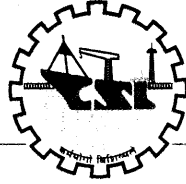


कोचीन शिपयार्ड लिमिटेड
(भारत सरकार की श्रेणी-1 मिनिरातल कंपनी, पोत परिवहन मंत्रालय)



COCHIN SHIPYARD LIMITED
(A Government of India Category-1 Miniratna Company, Ministry of Shipping)

SEC/48/2017-63

February 12, 2020

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

Subject: Monitoring Agency Report for the quarter ended December 31, 2019

Dear Sir/Madam,

The Monitoring Agency Report issued by the State Bank of India (“the **Monitoring Agency**”) for the quarter ended December 31, 2019 pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith for the purpose of dissemination of information widely to the members.

Thanking you

Yours faithfully,

For Cochin Shipyard Limited


Syamkamal N
Company Secretary &
Compliance Officer



पंजीकृत कार्यालय : प्रशासनिक भवन, पी.ओ.बैग सं 1653, परुमानूर पी. ओ., कोची - 682 015
Registered Office : Administrative Building, P.O. Bag No. 1653, Perumanoor P.O., Kochi - 682 015
फोन / Phone : +91(484) 2361181 / 2501200 फाक्स / Fax : +91 (484) 2370897 / 2383902
वेबसाइट / Website : www.cochinshipyard.com, सीआईएन / CIN: L63032KL1972GOI002414



FORMAT OF REPORT TO BE SUBMITTED BY MONITORING AGENCY
[See regulation 82 (2) and 82 (3)]

Report of the Monitoring Agency

Name of the Issuer: **COCHIN SHIPYARD LIMITED**

For quarter ended: **DECEMBER 31, 2019**

Name of the Monitoring Agency: **STATE BANK OF INDIA**

(a) Deviation from the objects: **NO DEVIATION**

- Utilization different from Objects stated in the offer document but in line with change of objects approved by shareholders' resolution;
- or
- Utilization neither in line with Objects stated in the offer document nor approved by shareholders' resolution
- In case there is no deviation, the same shall be stated.

(b) Range of Deviation*: **NOT APPLICABLE**

Indicate the range of percentage deviation from the amount of issue proceeds earmarked for the objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

* The range of deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

Signature:

Name and Designation of the Authorized Signatory:
Designation of Authorized person/Signing Authority:

P.V. VISWANATHAN.
Asst. General Manager.



1) **Issuer Details:**

Name of the issuer : **COCHIN SHIPYARD LIMITED**
 Names of the promoter : The President of India acting through Ministry of Shipping
 Industry/sector to which it belongs : Ship building and ship repair

2) **Issue Details:**

Issue Period : 1st August 2017 – 3rd August 2017
 Type of issue (public/rights) : Public Issue
 Type of specified securities : Equity shares
 IPO Grading, if any : Nil
 Issue size (in Rs. crore) : Fresh Issue of up to 2,26,56,000 equity shares of face value of Rs.10 each aggregating to Rs. 961.95 crore.

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

(Give item by item description for all the objects stated in offer document separately in following format)

| Particulars | Reply | Setting up of Dry Dock | Setting up of ISRF | General Corporate Purposes | Comments of the Monitoring Agency | Comments of the Board of Directors |
|---|--------|------------------------|--------------------|----------------------------|-----------------------------------|------------------------------------|
| Whether all the utilization is as per disclosure in Offer Document? | Yes/No | Yes | N.A. | N.A. | Yes | - |
| Whether Shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Offer Document? | Yes/No | N.A. | N.A. | N.A. | N.A. | - |
| Whether the means of finance for the disclosed objects of the Issue has changed? | Yes/No | No | No | No | No | - |
| Is there any major deviation observed over the earlier monitoring agency reports? | Yes/No | No | No | No | No | - |
| Whether all Government / statutory approvals related to the object(s) have been obtained? | Yes/No | Yes | Yes | N.A. | Yes | - |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | Yes/No | Yes | Yes | N.A. | No deviation reported | - |
| Are there any favorable events improving the viability of these object(s)? | Yes/No | No | No | No | No such events noticed/ reported | - |
| Are there any unfavorable events affecting the viability of these object(s)? | Yes/No | No | No | No | No such events noticed/ reported | - |
| Is there any other relevant information that may materially affect the decision making of the investors? | Yes/No | No | No | No | Nil | - |

[#] Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.



4) Details of object(s) to be monitored:

(i) Cost of object(s)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)

| Sl. No | Item Head | Portion of the Original Cost of the project to be funded by the IPO (Rs. in Crore)*Original Cost (as per Offer Document) | Revised Cost | Comments of the Monitoring Agency | Comments of the Board of Directors | | |
|--------------|------------------------------|--|--------------|-----------------------------------|------------------------------------|---------------------------|---------------------------------------|
| | | | | | Reason of cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Setting up of Dry Dock | 510.00 | - | No revision in cost reported | N.A. | N.A. | N.A. |
| 2 | Setting up of ISRF | 265.00 | - | No revision in cost reported | N.A. | N.A. | N.A. |
| 3 | General Corporate Purposes** | 165.23 | - | No revision reported. | N.A. | N.A. | N.A. |
| TOTAL | | 940.23 | | | | | |

* Cost as indicated in the Objects Chapter of Prospectus dated August 4, 2017.

** In the Offer Document, the gross proceeds from fresh issue was mentioned as Rs.961.34 Crore assuming the entire employee reservation portion would get fully subscribed, which was at a discounted price of Rs 411/-per share. Since the employee reservation portion did not get fully subscribed, the unsubscribed portion has been allotted to other categories in the respective ratios and hence there is a slight increase in the amount of issue proceeds. The actual issue proceeds comes to Rs. 961.95 crore; out of which Rs. 20 crore was estimated as CSL's share of issue expenses. However, CSL's share of issue expenses have now been estimated at Rs. 21.72 crore and accordingly, the net issue proceeds have been reduced to Rs. 940.23 crore. The increase in the issue expenses have been adjusted against the General Corporate Purpose and the portion of General Corporate Purpose in the net issue proceeds is reduced to Rs. 165.23 crore.

(ii) Progress in the object(s)-

(Give item by item Description for all the Objects Stated in Offer Document separately in the following format)

| Sl. No. | Item Head ^s | Amount as proposed in the Offer Document (Rs. in Crore) | Amount utilized (Rs. in Crore) | | | Total unutilized Amount (Rs. in Crore) | Comments of the Monitoring Agency | Comments of Board of Directors | |
|---------|---|---|--------------------------------|--------------------|---------------------------|--|--|--------------------------------|---------------------------|
| | | | As at beginning of the quarter | During the quarter | At the end of the quarter | | | Reason of idle funds | Proposed Course of Action |
| 1 | Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin. | 510.00 | 328.25 | 51.56 | 379.81 | 130.19 | 1) Tendering of CME works delayed by 02 months due to re engineering design for optimization. 2) Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution. 3) Finalization of contract took 88 days for establishing techno-commercial points with required clarity. 4) CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction, Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018. | - | - |



| Sl. No. | Item Head ^s | Amount as proposed in the Offer Document (Rs. in Crore) | Amount utilized (Rs. in Crore) | | | Total unutilized Amount (Rs. in Crore) | Comments of the Monitoring Agency | Comments of Board of Directors | |
|--------------|--|---|--------------------------------|--------------------|---------------------------|--|--|--------------------------------|---------------------------|
| | | | As at beginning of the quarter | During the quarter | At the end of the quarter | | | Reason of idle funds | Proposed Course of Action |
| 2 | Setting up of ISRF at Cochin Port Trust Area, Cochin | 265.00 | 265.00 | - | 265.00 | - | 1) Subsequent to the award of construction contract to Simplex Infrastructures Ltd., Kolkata on October 10, 2017, work is progressing at the site as per schedule. However, sequence of construction has been changed by the contractor due to which the milestone viz., 'Completion of RCC pile casting by January 2019' stands modified as March 2020. Nevertheless the project completion date of August 2022 will remain unchanged. 2) CSL had initially placed order for the procurement of shiplift & transfer system on the consortium of M/s Broehl GmbH, Germany & M/s IMG, Germany on January 19, 2017. Meanwhile, M/s Broehl became insolvent and hence CSL had to renegotiate and finally, contract for the procurement of shiplift & transfer system signed with the consortium of M/s IMG, Germany & M/s Syncrolift AS, Norway on December 10, 2019. Accordingly, delivery schedule of shiplift components will be in such a manner to achieve the milestone, viz "Completion of Shiplift and transfer system, yard for 2 vessels and berths for aflaut repair" by April 2021. Nevertheless the project completion date of August 2022 will remain unchanged. | - | - |
| 3 | General Corporate Purposes | 165.23 | 165.23 | - | 165.23 | - | - | - | |
| TOTAL | | 940.23 | 758.48 | 51.56 | 810.04 | 130.19 | | | |

^s Provide following details under Item Head:

(a) Name of the object(s):

(b) Brief description of the object(s):

(c) Location of the object(s) (if applicable):



(iii) Deployment of unutilized IPO proceeds-

| Sl. No. | Type of Instrument where the amount is invested | Name of Bank | Amount Invested (in Rs.) | Date of Deposit | Date of Maturity | Earnings (at maturity) (in Rs.) | Return on Investment (RoI) (Interest Rate) | Market Value as at the end of the quarter |
|---------|---|---------------------|--------------------------|-----------------|------------------|---------------------------------|--|---|
| 1 | Fixed Deposit | IDBI Bank | 1,00,00,00,000 | 16-08-2019 | 13-02-2020 | 3,25,30,411 | 6.56% | - |
| 2 | Fixed Deposit | Andhra Bank | 5,00,00,000 | 30-08-2019 | 01-01-2020 | 10,63,342 | 6.26% | - |
| 3 | Fixed Deposit | IDBI Bank | 25,00,00,000 | 30-08-2019 | 02-03-2020 | 81,85,616 | 6.46% | - |
| 4 | Fixed Deposit | Axis Bank | 5,00,00,000 | 30-08-2019 | 02-03-2020 | 16,47,260 | 6.50% | - |
| 5 | Fixed Deposit | Axis Bank | 5,00,00,000 | 30-08-2019 | 02-03-2020 | 16,47,260 | 6.50% | - |
| 6 | Fixed Deposit | Axis Bank | 5,00,00,000 | 30-08-2019 | 02-03-2020 | 16,47,260 | 6.50% | - |
| 7 | Fixed Deposit | Union Bank of India | 1,90,46,850 | 12-12-2019 | 01-01-2020 | 52,183 | 5.00% | - |
| 8 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 13-01-2020 | 3,08,452 | 5.50% | - |
| 9 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 14-01-2020 | 3,15,158 | 5.50% | - |
| 10 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 15-01-2020 | 3,21,863 | 5.50% | - |
| 11 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 16-01-2020 | 3,28,568 | 5.50% | - |
| 12 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 17-01-2020 | 3,35,274 | 5.50% | - |
| 13 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 18-01-2020 | 3,41,979 | 5.50% | - |
| 14 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 20-01-2020 | 3,55,390 | 5.50% | - |
| 15 | Fixed Deposit | Syndicate Bank | 4,45,00,000 | 28-11-2019 | 21-01-2020 | 3,62,096 | 5.50% | - |
| 16 | Fixed Deposit | Union Bank of India | 1,90,49,192 | 13-12-2019 | 03-01-2020 | 54,799 | 5.00% | - |
| 17 | Fixed Deposit | IDBI Bank | 20,50,00,000 | 03-12-2019 | 01-06-2020 | 61,60,447 | 6.06% | - |
| 18 | Fixed Deposit | Union Bank of India | 1,99,73,702 | 25-12-2019 | 01-01-2020 | 19,153 | 5.00% | - |
| 19 | Fixed Deposit | Union Bank of India | 1,90,77,393 | 25-12-2019 | 01-01-2020 | 18,293 | 5.00% | - |
| 20 | Fixed Deposit | Union Bank of India | 1,95,38,466 | 26-12-2019 | 02-01-2020 | 18,736 | 5.00% | - |
| 21 | Fixed Deposit | Union Bank of India | 1,99,78,624 | 27-12-2019 | 04-01-2020 | 21,894 | 5.00% | - |
| 22 | Current Account | State Bank of India | 44,678 | - | - | - | - | - |
| 23 | Current Account | Union Bank of India | 10,85,228 | - | - | - | - | - |
| | TOTAL | | 2,12,87,94,133 | | | 5,57,35,436 | | |

Note: An amount of Rs. 82,68,05,867 has been received as interest which is included in the above table.

*Where the market value is not feasible, provide NAV/NRV/Book Value of the same



(iv) Delay in implementation of the object(s)-

| Object(s) | Completion Date | | Delay (No. of days/months) | Comments of the Board of Directors | |
|---|---------------------------|--------------|----------------------------|--|---------------------------|
| | As per the Offer Document | Actual* | | Reason of delay | Proposed Course of Action |
| Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin. | June 2020 | May 31, 2021 | 11 Months | <ol style="list-style-type: none"> 1) Tendering of CME works delayed by 02 months due to re-engineering design for optimization. 2) Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution. 3) Finalization of contract took 88 days for establishing techno-commercial points with required clarity. 4) CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction, Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018. | - |
| Setting up of ISRF at Cochin Port Trust Area, Cochin | August 2022 | August 2022 | NIL | <ol style="list-style-type: none"> 1) Subsequent to the award of construction contract to Simplex Infrastructures Ltd., Kolkata on October 10, 2017, work is progressing at the site as per schedule. However, sequence of construction has been changed by the contractor due to which the milestone viz., 'Completion of RCC pile casting by January 2019' stands modified as March 2020. Nevertheless the project completion date of August 2022 will remain unchanged. 2) CSL had initially placed order for the procurement of shiplift & transfer system on the consortium of M/s Broehl GmbH, Germany & M/s IMG, Germany on January 19, 2017. Meanwhile, M/s Broehl became insolvent and hence CSL had to renegotiate and finally, contract for the procurement of shiplift & transfer system signed with the consortium of M/s IMG, Germany & M/s Syncrolift AS, Norway on December 10, 2019. Accordingly, delivery schedule of shiplift components will be in such a manner to achieve the milestone, viz "Completion of Shiplift and transfer system, yard for 2 vessels and berths for aflaot repair" by April 2021. Nevertheless the project completion date of August 2022 will remain unchanged. | - |

* In case of continuing object(s) please specify latest/revised estimate of completion date.

