyard.in](http://www.cochinshipyard.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depositories Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized mode with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical mode are requested to consider converting their holdings to dematerialized mode. Members can contact the Company or Company's Registrar and Transfer Agents (RTA), Link Intime India Private Limited for assistance in this regard.
- Members who have not yet registered/updated their e-mail addresses are requested to register/update the same with their Depository Participants (DP) in case the shares are held in demat mode and with Link Intime India Private Limited, Company's RTA, in case the shares are held in physical mode. Members are requested to register/update their e-mail addresses to enable the Company/RTA to send communications through e-mail.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC etc.

**For shares held in demat mode:** To their DPs.

**For shares held in physical mode:** To Link Intime India Private Limited, Company's RTA, in the prescribed Form ISR-1. The said form is available at [https://cochinshipyard.in/investor/investor\\_titles/56](https://cochinshipyard.in/investor/investor_titles/56).

Members holding shares in physical mode may kindly note that SEBI vide its Circulars dated November 03, 2021 and December, 14 2021 has mandated the submission of PAN,

KYC and nomination details by March 31, 2023. Those Members who have not yet submitted the said details may submit the same with the Company's RTA, Link Intime India Private Limited. The detailed instructions for the same are available at <https://www.linkintime.co.in/home-KYC.html>.

- As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. On request, the necessary forms can be obtained from the Company's RTA, Link Intime India Private Limited. Members are requested to submit the said details to their DP in case the shares are held in demat mode and to Link Intime India Private Limited in case the shares are held in physical mode.

**10. Book Closure and Dividend**

- The Register of Members and the Share Transfer Books of the Company will be closed from Friday, September 23, 2022 to Thursday, September 29, 2022, both days inclusive.
- The final dividend for the financial year 2021-22, as recommended by the Board of Directors, if approved at the AGM, will be paid, subject to deduction of tax at source, by October 28, 2022 i.e. within 30 days from the date of approval to those Members whose names appear in the Register of Members/Depositories' records, as the case may be, at the close of business hours on Thursday, September 22, 2022.
- Company will be making the dividend payment by electronic mode wherever possible and by dividend warrants/demand drafts in other cases. In respect of shares held in demat mode, the dividend will be paid on the basis of beneficial ownership details furnished by the Depositories (NSDL & CDSL) as at the close of business hours on Thursday, September 22, 2022. Members holding shares in demat mode may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in demat mode for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of

the Members. Members who have changed their bank account after opening the demat account and want to receive dividend in an account other than the one specified while opening the demat account, are requested to change/correct their bank account details (including the nine digit Bank code) with their Depository Participant, before September 22, 2022.

- As per the Finance Act, 2020, dividend paid and distributed by a Company will be taxable in the hands of Shareholders with effect from April 01, 2020. Therefore, the Company will be required to deduct taxes at source (TDS) at the rates applicable to each category of Shareholder under the provisions of the Income Tax Act, 1961 as explained below:

**A. Resident Shareholders**

- TDS would not apply in case of individuals if the aggregate dividend distributed to them during the financial year 2022-23 does not exceed ₹5,000.
- Tax at source will not be deducted in cases where a Shareholder provides
  - Form 15G (applicable to any person other than a Company or a Firm)
  - Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met.
  - The Form 15H/15G is available for download at the Company's website at [www.cochinshipyard.in](http://www.cochinshipyard.in).
- Tax will be deducted at source ("TDS") under Section 194 of the Income Tax Act, 1961 @ 10% on the amount of dividend payable unless exempted under any of its provisions.
- In case of "specified person" under Section 206AB of the Income Tax Act, the TDS shall be deducted at twice the rates specified in the relevant provisions of the Income Tax Act, 1961.
- If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.
- Shareholders are requested to update their PAN with the Company's RTA, Link Intime India Private Limited (in case of shares held in physical mode) and Depository Participants (in case of shares held in demat mode).



- (g) Shareholders holding shares under multiple accounts under different status/ category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.
- (h) Shareholders are requested to kindly verify the correctness of the records and update the same with the Depository Participant (if shares are held in demat mode) or the Company's RTA (if shares are held in physical mode), at the earliest.
- (i) Eligible Shareholders are also requested to submit the following documents as prescribed under the Income Tax Act, 1961 latest by 23:59 hrs. on September 21, 2022 at the portal of the Company's RTA, Link Intime India Private Limited at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> to avail the benefit of exemption or lower deduction from withholding tax.

Category	Documents required	Remarks
General	Self-attested copy of withholding tax certificate for lower deduction u/s 197	If lower rate of tax is to be claimed
Individual	Duly signed Form 15G or 15H (as may be applicable) along with the self-attested copy of the PAN card	If tax exemption is to be claimed
Insurance Company	Self-declaration* that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and registration certificate	If tax exemption is to be claimed
Mutual Funds	Self-declaration* that they are specified in Section 10(23D) of the Income Tax Act, 1961, along with self-attested copy of PAN card and registration certificate	If tax exemption is to be claimed
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income	Self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card	If tax exemption is to be claimed
Alternative Investment Fund (AIF) established/ incorporated in India	Self-declaration* that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and that they are governed by SEBI Regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate	If tax exemption is to be claimed

\*The format of self-declaration is available at Company's website at [www.cochinshipyard.in](http://www.cochinshipyard.in).

#### B. Non-Resident Shareholders

- (a) Tax is required to be deducted at source in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the relevant provisions of the Income Tax Act, 1961, the tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- (b) Shareholders are requested to kindly verify the correctness of the records and update the same with the Depository Participant (if shares are held in demat mode) or the Company's RTA (if shares are held in physical mode), at the earliest.
- (c) Eligible Shareholders are also requested to submit the following documents as prescribed under the Income Tax Act, 1961 latest by 23:59 hrs. on September 21, 2022 at the portal of the Company's RTA, Link Intime India Private Limited at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> to avail the benefit of Double Taxation Avoidance Agreement (DTAA) between India and their country of residence.

Category of Shareholder	Documents	
Investments made by routes other than FPI route	Individual	<ul style="list-style-type: none"> <li>Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident</li> <li>Form 10F*</li> <li>Self-declaration*</li> <li>Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.</li> </ul>
	Partnerships, Trusts	<ul style="list-style-type: none"> <li>Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident</li> <li>Form 10F*</li> <li>List of partners/ beneficiaries, their respective shares in the income of the partnership/ trust and their respective residential status (if not forming part of TRC)</li> <li>Self-declaration*</li> <li>Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.</li> </ul>
Companies	<ul style="list-style-type: none"> <li>Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident</li> <li>Form 10F*</li> <li>Proof of satisfaction of LoB wherever required as per treaty (for example, in case the foreign company is registered on the stock exchange of the other country – the listing certificate of the company)</li> <li>Self-declaration*</li> <li>Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.</li> </ul>	

Category of Shareholder	Documents	
Investments made through FPI route	FPIs (if shares are held under the FDI regime)	<ul style="list-style-type: none"> <li>Self-attested copy of Tax Residency Certificate issued by the country in which the Shareholder is a resident</li> <li>Form 10F*</li> <li>Proof of satisfaction of LoB wherever required as per treaty (for example, in case the foreign company is registered on the stock exchange of the other country – the listing certificate of the company)</li> <li>Self-declaration*</li> <li>Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.</li> </ul>
	FPIs (other than above)	<ul style="list-style-type: none"> <li>Self-attested declaration that investment has been made under FPI route</li> <li>Self-attested copy of lower/ nil withholding tax certificate provided under Section 197 of the Income Tax Act, 1961, if any.</li> </ul>

\*The Form 10F and the format of Self-declaration is available at Company's website at [www.cochinshipyard.in](http://www.cochinshipyard.in).

- (d) Kindly note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by non-resident shareholders.
- (e) Tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under Section 196D of the Income Tax Act, 1961. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.
- (v) Kindly note that the aforementioned documents should be uploaded at the portal of the Company's RTA, Link Intime India Private Limited at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> latest by 23:59 hrs. on September 21, 2022. Documents submitted through e-mail or any other form will not be considered.
- (vi) No communication on the tax determination/deduction shall be entertained after September 21, 2022.
- (vii) In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents, Shareholders would still have the option of claiming refund of the excess tax deducted at the time of filing the income tax return by consulting a tax advisor. No claim shall lie against the Company for such taxes deducted.
- (viii) Shareholders are requested to register/update their e-mail addresses with their Depository Participant (DP) in case the shares are held in demat mode and with Link Intime India Private Limited, Company's RTA, in case the shares are held in physical mode to enable the Company to send Form 16A with respect to the TDS on Dividend. Shareholders will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://portal.incometax.gov.in>.
- (ix) **Disclaimer:** This communication shall not be treated as an advice from the Company. For the tax related matters Shareholders should obtain the tax advice from a tax professional.
- Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ("IEPF") established by the Central Government.
- (ii) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all the shares on which dividend remain unpaid/unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the Shareholders to encash/claim their respective dividend during the prescribed period.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
14. Members are requested to:
- (i) Intimate to the Company/RTA, changes if any, in their respective addresses along with the pincode at an early date.
- (ii) Quote folio numbers in all their correspondences.
- (iii) Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
15. Non-Resident Indian Shareholders are requested to inform the Company immediately the change in the residential status on return to India for permanent settlement.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection to the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [secretary@cochinshipyard.in](mailto:secretary@cochinshipyard.in).

## 11. Unclaimed Dividend

- (i) Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend

17. Members are requested to send all communications relating to shares to the Company's Registrar and Transfer Agents (RTA) at the following address:

### Link Intime India Private Limited

"Surya", 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore, Tamil Nadu – 641028  
Phone: +91 (422) 2314792, 2315792  
E-mail: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as the e-voting system on the date of the AGM will be provided by NSDL.

## 19. Instructions to Shareholders for remote e-voting

- (i) The remote e-voting period begins on Monday, September 26, 2022 at 09:00 hrs. and ends on Wednesday, September 28, 2022 at 17:00 hrs. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members whose names appear in the Register of Members/Depositories' records, as the case may be, as on the cut-off date, Thursday, September 22, 2022, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 22, 2022. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.
- (iii) Process and manner of voting by electronic means

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL viz., <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the <b>Beneficial Owner</b> icon under <b>Login</b> which is available under <b>IDEAS</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>Access to e-Voting</b> under e-Voting services and you will be able to see e-Voting page. Click on <b>Company name</b> or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the Meeting.</li> <li>If you are not registered for <b>IDEAS</b> e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>Register Online for IDEAS Portal</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of Shareholders	Login Method
	<ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the URL <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>Login</b> which is available under <b>Shareholder/Member</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see the e-Voting page. Click on <b>Company name</b> or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the Meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>NSDL Speede</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for <b>Easi/Easiest</b>, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to <b>Easi/Easiest</b> is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi</b>.</li> <li>After successful login of <b>Easi/Easiest</b> the user will be also able to see the e-Voting menu. The menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for <b>Easi/Easiest</b>, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> homepage. The system will authenticate the user by sending OTP on registered mobile and e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective <b>E-Voting Service Provider (ESP) i.e. NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see <b>e-Voting option</b>. Click on <b>e-Voting option</b>, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on <b>Company name</b> or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the Meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use **Forget User ID/Forget Password** option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 – 23058738 or 022 – 23058542 – 43.

**B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode**

**How to Login to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the URL <https://www.evoting.nsd.com> either on a personal computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon **Login** which is available under **Shareholder/Member** section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL e-Services i.e. **IDeAS**, you can login at <https://eservices.nsd.com> with your existing **IDeAS** login. Once you login to NSDL e-Services using your login credentials, click on **e-Voting** and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****.
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if your folio number is 001*** and EVEN is 101456 then your User ID is 101456001***.



5. Password details for Shareholders other than Individual Shareholders are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your e-mail address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail address. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your e-mail address is not registered, please follow steps mentioned below in **process for those Shareholders whose e-mail addresses are not registered**.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password.
- (a) Click on **Forgot User Details/Password?** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on **Agree to Terms and Conditions** by selecting on the check box.

8. Now, you will have to click on **Login** button.

9. After you click on the **Login** button, Home page of e-Voting will open.

#### Step 2: Cast your vote electronically and join Meeting on NSDL e-Voting system

#### How to cast your vote electronically and join Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the Companies' 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select 'EVEN' of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Meeting. For joining virtual meeting, you need to click on **VC/OAVM** link placed under **Join Meeting**.
  3. Now you are ready for e-Voting as the voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **Submit** and also **Confirm** when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the **print** option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (iv) General Guidelines for Shareholders
1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cochin@mehta-mehta.com](mailto:cochin@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful

attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the **Download** section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). You may also send a request to Shri Amit Vishal, Assistant Vice President, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 at the e-mail address [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no. 1800 1020 990 and 1800 22 44 30.

#### (v) Process for those Shareholders whose e-mail addresses are not registered with the depositories for procuring User ID and Password and registration of e-mail addresses for e-voting for the resolutions set out in this notice

1. In case shares are held in physical mode please provide folio no., name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to Company's RTA at [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (NSDL – 16 digit DPID + CLID or CDSL – 16 digit Beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN Card), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to Company's RTA at [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in). If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** above i.e. **Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**.
3. Alternatively, Shareholders/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI Circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their

mobile number and e-mail address correctly in their demat account in order to access e-Voting facility.

#### 20. Instructions for Members for e-voting on the day of the AGM

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (iii) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

#### 21. Instructions for Members for attending the AGM through VC/OAVM

- (i) Members can join the AGM in the VC/OAVM mode 15 minutes before the time scheduled for the AGM by following the procedure mentioned hereinafter. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders with 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
- (ii) The facility to attend the AGM through VC/OAVM is provided to the Members through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, Members are requested to click on **VC/OAVM** link placed under **Join Meeting** menu against Company name. The link for VC/OAVM will be available in **Shareholder/Member** login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID

and Password may retrieve the same by following the remote e-Voting instructions mentioned above to avoid last minute rush.

- (iii) 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.
- (iv) Members are encouraged to join the Meeting through laptops for better experience.
- (v) Further, Members will be required to allow camera, if any, and use internet with a good speed to avoid any disturbance during the Meeting.
- (vi) Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, demat account no./folio no., e-mail address and mobile no. at [speakers@cochinshipyard.in](mailto:speakers@cochinshipyard.in) from September 21, 2022 (08.00 hrs.) to September 23, 2022 (16:00 hrs.). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

(viii) Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. Relevancy of the question and the order of speakers will be decided by the Chairman.

(ix) Members seeking any information with regard to annual accounts at the time of Meeting are requested to send their queries to the Company at least seven days before the date of Meeting so as to enable the management to keep the information ready.

## 22. Other Instructions

- (i) Persons who have acquired shares and become Members of the Company after the dispatch of Notice and hold shares as on cut-off date of September 22, 2022, may obtain the Notice and e-voting instructions by sending request to the Company's RTA, Link Intime India Private Limited at their e-mail address [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in) or download Notice and e-voting instructions from [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or Company's website [www.cochinshipyard.in](http://www.cochinshipyard.in).
- (ii) The results declared along with the Scrutinizer's Report, will be placed on the website of the Company [www.cochinshipyard.in](http://www.cochinshipyard.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz., BSE Limited and National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Company.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

The Board at its 267th Meeting held on August 10, 2022 has appointed M/s. BBS & Associates, Cost Accountants (Firm Registration No.: 00273), as the Cost Auditors of the Company for the financial year 2022-23 at a remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) per annum plus applicable taxes. As per Section 148(3) of the Companies Act, 2013, the remuneration of Cost Auditors is required to be ratified by the Members.

The Board accordingly recommends the resolution set out in item no. 6 of the accompanying Notice for the approval of the Members of the Company by way of an ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 6 of the Notice.

### Item No. 7 to 12

Smt. Amrapali Prashant Salve (DIN: 09415405), Shri Nahar Singh Maheshwari (DIN: 09419082), Shri Ashok Sharma (DIN: 09414565), Shri Prithiviraj Harichandan (DIN: 01351097, Shri Venkatesan M (DIN: 07667728), Shri Abhijit Biswas (DIN: 09419083) were appointed as the Non-official (Independent) Directors of the Company vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier.

The above mentioned Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. They are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Their brief resume containing age, qualification, expertise etc. is annexed herewith.

The Board recommends the passing of the proposed special resolutions for appointment of the Independent Directors as contained in item no. 7 to 12 of this Notice by the members of the Company.

Smt. Amrapali Prashant Salve, Shri Nahar Singh Maheshwari, Shri Ashok Sharma, Shri Prithiviraj Harichandan, Shri Venkatesan M and Shri Abhijit Biswas are interested in the resolution, at item nos.7 to 12 of the Notice, to the extent as it concerns their appointment. None of other Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the resolution at item nos.7 to 12 of the Notice.

### Item No.13

Shri Sreejith K Narayanan (DIN: 09543968), former Chief General Manager (Ship Repair) of Cochin Shipyard Limited was appointed as the Director (Operations) of the Company by the Ministry of Ports, Shipping & Waterways, Government of India vide their letter F.No. SY-11012/1/2020-CSL dated July 21, 2022 with effect from the date of his assumption of charge of the post i.e July 21, 2022 till the date of his superannuation i.e. May 31, 2025, or until further orders, whichever is earlier. His appointment was recommended by the Nomination and Remuneration Committee at its meeting held on August 10, 2022. His brief resume containing, age, qualification, expertise etc. is annexed herewith.

The Board accordingly recommends the resolution set out in item no. 13 of the Notice for the approval of the Members of the Company by way of an ordinary resolution.

Shri Sreejith K Narayanan is interested in the resolution to the extent as it concerns his appointment. None of other Directors/ Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no.13 of the Notice.

#### Item No.14

CSL, being a Government Company, has reserved certain powers to be exercised only with the approval of the President of India. These have been mentioned at Article 29 of the Articles of Association (AoA) of the Company. As per Article 29(b), any proposal for investment in a particular type of security or shares exceeding ₹10 lakhs require the approval of the President of India. This clause has been there since the Company's incorporation on March 29, 1972.

The Company was granted the status of 'Category I Mini Ratna' by the Government of India in the year 2008. As per the DPE Guidelines, the Board of Directors of Mini Ratna Companies are empowered to invest in domestic joint ventures and subsidiary companies up to an amount of 15% of the net-worth of the Company in one project subject to an overall ceiling of 30% of the net-worth or ₹500 Crores, whichever is less, and hence the limit of ₹10 Lakhs (a limit which was set at the time of incorporation of CSL in March 1972) is obsolete and redundant.

In view of the above, it is considered appropriate to remove Article 29(b) from the AoA of the Company. The proposal is also in line with the Companies Act and applicable DPE Guidelines.

The above proposal was approved by the Board of Directors at their Meeting held on May 20, 2022. The said proposal is also subject to the approval/ concurrence of the President of India acting through the Ministry of Ports, Shipping and Waterways.

The Board accordingly recommends the resolution set out in item no. 14 of the Notice for the approval of the Members of the Company by way of special resolution.

By Order of the Board of Directors

**Syamkamal N**  
Company Secretary  
M. No. A25337

Kochi  
September 06, 2022

#### Registered Office

Administrative Building  
Cochin Shipyard Premises  
Perumanoor, Ernakulam, Kerala – 682015  
CIN: L63032KL1972GOI002414  
Tel: +91 (484) 236 1306  
E-mail: [secretary@cochinshipyard.in](mailto:secretary@cochinshipyard.in)  
Website: [www.cochinshipyard.in](http://www.cochinshipyard.in)

#### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 50TH AGM

##### [PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS]

<b>Name and DIN</b>	Shri Jose V J (DIN: 08444440)
<b>Age and Date of Birth</b>	55 years, February 04, 1967
<b>Date of first appointment on the Board</b>	August 01, 2019
<b>Qualifications</b>	Shri Jose V J is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam
<b>Expertise in specific functional areas</b>	He has approximately 31 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department of the Company.
<b>Terms and conditions of appointment or re-appointment</b>	Shri Jose V J was appointed as Director (Finance) of CSL on August 01, 2019 pursuant to Ministry of Ports, Shipping and Waterways (former, Ministry of Shipping) Order F. No. SY-11012/2/2018-CSL dated July 15, 2019. He was appointed to the position of Director (Finance) through a selection process of Public Enterprises Selection Board. The terms and conditions of his employment are prescribed by Ministry of Ports, Shipping and Waterways, Government of India, in line with the applicable DPE Guidelines.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	₹56.28 Lakhs
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Hooghly Cochin Shipyard Limited (HCSL) Udupi Cochin Shipyard Limited (UCSL) (wholly owned subsidiaries of CSL)
<b>Listed entities from which the Director has resigned from Directorship since last three years</b>	Nil
<b>Membership / Chairmanship of Committees in other Public Limited Companies</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2021-22</b>	5/5
<b>No. of equity shares held in the Company:</b>	
<b>(a) Own</b>	Nil
<b>(b) For other persons on a beneficial basis</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Nil



<b>Name and DIN</b>	Smt. Amrapali Prashant Salve (DIN: 09415405)
<b>Age and Date of Birth</b>	47 years, September 20, 1974
<b>Date of first appointment on the Board</b>	The date of appointment pursuant to Section 152(3) of the Companies Act, 2013, is November 26, 2021
<b>Qualifications</b>	Smt. Amrapali Prashant Salve holds a degree of Bachelor of Arts in Economics and Sociology from Mumbai University.
<b>Expertise in specific functional areas</b>	She is actively engaged in social service and women empowerment by arranging training and skill development programmes. She is also working for self-help group viz., Pandit Deen Dayal Antyodaya Yojana – National Urban Livelihood Mission.
<b>Terms and conditions of appointment or re-appointment</b>	She was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating her appointment are determined by the Government of India.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil
<b>Listed entities from which the Director has resigned from Directorship since last three years</b>	Nil
<b>Membership / Chairmanship of Committees in other Public Limited Companies</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2021-22</b>	2/2
<b>No. of equity shares held in the Company:</b>	
<b>(a) Own</b>	Nil
<b>(a) For other persons on a beneficial basis</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Nil

<b>Name and DIN</b>	Shri Nahar Singh Maheshwari (DIN: 09419082)
<b>Age and Date of Birth</b>	58 years, January 23, 1964
<b>Date of first appointment on the Board</b>	The date of appointment pursuant to Section 152(3) of the Companies Act, 2013, is December 01, 2021
<b>Qualifications</b>	Shri Nahar Singh Maheshwari holds a Post Graduate degree in Law from Rajasthan University. He also holds a degree in Master of Arts in Political Science from Rajasthan University.

<b>Expertise in specific functional areas</b>	He is a member of the Bar Council of Rajasthan and practicing as lawyer since 1989.
<b>Terms and conditions of appointment or re-appointment</b>	He was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating his appointment are determined by the Government of India.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil
<b>Listed entities from which the Director has resigned from Directorship since last three years</b>	Nil
<b>Membership / Chairmanship of Committees in other Public Limited Companies</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2021-22</b>	2/2
<b>No. of equity shares held in the Company:</b>	
<b>(a) Own</b>	Nil
<b>(a) For other persons on a beneficial basis</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Nil

<b>Name and DIN</b>	Shri Ashok Sharma (DIN: 09414565)
<b>Age and Date of Birth</b>	57 years, October 01, 1964
<b>Date of first appointment on the Board</b>	The date of appointment pursuant to Section 152(3) of the Companies Act, 2013, is November 26, 2021
<b>Qualifications</b>	Shri Ashok Sharma holds a Post Graduate degree in Hindi, Sanskrit, Political Science and Education. He has also received Honorary Doctorate in literature (Vidhya Vachaspati) from Vikramshila Hindi Vidyapeeth (Bhagalpur, Bihar).
<b>Expertise in specific functional areas</b>	He started his career as a lecturer and is currently serving as the Vice-Principal of RNI College, Bhagwanpur in Haridwar District. He has also been associated with journalism as writer/editor in many newspapers like Dainik Jagran, Punjab Kesari, Amar Ujala, Badri Vishal etc.
<b>Terms and conditions of appointment or re-appointment</b>	He was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating his appointment are determined by the Government of India.

<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil
<b>Listed entities from which the Director has resigned from Directorship since last three years</b>	Nil
<b>Membership / Chairmanship of Committees in other Public Limited Companies</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2021-22</b>	2/2
<b>No. of equity shares held in the Company:</b>	
<b>(a) Own</b>	Nil
<b>(a) For other persons on a beneficial basis</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Nil

<b>Name and DIN</b>	Shri Prithviraj Harichandan (DIN: 01351097)
<b>Age and Date of Birth</b>	53 years, December 06, 1968
<b>Date of first appointment on the Board</b>	November 22, 2021
<b>Qualifications</b>	Shri Prithviraj Harichandan holds a Master of Science degree in Zoology from Utkal University, Bhubaneswar. He is also an MBA graduate in Human Resource and Finance from Amity University.
<b>Expertise in specific functional areas</b>	He is an entrepreneur and in addition he is serving as the Chairman of Mahatma Gandhi Gram Swaraj Abhiyan and National Council of Martial Tradition and Culture (NCMTC).
<b>Terms and conditions of appointment or re-appointment</b>	He was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating his appointment are determined by the Government of India.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.

<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil
<b>Listed entities from which the Director has resigned from Directorship since last three years</b>	Nil
<b>Membership / Chairmanship of Committees in other Public Limited Companies</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2021-22</b>	2/2
<b>No. of equity shares held in the Company:</b>	
<b>(a) Own</b>	Nil
<b>(a) For other persons on a beneficial basis</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel</b>	Nil

<b>Name and DIN</b>	Shri Venkatesan M (DIN: 07667728)
<b>Age and Date of Birth</b>	41 years, November 20, 1980
<b>Date of first appointment on the Board</b>	November 22, 2021
<b>Qualifications</b>	Shri Venkatesan M holds a Post Graduate Degree in Arts from Ramakrishna Mission Vivekananda College, Chennai.
<b>Expertise in specific functional areas</b>	He was the Chairman of National Commission for Safai Karmacharis (NCSK). He is also a notable writer and has authored various books mainly focussing on the issues relating to Dalits.
<b>Terms and conditions of appointment or re-appointment</b>	He was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating his appointment are determined by the Government of India.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil

Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership / Chairmanship of Committees in other Public Limited Companies	Nil
No. of Board Meetings attended during the Financial Year 2021-22	2/2
No. of equity shares held in the Company:	
(a) Own	Nil
(a) For other persons on a beneficial basis	Nil
Relationship with other Directors/Key Managerial Personnel	Nil

<b>Name and DIN</b>	Shri Abhijit Biswas (DIN: 09419083)
<b>Age and Date of Birth</b>	42 years, June 09, 1980
<b>Date of first appointment on the Board</b>	The date of appointment pursuant to Section 152(3) of the Companies Act, 2013, is December 01, 2021
<b>Qualifications</b>	Shri Abhijit Biswas holds a degree of Bachelor of Commerce from Calcutta University.
<b>Expertise in specific functional areas</b>	He has around 15 years of experience as financial service consultant.
<b>Terms and conditions of appointment or re-appointment</b>	He was appointed as Non-official (Independent) Director of CSL vide Government of India letter No. SY-11012/1/2016-CSL dated November 22, 2021, for a period of three years till November 21, 2024 or until further orders of the Government of India, whichever is earlier. The terms and conditions regulating his appointment are determined by the Government of India.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	Independent Directors are paid sitting fees for attending Board/Committee Meetings. Further, the expenses incurred for attending the Board/Committee Meetings are reimbursed.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Nil
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership / Chairmanship of Committees in other Public Limited Companies	Nil
No. of Board Meetings attended during the Financial Year 2021-22	2/2

<b>No. of equity shares held in the Company:</b>	
(a) Own	Nil
(a) For other persons on a beneficial basis	Nil
Relationship with other Directors/Key Managerial Personnel	Nil

<b>Name and DIN</b>	Shri Sreejith K Narayanan (DIN: 09543968)
<b>Age and Date of Birth</b>	57 years, May 17, 1965
<b>Date of first appointment on the Board</b>	July 21, 2022
<b>Qualifications</b>	Shri Sreejith K Narayanan holds a degree in Bachelor of Technology (Mechanical) from Regional Engineering College, Calicut & Master of Business Administration from School of Management Studies, Cochin University of Science and Technology.
<b>Expertise in specific functional areas</b>	He has approximately 34 years of work experience in the area of Ship Building, Ship Design and Ship Repair. He is also a Director in Hooghly Cochin Shipyard Limited and Udupi Cochin Shipyard Limited, the wholly owned subsidiaries of CSL.
<b>Terms and conditions of appointment or re-appointment</b>	Shri Sreejith K Narayanan was appointed as Director (Operations) of CSL on July 21, 2022 pursuant to Ministry of Ports, Shipping and Waterways Order F.No.SY-11012/1/2020-CSL dated July 21, 2022. He was appointed to the position of Director (Operations) through a selection process of Public Enterprises Selection Board. The terms and conditions of his employment are prescribed by Ministry of Ports, Shipping and Waterways, Government of India, in line with the applicable DPE Guidelines.
<b>Disclosure of relationship between Directors and Key Managerial Personnel, inter-se</b>	Nil
<b>Skills and Capabilities required for the Role and the manner in which the proposed person meets such requirements.</b>	Please refer to the chart on Skills / Expertise / Competencies of the Board of Directors in the Corporate Governance Report.
<b>Details of remuneration last drawn (FY 2021-22)</b>	₹55.30 Lakhs was drawn during FY22, in the capacity of Chief General Manager (Ship Repair) of CSL.
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; section 8 companies)</b>	Hooghly Cochin Shipyard Limited (HCSL) Udupi Cochin Shipyard Limited (UCSL) (wholly owned subsidiaries of CSL)
Listed entities from which the Director has resigned from Directorship since last three years	Nil
Membership / Chairmanship of Committees in other Public Limited Companies	Nil
No. of Board Meetings attended during the Financial Year 2021-22	Not Applicable
No. of equity shares held in the Company:	
(a) Own	Nil
(a) For other persons on a beneficial basis	Nil
Relationship with other Directors/Key Managerial Personnel	Nil









COCHIN SHIPYARD LIMITED

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### Registered Office

Administrative Building  
Cochin Shipyard Premises  
Perumanoor, Kochi – 682 015  
Kerala, India

**CIN: L63032KL1972GOI002414**

**Website: [www.cochinshipyard.in](http://www.cochinshipyard.in)**

