कोचीन शिपयार्ड लिमिटेड
(भारत सरकार का श्रेणी 1 मिनि रत्न कंपनी, पोत परिवहन मंत्रालय)

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

SEC/48/2017-63

September 01, 2018

To, **The Manager** **Compliance Department** **BSE Limited** **Phiroze Jeejeebhoy Tower,** **Dalal Street,** **Mumbai- 400001**	**To,** **The Manager** **Compliance Department** **The National Stock Exchange of India Ltd** **Exchange Plaza,** **Bandra-Kurla Complex, Bandra (East)** **Mumbai- 400051**

Dear Sir / Madam,

Subject: Annual Report 2017-18

1. Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company (which includes Business Responsibility Report) for the financial year 2017-18.

2. This is for your information and records.

Thanking you

Yours faithfully
For Cochin Shipyard Ltd

V Kala
Company Secretary &
Compliance Officer

Encl: as above

COCHIN SHIPYARD LTD

New Opportunities
New Horizons



46th ANNUAL REPORT

2017- 2018

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

HIGHLIGHTS OF THE YEAR

- Cochin Shipyard Limited was **LISTED** on BSE and NSE on August 11, 2017.
- Achieved an all time **RECORD TURNOVER** of Rs.2355 crores.
- Achieved an all time **RECORD SHIP REPAIR TURNOVER** of Rs.623.27 crores.
- Achieved an all time **RECORD PROFIT** after tax of Rs.396.75 crores.
- **SIGNED MOU** with Central Institute of Fisheries Technology on August 30, 2017 for building fishing vessels.
- **INCORPORATED** Joint Venture Company viz., Hooghly Cochin Shipyard Ltd in partnership with Hooghly Dock and Port Engineers Limited on October 23, 2017.
- **FOUNDATION STONE** for International Ship Repair Facility (ISRF) project was laid on November 17, 2017 by Shri Nitin Gadkari ji, Hon'ble Union Minister for Shipping, Road Transport & Highways, Water Resources, River Development and Ganga Rejuvenation.
- **SIGNED MOU** with the Mumbai Port Trust on January 11, 2018 for operations and management of ship repair facility at Indira Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for further expansion in the field of ship repair.
- **SIGNED MOI** with Defence Research and Development Organisation (DRDO) on January 18, 2018 for export of Defence vessels incorporating Defence systems developed by DRDO and produced by Indian OEMs.
- **SIGNED CONTRACT** on January 29, 2018 for construction of 16 nos Tuna Long Lining & Gillnetting Fishing Vessels under the diversification of trawl fishing boats from palk bay into deep sea fishing boats under Central sector on Blue Revolution Scheme with financial assistance from Government of India and the Government of Tamil Nadu.
- **SIGNED MOU** with Joint Stock Company United Shipbuilding Corporation (USC), Russia, on February 02, 2018 to collaborate and engage in design, development and execution of high-end 'state of the art' vessels for inland and coastal waterways.
- **SIGNED MOU** with Kolkata Port Trust on March 17, 2018 for operations and management of ship repair facility at Netaji Subhas Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for the growth of ship repair in the region.
- **EMERGED L1 BIDDER** for 16 x ASW SWC project for Indian Navy.

TURNOVER
₹ **2355** Crore

PROFIT AFTER TAX
₹ **396.75** Crore

SHIPBUILDING TURNOVER
₹ **1731.86** Crore

SHIP REPAIR TURNOVER
₹ **623.27** Crore



ABOUT US

Cochin Shipyard Ltd (CSL) was incorporated in the year 1972 as a fully owned Government of India company. After the IPO in 2017 the Government of India holds 75% of equity share capital in the Company. In the last four 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. CSL has exported 45 ships to various commercial clients outside India such as National Petroleum Construction Company (Abu Dhabi), the Clipper Group (Bahamas), Vroon Offshore (Netherlands) and SIGBA AS (Norway).

The company has built and repaired some of the largest ships in India and is presently building the prestigious Indigenous Aircraft Carrier for the Indian Navy. Over the years, CSL has successfully responded to fluctuations in the shipbuilding requirements of the markets and have evolved from building bulk carriers to smaller and more technically sophisticated vessels such as Platform Supply Vessel (PSV) and Anchor Handling Tug Supply Vessel (AHTS). CSL has worked with several leading technology firms in the industry including Rolls Royce Marine (Norway), GTT (France), Vard Group (Norway) etc. This has added to our credibility in the international markets. Our key shipbuilding clients on the domestic front include the Indian Navy, the Indian Coast Guard and the Shipping Corporation of India Limited. 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.





HOW WE CREATE VALUE

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 off-shore 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 shiprepair activities through technology up-gradation and capacity augmentation.

To continuously endeavor 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.

CHAIRMAN'S ADDRESS

The Ship repair market in India is promising and CSL with its long experience, competitive advantages and strong ecosystem of sub-vendors, service providers etc remains the dominant shiprepairer in India by a large margin.



Madhu S Nair
Chairman and Managing Director

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors, to the 46th Annual General Meeting of your company Cochin Shipyard Limited (CSL). I have had the privilege of leading this prestigious organization as the Chairman & Managing Director over the last two and a half years and it has been an exhilarating journey.I take this opportunity to apprise you on the achievements of your company in the year 17-18, the operating scenario and the initiatives for the future.

OPERATING SCENARIO

The Government of India has unveiled a host of initiatives aimed to develop and sustain growth of the shipbuilding and ship repair sector. The Government of India's focus on development of Inland and coastal waterways infrastructure is an opportunity to be explored. The positive signs of progress in the sector will open up opportunities which could be converted into Company's business. In the defence sector also, the industry outlook remained positive. However, 2017 was another difficult year for the global shipbuilding industry, with contracting remaining well below trend. However certain segments have seen ordering in the recent months. At this stage the Company will be focussing on domestic orders in shipbuilding continuously keeping a watch on appropriate projects in the international market.

The Ship repair market in India is promising and CSL with its long experience, competitive advantages and strong ecosystem of sub-vendors, service providers etc remains the dominant shiprepairer in India by a large margin. The Government of India is also keen to significantly increase ship repair activities in the country and has advised major ports to try and team up with CSL to develop ship repair capabilities in ports. We are leveraging this opportunity and are in advanced stages of discussions which could lead to CSL setting up ship repair operations in Mumbai, Kolkata and Port Blair shortly.There is a growing optimism and I would

like to thank Government of India for all the support and initiatives provided for the shipbuilding and repair sector.

ACHIEVEMENTS DURING THE YEAR

Your company achieved an all time high turnover of Rs.2,355.12 crores and a Profit After Tax of Rs.396.75 crores during the FY 2018. The turnover from Shipbuilding was Rs.1,731.86 crores and that from Shiprepair was Rs.623.27 crores.

The shipbuilding front has been steady, the TDV for DRDO is in advanced stages of outfitting and the 2x 500 PAX vessels for A&N administration is presently in the erection and consolidation phase in the drydock. The 2x 1200 PAX vessels for A&N are closely following and are in the block fabrication stage. Outfitting activities are progressing well on the IAC and testing/ trials phase has been initiated on certain critical equipment. It is a matter of great pride and satisfaction that we have emerged L1 in the tender for the prestigious ASW corvette project of the Indian Navy and expect contracts to be signed shortly. These contracts will contribute approximately Rs. 5,400 crores to CSL's turnover in the coming years.

Ship Repair continued to do extremely well and we have posted an alltime high turnover of Rs.623 crores in FY 2017-18. To our list of MOU clients like DCI and LDCL we added A&N Administration and 4 of their vessels were handled in 2017. We have handled about 116 Nos of ships, including 18 Naval vessels. We have been aggressive in our marketing efforts and have bagged the major refit contracts of ONGC's 'Sagar Bhushan' and DRDO's 'Sagardhwani' amidst stiff competition from public and private shipyards. We expect significant order intake in the coming year also.

2017 will be etched in history of CSL as the year in which we changed character in more ways than one. After a hugely acclaimed IPO, we became a public listed company with a market-cap of above USD 1 billion. Our major expansion projects have secured all relevant clearances and have crossed critical milestones. On November 17, 2017 the foundation stone was laid for the Rs. 970 crores International Ship Repair Facility (ISRF) project being executed in 42 acres of land leased from Cochin Port Trust. This project marks the first ever expansion outside our 170 acre campus. Subsequently in May 2018, we have awarded the turnkey contract for civil, electrical and mechanical works for the new large drydock in CSL which project is being undertaken at an overall estimated cost of Rs. 1,799 crores.

Another significant milestone was the incorporation of Hooghly Cochin Shipyard Limited (HCSL) at Kolkata, as a

On November 17, 2017 the foundation stone was laid for the Rs. 970 crores ISRF project being executed in 42 acres of land leased from Cochin Port Trust. This project marks the first ever expansion outside our 170 acre campus. Subsequently in May 2018, we have awarded the turnkey contract for civil, electrical and mechanical works for the new large drydock in CSL which project is being undertaken at an overall estimated cost of ₹ 1,799 crores.

Commenced ISRF project

₹ 970 Crores

Estimated Cost of new Drydock

₹ 1,799 Crores

joint venture between CSL and Hooghly Dock & Port Engineers Limited (HDPEL) and marked the first geographical expansion of the Company. CSL holds 74% and HDPEL 24% stake in the equity of HCSL. HCSL has subsequently entered into Lease and Concession agreement with HDPEL for taking over the old units at Nazirgunge and Salkia on 60 year lease and to operationalize these facilities by putting up modern infrastructure. HCSL targets to develop various types of vessels like Ro-Ro Vessels, River-Sea Cargo Vessels for bulk, liquids, containers, Passenger Vessels, other watercrafts for the inland waterways.

Towards this, the Company has signed a Memorandum of Understanding (MoU) with United Shipbuilding Corporation (USC) which is the largest shipbuilding group in Russia to collaborate and engage in Design, Development and Execution of High-End, State-of-Art vessels for Inland and Coastal Waterways.
Going with the Company's plans of expanding its shiprepair business the Company signed MoUs with Mumbai Port Trust (MbPT) and Kolkata Port Trust (KoPT) for upgradation, operation and management of their Ship repair Facilities by leasing the facilities for 30 years and are in the process of signing binding agreements.

During the year the Company marked its entry into a new segment when we signed contracts for construction of 16 nos Tuna Long Lining & Gillnetting Fishing Vessels. These vessels are being built under Central Sector Blue Revolution Scheme with financial assistance from Government of India and the Government of Tamil Nadu to enable diversification of trawl fishing boats from Palk bay into deep sea fishing boats. CSL expects this novel initiative of partnering Central Institute of Fisheries technology (CIFT) and involving IIT Kharagpur, Indian Register of Shipping (IRS) and reputed OEM's to create the impetus for further business opportunities for delivering technologically sound vessels in this hitherto unorganized but socially very relevant sector.

The Company also signed Memorandum of Intent (MOI) with Defence Research and Development Organisation (DRDO) for the export of defence vessels incorporating defence systems developed by Defence Research and Development Organisation and produced by Indian OEM's, at the Defence Industry Development Meet chaired by Defence Minister Smt. Nirmala Sitaraman on January 18, 2018.

FIRE ACCIDENT IN CSL

Your Company has laid topmost priority in integrating health, safety and environmental (HSE) aspects into business operations. However, CSL witnessed an unfortunate fire accident on February 13, 2018, onboard MODU Sagar Bhushan, the drillship of ONGC which was docked in the repair drydock. Despite concerted efforts by the Safety and Fire department of the yard,we lost 5 precious lives in the accident and 7 others were injured. This accident happened despite CSL having one of the most robust safety systems in the country, been the recipient of successive safety awards and has been giving high emphasis on employee safety training. This accident has triggered root cause analysis, and we are determined to do a deep introspection of all our systems and safety culture. CSL has subsequently implemented various additional measures, having closer vigil on systems and is now planning a major enterprise wide exercise involving reputed external agencies to significantly upgrade the culture of safety in the company.

We have reached out benevolently to the families of the deceased by providing Rs. 10 lakhs to each family over and above all the statutory dues, have offered employment to one immediate member in the family and have offered to

take care of all educational and allied expenditure of children till the graduation stage. For the injured, their salaries are being paid by the company and all medical expenditure is being taken care of.

It is a matter of great satisfaction that during these testing times the entire CSL family stood as one and received great support from the Central and State governments and from all walks of the society.

MAJOR EXPANSION PLANS

It gives me immense pleasure to inform that CSL is embarking on major expansion plans. The two major expansion plans of the company include the International Ship Repair Facility (ISRF) at the Cochin Port Trust premises and the new Drydock at the shipyard's existing premises. These new facilities will expand the Company's existing capabilities significantly. The new drydock will enable the yard to build and repair a broader variety of vessels including new generation aircraft carriers and oil rigs. The new International Shiprepair Facility will allow the Company to undertake repair of a broader range of smaller vessels and significantly increase shiprepair capacities. The progress on these expansion projects have been satisfactory.

INTERNATIONAL SHIP REPAIR FACILITY (ISRF)

On November 17, 2017 Shri Nitin Gadkari, the Hon'ble Minister of Shipping, Road Transport & Highways and Water Resources, River Development and Ganga Rejuvenation laid the foundation stone for the ISRF after Cochin Port Trust (CoPT) allotted the second phase land area (8.134 ha) to the Company. The project is targeted to be commissioned by November 2019 at an estimated investment of Rs.970 Crores.

DRY DOCK

The new Dry Dock being set up by CSL at an estimate of Rs. 1,799 Crores,is expected to augment the Company's shipbuilding/ ship repair capacity essentially required to tap the market potential of building and repairing specialized and technologically advanced large vessels such as LNG vessels, larger aircraft carriers, drill ships, and dry-dock repairs of semi-submersibles, jack-up rigs, etc. Subsequent to the receipt of all statutory clearances for the Dry Dock Project, the construction contract for the Plant & Machinery has been awarded in May 2018. Procurement process for the 600 T Gantry crane is at an advanced stage.The facility is targeted to be commissioned by June 2021.

The new drydock will enable the yard to build and repair a broader variety of vessels including new generation aircraft carriers and oil rigs. The new ISRF facility will allow the Company to undertake repair of a broader range of smaller vessels and significantly increase shiprepair capacities.

NEW INITIATIVES

Geographical expansion is the key area in focus for CSL during the year 2018-19. By teaming up with the major ports on the eastern and western coasts of India, CSL will be able to leverage its competitive advantage in Ship building and Ship Repair to achieve new heights in the industry by exploiting the wider opportunities in Inland and Coastal Shipping. CSL has already inked MoUs with Mumbai Port Trust and Kolkata Port Trust and is confident to commence its Ship Repair Operations during this year. Subsidiary HCSL will cater to the upcoming demand for the Small and medium sized vessels for Coastal segments and Inland waterway segments specifically at NW-1, NW-2 and NW-5, which are now on the key focus of Government of India.

CSL has already received clearance for 10 Nos. Ro-Ro vessels for Inland Waterways Authority of India (IWAI) which will showcase capabilities in the emerging Inland vessel segment. CSL is keeping a close watch on new and green technologies like Electric Propulsion, Fuel Cells, LNG and Methanol fuelled engines etc in the shipping sector in India. As a first step towards its adaptation to the changing needs for alternate clean fuels, CSL is actively developing Methanol fuelled vessels for Inland Water Authority of India (IWAI) and the first vessel is expected to be in waters by 2019.

Imbibing the digital technology trends in Shipping Industry, CSL is teaming up with M/s. ABB by integrating centralized electrical and automation systems in the 1200 pax vessels being built for A&N Administration, that allows predictability in operations and focusses primarily on safety and reliability of the onboard systems. These systems also enable remote trouble shooting. These ships complying with the International Maritime Organization's Safe Return to Port (SRtP) requirements for passenger ships will be a key differentiator and will be the First-of-its kind in this part of the world.

CSL has kept its doors open for the Innovation, Technology Inception, Automation and Modernisation in the yard, its operations and its processes; and is looking forward to take steps towards achieving a significant transformation to adapt itself to ever changing technology trends in the market.

CORPORATE GOVERNANCE

The Company continued to comply with good corporate governance practices as stipulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and guidelines of the Department of Public Enterprises (DPE). The total strength of the Board of Directors as on July 18, 2018 is twelve out of which six are Independent Directors. The Company has constituted an Audit Committee consisting of three Independent Directors. A Nomination and Remuneration Committee, CSR Committee and Stakeholder Relationship Committee chaired by an Independent Director have been constituted. Shri Pravir Krishna IAS, demitted office of director on relinquishing his charge as the Joint Secretary, Shipping. Shri Satinder Pal Singh IPS, the present Joint Secretary, Shipping was appointed on the board on October 04 2017. Shri Bejoy Bhasker took over charge as Director (Technical) on April 05, 2018 in place of Shri Sunny Thomas who superannuated on November 30, 2017. Shri Jyothilal K R, IAS, Principal Secretary (Transport) Government of Kerala, was appointed on the Board on April 20, 2018.

HUMAN RESOURCE DEVELOPMENT

The success of your company is attributable to its employees and to keep its employees motivated and well trained various programmes have been devised. On the HR front, we have institutionalized syllabus based structured training programme for our officers and workmen. Our officers are being exposed to the best practices in other industries and are undergoing courses in prestigious management

institutes like IIMK, IIMA, IIMC etc. Under the comprehensive training programme titled "Young Officers Competency Development Programme" a total of 47 sessions were held over five modules and the first batch consisting of 24 executives have since completed the training. A second batch comprising of 25 Executives have also commenced training.

Various 'People first' initiatives like Shipyard Pariwar Prathibha Puraskar, Nethruthwa Samvriddhi Yojna, Shipyard Santwana Yojna, Mentor Mentee scheme have been well received by the CSL family and will continue on strong footing. 'Prajyoti' and 'Atmajyoti' talk series will continue to lead us in our quest for knowledge.

INDUSTRIAL RELATIONS

The industrial relation scenario has been peaceful in the Company. The recognized trade unions have resorted to various means of protests to highlight their concerns over the recently concluded Initial Public Offer (IPO). All such protests have been within the framework of legitimate and democratic trade union activities and have been peaceful.

RESEARCH AND DEVELOPMENT (R & D)

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 2017-18 mainly in the areas of welding procedure development and qualification of welders.

CSL is now exploring the schemes to encourage innovation-culture among the employees of the yard and is targeting to drive a change management in the organisation so as to ensure a hand-in-hand approach with technology changes.

SKILL DEVELOPMENT

The Company takes up various skill development initiatives within and outside the Company. CSL is a member of Strategic manufacturing sector skill council which has been set up to take forward the Skill India Mission. An exclusive skill development programme for Pipe Fitters under the Strategic Manufacturing Sector Skill Council (SMSSC) Scheme had been conducted and 18 participants mostly workmen drawn from the sub contract pool of workmen in CSL and trainees attended the programme.

INTEGRATED MANAGEMENT SYSTEM

The Shipyard continues to be compliant with the Integrated Management System (IMS) consisting of ISO 9001 Quality Management System, ISO 14001 Environment Standards and OHSAS 18001 Occupational Health and Safety Standards.

Geographical expansion is the key area in focus for CSL during the year 2018-19. By teaming up with the major ports on the eastern and western coasts of India, CSL will be able to leverage its competitive advantage in Ship building and Ship Repair to achieve new heights in the industry by exploiting the wider opportunities in Inland and Coastal Shipping.



Madhu S Nair
Chairman and Managing Director



CSL will be upgrading its Quality Management system and Environmental management systems to the latest ISO 9001:2015 and ISO 14001:2015 standards respectively by September 2018.

CORPORATE SOCIAL RESPONSIBILITY

Your Company continues to fulfil its obligation towards society through its CSR initiatives. The Company has identified and implemented socially impactful projects in a time bound manner. The total amount spent on CSR projects during the year 2017-18 was Rs 8.57 crore as against the mandated amount of Rs 8.54 crore as per the provisions of the Companies Act, 2013.

INITIAL PUBLIC OFFER

The Initial Public Offer (IPO) referred earlier comprise of 3,39,84,000 equity shares of Rs 10 each consisting of (a) 1,13,28,000 equity shares by way of offer for sale by GOI and (b) 2,26,56,000 equity shares by fresh issue, was opened on August 01, 2017 and remained opened till August 03, 2017. The Company filed the prospectus with the Registrar of Companies, Kerala on August 04, 2017. The issue price was fixed at Rs. 432 per share. However, the Retail Individual Investors and the Employees of CSL were given a discount of 5% (approx.) and the shares were offered to them at Rs. 411 per share. The

Company listed its equity shares at BSE Ltd. and NSE of India Ltd. on August 11, 2017. The issue was subscribed 76.18 times and a whopping Rs. 1,442.93 crore was raised. With more than 20 lakh applications, CSL's IPO was celebrated by the capital markets and was recorded as one of the most successful IPOs in recent history. I believe it is the strength and reputation of the company that generated investor interest in us.

ACCOLADES

The excellent performance of your company has won appreciation from various quarters. The Company is all set to maintain its "high level" rating against the MOU targets set by the Department of Public Enterprises, Government of India for the year 2017-18. However, the final rating from the Department of Public Enterprises is awaited.

Cochin Shipyard has received the Kerala State Energy Conservation Award 2017 in the category of 'Large Scale Energy Consumers' and Kerala State Renewable Energy Award 2017 from the Government of Kerala. The Company has won the MKK Nair Memorial Award for the Second Best Productivity Performance from Kerala State Productivity Council. The Company has also received the KMA excellence award for best CSR activities undertaken, India Seatrade Award 2017 for the Shipbuilding & Repair Yard of the Year, Bureaucracy Today CSR excellence award for Rural Development, from Bureaucracy Today, Top exporter (PSU) at Kochi award from customs for the calendar year 2017, Corporate citizen award by Public Relations council of India for the year 2018 and Award for Best Stall in the IND EXPO 2017 from the Ministry of MSME.

CONCLUSION

CSL is presently in an extremely challenging and competitive business environment. It is very important that we develop, maintain and strengthen our core competencies. CSL has always been able to portray its competitive advantage & capabilities for bagging contracts amidst stiff competition. The vast opportunities posed by the Inland waterways segment and the huge expansion plans of CSL would help the Company to reach greater heights. Along with its qualities of hardwork, dedication and commitment, CSL has to maintain its competitive edge by continually developing and adapting itself with the fluctuating market needs and technology advancements. The changes that we have to bring into our system are to be advance, modern, economically viable and sustainable. I strongly believe that this yard will strive towards achieving the commanding heights in Ship building and Ship Repair Industy, and I believe that each and every employee of CSL with their indomitable spirit would be the pillars of growth for the Company and will work towards this common goal of the organisation; and of the country.

I convey my thanks to all the Board Members for their valuable contribution in propelling this great organization.

I thank the Ministry of Shipping, other offices of Government of India, the Government of Kerala and West Bengal for their support.

Finally I would like to take this opportunity to thank all shareholders for the trust and support and solicit continued support to fulfill your expectations.

Thanking You

Jai Hind

Madhu S Nair
Chairman and Managing Director
DIN: 07376798

OUR CREDENTIALS



SHIP BUILDING

Has built various types of vessels including Oil Tankers, Bulk Carriers, Tugs, Dredger, Platform Supply Vessels, Passenger Vessels, Anchor Handling Tug Supply vessels etc. Reputed international clientele. Currently building Aircraft Carrier, Technology Demonstration Vessel and Passenger Vessels.

SHIP REPAIR

Only yard in India which has undertaken drydock repairs of Aircraft Carriers INS Viraat and INS Vikramaditya. Can undertake complex and sophisticated repairs to all types of vessels including Oil Rigs, Naval and Coast Guard Vessels, Offshore Vessels, Dredgers, Fishing Vessels, Passenger Ships, Port Crafts, and all other Merchant Vessels.

QUALITY

CSL conforms to the Integrated Management System comprising of ISO 9001:2008 – Quality Management System, ISO 14001:2004 - Environmental Management System and OHSAS 18001:2007 – Occupational Health and Safety Management System. Has a NABL accredited laboratory for destructive and non destructive testing.

CSL will be upgrading its Quality Management system and Environmental management systems to the latest ISO 9001:2015 and ISO 14001:2015 respectively by September 2018.

OFFSHORE

Has undertaken a variety of complex and sophisticated offshore Upgradation contracts.

AROUND THE WORLD



PROJECT TIMELINE

Vessels built and delivered by Cochin Shipyard Limited (Total as on March 31, 2018)

15 Large Vessels

52 Small & Medium Vessels

35 Offshore Support Vessels

20 Defence Vessels

KEY PERFORMANCE INDICATORS

CSL Business Strategy	Key recent developments
Expand 0perational capabilities	CSL is in the process of expanding the existing capacity in shipbuilding and shiprepair by adding a new Dry Dock at CSL premises and an International Ship Repair Facility (ISRF) at Cochin Port Trust land taken on 30 years lease. The total capex for putting up the above two facilities is Rs 2768 crore. Out of this Rs 941 crores will be financed from the IPO proceeds. The remaining cost is to be financed through internal accrual of the company and debt. Signed MOU with Mumbai Port Trust for setting up of shiprepair facilities in their Indira Dock. Signed MOU with Kolkata Port Trust for setting up of shiprepair facilities at their Netaji Subhas Dock.
Explore emerging opportunities in national & International joint ventures / technology tie-ups.	Formed a JV company with Hooghly Dock and Port Engineers Ltd. for operationalizing their facilities at Salkia and Nazirgunge for construction and repair of vessels for inland and coastal waterways. Signed a MOU with United Shipbuilding Corporation (USC), Russia to collaborate and engage in design, development and execution of high-end, state-of-art vessels for inland and coastal waterways. Signed Memorandum of Intent (MoI) with DRDO for partnership for the export of defence vessels with defence systems developed by the DRDO and its industrial partners.
To carry out Research & Development, innovation, technological upgradations.	Welding of lower thickness plates using one side welding process is a specialised method. Capability building in above area is of paramount importance to yard. Weld procedure development (WPS) has been undertaken in house for welding of lower thickness plate of high strength steel (AH 36) of 10 mm thickness using one side welding process employing twin wire with copper backing.
To be the supplier of choice through quality, on time product delivery and competitive bidding / cost efficient processes.	Emerged as the lowest bidder for a project of Indian Navy worth Rs.5400 Cr comprising of eight vessels. Completed repairs of Naval refits of INS Shakti, INS Airavat, INS Cheriyam and INS Cora Divh. Also completed repairs of various transhipment vessels. On repair front won the Sagar Bhushan from ONGC and Sagardhwani of DRDO.
To build a responsible corporate citizen image through CSR & Sustainability projects and compliance to Corporate Governance principle.	Focus areas of CSL CSR continued to be health, education, capacity building, environmental protection, sanitation and drinking water for the economically poor and weaker sections of the society including the differently abled ones, senior citizens etc. The total outlay achieved for CSR and Sustainable causes was Rs. 857.08 lakhs.

Achieved / Expected Key Performance Indicators

Our proposed Dry Dock and ISRF will increase our ability to build, repair and service a broader range of vessels including vessels of larger capacities. The new Dry Dock measuring 310 x 75/60 x 13 m with 2 x 600T Gantry crane will be capable of handling vessels upto Suezmax, Aircraft Carriers of 75000T displacement, Jack-up rigs, LNG vessels etc.

The ISRF- 6000T shiplift for ships upto 130 x 25 m with six transfer work stations and allied facilities. Total outfitting berth of 1500 meters approx.

Goals for FY19 and beyond

ISRF :-Piling and construction work commenced and to be in full swing.

DRYDOCK: Construction contract awarded and works to commence in full swing to meet targeted completion.

The Drydock project is expected to be completed by FY 2021 and the ISRF project by FY 2020.

Tap the opportunities in inland waterways segment.

MOU with DRDO will help in tapping export opportunities in defence shipbuilding

In FY 19 the DPR for the Joint Venture facility will be finalised and the contract for construction will be awarded.

As per the feasibility study conducted by M/s KITCO the project completion will take 18 months from the award of contract and receipt of all approvals.

The procedure has been validated by ABS Classification society and welder has been qualified for performing the welding process.

Development of new products or products with new features.

Development of Submerged Arc Welding (SAW) process with ceramic backing for one side welding for productivity improvement in panel welding.

Orders value in hand in shipbuilding and ship repair as on March 31, 2018 is estimated at Rs.13,000 crore (approx.) factoring balance on IAC (Cost plus) and Phase III.

Projects at contract stage amounting to Rs.5800 crores approx.

(a) Received Corporate Citizen of the year 2018 Award for outstanding contribution to the profession, industry and society, given by Public Relations Council of India.

(b) KMA excellence award for best CSR activities undertaken.

(c) Bureaucracy Today CSR excellence award for 'Rural Development', given by Bureaucracy Today.

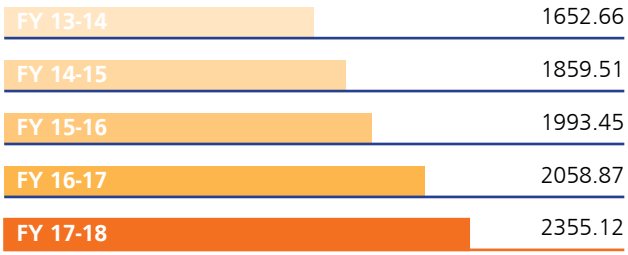
(d) Madhu S Nair, CMD, Cochin Shipyard Limited, was honoured with the 'CSR-Oriented Chairman/CMD/MD of The Year (PSU)' Award, given by Bureaucracy Today.

To follow the path of shared inclusive growth, distributing the fruits of its prosperity towards improved quality of life of the society and contributing to environment and nature for sustainable development.

FINANCIAL HIGHLIGHTS

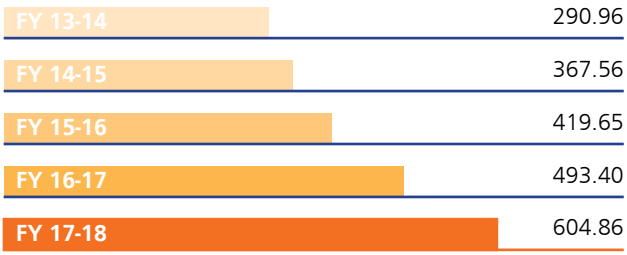
TURNOVER

(₹ in crores)



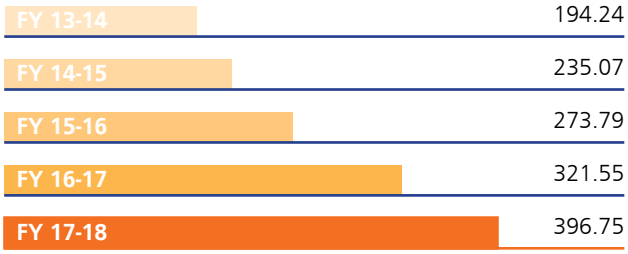
PROFIT BEFORE TAX

(₹ in crores)



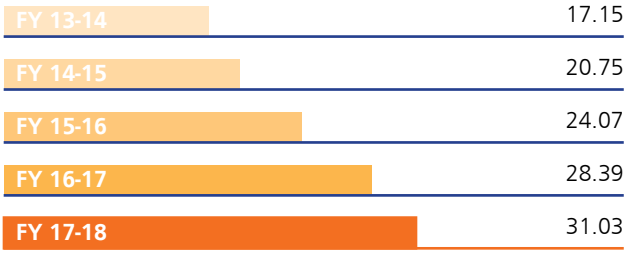
PROFIT AFTER TAX

(₹ in crores)



EPS

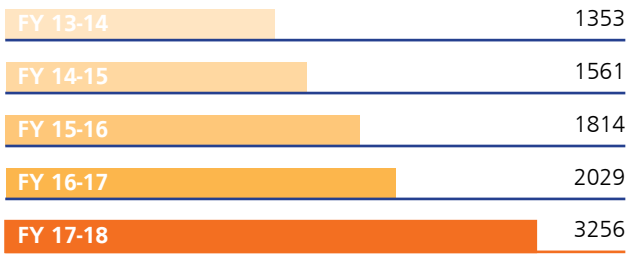
(₹)



Key Indicators	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
● EPS (Rs. per share)	31.03	28.39	24.07	20.75	17.15	16.35	15.21	20.09	19.69	14.13
● Face Value Per Share (Rs.)	10	10	10	10	10	10	10	10	10	10
● EBDIT/ Gross Turnover (%)	27.76	26.35	23.52	22.81	20.37	20.45	20.21	26.70	29.20	22.00
● Net Profit Margin %	16.85	15.62	13.73	12.64	11.75	11.92	12.27	15.57	17.86	12.74
● Return on Net Worth %	12.19	15.85	15.09	15.06	14.15	15.76	16.40	23.51	32.78	28.26
● Return on Capital Employed %	12.35	15.39	16.15	14.50	13.97	19.08	18.76	27.44	38.57	29.09

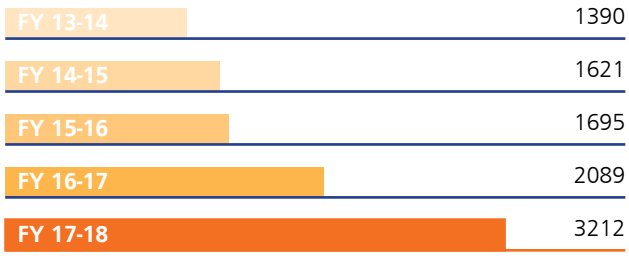
NET WORTH

(₹ in crores)



CAPITAL EMPLOYED

(₹)



Contribution to national exchequer

₹ 35749

Lakhs

CSR Spend FY 18

₹ 857

Lakhs

Employee benefit Expenses

₹ 27140

Lakhs

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
● Turnover	2355.12	2058.87	1993.45	1859.51	1652.66	1554.16	1404.85	1461.72	1248.50	1256.21
● Total income	2544.28	2217.50	2107.37	1952.97	1728.64	1642.33	1481.54	1589.17	1326.49	1383.26
● Profit Before Tax (PBT)	604.86	493.40	419.65	367.56	290.96	275.55	252.97	344.23	331.25	247.63
● Depreciation & write offs	37.51	38.51	37.19	38.33	26.43	19.22	18.07	17.06	15.24	9.80
● Profit After Tax (PAT)	396.75	321.55	273.79	235.07	194.24	185.27	172.33	227.53	223.04	160.07
● Equity Share Capital	135.94	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28
● Reserves & Surplus	3119.93	1915.30	1701.05	1447.79	1239.25	1062.42	898.41	775.38	490.54	336.70
● Net Worth	3255.87	2028.58	1814.33	1561.07	1352.53	1175.70	1050.83	967.80	680.32	566.49
● Gross Fixed Assets	369.79	357.72	569.53	636.84	602.38	444.35	376.73	362.10	349.68	270.39
● Net Fixed Assets	284.47	302.85	296.44	377.44	383.41	247.30	192.61	190.67	189.75	121.64
● Number of Employees	1781	1829	1671	1786	1751	1656	1900	1818	1907	1962

OUR PEOPLE

CSL Approach: Cochin Shipyard recognizes that among all resources it is the Shipyard's abundant professional, skilled and trained Human Resources who have been propelling the Shipyard towards achievement of targets and helping CSL gain a competitive advantage. The Human Resources (HR) of CSL forms a very critical part of the company's business strategy. Human Resource (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 human resources, 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.

KEY HR PRIORITIES

Effectively plays the role of a strategic team member.

Planning for pragmatic manpower induction, re-skilling, redeployment and retention of human resources.

Develop and position the right mix of personnel.

Create, maintain and nurture a healthy employer-employee relation.

Evolve and implement best industry practices with transparency in approach, competitive reward and incentive systems for excellence in performance.

Focus on continual improvement for skill and knowledge development so as to enhance effectiveness in job.

Provide effective and meaningful social support to the community/ society around.

KEY INITIATIVES DURING FY18

Training: During the year, 645 employees across all categories had been nominated for a total of 78 programmes conducted by reputed organisations. Young officers' competency development training programme continued during the year. A total of 47 sessions were held covering five modules. 24 executives have since completed training under the scheme.

Ongoing Leadership Initiatives :

- An educational scholarship scheme "Shipyard Pariwar Prathibha Puraskar" launched to reward and promote the star performers among the regular employees of CSL.
- Leadership Acceleration Programme (LEAP) A scheme for scholarship for higher studies in IITs called "Nethruthwa Samvriddhi Yojana - Leadership Acceleration Programme (LEAP)" for upgrading Technical and Managerial Competencies of Officers in the core areas like Naval Architecture, Ship Design, Marine Engineering and Business Management.
- "Prajyoti" Leadership Talk Series - to help initiate, trigger and cascade the process of leadership development in the shipyard. The Executives learn from leaders from different walks of life and industries,
- "Atmajyoti"– An inner awakening talk series for all employees of CSL. The objective of the Atma Jyoti series by eminent people is to instill in the mind the splendid light of wisdom ignited by visionary experiences.
- Executives across all levels totalling 127 numbers were nominated to attend specific management development programmes at IIMA, IIMK, IIMC. Executives were also nominated to NIAS-IISC.
- Industrial orientating training programme- is an initiative wherein a group of executives and executive trainees are deputed to visit other Shipyards/ Public Sector Undertakings of different industrial nature. The objective of the programme is to help the executives to gain a comprehensive knowledge of various kinds of work environment outside CSL.
- Mentoring Scheme - to encourage the mentor to be a friend, philosopher and a guide to the new entrants' especially executives/executive trainees of CSL. The scheme will help the mentee to get focused attention from a senior executive for support and guidance in the organization, building competencies among the new entrants and ensuring their smooth induction. It also helps to increase sense of commitment and belongingness in the newcomers and increase employee retention.

KNOWLEDGE MANAGEMENT

- CSL has developed Knowledge Management platform on Mobile called "StarBoard". This platform has provisions for sharing of both explicit knowledge and tacit knowledge.
- Department of Public Enterprises is developing a common Knowledge Management Portal for all Central Public Establishments (CPSEs). CSL is one of the 50 CPSEs shortlisted for Phase-I implementation.



HR Vision

Emanating from the goals and objectives enshrined in the corporate mission statement, the strategic Human Resources 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

Human Resources 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.

BOARD OF DIRECTORS



SHRI MADHU S NAIR

Chairman and Managing Director

Shri Madhu S Nair assumed charge as the Chairman and Managing Director of the Company on January 1, 2016. He had joined the Company as an executive trainee in June 1988. He holds a Degree of Bachelor of Technology in Naval Architecture and Ship Building from Cochin University of Science and Technology, India and a Degree of Master in Engineering with specialisation in Naval Architecture and Ocean Engineering from Osaka University, Japan. He has completed a training course in Shipbuilding-Production Control at Ishikawajima Harima Heavy Industries Overseas Vocational Training Association organised by the Japan International Cooperation Agency under the International Cooperation Programme of the Government of Japan. Furthermore, he has also attended an intensive Japanese language course at Osaka International Centre. He is a member of the Royal Institution of Naval Architects, London. He has approximately 30 years of work experience with the Company. He is also a CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SHRI D PAUL RANJAN

Director (Finance) and
Chief Financial Officer

Shri D Paul Ranjan is the Director (Finance) and Chief Financial Officer of the Company from May 1, 2014. He is a Chartered Accountant and has completed post qualification course in Information Systems Audit (ISA) from the Institute of Chartered Accountants of India. He had joined the Company as an executive trainee in December 1984. He has approximately 33 years of work experience with the Company wherein his responsibilities included financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also in charge of the Information Systems Department. He is also a CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SHRI SATINDER PAL SINGH

Part Time Official
(Nominee) Director

Shri Satinder Pal Singh is a Part Time Official (Nominee) Director of the Company representing Ministry of Shipping, Government of India. He was inducted into the Board from October 04, 2017. He holds a Bachelor degree in civil engineering from Regional Engineering College, Srinagar, Post Graduate degree in law from Brunel University, London and Master's degree in Police Management from Osmania University, Hyderabad. He is an IPS Officer of 1995 batch (Himachal Pradesh cadre) and has served in senior positions in the State Government of Himachal Pradesh, including Superintendent of Police, Special Secretary in the Department of Home and Inspector General of Police. He is currently posted as Joint Secretary, Ministry of Shipping, Government of India and prior to this he has served as Director (Housing) in the Ministry of Housing and Urban Affairs.



SHRI JYOTHILAL K R

Part Time Official
(Nominee) Director

Shri Jyothilal K R is a Part Time Official (Nominee) Director of the Company representing Government of Kerala. He was inducted into the Board from April 20, 2018. 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 & Cooperation, Information Technology, Food, Civil Supplies & Consumer Affairs etc. He is currently posted as Principal Secretary (Transport), Government of Kerala.



SHRI SURESHBABU N V

Director (Operations)

Shri Suresh Babu N V is the Director (Operations) of the Company from April 26, 2016. He holds a degree of Bachelor of Engineering (Mechanical) from the University of Kerala. He holds a Diploma in Management from Indira Gandhi National Open University. He has completed one year Group Training Course in Shipbuilding, Repairing and Maintenance conducted by Overseas Shipbuilding Cooperation Centre under International Cooperation Programme of the Government of Japan under Colombo Plan. He has also undergone a practical training course with shipyard in Sekaide, Japan of Kawasaki Heavy Industries Limited. Furthermore, he has completed supplementary course in Japanese language held at Overseas Shipbuilding Cooperation Centre. He joined the Company as an executive trainee in February 1985. He has approximately 33 years of work experience with the Company wherein he has had experience across various areas of the shipyard such as Ship Building, Materials and Ship Repair divisions. He is also a CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SHRI BEJOY BHASKER

Director (Technical)

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 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 approximately 30 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 CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SMT. ROOPA SHEKHAR RAI

Non-Official Part Time (Independent) Director

Smt. Roopa Shekhar Rai is a Non-Official Part Time (Independent) Director of the Company from March 21, 2016. She holds a Degree of Bachelor in Science from Nagpur University and Master of Arts from Rashtrasant Tukadoji Maharaj Nagpur University. She also holds a Diploma in Homoeopathic Medical Science from Homoeopathic and Biochemic Doctor's Training Institute. She was the Chairperson of the Ladies Wing of Vidarbha Industries Association in the year 1994-95.



SHRI KRISHNA DAS E

Non-Official Part Time (Independent) Director

Shri Krishna Das E is a Non-Official Part Time (Independent) Director of the Company from March 21, 2016. He holds a Degree of Bachelor in Commerce from University of Calicut and a Bachelor of Law from Mangalore University. He is an Advocate on the roll of the Bar Council of Kerala since 1996 and practising in the District Courts at Palakkad, Kerala.

BOARD OF DIRECTORS



SHRI RADHAKRISHNA MENON

Non Official Part Time
(Independent) Director

Shri Radhakrishna Menon is a Non Official Part Time (Independent) Director of the Company from March 21, 2016. He holds a Degree of Bachelor in Legal, Social Science from Bharati Vidyapeeth's New Law College, Pune. He is the President of Travancore Travel and Tourism Co-operative Society Limited. In addition to being an entrepreneur and proprietor of Devi Agency and Devi Traders, he is also the Vice-President of the World Malayalee Organisation. He is a Non-Official Member of General Council for National Livestock Mission, Ministry of Agriculture and Farmer Welfare, Government of India.



SHRI JIJI THOMSON

Non-Official Part Time
(Independent) Director

Shri Jiji Thomson is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds Bachelor of Arts and Master of Arts degrees in Economics from University of Kerala and Degree of Master of Social Science in Public Economic Management from University of Birmingham, UK. He belongs to the 1980 batch of the Indian administrative service (Kerala cadre). In the past, he has been the Chief Secretary of the Government of Kerala from January 2015 to February 2016 and Director General in Sports Authority of India, Ministry of Youth Affairs and Sports from March 2013 to January 2015.



SHRI PRADIPTA BANERJI

Non-Official Part Time
(Independent) Director

Shri Pradipta Banerji is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds a Degree of Bachelor of Technology from Indian Institute of Technology, Delhi. He also holds a Degree of Master of Science and a Doctorate of Philosophy (Ph.D) from University of California, Berkeley, USA. He has done an executive development programme with Kellogs School of Management, Northwestern University, USA. He is currently associated with Indian Institute of Technology, Bombay. He is the former director of Indian Institute of Technology, Roorkee. He has received "Excellence in Teaching" award from Indian Institute of Technology, Bombay.



SHRI NANDA KUMARAN PUTHEZHATH

Non-Official Part Time
(Independent) Director

Shri Nanda Kumaran Puthezhath is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds Bachelor of Arts and Master of Arts degrees from Calicut University. He is also a Certified Associate of the Indian Institute of Bankers. He has been associated with State Bank of India from 1975 to 2011, post which he was appointed as the Managing Director of State Bank of Travancore from 2011 to 2013. He has, after his retirement from State Bank of India Group in 2013, also held various positions including the President of MobMe Wireless Solutions Limited, the Chief Executive Officer of Alpha Palliative Care and the Managing Director of Atlas Jewellery India Limited.

SOCIAL RESPONSIBILITY



CSR VISION

Cochin Shipyard Ltd. in consonance with its Corporate Vision looks forward to continuing in the best tradition of being a responsible Corporate Citizen recognised for the quality of its products and services and respected for its ethical way of conducting business. In this, it endeavours to follow the path of shared inclusive growth, thereby distributing the fruits of its prosperity towards improved quality of life of the society and contributing to environment and Nature for sustainable development.

Major take aways for CSL from CSR initiatives are (i) Building Corporate image (ii) Boosting CSL's standing in the society which in turn improved the morale of the employees.

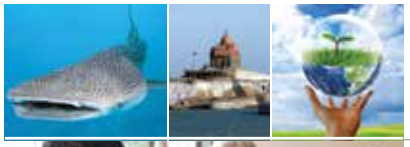
CSR OVERVIEW AND BUDGET ALLOCATION FY 18

₹857 Lakhs

31 Major Projects
(Project cost more than Rs10 Lakh)

39 Minor Projects
(Project cost less than Rs10 Lakh)

During FY18 the major focus areas of CSL CSR were Swachh Bharat, health, education, skill development, rural development, rehabilitation, environmental conservation, protection/ promotion of national monuments, art culture and heritage.



Others **24%**



Healthcare **12%**



Education **31%**



Swachh Bharath **33%**

CORPORATE INFORMATION

Board of Directors

Shri Madhu S Nair
Chairman & Managing Director

Shri Paul Ranjan D
Director (Finance) and
Chief Financial Officer

Shri Sureshbabu N V
Director (Operations)

Shri Bejoy Bhasker
Director (Technical)

Shri Satinder Pal Singh IPS
Joint Secretary (Shipping),
Ministry of Shipping, Govt. of India
Part Time Official (Nominee) Director

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

Smt. Roopa Shekhar Rai
Non-Official Part Time
(Independent) Director

Shri Krishna Das E
Non-Official Part Time
(Independent) Director

Shri Radhakrishna Menon
Non-Official Part Time
(Independent) Director

Shri Jiji Thomson IAS (Retd.)
Non-Official Part Time
(Independent) Director

Shri Pradipta Banerji
Non-Official Part Time
(Independent) Director

Shri Nanda Kumaran Puthezhath
Non-Official Part Time
(Independent) Director

Management Team

Shri Ramesh K J
Chief General Manager
(Human Resource & Training)

Shri Murugaiah M
Chief General Manager (Tech)

Shri Varghese M D
Chief General Manager
(Industrial Relations & Administration)
and Head CSR

Shri Neelakandhan A N
General Manager (Materials)

Shri Sreejith K N
General Manager (Ship Repair)

Shri Suresh Kumar A V
General Manager (Ship Building)

Shri Varadarajan S
General Manager & SO (M-SR)

Smt. V Kala
General Manager and
Company Secretary

Shri Rajesh Gopalakrishnan
General Manager
(Business Development & New Projects)

Shri Harikrishnan S
General Manager (LNG, PM & PPC)

Shri Eldho John
General Manager (Infra Projects)

Shri Subramaniya Pillai R
General Manager (Design & Engg)

Shri Jose V J
General Manager (Finance)

Shri Sivakumar A
General Manager (IAC)

Shri Sunil Kumar K R
General Manager (Mat-II)

Registered Office

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

Bankers

State Bank of India
Syndicate Bank
Union Bank of India

Statutory Auditors

M/s. Krishnamoorthy & Krishnamoorthy
Chartered Accountants,
XXXIX/3217, Paliam Road,
Cochin – 682 016.

Secretarial Auditors

SVJS & Associates, Company Secretaries
39/3519B, Padmam Apartments,
Manikkath Road
Ravipuram, Cochin 682 016.

Cost Auditors

Shri K A Felix
D31/670, Parvathy Nilayam,
Opp. Welcare Hospital, Vytila P.O,
Ernakulam – 682 019.

Debenture Trustees

SBICAP Trustee Company Ltd.
6th Floor, Apeejay House,
3, Dinshaw Wachha 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,

1. Your Directors have pleasure in presenting the 46th Annual Report of your Company along with the audited financial statements for the year ended March 31, 2018.

Financial Performance

2. The performance of Cochin Shipyard Limited (CSL) continued to be good during the year 2017-18. In spite of the continued global down-turn in shipbuilding industry, the turnover for the year was ₹ 2355.12 crores as compared to ₹ 2058.87 crores in the year 2016-17. The Profit Before Tax was ₹ 604.86 crores as against ₹ 493.40 crores in the previous year. The net profit was ₹ 396.75 crores as compared to ₹ 321.55 crores for the previous year. This performance is creditable considering the continuing recessionary conditions in the shipping and ship building sector.

3. 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 ₹ 1,35,93,60,000 divided into 13,59,36,000 equity shares of face value of ₹ 10 each. CSL went in for an IPO in August 2017, which consisted of public issue of 3,39,84,000 equity shares of face value of ₹ 10 each. In consequence of the IPO, the post issue paid up equity share capital of CSL increased from ₹ 1,13,28,00,000 (pre-issue) to ₹ 1,35,93,60,000 (post issue). The Company was listed in BSE & NSE on August 11, 2017.

Financial Highlights

(₹ in Crs)

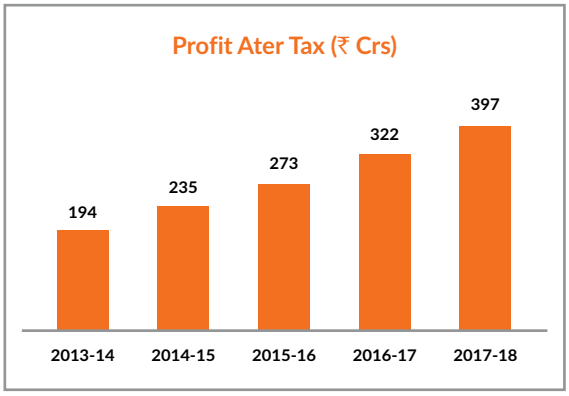
Sl No	Particulars	2017-18	2016-17
(i)	Gross Income	2544.28	2217.50
(ii)	Profit before finance cost, depreciation & tax	653.78	542.45
(iii)	Finance costs	11.41	10.54
(iv)	Depreciation & write off	37.51	38.51
(v)	Profit Before Tax	604.86	493.40
(vi)	Provision for tax (Net)	208.11	171.85
(vii)	Net profit	396.75	321.55

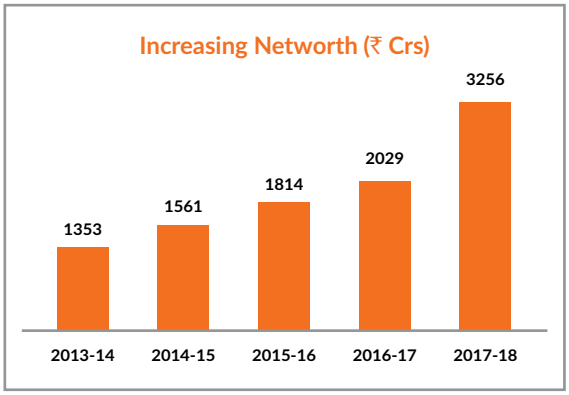
Dividend

4. 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 dividend of ₹ 12/- per share on the 13,59,36,000 fully paid Equity shares of ₹ 10 each. The total outgo for dividend and dividend tax would be approximately ₹ 196.65 crores. No unclaimed dividend (previous years') is due to be transferred to the Investor Education and Protection Fund (IEPF).

Dividend Distribution Policy

5. As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred 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 enclosed as Annexure 1 to the this report and is available on the CSL's website at https://www.cochinshipyard.com/links/Dividend%20Distribution%20Policy.pdf





Transfer to Reserves

6. During the year an amount of ₹ 2.88 Crores was transferred to Debenture Redemption Reserves in terms of Section 71(13) of the Companies Act, 2013. As on March 31, 2018, the Company has Reserves and Surplus amounting to ₹ 3119.93 crores which reflects the inherent financial strength of the Company.

Contribution to Exchequer

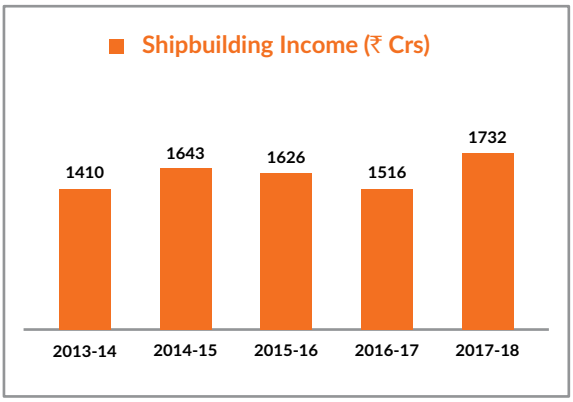
7. The total contribution made during the year by way of Value Added Tax, Income Tax, CST, Customs Duty, Service Tax, GST and Dividend Tax was ₹ 357.49 Crores.

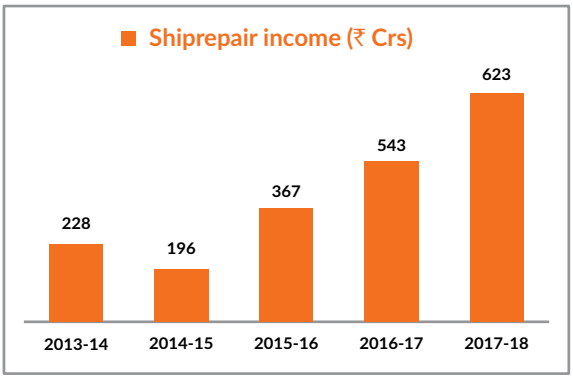
Shipbuilding

8. The Company achieved a total shipbuilding income of ₹ 1731.86 crores during 2017-18 as against ₹ 1515.82 crores in 2016-17. During the year 2017-18, the yard completed the delivery of two Double ended Ro-Ro vessels for Kochi Municipal Corporation. The yard completed various major milestones on the projects which are under construction such as keel laying and launching of SH 20 - Technology Demonstration Vessel (Special Purpose Vessel), steel cutting and keel laying of SH 21 and SH 22 - 500 pax vessels, steel cutting and keel laying of SH 23 and SH 24 - 1200 pax vessels and steel cutting for 16 nos. fishing vessels. Indigenous Aircraft Carrier (IAC) project progressed satisfactorily. Machinery outfitting of engine room and installation of 415 volt power generation and distribution system was completed. 3D modelling of major ship systems upto flight deck was also completed. Trials of DG sets 1 and 5 were completed successfully. Critical AFC equipment was received at the Yard. Phase 3 contract is expected to be concluded in the current financial year.

Shiprepair

9. During the year, the Company achieved a total ship repair income of ₹ 623.27 crores as compared to ₹ 543.05 crores during the financial year 2016-17. Major vessels repaired during the year include INS Shakti, INS Nireekshak, INS Airavat, INS Sujata, INS Sutlej, M V Sagardweep - II, M V Kalighat, M V Bharat Seema, WSV Samudra Nidhi, DCI Dredge XIX etc. Also, after a long interval, CSL has started refit of Offshore Drilling Vessels by undertaking ongoing refit of MODU Sagar Bhushan from ONGC during the year.





Shipbuilding Order Book Position

10. The order book position as on March 31, 2018 is as follows:-

Vessel Type	Nos
Indigenous Aircraft Carrier for the Indian Navy, P-71	01
Technology Demonstration Vessel (Special Purpose Vessel) for DRDO	01
500 passenger cum 150 MT cargo vessel for A&N Administration	02
1200 passenger cum 1000 MT cargo vessel for A&N Administration	02
Tuna Longliner Cum Gil netter Fishing Boat	03

Expansion Projects

11. Details of major projects and initiatives taken up during 2017-18 are as follows:

    i) International Shiprepair Facility (ISRF) at Cochin Port Trust

    CSL continued to operate the dry dock & existing facilities in the leased area (first phase) at CoPT.

Dry dock repair of ten vessels have been completed during the financial year 2017-18. Meanwhile, CoPT had allotted the second phase land area (8.134 ha) to CSL in the month of November 2017. Ministry of Environment, Forests & Climate Change had issued Environmental & CRZ clearance for the ISRF project on June 22, 2017. CSL had awarded the construction contract for civil, mechanical & electrical works on October 10, 2017. Honourable Union Minister of Shipping, Shri Nitin Gadkari laid foundation stone for the ISRF project on November 17, 2017. Since then, the construction activities of the project had commenced. 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 will enable the Company to build and repair specialised and technologically advanced large vessels such as LNG vessels, larger aircraft carriers, drill ships and dry-dock repairs of semi-submersibles, jack-up rigs, etc.

Subsequent to the receipt of all statutory clearances for the Dry Dock project, letter of acceptance was issued for the construction (Civil, Mechanical and Electrical) on April 27, 2018. Tendering for the 600 T Gantry crane is also under progress.

iii) Joint Venture with Hooghly Dock and Port Engineers Ltd. (HDPEL)

The Ministry of Shipping vide letter No. SY-11018/1/2010- HDPE dated March 29, 2017 approved the formation of joint venture partnership between Cochin Shipyard (74% stake in equity) and HDPEL (26% stake in equity) for upgradation and modernization of shipbuilding infrastructure at the two shipyard sites of Salkia and Nazirgunge in Kolkata. On October 23, 2017 a joint venture company named Hooghly Cochin Shipyard Ltd. (HCSL) has been incorporated as a subsidiary company of Cochin Shipyard. The Company executed shareholders agreement on November 17, 2017, and concession agreement and lease agreement were executed on January 19, 2018. The consultancy work for DPR is awarded to M/s. KITCO. HCSL being in the project implementation stage has reported a non-operating income of ₹ 18.57 lakh and a loss of ₹ 37.07 lakh during the financial year 2017-18.

A separate statement containing the salient features of the financial statement of Subsidiaries/ Associates/Joint Venture Companies in Form AOC - 1 pursuant to provisions of Section 129 (3) of the Act, is attached along with the financial statements.

iv) New Initiatives

CSL has entered into an MOU with the Mumbai Port Trust on January 11, 2018 for operations and management of ship repair facility at Indira Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for further expansion in the field of ship repair. Similar MOU has been signed with Kolkata Port Trust on March 17, 2018 for operations and management of ship repair facility at Netaji Subhas Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for the growth of ship repair in the region.

CSL signed an MOU with Central Institute of Fisheries Technology on August 30, 2017 for building fishing vessels. The Company also signed an MOU with Joint Stock Company United Shipbuilding Corporation (USC), Russia, on February 02, 2018 to collaborate and engage in design, development and execution of high-end 'state of the art' vessels for inland and coastal waterways. Another MOI was signed on January 18, 2018 with Defence Research and Development Organisation (DRDO) for export of Defence vessels incorporating Defence systems developed by DRDO and produced by Indian OEMs. CSL signed contract on January 29, 2018 for construction of 16 nos Tuna Long Lining & Gillnetting Fishing Vessels under the diversification of trawl fishing boats from palk bay into deep sea fishing boats under Central sector on Blue Revolution Scheme with financial assistance from Government of India and the Government of Tamil Nadu.

Initial Public Offer

12. CSL's Initial Public Offer of 3,39,84,000 equity shares of face value of ₹ 10 each was opened on August 01, 2017 and closed on August 03, 2017. CSL listed in BSE and NSE on August 11, 2017. The company has raised ₹ 1,442 crores from the IPO which has been a combination of fresh issue and offer for sale in the ratio of 2:1. The IPO was subscribed by over 75 times with more than 1.11 lakh crore being raised against the offer of ₹ 1,442 crores. The Issue also saw a strong interest from retail segment with about 20 lakh applications, the highest in the last decade. The QIB portion was subscribed over 63 times and the HNI portion was subscribed by 287 times. Overall there were very positive market sentiments towards the IPO.

13. The proceeds of the fresh issue part of the IPO, totaling approx. ₹ 961 crores will be used by CSL for part funding two expansion projects costing ₹ 2768 crores viz. a larger dry dock at CSL premises and the ISRF. Balance amount of ₹ 481 crores has been transferred to Government of India for Nation building.

Utilisation of IPO Proceeds

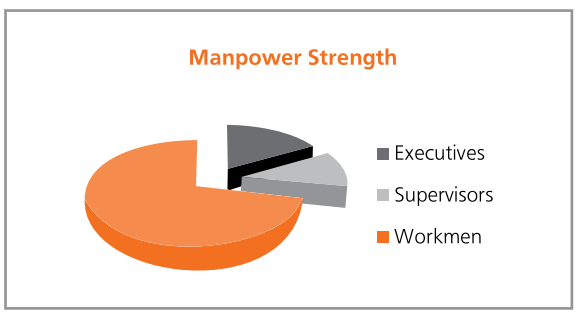
14. Details of utilization of funds from proceeds of IPO as on March 31, 2018 is given below:

₹ Crs

Particulars		
Proceeds from Initial Public Offer (IPO)		961.95
Less: Amount estimated towards IPO expenses (Company's share)		20.26
Net IPO proceeds		941.69
Add interest amount reinvested		13.90
Total proceeds plus interest		**955.59**
Less utilisation of proceeds for:		
General Corporate Purpose (GCP)	99.56	
Construction of New Dry Dock	3.31	
ISRF	11.42	114.29
Fund balance as on March 31, 2018		**841.30**
Parking of funds in Fixed Deposits	841.27	
Parking of Funds in Current Accounts	0.03	
Parking of funds as on March 31, 2018		**841.30**

Manpower Status

15. The manpower strength of the company as on March 31, 2018 was 1781 consisting of 331 executives, 167 supervisors and 1283 workmen.



Industrial Relations

16. Industrial Relation scenario of the Company remained generally cordial during the year. The Company continued the legacy of strike free period of last 33 years except one day strike on April 28, 2017 called by all the trade unions to protest against the disinvestment of Cochin Shipyard Limited through the Initial Public Offer of its equity shares. However, post IPO the issue has not been raised by the trade unions and the Industrial Relations climate has been generally peaceful in this respect.

17. All employees continue to render whole hearted support and co-operation to the management initiatives and targets set by the Company. The critical milestone in the industrial relations journey of any organisation is chalking out most reasonable and acceptable Long Term Settlement (LTS) for its employees. As far as the workmen under the Industrial Disputes Act 1947 are concerned, their next LTS is due for revision with effect from April 01, 2017. All recognised trade unions of the Company have submitted their charter of demands for the new LTS. Company has started negotiating with the recognised trade unions on the said charters of demand subject to the broad framework of guidelines issued by the government through the Department of Public Enterprises. As regards the Board level and below Board level officers and non-unionised supervisors, presidential orders have been issued for their pay revision effective from January 01, 2017 and valid upto December 31, 2027 (the pay revision orders in respect of these categories of employees have been implemented).

18. Various fora constituted towards promoting workers' participation in management, continue to function well. They are joint councils, shop council, central safety committee, shop level safety committees, contract workers safety committee, canteen management committee, employees' contributory provident fund trust etc.

19. Employees and their dependents welfare and wellbeing are well taken care through various voluntary schemes like Employees Medical Assistance Scheme, Employees Pension Scheme, Shipyard Pariwar Prathibha Puraskar Scheme, Employees Educational Assistance Scheme etc.

Human Resource Development

Learning and Development activities during 2017-18

20. The syllabus based comprehensive training programme titled "Young Officers Competency Development Programme" covering young managers upto the level of Deputy Managers started during the last financial year continued this year also. During the current financial year a total of 47 sessions were held over five modules and the first batch consisting of 24 executives

have since completed the training. A second batch comprising of 25 executives have commenced training. The faculty for this programme is primarily drawn from in-house talent as well as retired executives. The programme focuses in detail on all technical matters pertaining to Ship Building and Ship Repair and topics of relevance in other non technical areas. As part of facilitating knowledge transfer, a structured training programme for workmen in the trades of welder, pipe fitter, structural & engineering fitters and electrical covering 229 workmen was held during the year. The detailed syllabus for training of the workmen in various trades was prepared by a pool of retired employees of the yard. This structured programme aims to facilitate skill development of the new employees and make them capable of handling the challenges at work site. Apart from this in-house development programme, an exclusive skill development programme for pipe fitters under the Strategic Manufacturing Sector Skill Council (SMSSC) Scheme had been conducted and 18 participants mostly workmen drawn from the sub-contract pool of workmen in CSL and trainees had attended.

21. Executives at all levels were nominated to attend specific management development programmes at IIMA, IIMK, IIMC. Executives have also been nominated to NIAS-IISC. As part of a continuous learning and development five customized management development programmes were held in association with the Indian Institute of Management (IIMK), Kozhikode. CSL has also entered into specific MOUs with CUSAT and faculty support is extended by CSL for Naval Architecture course conducted. Two comprehensive one week programmes on "General Management" were conducted at the IIMK main campus covering 48 executives up to the level of AGMs. Three day programmes were conducted at IIMK Kochi campus covering 75 executives on communication effectiveness, contract management and finance for non finance managers etc. Further, sixteen in-house programmes were conducted in CSL on a wide range of topics ranging from GST updation to vigilance sensitization. The prominent technical programmes conducted in-house include joint programme by M/s. NIRDESH, Kozhikode and experts from the Indian Navy, NPOL and BHEL on "Warship inspection, tests and trials", programme on "QC Inspection" conducted by renowned classification society, M/s. Indian Register of Shipping (IRS) and "Technical MDP on Ship Structures-Strength, Fabrication and Distortion Control by M/s. Asranet, UK and professors from IIT (Kharagpur). A total of eight executives were nominated for specialized international programmes in Japan/Europe ranging from three to four weeks for both technical and management development programmes. The topics include Energy Management, Quality Management, Project Management, Leadership and Problem Solving Techniques. A Technical Management Development programme on Passenger Ships by LRS with special emphasis on SRtP requirements was conducted with the participation of representatives from DGS, Design consultant M/s SEDS and CSL.

Encouraging Leadership

22. In order to encourage and motivate young executives for higher learning a scheme called "Nethruthwa Samvriddhi Yojana – Leadership Acceleration Programme (LEAP) has been launched. Under this scheme three executives have been granted study leave for two years to pursue post graduation from leading national level institutes (IITs/ NITs etc). The core benefit under the scheme is not only a grant of study leave for two years, but reimbursement of tuition fees upto ₹ 10 lakhs in instalments after they come back and join for duty.

Educational Scholarships to Wards of Employees

23. "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 2017-18, 20 eligible students have been granted scholarship under the said scheme.

Recognising Excellence

24. CSL has introduced the Employee Excellence Awards Scheme envisaging reward and recognition of 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 price of ₹ 15,000/-. There are also 10 Chairman's commendations award with a citation and ₹ 2000/- each as cash price. The awards are presented to the winners on the occasion of Independence Day and Republic Day celebrations every year to the permanent employees while fixed term contract employees and advanced trainees are honoured during the valedictory ceremony of "Productivity Month Celebrations" or on "Safety Day" etc. In 2017-18, 47 permanent employees and 16 contract personnel/trainees have been honored with Chairman's commendation which carries ₹ 2,000/- cash prize.

Encouraging Thought Provoking Ideas

25. The talk series 'Prajyoti', where eminent personalities who have excelled in their professional field share their thoughts with the executives of CSL continued. During the year, two such talk sessions were held. Apart from the above, prominent persons also addressed a gathering of executives on procurement, procedures

and policies. Experts from Lloyd's Register of Shipping, UK also addressed a select gathering of executives.

Professional Assessments

26. During the year, an agency has been awarded the work for conducting executives' Assessment Development Centre (ADC) and creation of Individual Development Plans (IDPs) for Succession Planning. The scope of work includes identification and validation of leadership and role based competencies for 17 key roles of CSL and also drawing up an Individual Development Plan for a group of 70 executives in the grades of Manager/ Senior Manager.

Training

27. During the year, the Company has also trained 205 ITI trade apprentices, 71 engineering graduates, 71 diploma holders and 03 vocational trainees under the Apprentices Act. Under the Company scheme, specialised training primarily in the technical streams was extended to 600 Trainees. The Company during the year had also inducted 5 executive trainees for one year training. The Marine Engineering Training Institute approved by the Director General of Shipping, Govt. of India provided training to 130 engineering cadets during the year to enable them qualify for marine engineering jobs onboard vessels.

Status on affirmative action to implement Presidential directives on reservations

28. 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) and Persons with Disabilities (PWD) issued by the Government of India from time to time. Shipyard has appointed a Liaison Officer for SC/ST/PWD/Ex - Servicemen and a separate Liaison officer for OBCs 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. During the year, training was imparted exclusively for employees belonging to these categories. Three executives belonging to SC/ ST category were deputed for training abroad. Regular meetings with the associations of the employees belonging to these categories were conducted to discuss and redress their grievances. Pursuant to Government orders, special recruitment drive was resorted during the year for filling up of vacancies reserved for Persons with Disabilities and out of 15 vacancies notified four candidates were selected. In order to support employees belonging to the SC/ ST/OBC/PWD employees who fall under the zone of consideration for promotion, special crash courses were arranged with the aid of expert external faculty on the topics of leadership, conversational English and other soft skills. As directed by Govt. of India under the Accessibility India Campaign, accessibility audit for PWD was carried out by an accredited agency M/s. Ekansh Trust, Pune. Further improvements in this regard have also been carried out.

Representation of SC/ST employees

29. The representation of SC and ST employees in various groups of posts as on March 31, 2018 is given under:

Category	CSL's Total Strength	SC	ST
Group A	266	41	12
Group B	126	21	8
Group C	775	104	15
Group D	614	81	10
Total	**1781**	**247**	**45**

Note: Against the total of 383 apprentices, 97 i.e, 25% belong to SC/ST community which is well above the statutory requirement.

Representation of OBC employees

30. The representation of OBC employees in various groups of posts as on March 31, 2018 is given under:

Category	CSL's Total Strength	OBC
Group A	266	63
Group B	126	12
Group C	775	255
Group D	614	343
Total	**1781**	**673**

Representation of minority employees

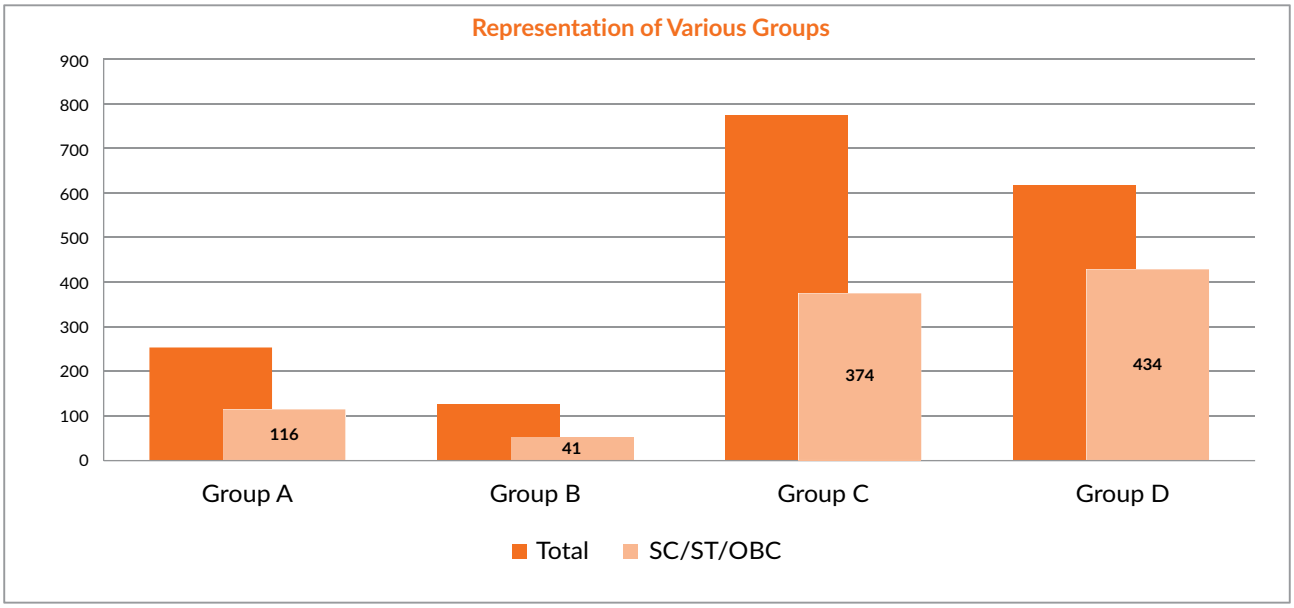
31. The representation of minority employees in various groups of posts as on March 31, 2018 is given under:

Category	CSL's Total Strength	Minority
Group A	266	82
Group B	126	33
Group C	775	222
Group D	614	163
Total	**1781**	**500**

Representation of Persons with Disabilities employees

32. The representation of Persons with Disabilities in various groups of posts as on March 31, 2018 is given under:

Category	CSL's Total Strength	PWD
Group A	266	2
Group B	126	9
Group C	775	24
Group D	614	23
Total	**1781**	**58**



Provision for safeguard of women

33. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 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 did not receive any complaint during the year 2017.

Welfare assistance for the care of differently abled children

34. A monthly welfare assistance of ₹ 4,500 has been extended to all employees for taking care of their differently abled children. In addition, they have also been allowed grant of special leave/time off for a maximum of five days in a year.

Integrated Management System (IMS)

35. Cochin Shipyard continued to be an IMS compliant company encompassing ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001: 2007 (Occupational Health and Safety Management System). CSL will be upgrading its Quality Management system and Environmental management systems to the latest ISO 9001:2015 and ISO 14001:2015 respectively by September 2018.

Facility Upgrade and Capital Expenditure

36. The total capital expenditure incurred in 2017-18 amounted to ₹ 157.10 crores. This related to Renewals and Replacements, Modernization and Expansion, Dry Dock, ISRF, Research & Development projects, infrastructure for IAC etc.

Implementation of Official Language Policy

37. 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.

38. Late Shankar Dayal Singh Memorial Award Scheme was introduced in CSL during 2013 as per directions from Ministry of Heavy Industries and Public Enterprises. This year the award was given to Smt. Priya A R, Junior Commercial Assistant. Incentive scheme for doing original work in Hindi has been made more attractive with a view to encourage employees to do more work in Hindi.

39. As per the instructions from Hindi Salahkar Samiti of Ministry of Shipping, essay writing and 'What picture says' competitions in Hindi were organized by the Company in connection with Hindi fortnight celebrations in which primary, high school and higher secondary students of schools in Kochi participated.

40. Various competitions in Hindi were organized in connection with Hindi fortnight celebrations 2017 for employees, children of employees and trainees of CSL. As part of implementation of Official Language Policy of Govt. of India, CSL observes first Wednesday of every month as Hindi Day. Four Hindi workshops were

organized in the year 2017-18 in which a total of 101 employees participated. Spoken Hindi classes were organised in three batches in which 67 employees participated. Ninth issue of Hindi house journal, 'Sagar Ratna' was released during this year.

41. Committee of Parliament on Official Language visited on November 09, 2017.

42. Joint Hindi fortnight celebrations were organized from November 16 to November 30, 2017 under the auspices of Kochi TOLIC. 14 employees attended various competitions organized in this connection. Out of the above 8 employees won prizes.

Particulars of employees and related disclosures

43. 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

44. Details are placed at Annexure-2. 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 was commenced from the financial year 2013-14. Till date solar power plant having capacity of 535 KW has been commissioned and the power generated from solar panels is 15.05 lakhs unit as on March 31, 2018.

Risk Management

45. CSL has adopted a comprehensive Risk Management Policy at the 214th meeting of the Board of Directors held on September 16, 2014. The purpose of this policy is 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 would provide the management and Board of Directors an assurance that key risks are being properly identified and effectively managed.

46. 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. Board may also delegate to any other person or committee the task of independently assessing and evaluating the effectiveness of the risk management system. 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 Risk Management Committees (RMC) and Risk Management Steering Committees (RMSCs) have been constituted to implement the policy in CSL. The Audit Committee and the Board of Directors review the risk management process and policy. The Yard's product mix comprising of Defense and commercial shipbuilding and shiprepair gives the Company a natural hedge against market risk.

Research and Development (R&D) Activities

47. R&D policy of CSL is to enhance the company's pre-eminence in Shipbuilding, Shiprepair and other chosen fields and products through Research and Development. In-house R&D activities have been undertaken during the year 2017-18 in the areas of welding procedure development and qualification of welders.

48. Welding of lower thickness plates using one side welding process is a specialised method. Capability building in above area is of paramount importance to yard. In the above context, Weld Procedure Development (WPS) has been undertaken in-house for welding of lower thickness plate of high strength steel (AH 36) of 10 mm thickness using one side welding process employing twin wire with copper backing. The procedure has been validated by ABS Classification society and welder has been qualified for performing the welding process.

Health, Safety & Environment (HSE)

49. CSL places HSE as one of its core value in operations considering the character of the industry. In order to strengthen the HSE awareness levels among the workforce new initiatives such as HSE briefings, issuing of HSE alerts and same as part of the tools box talks was implemented. CSL understands safety is a line function and it should be managed by everyone in their domain. In the year 2017-18 providing refresher safety training to contractors' workmen was our focus area. The Company constantly strives to create and maintain HSE awareness to our employees and subcontractors' workmen through various in-house and onsite training programmes including employees in the category of person with disability.

50. HSE performance for the last 3 calendar years is tabulated below:

Category	2015	2016	2017
Fatal	0	0	0
Reportable accidents	6	7	2
Non Reportable Accidents	137	148	100
Number of Permanent Total Disability	0	0	0
Frequency Rate (Reportable accidents in one million man hours)	0.63	0.68	0.20

Fire Incident in MODU Sagar Bhushan

51. "Sagar Bhushan", Mobile Offshore Drilling Unit of ONGC (MODU Sagar Bhushan) arrived at Cochin Shipyard Limited on December 07, 2017 for repairs and the vessel was dry-docked on January 12, 2018. The vessel was scheduled to be undocked on February 28, 2018. This vessel was built in the year 1987 at Hindustan Shipyard Limited and had undergone repairs at CSL many times before and the last repair work by CSL on the vessel was in the financial year 2007.

52. On February 13, 2018, there was fire incident in the forward area of the vessel Sagar Bhushan. It was an explosion near the AC compartment in the forward area of the ship. The Fire Tender and the ambulance of CSL immediately rushed to the starboard side area of the vessel. The Fire Tenders from the Indian Navy and Kerala Fire Force also reached the site immediately. The rescue operation was carried out by CSL firemen, safety personnel and the other employees led by the Senior Management team including C&MD. 12 persons were taken out and sent to the hospital, of which 5 of them succumbed to injuries including one permanent employee of CSL. 4 persons were admitted to the hospital and 3 persons were given first aid at hospital and discharged on the same day itself. In addition to the above, two more persons who participated in the rescue operations were admitted to the hospital for reported giddiness or suffocation on the next day of the incident, but discharged on the same day. Information of the incident was reported to all authorities as mandated under the statutory provisions. The Hon'ble Finance Minister of Kerala visited the yard and also the families of the victims on the day of the incident at the behest of the Hon'ble Chief Minister of Kerala.

53. An internal enquiry was conducted on the incident and it was concluded that it was caused due to a momentary explosion of high impact that occurred in the air conditioning compartment. The enquiry revealed that the cause of the incident was a human error and was not due to any systemic failure. In the aftermath of the incident CSL has decided to introduce automatic closing valves in each of fuel gas hoses. Storage and distribution system of industrial gases in the Yard has been reviewed. Vessel man entry system has been strengthened on all ships and the frequency of gas monitoring has been increased in all confined spaces onboard vessels. Various other actions to tighten existing systems and to have a much higher level of safety culture amongst all stakeholders are underway. A detailed audit has been undertaken by an eight member specialist team from the Department of Factories and Boilers, Government of Kerala and their recommendations have been implemented substantially. All such actions have the full involvement and understanding of all employees, contractors, contract workmen, trainees etc.

54. CMD and Senior Management team visited the family of the deceased and assured them of full support. Considering the hardship being experienced by the kith and kin of the deceased and to meet the immediate penury of the families of the deceased, CSL had declared following financial assistance on February 13, 2018:

    (i) ₹ 10 Lakhs to the family of the deceased in addition to the statutory compensation and insurance relief as applicable to them.

    (ii) ₹ 25,000 to be disbursed on the day itself to enable the families to defray the expenses related to the funeral and other rituals.

    (iii) All treatment expenses incurred for the best treatment for the injured.

55. On February 14, 2018 Shri P Radhakrishnan, Hon'ble Minister of State for Shipping visited Cochin Shipyard, and took stock of the situation. He met the CSL employees and officers at the site of the incident and appreciated the earnest efforts taken by the entire shipyard team in the rescue operations and subsequent actions. He conveyed his heartfelt condolences to the bereaved ones. He appreciated the steadfast and expeditious decisions taken by the CSL management in reaching out to the families of the deceased and for promptly announcing reasonable financial relief to the families of the deceased. He visited the injured at the hospital, interacted with their dear and near ones and promised full support from the Ministry of Shipping through the shipyard.

56. After the review and interactions, the Hon'ble Minister directed CSL to extend the following additional reliefs to the affected:

    (i) Amount equivalent to two months normal wages to the injured immediately.

    (ii) Appropriate employment on compassionate grounds to any eligible dependent of the deceased victims.

    (iii) Appropriate financial aid towards the education of the children of the deceased up to and including graduate level.

    (iv) In addition to the statutory compensation relief, Company to disburse wages to the injured till they return for work in CSL.

    (v) One dependent of each of the deceased who have been offered employment by CSL, joined for permanent employment in CSL on June 01, 2018.

57. On February 17, 2018, Shri Paul Antony IAS, Chief Secretary of Kerala visited CSL, paid floral homage to

the deceased and interacted with the representatives of the CSL employees and contractors.

58. All unions and associations expressed their satisfaction and gratitude to the management for their prompt rescue operations and empathetic support & relief to the kith and kin.

Industrial security

59. Total 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 and CISF. Twenty four hours waterfront patrolling in a dedicated speed boat with armed personnel and wireless surveillance (CCTV) system covering all critical locations and installations are in place. As per the security plan and policy of the Company, periodic security drills were conducted to ensure prompt mitigating action in the event of any security breach, crisis or calamities.

60. Effective access control systems including biometric embedded turnstile gates are in place in the Company. A full-fledged visitor's facilitation center is operated for scrutiny and verification of the credentials of the visitors to the Company. Baggage scanning system has also been installed at the main entry gate of the Company. Apart from these, special systems and measures such as exclusive photo entry pass and special surveillance system, additional waterside security net around IAC etc are positioned and operated towards total security of the Indigenous Aircraft Carrier (IAC). A robust cyber security policy has also been adopted by the Company.

61. Materials entry and exit have been integrated with ERP module which ensures effective and vigilant monitoring of materials movement into and out of the Company. No case of theft, sabotage, leakage of information etc. was reported during the year.

62. The physical security of the Company has been entrusted to the Central Industrial Security Force (CISF) contingent of 133 personnel headed by an officer of the rank of Assistant Commandant.

63. CSL has also engaged DGR approved ex-servicemen security services for supplementing existing forces mainly catering to external properties of CSL and also internal specific locations.

Awards and Recognitions

64. During the financial year CSL received following awards:

    (a) KMA excellence award for best CSR activities undertaken.

    (b) Bureaucracy Today CSR excellence award for 'Rural Development', given by Bureaucracy Today.

    (c) Madhu S Nair, CMD, Cochin Shipyard Limited, was honoured with the 'CSR-Oriented Chairman/ CMD/MD of the Year (PSU)' Award, given by Bureaucracy Today.

    (d) MKK Nair Memorial Award for the Second Best Productivity Performance from Kerala State Productivity Council

    (e) Kerala State Energy Conservation Award 2017 in the category of 'Large Scale Energy Consumers.'

    (f) 'Top Exporter (PSU) at Cochin for the calendar year 2017' award from Customs, Central GST and Central Excise.

    (g) Kerala State Renewable Energy Award 2017 in appreciation of commendable achievements towards the utilization of Renewable Energy in the category of 'Industrial Units in the State of Kerala during the year 2016-17, given by Department of Power, Government of Kerala through ANERT.

    (h) Corporate Citizen of the year 2018 Award for outstanding contribution to the profession, industry and society, given by Public Relations Council of India.

    (i) 'Award for Best Stall' in the National Level Vendor Development Programme cum Industrial Exhibition & B2B Meet, 'IND EXPO 2017' organised by MSME Development Institute, Thrissur, Ministry of MSME from December 07 to 09, 2017.

    (j) 'India Seatrade Award 2017' for the Shipbuilding & Repair Yard of the Year.

Board of Directors & Key Managerial Personnel

65. The Board of CSL comprises of 12 directors; 4 Whole Time Directors, 6 Non-Official Part Time (Independent) Directors and 2 Official Part Time (Nominee) Directors of Government of India and Government of Kerala.

66. Shri Jiji Thomson IAS (Retd.) (DIN: 01178227), Shri Pradipta Banerji (DIN: 00630615) and Shri Nanda Kumaran Puthezhath (DIN: 02547619) took over charge as Non-Official Part Time (Independent) Directors with effect from July 15, 2017 vide Ministry of Shipping letter No. SY-11012/1/2016-CSL dated July 15, 2017. The Ministry of Shipping, Government of India vide letter F. No. SY-11012/1/2017-CSL dated October 04, 2017 appointed Shri Satinder Pal Singh IPS (DIN: 07490296), Joint Secretary, Ministry of Shipping, Government of India as Official Part Time (Nominee) Director on the Board of Cochin Shipyard Limited (CSL) in place of Shri Pravir Krishna (DIN: 06519104) with effect from October 04, 2017. Shri Sunny Thomas (DIN: 06882228), Director (Technical) retired from service by superannuation on November

30, 2017. Shri Bejoy Bhasker (DIN: 08103825) took over charge as Director (Technical) with effect from April 05, 2018 vide Ministry of Shipping letter No. SY-11012/4/2017-CSL dated April 04, 2018. The Ministry of Shipping, Government of India vide letter SY-11012/1/2017-CSL dated April 20, 2018 appointed Shri K.R Jyothilal IAS (DIN: 01650017), Principal Secretary (Transport), Govt. of Kerala as Official Part Time (Nominee) Director on the Board of CSL in place of Shri Elias George (DIN:00204510) with effect from April 20, 2018.

67. Details of changes in Key Managerial Persons during the financial year 2017-18 and also upto the date of this report are given below:

Sl No	Name	DIN	Designation	Date of Appointment	Date of Cessation	Changes if any
1	Shri Madhu S Nair	07376798	Chairman & Managing Director	January 01, 2016	Continuing	No Change
2	Shri D Paul Ranjan	06869452	Director (Finance) & Chief Financial Officer	May 01, 2014	Continuing	No Change
3	Shri Sunny Thomas	06882228	Director (Technical)	June 01, 2014	November 30, 2017	Superannuation
4	Shri Suresh Babu N V	07482491	Director (Operations)	April 26, 2016	Continuing	No Change
5	Shri Bejoy Bhasker	08103825	Director (Technical)	April 05, 2018	Continuing	Appointment
6	Smt. Kala V	-	Company Secretary	May 02, 1998	Continuing	No Change

Declaration and Meeting of Independent Directors

68. 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 on February 22, 2018 in which all the Independent Directors were present.

Details of Board Meetings held during 2017-18

69. Ten Board Meetings were held during the year 2017-18 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

Sl. No	Date	Board Strength	No. of Directors present
1	April 27, 2017	9	8
2	May 11, 2017	9	8
3	June 10, 2017	9	7
4	July 17, 2017	12	7
5	July 21, 2017	12	12
6	August 04, 2017	12	10
7	September 11, 2017	12	10
8	November 10, 2017	12	9
9	February 05, 2018	11	10
10	February 22, 2018	11	10

70. 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

71. Cochin Shipyard is a 75% Government of India owned Public Sector Enterprise under Ministry of Shipping. 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 GOI. The Independent Directors evaluated the performance of the Board as a whole in a separate meeting of independent directors held on February 22, 2018.

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

72. Presently, the remuneration of Board level appointees are 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. and at its 241st Board

meeting held on May 24, 2018 amended the Policy. The Policy is available in the website of the Company at http://www.cochinshipyard.com/investors.htm

Directors Responsibility Statement

73. Your Directors state that:

    (a) in the preparation of the annual accounts for the year ended March 31, 2018, 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;

    (b) 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, 2018 and of the profit of the Company for the year ended on that date;

    (c) 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;

    (d) the Directors have prepared the annual accounts on a 'going concern' basis;

    (e) 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

    (f) 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

74. 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 46 to the financial statements which sets out related party disclosures as per Indian Accounting Standard (Ind AS) 24. Form AOC-2 has been attached as Annexure -3 as required under section 134(3)(h) of the Companies Act, 2013.

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

75. Presently, the CSR & SD Committee of CSL comprises of Smt. Roopa Shekhar Rai (DIN: 07565156), Non-Official Part Time Director as Chairperson of the Committee, Shri Radhakrishna Menon (DIN: 07518727), Non-Official Part Time Director, Shri D Paul Ranjan (DIN: 06869452), Director (Finance), and Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) as members. The Corporate Social Responsibility and Sustainability Development Committee (CSR & SD) 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: http://www.cochinshipyard.com/links/CSL_CSR_14-15.pdf.

76. Cochin Shipyard started CSR activities in the year 2010-11 based on the guidelines issued by the Department of Public Sector Enterprises (DPE) applicable to Government Companies. CSL has put in place an effective CSR Policy and plan implementation machinery. The CSR implementation machinery consists of three tier system: Tier I CSL Board, Tier II CSL Board Level CSR Committee consisting four members of the Board headed by an Independent Director and Tier III CSL CSR Executive Committee consisting of six senior level executives across various departments of the Company.

77. The CSL CSR projects are spread throughout length and breadth of Kerala covering the most common fields of CSR interventions appearing in Schedule VII of Companies Act 2013. However, the major focus areas of CSL CSR continued to be health, education, capacity building, environmental protection, sanitation and drinking water for the economically poor and weaker sections of the society including the differently abled ones, senior citizens etc. This year 33% of the total budget was specifically allocated to Swachh Bharat projects, emphasizing the need for supporting the national initiative of sanitation. Special initiatives were taken up focusing on programs including toilet construction in schools and individual households not only in coastal areas of Kerala but also in Lakshadweep.

78. During the year, CSL has spent ₹ 857.08 lakhs for various ongoing and completed CSL CSR projects and related indirect expenses. The Annual Report on CSR activities is annexed herewith marked as Annexure-4.

Audit Committee

79. The present Audit Committee of CSL is constituted with Shri Radhakrishna Menon (DIN: 07518727), Non-Official Part Time Director as Chairman, Adv. Krishna Das E (DIN: 02731340), Non-Official Part Time Director and Shri Nanda Kumaran Puthezhath (DIN: 02547619), Non Official Part Time Director as members. During the year, 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

80. 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. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Shipping as recommended by the DPE in this regard. The report on corporate governance forms part of the Directors' Report.

Management Discussion and Analysis

81. 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

82. The Company has in place adequate internal financial controls with reference to financial statements. During the year, the Company had engaged M/s. Varma & Varma, (Firm Registration No. 004532S) 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. 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. An independent Audit Committee of the Board of Directors also examines internal/ statutory audit observations and provides guidance based on the same. The Audit Committee also looks into the internal control system, Company procedures and internal audit performance and reports to the Board of Directors. The Company has implemented an integrated ERP System (SAP) since July 2014 which is enabling better management control.

Statutory Auditors

83. M/s. Krishnamoorthy & Krishnamoorthy (Firm Registration No. 001488S), Chartered Accountants, Ernakulam were reappointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2017-18. 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

84. M/s. Krishnamoorthy & Krishnamoorthy, Statutory Auditors have submitted their report on the standalone and consolidated financial statements of the Company for the year ended March 31, 2018 on May 24, 2018. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Comments of C&AG

85. The comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the standalone and consolidated financial statements of the Company for the year ended March 31, 2018 are placed at Annexure-5.

Cost Auditors

86. The Board has appointed M/s. Felix & Co (Firm Registration No. 100416), Cost Accountants, as the cost auditors for conducting the audit of cost records of the Company for the financial year 2017-18. The remuneration of Cost Auditor for the financial year 2018-19 will be ratified by the shareholders at the ensuing AGM.

Secretarial Auditor

87. The Board has appointed M/s. SVJS & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure-6 to this Report. There is no qualification, reservation or adverse remark or disclaimer in the Secretarial Audit Report.

Internal Auditor

88. The Board has appointed M/s. Varma & Varma, Chartered Accountants, Kochi, to conduct Internal Audit for the financial year 2017-18.

Extract of Annual Return

89. The extract of annual return in Form MGT 9 as per Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is placed at Annexure-7.

Investor Services

90. 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. M/s. 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. M/s. Link Intime India Private Limited are the Registrar & Transfer Agents and M/s. SBICAP Trustee Company Limited are the Debenture Trustees in respect of these Bonds.

Vigilance

91. Vigilance Department functions advocating 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.

92. Submission of annual property returns of executives was made online with a link to view the same to vigilance and the vigilance Dept. is scrutinizing the same.

93. Efforts were taken to develop an e-module to furnish the vigilance data of officers through online as a part of issue of online vigilance clearance.

94. Further the Department has conducted 68 surprise/ periodic inspection for the year in various areas of operations and suggested corrective actions on vigilance angle. All reports to the Central Vigilance Commission are submitted in time and no reference is pending with CVC.

95. One vigilance case was disposed off during the year 2017-18 and one case relating to a contractor is pending.

Right to Information Act

96. In order to promote transparency and accountability, your Company has implemented the provisions of the RTI Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralized RTI Cell to provide information to the citizens under the provisions of this Act. All the RTI applications and the appeals received both on line and off line during the year 2017-18 have been processed and information was provided in a time bound manner as stipulated in the Act.

97. 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

98. The Whistle Blower Policy of CSL adopted by the Board of Directors at the 198th Meeting held on February 22, 2012 is functioning as Vigil Mechanism of CSL. The Whistle Blower Policy of CSL is available at the link http://www.cochinshipyard.com/links/Whislte_Blower%20policy_CSL.pdf

Details of frauds reported by Auditors under Section 143

99. Nil.

Particulars of loans, guarantees or investments

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

(a) given any loan to any person or other body corporate;

(b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and

(c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013, except an investment of ₹ 16.28 crores in the subsidiary company viz., Hooghly Cochin Shipyard Ltd. The said investment is within the limit of Section 186 of the Companies Act, 2013.

Material changes and commitments

101. 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

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

Deposits

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

Secretarial Standards

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

Significant and Material orders

105. 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

106. The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR report") as part of the Annual Report for 500 listed entities based on market capitalization. This SEBI mandate is also inserted as Regulation 34(2)(f) of SEBI (LODR) regulations 2015. The SEBI (LODR) Regulations, 2015 provide a format for BR reports. 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.

Acknowledgment

107. The Board of Directors are extremely thankful for the continued patronage and support extended by the Hon'ble Prime Minister, Hon'ble Minister of Shipping and all officers of the Ministry of Shipping. 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, 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 Ltd. 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

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Place : Kochi
Date : June 30, 2018

Annexure-1

Dividend Distribution Policy

1. Preamble

1.1 The shares of CSL are listed on BSE Ltd and National Stock Exchange of India Ltd. As per regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities based on market capitalization (calculated as on March 31st of every year) need to formulate a dividend distribution policy which shall be disclosed in the Annual Report and on their Websites.

1.2 This policy lays down the general framework for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

2. Policy framework

2.1 The purpose of the policy is to specify in broad terms, the external and internal factors including financial parameters that will be considered while deciding on the distribution of dividend, the circumstances under which shareholders of the Company, may or may not expect dividend and the policy relating to retention and utilisation of earnings. This policy is not an alternative to the decision of the Board for recommending dividend every year based on all relevant factors namely, factors enumerated in this policy and also other additional factors that the Board may consider relevant in the overall interest of the Company. However, such additional factors if any resulting in amendment of the policy will be disclosed in the Annual Report as well as the website of the Company.

2.2 The policy will be implemented by the Company keeping in view the provisions of SEBI (LODR) Regulations, the Companies Act 2013 and also taking into consideration guidelines issued by SEBI, DPE, DIPAM, Ministry of Shipping as also other guidelines to the extent applicable to the Company.

3. Effective date

3.1 The policy will be effective from the financial year 2017-18.

4. Exclusions

4.1 The policy shall not apply to:

a) Distribution of dividend in kind i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

b) Distribution of cash as an alternative to payment of dividend through Buyback of equity shares.

5. Factors considered while declaring dividend

5.1

a) In pursuance of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation. However normally, the Company will decide to declare dividend only out of current year's profits after providing for depreciation in accordance with the law and after transfer to the reserves of the Company such portion of the profits as may be considered appropriate for future growth.

b) Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and Management estimates of profits for full financial year.

c) Dividend distribution tax payable by the Company on dividend paid to shareholders will also be considered.

5.2. The quantum of dividend declared by the Company would depend upon the following external and internal factors:

a) The external factors that shall impact the decision to pay dividend will inter-alia include economic environment, market conditions, expectation of shareholders, statutory requirements and applicable Government directives as may be applicable from time to time.

b) The internal factors that shall be considered for dividend will be profitability of the

Company, its net worth, its requirement for funds for its Capital Expenditure towards renewals & replacement/ upgradation / R&D and expansion (CAPEX), investment in Subsidiaries/JVs, stability of earnings, past dividend trends, obligation to creditors and any other factors as may impact the decision to declare dividend.

c) The Company may endeavour to pay minimum annual dividend of 30% of Profit after Tax (PAT) or 5% of net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

6. Utilisation of retained earnings

6.1 The Company is a major player in the ship building and ship repair sector and is acutely conscious of the need to plough back adequate profits for operations and capital investment in order to maintain, and more importantly improve its market position in the face of emerging new technologies requiring investments to stay abreast of current technologies, competition arising from the private players, both domestic and foreign. The Company has an ambitious expansion programme, Capex requirements which includes multi locational shiprepairing/ building facility, two major capital projects viz. a drydock at the existing premises and a new shiprepair complex at Cochin Port Trust premises and also has necessarily to invest in upgrading & renewals and replacement of its existing facility and R&D projects. Further, with the anticipated higher growth in sales year on year, the incremental working capital requirements also will have to be met increasingly from cash and reserves of the Company.

7. Circumstances under which the shareholders may or may not expect dividend

7.1 The Company has been consistently paying dividends to its shareholders and that it will continue to do so in future is a reasonable expectation unless circumstances warrant the contrary.

7.2 The shareholders of the Company may or may not expect dividend depending upon the circumstances including, but not limited, to the following:-

a) In the event of inadequacy of profits or whenever the Company has incurred losses;

b) Whenever the Company undertakes or proposes to undertake significant capital expenditure or investment in new areas of business whether in CSL itself or in Joint ventures/Subsidiaries;

c) Significantly higher working capital requirement adversely impacting cash flows; or

d) Whenever the Company proposes to utilise the surplus cash for buyback of securities;

e) Any other circumstance/instance which the Board of Directors may consider relevant to the dividend declaration decisions.

7.3 The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholders wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

8. Parameters to be adopted with regard to various classes of shares

8.1 The Company has issued only one class of shares i.e. equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share.

9. Interpretation & amendments

9.1. Any word used in this Policy shall have the same meaning as defined under the Companies Act, 2013, SEBI Listing Regulations, 2015 and any other applicable statutory regulations.

9.2 The Board of Directors may review, amend and modify the policy at any point of time as it may deem necessary and /or as may be required from time to time in accordance with subsequent amendments in Companies Act, 2013 & Companies Rules, Circulars, Notifications, Guidelines thereto, SEBI Listing Regulations, 2015, the relevant guidelines of Ministry of Finance, Ministry of Shipping, DPE, DIPAM etc. and other applicable statutes.

10. Disclosure

10.1 This policy shall be disclosed in the Annual Report and hosted on the Company's website to meet statutory requirements if any.

Annexure-2

A. Conservation of Energy

a.	Steps taken or impact on conservation of energy during the year 2017-18	**STEPS TAKEN** • Electrification of new buildings is carried out with LED lights instead of conventional discharge lamps. • Replaced conventional discharge lamp street lights with LED lights. • Leakages in the compressed air distribution system and other industrial gas lines are regularly monitored and rectified. • Reducing the usage of Main Air Compressor during lunch break. • Switching off Main power supply to shops, Quays, & Docks momentarily at 12:15 hrs. This trips man coolers, roof extractors (controlled through starters), etc. which are not required during the lunch break. • Provided Variable Frequency Drive (VFD) with panel for ballast pumps in ship repair dock • Reducing the usage of main air compressors during day time and utilizing portable air compressor clusters with VFD. • 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. • Power factor is continuously monitored and maintained near unity. • VFD Installed for 40T OBE LLTT crane for Luff Movement. • Installation of 300 kW grid connected solar power plant on the roof top of Hull Shop in progress. **IMPACT** Energy saving is approx. 10.93 Lakhs units per annum with the implementation of measures specified above.
b.	Steps taken for utilizing alternate sources of energy.	• Installation of 300 kW grid connected solar power plant on the roof top of Hull Shop in progress.
c.	Capital investment on energy conservation equipments	• An amount of approximately ₹ 44.81 Lakhs has been invested for conservation of energy

B. Technology Absorption, Adaptation and Innovation

(i)	Efforts made towards technology absorption.	i. Developed contract & basic design for 16 Nos. Gillnet Long Liner Fishing Vessels in technical collaboration with the Central Institute of Fisheries Technology, ICAR. ii. Developed concept design for marine ambulance boat for Kerala Govt. iii. Development of specification for implementation of accommodation system & HVAC Package for 500 PAX. iv. Development of specification for implementation of accommodation system for 1200 PAX. v. Development of specification for implementation of HVAC & refrigeration system for 1200 PAX. vi. Development of specification for the procurement of equipment/systems in compliance to SRtP(Safe Return to Port) requirements for 1200 PAX. vii. Development of specification for the procurement of power and automation system, navigation and communication system, lighting, electrical cables for 1200 PAX in compliance with SRtP requirements. viii. In-house development of 3D modeling for accommodation & other outfit Systems in accommodation spaces for the Technology Demonstration Vessel (Ship - 020) for DRDO/500 PAX for A&N Administration/1200 PAX for A&N Administration in Tribon under progress. ix. In-house development of 3D modeling for electrical outfitting for 1200 PAX for A&N Administration is in progress in compliance with SRtP requirements. x. In-house conceptual design of integrated fire and flood detection system by suitably combining existing stand alone systems for fire detection and flood detection for SRtP compliance for 1200 PAX. xi. Software upgrades for “Cable Manager” – In-house developed cable scheduling and nesting software for usage onboard projects. xii. Software upgrades for “Electrical Apps” – In-house developed production design customization tool for Tribon M3 for usage in ongoing projects. xiii. Functional design drawings developed for electrical cable routes and antenna arrangement based on the EMI/EMC requirements for Technology Demonstration Vessel Ship-020 for DRDO; special purpose vessel for Govt. of India; xiv. Development of specification for the procurement of specialized Hatch Covers required for the article launching for the Technology Demonstration Vessel (Ship - 020) for DRDO; special purpose vessel for Govt. of India; xv. Installation of high voltage power generation & distribution system, high power propulsion system, UPS systems with neutral arrangement for client system power distribution, navigation & communication systems meeting DNV Naut-AW and IRS IBS notations, SPS code requirements, onboard Technology Demonstration Vessel Ship-020; special purpose vessel for Govt. of India; xvi. Structural interface of client systems (DRDO) with Ship systems for Technology Demonstration Vessel Ship – 020; special purpose vessel for Govt. of India; xvii. Installation of 1500NB valve with electric actuation onboard Technology Demonstration Vessel Ship – 020; special purpose vessel for Govt. of India; xviii. Preparation of technical specification and 3D modelling of completely explosion proof type electrical overhead cranes for client article handling operations for Technology Demonstration Vessel Ship – 020; special purpose vessel for Govt. of India.

Disclosure of Particulars in respect of Absorption

(ii)	Benefits derived like product improvement, cost reduction, product development or import substitutions.	i. Improved self reliance, better control and focus on productivity improvement. ii. Access to high end clientele and enhanced credibility on account of high quality design solutions. iii. Reduction of cost due to minimized rework, as interface of the systems can be viewed and corrected in 3D modelling on computer. iv. Considerable improvement in time and cost saving for production of vessels being built at Shipyard. v. Yard has developed expertise and skill to produce production-engineering drawings by extracting relevant data from Tribon model. vi. Carried out modelling of the entire hull, facilitating very short cycle time for drawing issue. vii. Capability achieved in undertaking multiple projects concurrently. viii. Considerable improvement in time for estimation of cables and optimal route design for cables.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) following information may be furnished	
	a. The details of technology imported	Nil
	b. The year of import	Not Applicable
	c. Whether the technology been fully absorbed	Not Applicable
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	Expenditure incurred on Research and Development	Nil

C. Foreign Exchange Earnings and Outgo

(₹ in lakhs)

	2017-18	2016-17
Income from Foreign Exchange		
From Shipbuilding	0.00	10442.05
From Shiprepair	496.90	0.00
Total	**496.90**	**10442.05**
Expenditure in Foreign Exchange		
Materials (CIF Value)	94984.50	40846.20
Design & Documentation	2.65	28456.92
Service Charge & Others	3539.79	15709.26
Total	**98526.94**	**85102.38**

For and on behalf of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Kochi
June 30, 2018

Annexure-3

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 subsection (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

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts/arrangements/transactions	Not Applicable
Duration of the contracts/arrangements/transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Justification for entering into such contracts or arrangements or transactions	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	Not Applicable
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

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts/arrangements/transactions	Not Applicable
Duration of the contracts/arrangements/transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	None

For and on behalf of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Kochi
June 30, 2018

Annexure-4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.
   a) Cochin Shipyard Limited Corporate Social Responsibility Policy (CSL CSR Policy):
      (i) CSL CSR Policy approved and adopted by the Board of CSL in its 213th Meeting held on September 16, 2014 is founded on the basic principles of shared and inclusive growth of the community and environment and is a manifestation of Company's commitment to the people and planet without sacrificing its economic sustainability. More than a mandatory practice, CSR for CSL is its way of conducting the business. The Policy encompasses the basic tenets of CSR and domain of CSR activities as enshrined in the Companies Act, 2013 and the CSR Rules framed there under with particular reference to the Schedule VII of the Act.
      (ii) Accordingly, CSL CSR Policy contains:
      - CSR Vision and Mission
      - Thrust areas of CSR interventions
      - CSR activities
      - CSR Management structure in CSL
      - CSR implementation process or modus operandi
      - CSR budgeting
      - Documentation and reporting

      (iii) Web-link to the CSR Policy and projects or programs:
      http://www.cochinshipyard.com/links/CSL_CSR_14-15.pdf
   (b) Details of CSR spent on projects or programs undertaken (As shown under 5 below)
2. The Composition of the CSR Committee (Board Level) as on date:

i)	Smt. Roopa Shekhar Rai	DIN: 07565156	Independent Director and Chairperson of the Committee
ii)	Shri Radhakrishna Menon	DIN: 07518727	Independent Director
iii)	Shri D Paul Ranjan	DIN: 06869452	Director (Finance)
iv)	Shri Bejoy Bhasker	DIN: 08103825	Director (Technical)

3. Average net profit of the company for the last three financial years: ₹ 426.87 crore.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 8.54 crore.
5. Details of CSR spent during the financial year

a)	Total amount to be spent for the financial year	:	₹ 8.54 crore
b)	Total amount spent	:	₹ 8.57 crore
c)	Amount unspent, if any	:	Nil

RESPONSIBILITY STATEMENT

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objective and policy of the Company.'

Madhu S Nair
(DIN: 07376798)
Chairman & Managing Director

Roopa Shekhar Rai
(DIN: 07565156)
Chairperson of CSR & SD Committee

Place : Kochi
Date : June 30, 2018

Manner in which the amount spent during the financial year 2017 – 18

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads:(1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
A	Swachh Bharat Projects (Major)							
1.	Haritha Keralam – 100 Ponds in 50 Days (A Swachh Bharat Project)	Cl. (i) Swachh Bharat Abhiyan of GoI	Ernakulam District, Kerala State	30.00	30.00	30.00	District Collector, Ernakulam	Entire Ernakulam District
2.	Support for construction of household toilets in Lakshadweep to achieve ODF status to Lakshadweep	Cl. (i) Swachh Bharat Abhiyan of GoI	UTI of Lakshadweep	100.00	100.00	100.00	Govt. of India, Lakshadweep Administration (Department of Environment and Forests)	UTI of Lakshadweep
3.	Construction of toilets for the coastal people of Alleppey.	Cl. (i) Swachh Bharat Abhiyan of GoI	Coastal area of Alleppey district of Kerala State	32.50	16.25	16.25	Coastal Educational Society, Alleppey	50 Families
4.	Support for restoring the sculptures in Subhash Chandra Bose Park located in the Park Avenue area of Ernakulam backwaters	Cl. (i) Swachh Bharat Abhiyan of GoI	Ernakulam District of Kerala State	20.00	20.00	20.00	Municipal Corporation of Kochi along with Centre for Heritage, Environment and Development	People who are visiting the Park
5.	Support for Clean Ganga Mission Activities (Fund) to NMCG	Cl. (i) Swachh Bharat Abhiyan of GoI	The banks of River Ganga	60.00	60.00	60.00	National Mission for Clean Ganga (NMCG)	People who use the Ganga water and the facilities around.
	Sub Total (A)			**242.5**	**226.25**	**226.25**		

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads:(1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
B	Swachh Bharat Projects (Minor)							
1.	Financial support for the publication of the Book "Njanum Ente Bhumiyum Njanum Ente Samoohavum'	Cl. (i) promoting health (Swachh Bharat)	Ernakulam District of Kerala State	05.00	05.00	05.00	Welfare Service Society, Ernakaulam	5,000 Book lovers
2.	Support for Harithardra Santhwanam - A 27 Days Swachatha awareness campaign	Cl. (i) promoting health (Swachh Bharat)	All Districts of Kerala State	01.00	00.63	00.63	Bodhananda Sruti Seva Trust, Vyttila	2000 people including students
3.	Promotion of environment friendly items that reduce pollution and enhance the income of marginalized women	Cl. (i) promoting health (Swachh Bharat)	Ernakulam District of Kerala State	03.00	01.50	01.50	St. Theresa's College, Ernakulam	40 Poor women and students
4.	Support for construction of new septic tank for girls hostel at Vivekananda Tribal Residential school Mattilayam, Vella Munda , Wayanad District	Cl. (i) promoting health (Swachh Bharat)	Mattilayam, Vella Munda , Wayanad District of Kerala State	04.50	04.50	04.50	Vivekananda Tribal Residential school Mattilayam, Vella Munda , Wayanad District	100 Tribal Students
	Sub Total (B)			**13.50**	**11.63**	**11.63**		

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
C	Major Projects (General)							
1.	Financial support for construction of an early intervention cum sensory integration therapy unit for autistic children at Aranattukara, Thrissur District	Cl. (ii) promoting education, including special education	Aranattukara, Thrissur District	40.00	40.00	40.00	Association for Mentally Handicapped Adults (AMHA Kuryattukara, Thrissur	40 Autistic Children
2.	Financial support for defending the human rights of the destitute, the aged and the mentally disabled in relief settlement at Palluruthy	Cl.(iii) setting up of homes and hostels for women and orphans	Palluruthy, Ernakulam District, Kerala State	11.76	11.76	11.76	Peoples Council for Social Justice (PCSJ), Ernakulam	120 old and the sick in the Palluruthy relief settlement
3	Financial support for completion of incomplete Indira Avas Yojana houses at Block Panchayat Veliyanad, Alleppey District	Cl. (x) Rural development projects	Veliyanad Block Panchayat of Alleppey District, Kerala State	36.00	36.00	36.00	BDO, Veliyanad Block Panchayat of Alleppey District, Kerala State	31 poor families of the Panchayat
4.	Financial Support for skill development in welding technology for 60 unemployed youth who belong to BPL Families	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Different Districts of Kerala	32.85	16.42	16.42	Don Bosco Tech, Vaduthala, Ernakulam	60 Students

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
5.	Financial support for construction of a counseling cum rehabilitation training centre at Aranattukara, Thrissur District by SOLACE	Cl. (i) promoting health care including preventive health	Aranattukara, Thrissur District	10.00	5.00	5.00	SOLACE, Aranattukara, Thrissur District	50 Children who are affected with Cancer
6.	Financial assistance for the purchase of a 50 seater marine boat to Vivekananda Rock Memorial & Vivekananda Kendra, Kanyakumari	Cl.(v) protection of national heritage, art and culture	Kanyakumari District of Tamil Nadu State	60.00	18.00	18.00	Vivekananda Rock Memorial & Vivekanan-da Kendra, Vivekanandapur-am, Kanyakumari, Tamil Nadu	40 staff members of the Institute
7.	Financial support for setting up a rehabilitation cum yoga centre for the aged by Punnyam Trust at Vazhoor, Kottayam District	Cl.(iii) setting up of homes and hostels for women and orphans	Vazhoor, Kottayam District	40.00	38.50	38.50	Punnyam Trust at Vazhoor, Kottayam District	40 aged people
8.	Financial assistance for a dialysis clinic support program at Little Flower Hospital and Research Centre Angamaly, to treat effectively the patients who have been bitten by poisonous snake	Cl. (i) promoting health care including preventive health	Angamaly, Ernakulam district	28.90	28.90	28.90	Little Flower Hospital and Research Centre Angamaly, Ernakulam District	Snake bitten patients

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
9.	Financial support for conservation of whale sharks along Kerala and Lakshadweep waters by Wild Life Trust of India, New Delhi	Cl.(iv) Conservation of natural resources	Kerala and Lakshadweep Coastal area	40.00	15.00	15.00	Wild Life Trust of India, New Delhi	500 Fishermen Communities
10.	Financial support for minimum 25 joint replacement surgeries by Sudheendra Medical Mission, Ernakulam.	Cl. (i) promoting health care including preventive	All the districts of Kerala State	25.00	7.50	7.50	Sudheendra Medical Mission, Ernakulam	25 patients who suffer Knee problems
11.	Financial assistance for establishing IT lab at SRV Govt. (Model) High School, Ernakulam	Cl. (ii) promoting education, including special education	Ernakulam district of Kerala State	11.54	11.54	11.54	SRV Govt. Model High School, MG Road, Ernakulam	1200 School Children
12.	Request for Financial support for the 'Velicham' educational project	Cl. (ii) promoting education, including special education	Vypin, Ernakulam District of Kerala State	10.00	10.00	10.00	Deputy Director Education, Ernakulam District	3000 School Children
13.	Support for Nandanam Balasadanam building for the destitute children, Koovapadam, Kochi.	Cl. (ii) promoting education, including special education	Koovappadam, Ernakulam district of Kerala State	16.00	16.00	16.00	Nandanam Balasadanam, Koovapadam, Kochi	40 destitute children
14.	Support for a school bus to Raksha Society for the care of children with special needs.	Cl. (ii) promoting education, including special education	Mattanchery, Ernakulam District	16.53	16.53	16.53	Secretary of Raksha Society, Darrag Salam Road, Kochangadi, Cochin	75 Special Children

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
15.	Support for a training and development centre for marginalized women- Thekkumbhagam - Vizhinjam, Thiruvananthapuram.	Cl. (ii) Employment enhancing vocational skills, especially among children, women, elderly, and the differently-abled.	Thekkumbhagam - Vizhinjam, Thiruvananthapuram District of Kerala State	30.00	15.00	15.00	Vizhinjam Thekkumbhag-am, Muslim Jama'ath.	50 Marginalized Women of the area.
16.	Support for a computer lab and a smart class room at Pandit Karuppan Memorial Library & Reading Room at Thevara, Cochin	Cl. (ii) promoting education, including special education	Thevara, Ernakulam District of Kerala State	15.00	7.50	7.50	Pandit Karuppan Memorial Library & Reading Room, Thevara, Cochin	200 Children of the area
17.	Support for centenary memorial skill development block at SMV Higher Secondary School, Poonjar, Kottayam District	Cl. (ii) Promoting education	Poonjar, Kottayam District of Kerala State	30.00	25.00	25.00	SMV Higher Secondary School, Poonjar	1000 School Children
18.	Support for a new school bus to Snehabhavan Special School for the Mentally Challenged, Ettumanoor, Kottayam District.	Cl. (ii) promoting education, including special education	Ettumanoor, Kottayam District of Kerala State	16.62	16.62	16.62	Director, Snehabhavan Special School for the Mentally Challenged, Ettumanoor, Kottayam District	50 Special Children

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
19.	Support for vehicle and other equipments for Mridulasparsham a special school for differently abled persons at Thripunithura	Cl. (ii) promoting education, including special education	Thripunithura, Ernakulam District of Kerala State	12.00	12.00	12.00	Chairman, Mridulasparsham Special School, Thripunithura	40 special children
20.	Support for an ambulance to Ashraya Charitable Society, Kalayapuram, Kollam	Cl. (iii) Setting up old-age homes, day care centers and such other facilities for senior citizens.	Kalayapuram, Kollam District of Kerala State	12.00	12.00	12.00	Ashraya Charitable Society, Kalayapuram, Kollam	300 Inmates/ patients
21.	Assistance for Vidyaposhanam - Poshakasamrdham Project (Mid-Day Meals for Students)	Cl. (ii) promoting education	Ernakulam District of Kerala State	10.00	10.00	10.00	Selected Schools from Ernakulam Parliament Constituency	3000 School Children
22.	Support for All Kerala Children's Fest 2017	Cl. (v) protection of national heritage, art and culture	The entire state of Kerala	12.00	12.00	12.00	Cochin Shipyard Recreation Club, Kochi	6000 Chidlren
	Sub Total (C)			**516.20**	**381.27**	**381.27**		

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
D	Minor Projects (General)							
1.	Support for IT equipments to Govt. H. School Kanjiramattom, Thodupuzha,Idukki	Cl. (ii) promoting education	Kanjiramattom, Thodupuzha, Idukki District of Kerala State	04.00	04.00	04.00	Head master Govt. High School Kanjiramattom, Thodupuzha, Idukki District	400 School Children
2.	Development support to Govt. Higher Secondary School Kumarakom, Kottayam Dist.	Cl. (ii) promoting education	Kumarakom, Kottayam District of Kerala State	04.00	04.00	04.00	Govt. Higher Secondary School Kumarakom, Kottayam District	500 School Children
3.	Donation of furniture and computers to Rama Varma Union L.P. School Cherai, Ernakulam District.	Cl. (ii) promoting education	Cherai, Ernakulam District of Kerala State	02.00	02.00	02.00	Rama Varma Union L.P. School Cherai, Ernakulam District	150 School Children
4.	Financial support for promoting Geriatric Care by Red Cross Kakkanadu	Cl. (iii) Setting up old-age homes, day care centers and such other facilities for senior citizens.	Kakkanadu Ernakulam District of Kerala State	05.00	02.50	02.50	Red Cross Society Kakkanadu, Ernakulam District	40 Aged People
5.	Financial support for promoting Geriatric Care by Rotary Club of Kalamassery.	Cl. (iii) Setting up old-age homes, day care centers and such other facilities for senior citizens	Kalamassery Ernakulam District of Kerala State	05.00	05.00	05.00	Rotary Club of Kalamassery, Ernakulam District	45 Aged people

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
6.	Support for smart class rooms at Govt. UP School North, Ezhiprum, Aluva	Cl. (ii) promoting education	Aluva Ernakulam District of Kerala State	02.00	02.00	02.00	Government UP School North Ezhiprum, Vazhakulam Grama Panchayat, Ernakulam	200 School Children
7.	Support for kids park and computer lab to Sree Narayana Centenary Memorial LP School Neyyassery, Thodupuzha, Idukki District.	Cl. (ii) promoting education	Neyyassery, Thodupuzha, Idukki District of Kerala State	04.20	02.10	02.10	Sree Narayana Centenary Memorial LP School, Neyyassery, Thodupuzha, Idukki District	180 School Children
8.	Financial support for computer lab at St. Philomina's Higher Secondary School, Koonammavu, Ernakulam District.	Cl. (ii) promoting education	Koonammav, Ernakulam District of Kerala State	02.74	02.74	02.74	St. Philomina's Higher Secondary School, Koonam-mavu,Ernakulam District	600 School Children
9.	Support for computers, projector and a printer to SNVLP School, Thumpoly, Alappuzha.	Cl. (ii) promoting education	Thumpoly, Alappuzha District of Kerala State	04.00	04.00	04.00	SNVLP School, Thumpoly, Alappuzha District	160 School Children
10.	Support for learning centre at Government Lower Primary School, Bristo Road, Willington Islands. Kochi.	Cl. (ii) promoting education	Willington Islands. Kochi, Ernakulam District of Kerala State	02.00	02.00	02.00	Lower Primary School, Bristo Road, Willington Islands. Kochi.	100 School Children

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
11.	Installation of Solar System at Sri. Sarada Math, Ravipuram, Kochi	Cl. (iv) Ensuring environmental sustainability	Ravipuram, Kochi Ernakulam District of Kerala State	09.44	09.44	09.44	Sri. Sarada Math, Ravipuram, Kochi	50 inmates
12.	Financial assistance to annual state meet of Indian Association of Palliative Care Kerala	Cl. (i) promoting health	Ernakulam District of Kerala State	01.00	01.00	01.00	Consortium of Pain and Palliative Care Units in Ernakulam District	2000 delegates
13.	Financial assistance to the promotion of Theyyam - A traditional & cultural art forms of Kerala	Cl. (v) Promotion and development of traditional arts and handicrafts	Thrippunithura, Ernakulam District of Kerala State	00.50	00.50	00.50	Thapasya Sahithya Vedhi, Thripunithura	2000 art loving population
14.	Financial support for 'Puthuyugam' – A comprehensive educational project by district administration, Ernakulam	Cl. (ii) promoting education including special Education	Ernakulam District of Kerala State	09.36	09.36	09.36	District Collector, Ernakulam	200 Student aspirants
15.	Support for establishing a smart class room, construction of a new kitchen and re-roofing of the old building of Govt. L.P. School, Kaipamangalam, Thrissur District	Cl. (ii) promoting education	Kaipamangalam, Thrissur District of Kerala State	06.50	06.50	06.50	Govt. L.P. School, Kaipamangalam, Thrissur District	186 School Children

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
16.	Financial Support for 'Madhyamam Velicham Programme'- an Initiative to boost reading habits among children in government schools in Ernakulam and Alappuzha districts	Cl. (ii) promoting education	Ernakulam and Alappuzha Districts of Kerala State	02.00	01.00	01.00	Madhyamam, Kochi Unit	3000 School Children
17.	Financial support for providing educational aids to the poor SC/ST students in Wayanad District	Cl. (ii) promoting education	Wayanad District of Kerala State	03.50	03.06	03.06	Federation of Central Govt. SC/ ST Employees (Kerala) Cochin Shipyard Unit	500 ST School Children
18.	Support for converting a small building to an 'Ayurvedic Clinic' at Ramakrishna Math, Vyttila, Kochi	Cl. (i) promoting health	Vyttila Kochi, Ernakulam District of Kerala State	07.77	03.88	03.88	Ramakrishna Math, Vyttila Kochi	30 patients daily
19.	Development support to Govt. High School Mannamkandam, Korangatty, Idukki District	Cl. (ii) promoting education	Mannamkandam, Korangatty, Idukki District of Kerala State	04.00	04.00	04.00	Govt. High School Mannamkandam, Korangatty, Idukki District	400 Tribal students

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
20.	Financial Support for 'Malayala Manorama Vayanakalari' - an Initiative to boost reading habits among children in government and aided schools in Idukki, Kottayam and Pathanamthitta Districts	Cl. (ii) promoting education	Idukki, Kottayam and Pathanamthitta Districts of Kerala State	03.00	01.50	01.50	Malayala Manorama, Kottayam Unit	3000 School Children
21.	Support for Shikaha of Backwaters-2017 an annual management festival of IIM Kozhikode.	Cl. (ii) promoting education	Kozhikode District of Kerala State	01.50	01.50	01.50	IIM Kozhikode.	1000 Students
22.	Support for Sradha- A School for Children with special needs, by Ernakulam Women's Association	Cl. (ii) promoting education including special Education	Ernakulam District of Kerala State	02.00	02.00	02.00	Ernakulam Women's Association	60 Special Children
	Sub Total (D)			**85.51**	**74.08**	**74.08**		

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
	Expenses from Previous Years (Swachh Bharat Projects)							
1.	Construction of toilets for 46 houses at Chirayanthuruthu island village at Kad-amakudyPanchayat in Ernakulam District under Swacch Bharat Abhiyan of GoI	Cl. (i) Swachh Bharat Abhiyan of GoI	Chirayan-thuruthu island village at Kada-makudyPancha-yatin Ernakulam District, Kerala State	50.00	17.52	17.52	Ernakulam Social Service Society, Ernakulam	46 house hold families
2.	Financial support for renovation and maintenance of Koithara Chidren's Park at Panampilly Nagar, Kochi under Swachh Bharat Abhiyan GoI	Cl. (i) Swachh Bharat Abhiyan of GoI	Panampilly Nagar, Ernaku-lam, Kerala State	30.00	15.00	15.00	Cochin Corporation	Around 2000 visitors per month
3.	Support for renovation of a class room cum training center for conducting skill development programmes for economically backward students of Cotton Hill Girls High School, Trivandrum	Cl. (i) Swachh Bharat Abhiyan of GoI	Cotton Hill Girls High School, Trivandrum, Kerala State	4.10	2.10	2.10	Cotton Hill Girls High School, Trivandrum, Kerala State	250 Students
	Sub Total (E)			**84.10**	**34.62**	**34.62**		

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
	General Projects							
1.	Financial support for renovation of one of the existing buildings of the school, establishing smart class rooms, development of school ground and construction of toilet block at Devaki Memorial Senior Basic School, Kakkayur Village, Chittur Thaluk, Palakkad District	Cl. (ii) promoting education	Kakkayur Village, Chittur Thaluk, Palakkad District, Kerala State	12.00	4.80	4.80	Devaki Memorial Senior Basic School, Kakkayur Village, Chittur Thaluk, Palakkad District	380 Students
2.	Support for Common Facility Centre cum Office Building of Chennamangalam Fish Workers Development Cooperative Society at Vadakkumpuram, North Paravoor	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Chennaman-galam, North Paravoor, Ernakulam District, Kerala State	20.00	8.00	8.00	Chennaman-galam Fish Workers Development Cooperative Society at Va-dakkumpuram, North Para-voor, Ernaku-lam District	420 Members

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
3.	Financial support to create a modern set up for ship model making at the Department of Ship Technology (CUSAT)	Cl. (ii) promoting education	Cochin University of Science & Technology (CUSAT), Kalamassery, Ernakulam District, Kerala State	25.00	20.00	20.00	Department of Ship Technology, Cochin University of Science & Technology (CUSAT), Kalamassery, Ernakulam District, Kerala State	100 students per year
4.	Anantha Kripa- providing free accommodation and food for the financially challenged patients and by-standers near Thiruvananthapuram Medical College	Cl. (i) promoting health care including preventive health	Thiruvananthapuram District of Kerala State	150.00	25.00	25.00	Sevabharathi,Thiruvananthapuram District	130 by-standers of Patients/per day
5.	Support for construction of a building for tribal women in Punchavayal to facilitate trade on agricultural products to increase their income	Cl. (ii) promoting education, employment enhancing vocational skills especially among women and livelihood enhancement project Cl. (iii) empowering women and measures for reducing inequalities faced by socially and economically backward groups	Punchavayal, Kottayam District of Kerala State	30.00	6.35	6.35	Shree Saraswati Vilasam Girijan Mahila Samajam, Punchavayal, Kottayam	40 Tribal Women

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
6.	Promotion of education through the construction of a hostel building for tribal students in Kudayathoor, Idukki District.	Cl. (ii) promoting education	Kudayathur, Idukki District of Kerala State	50.00	6.74	6.74	Saraswati Vidyanikethan Secondary School, Kudayathoor	50 Tribal Girls
7.	Financial Support for Project EYES (Envisioned Youth for Envisaged Society)	Cl. (ii) promoting education	Idukki District of Kerala State	15.00	4.50	4.50	Confederation of Indian Industry (CII) Kerala, Kochi Chapter	30000 school students
8.	Construction of a new hospital building for Swami Vivekananda Medical Mission, Muttil, Wayanad District	Cl. (i) promoting health care including preventive health	Muttil, Wayanad District, Kerala State	50.00	9.20	9.20	Vivekananda Medical Mission, Muttil, Wayanad District	100 patients per day
9.	Supply of scuba sets to Fire & Rescue Department, Central Division-Ernakulam	Cl. (i) promoting health care including preventive health	Fire & Rescue Department, Central Division-Ernakulam, Kerala State	9.00	8.76	8.76	Fire & Rescue Department, Central Division-Ernakulam, Kerala State	Victims of water related accidents
10.	Financial support for Saukhyam 2017 - A super specialty medical camp, Ernakulam	Cl. (i) promoting health care including preventive health	Ernakulam District, Kerala State	6.00	6.00	6.00	Hospital Development Committee, General Hospital, Ernakulam	3000 poor patients

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
11.	Financial assistance to state level special school 'Kalolsavam', Chilamboly 2017	Cl. (ii) promoting education including special Education	Entire State of Kerala	1.00	1.00	1.00	Association for the Intellectually Disabled (AID), Kottayam District, Kerala State	2000 disabled children
12.	Promotion of special cultural forms of Kerala at Changanpuzha Samskarika Kendram, Edapally	Cl.(v) protection of National heritage, art and culture	Edapally, Ernakulam District, Kerala State	7.30	3.65	3.65	Kathakali Aswadhaka Sadhas, Chan-gampuzha Samskarika Kendram, Edapally, Ernakulam District	500 audience per event
13.	Financial support for buying a home care vehicle, physiotherapy equipments and surgical equipments for Alpha Palliative Care Centre, Kochi City Link Centre, Ernakulam	Cl. (i) promoting health care including preventive health	Palarivattom, Ernakulam District, Kerala State	5.00	0.73	0.73	Alpha Palliative Care Centre, Kochi City Link Centre, Ernakulam	12 bedridden patients per day

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
14.	Distribution of free medicine (Insulin) to Type1 Diabetic Children of BPL Families in Ernakulam District	Cl. (i) promoting health care including preventive health	Alappuzha, Kottayam, Idukki, Ernakulam and Thrissur Districts of Kerala State	9.50	0.96	0.96	Lourdes Hospital, Ernakulam	66 Type 1 Diabetic Patients
	Sub Total (F)			**389.80**	**105.69**	**105.69**		
	Indirect Expenses							
	Overhead/Administrative expenses			23.54	23.54	23.54		
	Sub Total (G)			**23.54**	**23.54**	**23.54**		
	Grand Total (A+B+C+D+E+F+G)			**1513.72**	**857.08**	**857.08**		

Annexure-5

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 2018

The preparation of financial statements of Cochin Shipyard Limited for the year ended 31 March 2018 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 are 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 24 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Cochin Shipyard Limited for the year ended 31 March 2018. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(R. AMBALAVANAN)
Principal Director of Commercial Audit
and Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 11 July 2018

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 2018

The preparation of consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2018 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 are 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 24 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Cochin Shipyard Limited and Hooghly 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 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

(R. AMBALAVANAN)
Principal Director of Commercial Audit
and Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 11 July 2018

Annexure-6

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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, 39/6080
Cochin Shipyard Premises
Perumanoor, M.G. Road
Ernakulam, Kerala - 682015

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cochin Shipyard Limited [CIN: U63032KL1972GOI002414]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 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) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-

  (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (d) 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;

  (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) As informed to us, the following other laws are specifically applicable to the Company:

  1. The Factories Act, 1948;
  2. The Environment (Protection) Act, 1986;
  3. The Water (Prevention and Control of Pollution) Act, 1974;
  4. The Air (Prevention and Control of Pollution) Act, 1981;
  5. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

6. The Electricity Act, 2003 and Central Electricity Regulations 2010;
7. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
8. 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 relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

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

We report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and in compliance with orders issued by the Central Government.

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

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

We further report that 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:

1. The Company has raised Rs. 1,442 crores through Initial Public Offer (IPO) which was a combination of fresh issue of 22,656,000 equity shares and offer for sale of 11,328,000 equity shares and the respective allotment of the securities was completed on 09th August, 2017.
2. The Company has formed a Joint Venture with Hooghly Dock & Port Engineering Limited viz. Hooghly Cochin Shipyard Limited on 23rd October 2017 with a total stake of 74% in the Joint Venture.

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

i. Right / Preferential issue of shares / debentures / sweat equity;
ii. Redemption / buy-back of securities;
iii. Major decisions taken by the members in pursuance to Section 180 of the Act;
iv. Merger / amalgamation / reconstruction etc.;
v. Foreign technical collaborations.

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

For SVJS & Associates
Company Secretaries

P. Sivakumar
Managing Partner
CP. No. 2210

Kochi
30.06.2018

Annexure A

To
The Members
Cochin Shipyard Limited
Administrative Building, 39/6080
Cochin ShipyardPremises
Perumanoor, M.G. Road
Ernakulam, Kerala - 682015

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our Report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination is limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries

P. Sivakumar
Managing Partner
CP. No. 2210

Kochi
30.06.2018

Annexure-7

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U63032KL1972GOI002414
2.	Registration Date	March 29, 1972
3.	Name of the Company	Cochin Shipyard Ltd
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	Administrative Building, Cochin Shipyard Premises, Perumanoor Cochin, Ernakulam – 682 015, Kerala, India. Ph: +91 484-2501307 Fax: + 91 484-2384001 e-mail: secretary@cochinshipyard.com website: www.cochinshipyard.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore, Tamil Nadu, 641028 Phone: +91 422 2314792, 2315792 Fax: +91 422 2314792 E-mail: coimbatore@linkintime.co.in website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Building of Ships & Floating Structures	3011	73.36
2	Specialised Repair and maintenance of ships and floating structures	3315	26.46

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	HOOGHLY COCHIN SHIPYARD LIMITED The Legacy, 25 A Shakespeare Sarani, Level 1 Kolkata -700017	U35900WB2017GOI223197	Subsidiary	74	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Sl No	Category of Shareholders	Shareholding at the beginning of the year - 01.04.2017				Shareholding at the end of the year - 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Central Government / State Government(s)	0	113280000	113280000	100.0000	101951700	300	101952000	75.0000	-25.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	0	113280000	113280000	100.0000	101951700	300	101952000	75.0000	-25.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	0	113280000	113280000	100.0000	101951700	300	101952000	75.0000	-25.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	13983664	0	13983664	10.2869	10.2869
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	4697022	0	4697022	3.4553	3.4553
(f)	Financial Institutions / Banks	0	0	0	0.0000	1129302	0	1129302	0.8308	0.8308

Sl No	Category of Shareholders	Shareholding at the beginning of the year - 01.04.2017				Shareholding at the end of the year - 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.0000	19809988	0	19809988	14.5730	14.5730
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	0	0	0	0.0000	9133659	7	9133666	6.7191	6.7191
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	1587365	0	1587365	1.1677	1.1677
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	0	0	0	0.0000	12987	0	12987	0.0096	0.0096
	Hindu Undivided Family	0	0	0	0.0000	504360	0	504360	0.3710	0.3710
	Non Resident Indians (Non Repat)	0	0	0	0.0000	127654	0	127654	0.0939	0.0939
	Non Resident Indians (Repat)	0	0	0	0.0000	541373	0	541373	0.3983	0.3983
	Foreign Portfolio Investor (Individual)	0	0	0	0.0000	900	0	900	0.0007	0.0007
	Clearing Member	0	0	0	0.0000	382424	0	382424	0.2813	0.2813
	Bodies Corporate	0	0	0	0.0000	1883283	0	1883283	1.3854	1.3854
	Sub Total (B)(3)	0	0	0	0.0000	14174005	7	14174012	10.4270	10.4270
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	0	0	0	0.0000	33983993	7	33984000	25.0000	25.0000
	Total (A)+(B)	0	113280000	113280000	100.0000	135935693	307	135936000	100.0000	0.0000

Sl No	Category of Shareholders	Shareholding at the beginning of the year - 01.04.2017				Shareholding at the end of the year - 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	0	113280000	113280000	100.0000	135935693	307	135936000	100.0000	0.0000

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2017			Shareholding at the end of the year - 31.03.2018			
		No. of shares held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	THE PRESIDENT OF INDIA	113279700	99.9997	0.0000	101952000	75.0000	0.0000	-24.9997
2	BARUN MITRA	100	0.0001	0.0000	0	0.0000	0.0000	-0.0001
3	MADHU S NAIR	100	0.0001	0.0000	0	0.0000	0.0000	-0.0001
4	D PAUL RANJAN	70	0.0001	0.0000	0	0.0000	0.0000	-0.0001
5	PRADEEP KUMAR ROY	10	0.0000	0.0000	0	0.0000	0.0000	0.0000
6	SUNNY THOMAS	10	0.0000	0.0000	0	0.0000	0.0000	0.0000
7	SURESH BABU N V	10	0.0000	0.0000	0	0.0000	0.0000	0.0000
	Total	**113280000**	**100.0000**	**0.0000**	**101952000**	**75.0000**	**0.0000**	**-25.0000**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year - 01.04.2017		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year - 31.03.2018	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	The President of India	11,32,79,700	99.99	11 August, 2017	Sale of Shares	(1,13,28,000)	(10.00)	10,19,51,700	74.99
2.	The President of India	11,32,79,700	99.99	08 January 2018	Transfer from the Nominee Shareholders	300	0.00	10,19,52,000	75.00

(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	192088	192088	0.1413
	Transfer			18 Aug 2017	5313165	5505253	4.0499
	Transfer			25 Aug 2017	1469600	6974853	5.1310
	Transfer			01 Sep 2017	14500	6989353	5.1416
	Transfer			26 Jan 2018	90000	7079353	5.2079
	Transfer			23 Feb 2018	2600	7081953	5.2098
	Transfer			02 Mar 2018	22400	7104353	5.2262
	AT THE END OF THE YEAR					7104353	5.2262
2	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	271308	271308	0.1996
	Transfer			18 Aug 2017	1550000	1821308	1.3398
	Transfer			08 Sep 2017	242258	2063566	1.5180

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			15 Sep 2017	114400	2177966	1.6022
	Transfer			29 Sep 2017	(4647)	2173319	1.5988
	Transfer			27 Oct 2017	267000	2440319	1.7952
	Transfer			17 Nov 2017	100000	2540319	1.8688
	Transfer			24 Nov 2017	134000	2674319	1.9673
	Transfer			08 Dec 2017	157000	2831319	2.0828
	Transfer			15 Dec 2017	71000	2902319	2.1351
	Transfer			29 Dec 2017	27000	2929319	2.1549
	Transfer			05 Jan 2018	100000	3029319	2.2285
	Transfer			19 Jan 2018	50000	3079319	2.2653
	Transfer			02 Mar 2018	54000	3133319	2.3050
	AT THE END OF THE YEAR					3133319	2.3050
3	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND	0	0.0000			0	0.0000
	Transfer			18 Aug 2017	616367	616367	0.4534
	Transfer			25 Aug 2017	345625	961992	0.7077
	Transfer			01 Sep 2017	158115	1120107	0.8240
	Transfer			22 Sep 2017	8269	1128376	0.8301
	Transfer			29 Sep 2017	1107210	2235586	1.6446
	Transfer			06 Oct 2017	423714	2659300	1.9563
	Transfer			13 Oct 2017	55249	2714549	1.9969
	AT THE END OF THE YEAR					2714549	1.9969
4	PARVEST EQUITY INDIA	0	0.0000			0	0.0000
	Transfer			15 Sep 2017	134000	134000	0.0986
	Transfer			22 Sep 2017	125388	259388	0.1908
	Transfer			29 Sep 2017	50283	309671	0.2278
	Transfer			06 Oct 2017	191000	500671	0.3683
	Transfer			13 Oct 2017	217481	718152	0.5283
	Transfer			27 Oct 2017	111348	829500	0.6102
	Transfer			03 Nov 2017	40000	869500	0.6396
	AT THE END OF THE YEAR					869500	0.6396

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
5	ITPL - INVESCO INDIA CONTRA FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	18348	18348	0.0135
	Transfer			25 Aug 2017	59867	78215	0.0575
	Transfer			01 Sep 2017	201460	279675	0.2057
	Transfer			08 Sep 2017	81308	360983	0.2656
	Transfer			13 Oct 2017	187541	548524	0.4035
	Transfer			27 Oct 2017	65635	614159	0.4518
	Transfer			22 Dec 2017	7575	621734	0.4574
	Transfer			05 Jan 2018	35555	657289	0.4835
	Transfer			12 Jan 2018	63661	720950	0.5304
	Transfer			26 Jan 2018	26420	747370	0.5498
	Transfer			31 Mar 2018	115331	862701	0.6346
	AT THE END OF THE YEAR					862701	0.6346
6	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	300810	300810	0.2213
	Transfer			25 Aug 2017	(136731)	164079	0.1207
	Transfer			01 Sep 2017	(53786)	110293	0.0811
	Transfer			22 Sep 2017	(25568)	84725	0.0623
	Transfer			06 Oct 2017	(19779)	64946	0.0478
	Transfer			22 Dec 2017	(17091)	47855	0.0352
	Transfer			02 Mar 2018	310986	358841	0.2640
	Transfer			09 Mar 2018	149014	507855	0.3736
	Transfer			16 Mar 2018	40000	547855	0.4030
	Transfer			23 Mar 2018	200000	747855	0.5502
	AT THE END OF THE YEAR					747855	0.5502
7	IDFC INFRASTRUCTURE FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	94451	94451	0.0695

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			18 Aug 2017	220636	315087	0.2318
	Transfer			25 Aug 2017	(6249)	308838	0.2272
	Transfer			01 Sep 2017	5741	314579	0.2314
	Transfer			15 Sep 2017	(1579)	313000	0.2303
	Transfer			22 Sep 2017	(13000)	300000	0.2207
	Transfer			01 Dec 2017	45000	345000	0.2538
	Transfer			08 Dec 2017	90000	435000	0.3200
	Transfer			15 Dec 2017	18347	453347	0.3335
	Transfer			29 Dec 2017	47230	500577	0.3682
	Transfer			05 Jan 2018	108423	609000	0.4480
	Transfer			19 Jan 2018	32000	641000	0.4715
	Transfer			26 Jan 2018	16348	657348	0.4836
	Transfer			09 Feb 2018	9000	666348	0.4902
	Transfer			16 Mar 2018	25000	691348	0.5086
	AT THE END OF THE YEAR					691348	0.5086
8	MIRAE ASSET INDIA EQUITY FUND	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	46102	46102	0.0339
	Transfer			18 Aug 2017	1500445	1546547	1.1377
	Transfer			01 Sep 2017	164000	1710547	1.2583
	Transfer			08 Sep 2017	4000	1714547	1.2613
	Transfer			10 Nov 2017	(255724)	1458823	1.0732
	Transfer			17 Nov 2017	(66078)	1392745	1.0246
	Transfer			24 Nov 2017	(206900)	1185845	0.8724
	Transfer			01 Dec 2017	(42842)	1143003	0.8408
	Transfer			08 Dec 2017	(6934)	1136069	0.8357
	Transfer			22 Dec 2017	(11213)	1124856	0.8275
	Transfer			05 Jan 2018	(26982)	1097874	0.8076
	Transfer			19 Jan 2018	(118369)	979505	0.7206
	Transfer			26 Jan 2018	(128696)	850809	0.6259
	Transfer			02 Feb 2018	(127047)	723762	0.5324

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			09 Feb 2018	(25772)	697990	0.5135
	Transfer			16 Feb 2018	(117281)	580709	0.4272
	Transfer			23 Feb 2018	(20221)	560488	0.4123
	AT THE END OF THE YEAR					560488	0.4123
9	STATE BANK OF INDIA	0	0.0000			0	0.0000
	Transfer			11 Aug 2017	495090	495090	0.3642
	Transfer			18 Aug 2017	(323065)	172025	0.1265
	Transfer			25 Aug 2017	(150000)	22025	0.0162
	Transfer			01 Sep 2017	(22025)	0	0.0000
	Transfer			08 Sep 2017	8000	8000	0.0059
	Transfer			15 Sep 2017	4000	12000	0.0088
	Transfer			22 Sep 2017	70200	82200	0.0605
	Transfer			29 Sep 2017	69000	151200	0.1112
	Transfer			06 Oct 2017	20000	171200	0.1259
	Transfer			13 Oct 2017	(20000)	151200	0.1112
	Transfer			20 Oct 2017	(18000)	133200	0.0980
	Transfer			27 Oct 2017	54000	187200	0.1377
	Transfer			03 Nov 2017	19000	206200	0.1517
	Transfer			10 Nov 2017	63000	269200	0.1980
	Transfer			17 Nov 2017	36000	305200	0.2245
	Transfer			24 Nov 2017	12000	317200	0.2333
	Transfer			01 Dec 2017	(25000)	292200	0.2150
	Transfer			08 Dec 2017	29000	321200	0.2363
	Transfer			15 Dec 2017	25449	346649	0.2550
	Transfer			22 Dec 2017	15882	362531	0.2667
	Transfer			05 Jan 2018	(15295)	347236	0.2554
	Transfer			12 Jan 2018	10000	357236	0.2628
	Transfer			19 Jan 2018	(13350)	343886	0.2530
	Transfer			26 Jan 2018	1801	345687	0.2543
	Transfer			02 Feb 2018	8199	353886	0.2603
	Transfer			09 Feb 2018	(6086)	347800	0.2559

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			23 Feb 2018	20000	367800	0.2706
	Transfer			31 Mar 2018	(8000)	359800	0.2647
	AT THE END OF THE YEAR					359800	0.2647
10	MAHINDRA UNNATI EMERGING BUSINESS YOJANA	0	0.0000			0	0.0000
	Transfer			19 Jan 2018	127743	127743	0.0940
	Transfer			26 Jan 2018	76022	203765	0.1499
	Transfer			02 Feb 2018	103037	306802	0.2257
	Transfer			09 Feb 2018	17000	323802	0.2382
	Transfer			02 Mar 2018	2100	325902	0.2397
	Transfer			09 Mar 2018	16669	342571	0.2520
	Transfer			23 Mar 2018	9600	352171	0.2591
	AT THE END OF THE YEAR					352171	0.2591

Note:
1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 13,59,36,000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	BARUN MITRA	100	0.0001				
	Transfer			15 Jun 2017	(100)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
2	MADHU S NAIR	100	0.0001				
	Transfer			08 Jan 2018	(100)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
3	D PAUL RANJAN	70	0.0001				

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2018	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			08 Jan 2018	(70)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
4	SUNNY THOMAS	10	0.0000				
	Transfer			08 Jan 2018	(10)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
5	SURESH BABU N V	10	0.0000				
	Transfer			08 Jan 2018	(10)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
6	PRAVIR KRISHNA	0	0.0000				
	Transfer			15 Jun 2017	100	100	0.0001
	Transfer			08 Jan 2018	(100)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
7	RADHAKRISHNA MENON	0	0.0000	11 Aug 2017	30	30	0.0000
8	KRISHNA DAS E	0	0.0000	18 Aug 2017	100	100	0.0001

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 13,59,36,000 Shares.
2. The details of holding has been clubbed based on PAN.

(V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	123.00	-	-	123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.82	-	-	2.82
Total (i+ii+iii)	**125.82**	**-**	**-**	**125.82**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	123.00	-	-	123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.82	-	-	2.82
Total (i+ii+iii)	**125.82**	**-**	**-**	**125.82**

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri Madhu S Nair, Chairman & Managing Director (DIN: 07376798)	Shri D Paul Ranjan, Director (Finance) & CFO (DIN: 06869452)	Shri Sunny Thomas, Director (Technical) (DIN: 06882228)	Shri Suresh Babu N V, Director (Operations) (DIN: 07482491)	
1.	Gross Salary	3370458.40	3414367.50	4440852.69	3194332.62	14420011.21
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3313248.40	3375739.50	4440852.69	3166117.62	14295958.21
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	57210.00	38628.00	-	28215.00	124053.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	**3370458.40**	**3414367.50**	**4440852.69**	**3194332.62**	**14420011.21**
Ceiling as per the Act		In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.				

(B) Remuneration to other Directors

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	**Independent Directors**	**Smt. Roopa Shekhar Rai (DIN: 07565156)**	**Shri Radhakrishna Menon (DIN: 07518727)**	**Shri Krishna Das E (DIN: 02731340)**	**Shri Jiji Thomson (DIN: 01178227)**	**Shri Pradipta Banerji (DIN: 00630615)**	**Shri Nanda Kumaran Puthezhath (DIN: 02547619)**	
	Fee for attending Board/ Committee meetings	285000	330000	270000	105000	75000	150000	1215000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**285000**	**330000**	**270000**	**105000**	**75000**	**150000**	**1215000**
2.	**Other Non-Executive Directors**	**Shri Barun Mitra IAS, Nominee Director, Govt. of India (DIN: 07012558)**	**Shri Pravir Krishna IAS, Nominee Director, Govt. of India (DIN: 06519104)**	**Shri Satinder Pal Singh IPS, Nominee Director, Govt. of India (DIN: 07490296)**	**Shri Elias George IAS (Retd.), Nominee Director, Govt. of Kerala (DIN: 00204510)**			
	Fee for attending Board / Committee meetings	-	-	-	-			
	Commission	-	-	-	-			
	Others, please specify	-	-	-	-			
	Total (2)	**-**	**-**	**-**	**-**			**-**
	Total (B)=(1+2)	**285000**	**330000**	**270000**	**105000**	**75000**	**150000**	**1215000**
	Total Managerial Remuneration (A+B)							**15635011.21**
	Overall Ceiling as per the Act				In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June 2015; Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Smt. Kala V, Company Secretary	Total
1.	Gross salary	2856176.44	2856176.44
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2856176.44	2856176.44
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	others, specify	-	-
5.	Others, please specify	-	-
	Total	**2856176.44**	**2856176.44**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By the Order of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Place : Kochi
Date : June 30, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward looking statements

1. Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally. The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards specified under Section 133 of the Act. The management of Cochin Shipyard Limited ("CSL" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.

2. The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

Shipbuilding and Shiprepair Industry

Global Shipbuilding Industry

3. Latest forecast of International Monetary Fund (IMF) puts world's economic growth of 2018 at 3.7% compared to 3.6% of 2017 and 3.2% of 2016. World Bank predicts the GDP to accelerate at 2.9% compared to 2.7% in the year 2017. Clarksons predicts in terms of global seaborne trade an annual growth of 3.5% which is lesser than 2017 figures of 4.1%. At the same time the fleet is likely to grow at 4.3% compared to the fleet growth of 3.8% in 2017.

4. As per the report of M/s. A T Kearney, the shipbuilding industry is still going through a cyclical downturn globally due to oversupply of vessels during the period 2006-2010 and overall decline in commodity trade especially in China and EU. Throughout the early part of FY 2017 the shipping and consecutively the oil exploration industry was severely impacted owing to a volatile and depressed oil prices. Since then, while oil prices have rebounded, a quick turnaround of the shipping and oil exploration industry is not forecasted. As per the Maritime outlook report 2017 by the Norwegian Ship owners Association, there will be a decline in profitability and turnover of their members during FY 2017.

5. The major freight indices are still hovering all time low but showing some improvements. The China new building price Index is also showing same trend a shade above the all time low levels. Maritime Intelligence Outlook 2018 published by Lloyd's List, reports that there are positive catalysts across the segments for maritime Industry. At the same time the fragile recovery can be easily derailed by macro economics and fleet growth.

6. The above reports indicated that the industry is not out of its depression and is fair to say that it may take some more time for the Industry to stabilise before gaining momentum and take a positive trajectory.

Indian Shipbuilding Industry

7. Defence Shipbuilding: In the defence sector, the industry outlook remained positive. The Indian Navy and Coast Guard are working on various projects to modernise the fleet. Also, other agencies under Ministry of Home Affairs (MHA) are also working on many projects on coastal security. Defence building opportunity at present is estimated to be USD 23 billion and the estimate is USD 50 billion in a 3-5 years time (As per the report of M/s. AT Kearney).

8. CSL has emerged as lowest bidder in ASW Corvette vessels for Indian Navy estimated at ₹ 5392 cores plus taxes and 56 Boats for MHA estimated at ₹ 358.83 crore plus taxes.

9. Commercial Ship Building: Indian commercial shipbuilding ordering levels remained low. At present, there is no new building ship on order by the country's

largest commercial ship owner, Shipping Corporation of India. Whenever a demand arises, to meet the challenging commercial charter rates prevailing in the market, ship owners are more focussed on second hand ships which are readily available at very competitive price. In addition to the international depressed market conditions, the difficulty to raise the fund from banks for new acquisition and the imposition of GST on the income of ship owners have dampened the interest to increase the Indian fleet. However, following new segments are showing positive outlook.

10. Inland and Coastal Water Segment: The government's focus on development of inland and coastal waterways infrastructure is expected to spur demand of ships for this sector. The Government is investing substantially to improve the infrastructure in the major waterways. This will spur the demand for such vessels in the inland water segment. It is estimated that the vessels required to meet the demand by 2030 will triple which may be around 3000+ vessels. CSL is working closely with Inland Water Authority of India (IWAI) and other potential customers to provide efficient product solutions in this segment.

11. Special Purpose Vessels: Various agencies are looking for modern and efficient vessels to equip and upgrade the assets to meet the operational demands. This gives an opportunity to offer custom made vessels such as Polar Research Vessels, Well Stimulation Vessel, Cement Carriers etc.

12. Fishing Segment: Government of India (GOI) has got an ambitious plan under the "Blue Revolution" to equip the segment with more modern and efficient fishing vessels. This segment is presently managed by unregulated players and gives a good opportunity for CSL to focus and position itself as a quality player. CSL is working closely with Tamil Nadu Fisheries by providing custom made solution to the fishermen and has contracted for the construction of 16 vessels as a pilot project. The total requirement for the department for fishermen is about 2000 vessels. In addition to the above there are also potential requirements for more bigger and sophisticated vessels in this segment for the domestic and international market.

Shiprepair Industry

13. While India's share in global ship repair market is less than 1%, around 7-9% of global trade is passing within 300 NM of its coastline. India's strategic position along the east bound and west bound international trade routes offers an opportunity to cater to vessels plying on these routes. A main container route connecting America and Europe to the East passes very close to the Indian coastline presenting a major opportunity for repairs. This presents huge untapped potential which is valued around ₹ 3500 to ₹ 4000 crore.

14. The captive market for shiprepair in India is estimated at around ₹ 2500 crore. It is estimated that only 15% of the potential is being tapped presently. Lack of infrastructure and poor ease of doing business due to government regulations and weak ancillary support are the main reasons for failure to tap the above opportunities. As a part of the Sagarmala project, government has embarked on a programme for full utilisation of existing drydock in major ports for providing shiprepair services. Towards this end, CSL has entered into an MOU with the Mumbai Port Trust on January 11, 2018 for operations and management of ship repair facility at Indira Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for further expansion in the field of ship repair. Similar MOU has been signed with Kolkata Port Trust on March 17, 2018 for operations and management of ship repair facility at Netaji Subhas Dock. CSL shall utilize the facilities for the purpose of ship repair and allied services and for the growth of ship repair in the region and similar MOU is on the anvil for Andaman and Nicobar Island.

Government Policy on Shipbuilding and Shiprepair

Sagarmala

15. The Sagarmala development initiatives of Government of India aims at port led development to replicate the model followed by some of the successful maritime nations like USA or Singapore. Various initiatives have been planned under Sagarmala perspective plan for port led development such as port modernisation, improving port connectivity, port led industrialisation and coastal community development. Around 150+ projects at a cost of ₹ 4 lakhs crore of infrastructure investment is envisaged. The development of ports is expected to foster cluster development of industries including that of Shipbuilding and shiprepair. Apart from this, a number of key policies and initiatives have been instituted by Government of India focusing on the development of the shipbuilding sector. Some of these key initiatives include:-

    (a) Financial Assistance for local shipbuilders:- Introduction of ₹ 4000 crore financial assistance policy for 10 years

    As per the policy, commencing 2015-16, financial assistance is to be granted to Indian shipyards starting with 20% of the lower of "Contract price" or the "Fair Price" of each vessel built by them and diminishing up to 10% over a period of 10 years.

(b) Exemption from Customs and Central Excise duty on inputs used in shipbuilding.

(c) Infrastructure status:- This move is to help Indian shipyards avail flexible structuring of long term project loans, long term funding from infrastructure funds at lower interest rates and longer tenure equivalent to the economic life of their assets. Shipyards to have access to relaxed external commercial borrowing norms, issuance of infrastructure bonds for meeting working capital requirements and Income Tax benefits.

(d) 100% Foreign Direct Investment permitted in shipbuilding.

(e) Revision of domestic eligibility criteria:– All Govt. departments and agencies shall undertake bulk tendering for their vessel related requirements with deliveries starting from 2016-17 and will grant a right of first refusal for Indian shipyards for such orders till 2025. From 2025 only Indian build vessels are to be procured by these agencies.

16. In the shiprepair segment the focus of GOI is better utilization of existing infrastructure in major ports and building up of new infrastructure through uniform policy governing lease of repair infrastructure to specialists.

Operations

17. Our Company's performance continued to be promising in all segments. The total turnover of the Company is ₹ 2355.12 crore as against that of the previous year of ₹2058.87 crore. The shipbuilding income during the year is ₹ 1731.86 crore as against the previous year income of ₹ 1515.82 crore. During the year, CSL delivered two RO-RO Ferries to Kochi Municipal Corporation. The Company contracted three out of 16 Nos. tuna long lining and gillnetting fishing boats for diversification of the trawl fishing boats from palk bay into deep sea fishing boats under central sector on Blue revolution scheme with assistance from Government of India and the Government of Tamil Nadu. This is CSL's first entry into the fishing vessel construction segment. CSL, known for its capabilities in construction of big and high end specialised vessels wishes to bring in quality, modern and efficient products to this currently unorganised sector thereby benefitting not only the fishing community, but also partnering in the effort to sustain the ecology by promoting long lining and gillnetting activities as against the highly damaging trawling that currently exists in this space. Also, the Company's foray in the coastal security boats using FRP/ Composite material will leverage the overall experience to bring new products to cater to this growing segment for the future.

18. The year was really remarkable with reference to the shiprepair performance of the Company. The income from shiprepair increased to ₹ 623.27 crore from ₹ 543.05 crore in the previous year. The major shiprepair projects undertaken during the year were normal refit of INS Shakthi, INS Nireekshak and INS Airavat for Indian Navy and refit of Sagar Bhushan of ONGC. Around ₹ 46.50 crore of turnover was contributed from International Ship Repair Facility (ISRF) at Cochin Port Trust premises.

Financial Information

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

(Amount in ₹ Crore)

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
17-18	135.94	10	3212.22	3255.87	604.86	208.11	396.75	31.03	163.12	0.41
16-17	113.28	10	2089.05	2028.58	493.40	171.85	321.55	28.39	101.61	0.32
15-16	113.28	10	1695.35	1814.33	419.65	145.86	273.79	24.07	86.65	0.32
14-15	113.28	10	1621.24	1561.07	367.56	132.49	235.07	20.75	16.99	0.07
13-14	113.28	10	1389.98	1352.53	290.96	96.71	194.24	17.15	16.99	0.08
12-13	113.28	10	970.84	1175.70	275.55	90.28	185.27	16.35	16.99	0.09
11-12	152.42	10	918.68	1050.83	252.97	80.63	172.33	15.21	16.99	0.10
10-11	192.42	10	829.27	967.80	344.23	116.70	227.53	20.09	11.32	0.05
09-10	192.42	10	578.32	680.32	331.25	108.21	223.04	19.69	11.32	0.05
08-09	232.42	10	550.31	566.49	247.63	87.56	160.07	14.13	11.32	0.07

Proposed / Declared Dividend

20. As per Office Memorandum F.No.5/2/2016-Policy dated May 27, 2016 issued by the 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 networth, whichever is higher. Accordingly, your Directors are pleased to recommend a dividend of ₹ 12 per share on the 1,35,93,60,000 fully paid equity shares of ₹ 10 each. The total outgo for dividend and dividend tax would be approximately ₹ 196.65 crore.

Segment wise/ product wise performance

21. 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 detail of segment wise performance is given below.

(₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Segment Assets		
Ship building	231887.20	169699.79
Ship Repair	168349.50	125884.57
Others	146692.04	36068.78
Total	546928.74	331653.14
Segment Liability		
Ship building	89620.66	40854.99
Ship Repair	23368.86	21547.62
Others	108352.53	66392.29
Total	221342.05	128794.90
External Sales		
Ship building	173185.70	151582.17
Ship Repair	62326.63	54304.93
Unallocated	3494.36	2777.73
Total	**239006.69**	**208664.83**

SWOT

22. Cochin Shipyard perceives the following to be its Strengths, Weaknesses, Opportunities and Threats.

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, draftsmen etc.;

(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, 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.

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 drydock);

(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) Distress pricing policies of competitors;

(b) Adverse reputational impact on the Indian Shipbuilding industry due to under performance by Indian yards;

(c) Rising cost of labour; and

(d) Non flexible government regulations on procurement policies delaying the product delivery timelines and cost.

CSL 2030 - Strategic Plan

23. CSL has constituted a ten member core group for taking forward the efforts in formulating a CSL 2030-Strategic Plan. Towards this, an EOI was issued on June 08, 2017 for short-listing a best in class strategic consultancy firm of international repute who in turn will work closely with CSL team to formulate this plan. Tendering for finalising the firm is undeway.

Risks and concerns

24. The commercial shipbuilding industry is highly cyclical in nature and is also sensitive to cyclical nature of the industries it serves such as the oil, natural gas, shipping, transportation and other trade-related industries.

25. The Company's operations are subject to inherent risks such as equipment defects, malfunctions and failures, equipment misuse and disasters that can result in fires and explosions. CSL maintain a standard fire and special perils policy but CSL do not have insurance for business interruption. Substantial portion of the Company's activities involve the fabrication and refurbishment of large steel structures, the operation of cranes and other heavy machinery and other operating hazards. These risks could expose the Company to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages.

26. The major component of the Company's expenditure include raw materials such as 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 2015, 2016 and 2017 respectively, the Company's material consumption costs constituted 64.57%, 64.01% and 58.36% of its total costs, respectively. In particular, bought out components accounted for nearly 90% of our total raw material cost in these recent fiscals.

27. 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 adversely affected CSL by increasing the cost of procurement. In addition, the cost of certain raw materials, such as steel, may fluctuate in line with any changes in their global supply and demand.

28. 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 may be adversely affected.

Product Diversification

29. CSL has identified Composites as a fast growing segment and initiated efforts towards diversifying in this direction. As a result, CSL has participated in the MHA tender for 225 Coastal Patrol Boats and has emerged L1 bidder for 56 boats. Similarly, with the GOI focusing on the Blue revolution and the recent impetus for the upliftment of the fishing community all along the coastal India, CSL serves a surge both in the demand as well as in the quality of the fishing vessel segment in India. Product diversification in this direction was only logical and CSL has already managed to secure orders for 16 fishing boats from Tamil Nadu. With volumes to the tune of many thousands being projected by the industry, CSL feels that this could eventually turn out to be a separate vertical by itself, if everything goes as planned by the government.

Internal Control

30. 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. A review of the internal control procedures was undertaken by M/s. Varma and Varma, Internal Auditors as a separate exercise.

Human Resource Development and Industrial Relations

31. The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' Report.

Women Empowerment

32. Cochin Shipyard Limited has constituted an Internal Complaints Committee in accordance with the guidelines and norms prescribed by the enactment namely Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressel) Act, 2013. The Chairperson of the Internal Complaints Committee is a senior woman executive of the Company. The Certified Standing Orders applicable to Workmen have also been amended incorporating Sexual Harassment as an act constituting misconduct. The Internal Complaints Committee has been duly empowered to inquire into such complaints in accordance with the procedure laid down in the Certified Standing Orders and Industrial Employment (Standing Orders) Act and Rules.

33. Delegates from CSL were nominated to attend the Southern Regional Meet of WIPS held at Mahabalipuram on September 16, 2017 and the 28th National Meet of WIPS held at Guwahati on February 12 and 13, 2018.

34. WIPS Cell of CSL had initiated the following activities through the CSR projects of CSL:

    - "Support for Construction of a Work Centre that Promotes Environment Friendly products and increases the Income of Marginalized Women" through 'Society of Theresians for Environment Protection (STEP), an outreach body of the students of St. Terasa's; and
    - Provided fund for constructing Office cum Common Facility Centre for Fish Workers Development Cooperative Society in Chendamangalam. Most of the members of the society are poor women fish workers, who belong to the Vala Samajam, functioning at the coastal belt near Parur, Ernakulam.

35. Forum of Women in Public Sector (WIPS), CSL unit in association with the Indian Women Network, organised sessions on Soft Skill Development and Stress Release on the International Women's Day on March 08, 2018.

36. The Company has ensured participation of women employees as part of joint forum of employees and management such as Joint Council, Shop Councils, Central Safety Council, Shop Safety Council, Employee Contributory Provident Fund Trust, Employees Cochin Shipyard Recreation Club, Employees Cochin Shipyard Consumer Society etc.

Technology Conservation

37. 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:

    i. Developed contract & basic design for 16 nos. gill net long liner fishing vessels in technical collaboration with the Central Institute of Fisheries Technology, ICAR;

    ii. Developed concept design for Marine Ambulance boat for Kerala Govt.;

    iii. Development of specification for implementation of Accommodation system & HVAC Package for 500 PAX;

    iv. Development of specification for implementation of Accommodation system for 1200 PAX;

    v. Development of specification for implementation of HVAC & Refrigeration system for 1200 PAX;

    vi. Development of specification for the procurement of equipment/systems in compliance to SRtP (Safe Return to Port) requirements for 1200PAX;

    vii. Development of specification for the procurement of Power and Automation system, Navigation and communication system, Lighting, Electrical Cables for 1200 PAX in compliance with SRtP requirements;

    viii. In-house development of 3D modeling for Accommodation & other outfit Systems in Accommodation spaces for the Technology Demonstration Vessel (Ship 020) for DRDO/500 PAX for A&N Administration/1200 PAX for A&N Administration in Tribon under progress;

    ix. In-house development of 3D modeling for Electrical outfitting for 1200 PAX for A&N Administration is in progress in compliance with SRtP requirements;

    x. In house conceptual design of integrated fire and flood detection system by suitably combining existing stand alone systems for fire detection and flood detection for SRtP compliance for 1200 PAX;

    xi. Software upgrades for "Cable Manager" - In house developed cable scheduling and nesting software for usage onboard projects;

    xii. Software upgrades for "Electrical Apps" - In house developed production design customization tool for Tribon M3 for usage in ongoing projects;

    xiii. Functional design drawings developed for electrical cable routes and antenna arrangement based on the EMI/EMC requirements for Technology Demonstration Vessel (Ship 020) for DRDO, special purpose vessel for Govt. of India;

    xiv. Development of specification for the procurement of specialized Hatch Covers required for the article launching for the Technology Demonstration Vessel (Ship 020) for DRDO, special purpose vessel for Govt. of India;

    xv. Installation of High Voltage Power generation & distribution system, high power propulsion

system, UPS systems with neutral arrangement for Client System power distribution, Navigation & Communication systems meeting DNV Naut-AW and IRS IBS notations, SPS code requirements, onboard Technology Demonstration Vessel (Ship 020), special purpose vessel for Govt. of India;

xvi. Structural interface of Client systems (DRDO) with Ship systems for Technology Demonstration Vessel (Ship 020), special purpose vessel for Govt. of India, special purpose vessel for Govt. of India;

xvii. Installation of 1500NB valve with electric actuation onboard Technology Demonstration Vessel (Ship 020), special purpose vessel for Govt. of India; and

xviii. Preparation of Technical specification and 3D modeling of completely explosion proof type Electrical Overhead Cranes for Client Article Handling operations for Technology Demonstration Vessel (Ship 020), special purpose vessel for Govt. of India.

Corporate Social Responsibility (CSR) and Sustainability

38. For more details, please refer the annual report on CSR activities placed at Annexure-4 to Directors' Report.

Micro Small and Medium Enterprises (MSME) as per the Public Procurement Policy 2012

39. Though the scope of procurement of material/ equipment/ spares and availing services from Micro, Small and Medium Enterprises (MSME) for shipbuilding and shiprepair projects undertaken by the Company are extremely limited, the Company is making all out efforts to increase the procurement/ availing services from MSMEs. The target of 20% procurement of goods and services from MSMEs out of total indigenous procurement for FY 2017-18, till January 31, 2018, has been achieved by the Company.

40. 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 (CSL) attended Six (6) Vendor Development Programmes (VDPs) organized by the Dept. of MSME, GOI which included one conclave on SC/ ST MSME vendors, at Bolgatty Palace, Cochin, on January 17, 2018, in which CSL representative made a presentation on CSL's requirement of product and services from MSMEs. Other notable event among the above 6 VDPs was the National VDP held at Thrissur from December 07 to 09, 2017, in which CSL put up a stall which was declared as the best stall in the exhibition and was presented with an award in that regard.

41. In addition to the above, CSL conducted a major exhibition for the MSMEs named 'LAGHU UDYOG EXPO-2017' on May 15 and 16, 2017 at Marine Drive Ground, Ernakulam. The exhibition was organised with the support of Department of Industries & Commerce, Govt. of Kerala and MSME Development Institute, Thrissur, and was inaugurated by the Hon'ble Minister for Industries, Youth and Sports Affairs, Government of Kerala. The programme consisted of Industrial Exhibition & B2B Meet for MSMEs. The event offered meaningful platform for MSMEs predominantly from Kerala for showcasing their products/ services and for interacting/ marketing with prospective clients. Major Central and State PSUs of Kerala and banks actively participated in the program. 80 stalls and 10 B2B meet counters/ rooms were arranged at Marine Drive, Kochi in a fully air-conditioned exhibition venue. Further, the two days were enriched with different seminars and presentations by various MSMEs, industries & experts. No fees were charged from the participants as well as from visitors of common public and CSL funded the entire expenditure.

42. Other initiatives include, making CSL website user-friendly for MSME vendors and regular uploading of procurement data and other details in "MSME SAMBANDH" portal launched by Ministry of MSME, GOI.

Cautionary Statement

43. Statements in this 'Management Discussion and Analysis Report' describing the objectives, expectations, assumptions or predictions of the Company may be forward looking statements within the meaning of applicable rules and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.

For and on behalf of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Kochi
June 30, 2018

BUSINESS RESPONSIBILITY REPORT

About this report

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Reports of the top five hundred 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	U63032KL1972GOI002414
2.	Name of the Company	Cochin Shipyard Limited
3.	Registered address	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam, Kerala - 682015
4.	Website	www.cochinshipyard.com
5.	E-mail id	secretary@cochinshipyard.com
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Shipbuilding and Shiprepair (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 business of shipbuilding and shiprepair. 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) b. Number of National Locations	 Nil One
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 (INR)	135.94 crores
2.	Total Turnover (INR)	2355.12 crores
3.	Total profit after taxes (INR)	396.75 crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.16
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: • Education& Skill Development • Swachh Bharat Projects • Healthcare initiatives • Empowerment of women and differently abled persons

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, CSL has one subsidiary viz., Hooghly Cochin Shipyard 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. The Subsidiary company was incorporated only in October 2017 and is yet to commence operations. Hence the company has 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 is 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 are provided in the Corporate Governance Report.
	1. DIN 2. Name 3. Designation	The CSR& SD Committee of the Company is under the Chairpersonship of Smt. Roopa Shekhar Rai. The details of the Chairperson of CSR & SD Committee of CSL are as follows: DIN : 07565156 Name : Smt. Roopa Shekhar Rai Designation : Independent Director Email ID : roopa1954@gmail.com
(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 polices.								
4	Has the policy being approved by the Board? If 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: http://www.cochinshipyard.com/investors.htm								
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 displyed at all major location 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 stake holders, 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. In addition, the Company has also set up a vigil mechanism to address the genuine concerns, of any of the directors and employees.								
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, 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 on-going basis. The Board/ Committees constituted by it review the same annually.

(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. This is the first year after the applicability of Regulation 34(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The hyperlink for viewing the report: http://www.cochinshipyard.com/annualreport.htm

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 financial year 2017-18, 397 investor complaints have been received by the Company and through SEBI SCORES Platform, NSE and BSE and Registrar & Transfer Agent. All these complaints were attended to and resolved on priority basis.

   Further, CSL had received some feedbacks / concerns regarding some of the equipments used for the vessels BY 85-86 from a corporate client. The feedbacks were more of an advice due to the poor service received from the OEM's, and Yard had not initiated any actions in this regard since this was mainly after the completion of guarantee period.

   CSL had completed the NPCC Barge Guarantee period for the equipments, systems, quality, workmanship, etc, (except for Painting which is five years), and had not received any claims for an year after the delivery, showing the quality of construction.

   Further 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 on 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 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.

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 Shiprepair. 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. The company

contributes immensely to the society through its CSR initiatives in major areas of Education & Skill Development, Swachh Bharat Projects, Healthcare initiatives, Empowerment of women and differently abled persons.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

CSL has implemented various energy conservation measure viz. installation of solar power plant, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of conventional discharge lamp street lights with LED lights etc. Energy savings of approximately 10.93 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 attended Six Vendor Development Programmes (VDPs) organized by the Dept. of MSME, GOI which included one conclave on SC/ ST MSME vendors, at Bolgatty Palace, Cochin, on January 17, 2018, in which CSL representative made a presentation on CSL's requirement of product and services from MSEs. Other notable event among the above 6 VDPs was the National VDP held at Thrissur from 07 to 09 December 2017, in which CSL put up a stall which was declared as the best stall in the exhibition and was presented with an award in that regard.

In addition to the above, CSL conducted a major exhibition for the MSMEs named 'LAGHU UDYOG EXPO-2017' on May 15 and 16, 2017 at Marine Drive Ground, Ernakulum. The exhibition was organised with the support of Department of Industries & Commerce, Govt. of Kerala and MSME Development Institute, Thrissur, and was inaugurated by the Hon'ble Minister for Industries, Youth and Sports Affairs, Government of Kerala. The programme consisted of Industrial Exhibition & B2B Meet for MSMEs. The event offered meaningful platform for MSMEs predominantly from Kerala for showcasing their products/ services and for interacting/ marketing with prospective clients. Major Central and State PSUs of Kerala and banks actively participated in the program. 80 stalls and 10 B2B meet counters/ rooms were arranged at Marine Drive, Kochi in a fully air-conditioned exhibition venue. Further, the two days were enriched with different seminars and presentations by various MSMEs, industries & experts. No fees were charged from the participants as well as from visitors of common public and CSL funded the entire expenditure.

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 the 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 diposal or recycling and approved by the Environmental authorities.

Principle 3: Businesses should promote the well being of all employees

1. Total number of employees: 1781 (permanent employees)

2. Total number of employees hired on temporary / contractual /casual basis: Average 2500 per day.

3. **The number of permanent women employees: 151**
4. **The number of permanent employees with disabilities: 58**
5. **Do you have an employee association that is recognized by management?: Yes, CSL has four employees association recognised by the Management.**
6. **What percentage of your permanent employees is members of this recognized employee association? : 72%**
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	No Complaints received	Not Applicable
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 per cent

   Permanent Women Employees : 100 per cent

   Casual/Temporary/Contractual Employees : 100 per cent

   Employees with Disabilities : 100 per cent

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 marginalised community who are present across Kerala particularly in remote rural/tribal communities. Further CSL ensures that the reservation policy as advised by Govt of India 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 programs 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 subsidiary 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, no such complaint was received.

   The Company is committed to comply with all human rights, practices across subsidiary 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, no such complaints were received.

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 programs and processes to reduce or control them with an aim of protecting the environment. 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 to be established for the effective implementation of the environmental management system meeting the requirements of the international standards ISO 14001:2004.

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.**

   CSL has implemented various energy conservation measure viz. installation of solar power plant, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of conventional discharge lamp street lights with LED lights etc. Energy savings of approximately 10.93 Lakhs units per annum have been achieved with the implementation of measures specified above. The Company has undertaken various initiatives like electrification of new buildings with LED lights instead of conventional discharge lamps, replacement of conventional discharge lamp street lights with LED lights. These initiatives results in energy saving in approx. 10.93 Lakhs units per annum.

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 financial year 2017-18, 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:**

   (a) Indian Shipbuilders Association

   (b) Indo Japan Chamber of Commerce

   (c) Confederation of Indian Industry (CII)

   (d) Cochin Chamber of Commerce and Industry

   (e) All India Management Association

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 project 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 financial year 2017-18, the contribution to community development projects was ₹ 8.57 crores. Please refer to the Annual 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.

   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 on 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 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.

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 Shiprepair 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 year under review.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   No. The Company, however, ensure that complaints, if any, received from any stakeholders are promptly attended to.

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 "Listing Regulations"). The Board comprises of an optimum mix of Executive and Non-Executive Directors. The Board has one woman director. Half of the Board comprises of Independent Directors. The composition of the Board as on March 31, 2018 is as follows:-

Sl. No.	Name of Director	Director Identification Number (DIN)	Category of Directorship
1	Shri Madhu S Nair, Chairman & Managing Director	07376798	Executive Director
2	Shri D Paul Ranjan, Director (Finance)	06869452	Executive Director
3	Shri Suresh Babu N V, Director (Operations)	07482491	Executive Director
4	Shri Satinder Pal Singh IPS*	07490296	Official Part Time (Nominee) Director, Government of India
5	Shri Elias George IAS (Retd.)	00204510	Official Part Time (Nominee) Director, Government of Kerala
6	Smt. Roopa Shekhar Rai	07565156	Non Official Part Time (Independent) Director
7	Shri Radhakrishna Menon	07518727	Non Official Part Time (Independent) Director
8	Adv. Krishna Das E	02731340	Non Official Part Time (Independent) Director
9	Shri Jiji Thomson IAS (Retd.)**	01178227	Non Official Part Time (Independent) Director
10	Shri Pradipta Banerji**	00630615	Non Official Part Time (Independent) Director
11	Shri Nanda Kumaran Puthezhath**	02547619	Non Official Part Time (Independent) Director

* The Ministry of Shipping, vide letter F. No. SY-11012/1/2017-CSL dated October 04, 2017 appointed Shri Satinder Pal Singh IPS, Joint Secretary (Shipping) as Official Part Time (Nominee) Director of CSL, in place of Shri Pravir Krishna IAS.

** Ministry of Shipping vide letter F. No.SY-11012/1/2016-CSL dated July 15, 2017 appointed Shri Jiji Thomson IAS (Retd.), Shri Pradipta Banerji and Shri Nanda Kumaran Puthezhath as Non Official Part Time (Independent) Directors.

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 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 video conferencing. The directors viz., Shri Pravir Krishna IAS and Shri Satinder Pal Singh IPS have availed the facility during the period.

6. The meetings of the Board of directors and committees have been conducted in the manner as specified in Listing Regulations and Companies Act, 2013.

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

7. Ten Board Meetings were held during the year under review. Details of attendance of Directors at the Board Meetings and AGM held during 2017-18 are given below

Name of Director	2017								2018		AGM
	Apr 27	May 11	Jun 10	Jul 17	Jul 21	Aug 04	Sep 11	Nov 10	Feb 05	Feb 22	Jul 17, 2017
Shri Madhu S Nair	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Shri Pravir Krishna IAS*	@	@	@	-	Y	-	-	NA	NA	NA	-
Shri Satinder Pal Singh IPS	NA	NA	NA	NA	NA	NA	NA	-	Y	@	NA
Shri Elias George IAS (Retd.)	-	-	-	-	Y	-	-	-	-	-	-
Shri D Paul Ranjan	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Shri Sunny Thomas**	Y	Y	Y	Y	Y	Y	Y	Y	NA	NA	Y
Shri Suresh Babu N V	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Smt. Roopa Shekhar Rai	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Shri Radhakrishna Menon	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Adv. Krishna Das E	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	Y
Shri Jiji Thomson IAS (Retd.)	NA	NA	NA	-	Y	Y	Y	Y	Y	Y	-
Shri Pradipta Banerji	NA	NA	NA	-	Y	Y	Y	-	Y	Y	-
Shri Nanda Kumaran Puthezhath	NA	NA	NA	-	Y	Y	Y	Y	Y	Y	-

@ attended through video conferencing

* Shri Pravir Krishna IAS, ceased to be Director of the Company with effect from October 04, 2017.

** Shri Sunny Thomas, superannuated from the services of the Company on November 30, 2017.

Other Directorships and Committee positions:

8. The total number of Directorship(s) held by Directors and the positions of Membership/Chairmanship on Committees, as on March 31, 2018 are given below:

Name of the Director	No. of other Directorship in other public limited companies		Other Board Committee positions held in other public limited companies	
	Chairman	Member	Chairman	Member
Shri Madhu S Nair	1	-	-	-
Shri Satinder Pal Singh IPS	-	3	-	2
Shri Elias George IAS (Retd.)	-	1	-	-
Shri D Paul Ranjan	-	1	-	-
Shri Suresh Babu N V	-	1	-	-
Smt. Roopa Shekhar Rai	-	-	-	-
Shri Radhakrishna Menon	-	-	-	-
Adv. Krishna Das E	-	-	-	-
Shri Jiji Thomson IAS (Retd.)	-	-	-	-
Shri Pradipta Banerji	-	-	-	-
Shri Nanda Kumaran Puthezhath	-	3	2	-

- The Directorships held by Directors as mentioned above does not include Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies and Companies registered under section 8 of the Companies Act, 2013.
- Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies and Government Companies have been considered.

9. None of the Directors are inter-se related to each other.

10. None of the Directors except the following hold any shares in the Company as on March 31, 2018:

Name of the Director	No. of Equity Shares Held
Adv. Krishna Das E	100
Shri Radhakrishna Menon	30

Independent Directors

11. Independent Directors have been appointed by the Ministry of Shipping, Government of India for a term of 3 years. The main terms of appointment can be accessed at http://www.cochinshipyard.com/dir.htm

12. Familiarization programme for Independent Directors generally form part of the Board process. The Independent Directors are updated on an on-going 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;
    - Important changes in regulatory framework having impact on the Company.

13. Details of the familiarization programme for Independent Directors can be accessed at http://www.cochinshipyard.com/links/familiarisation%20new.pdf

Meetings of Independent Directors

14. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on February 22, 2018 which was attended by all the Non Official Part Time (Independent) Directors, viz., Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon, Shri Krishna Das E, Shri Jiji Thomson IAS (Retd.), Shri Pradipta Banerji and Shri Nanda Kumaran Puthezhath.

Availability of information to the members of the Board

15. 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 meeting of subsidiary company.
    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 material nature of investments and assets, which is 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

16. 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.

Recording Minutes of proceedings at Board and Committee meeting

17. 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 minute book within 30 days from conclusion of the meeting.

Post Meeting Follow-up Mechanism

18. The important decisions taken at the Board/ Committee meetings are promptly communicated to the departments/divisions concerned. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee.

Compliance

19. 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

20. During the financial year 2017-18, the Board of CSL had eight Committees viz. Audit Committee, Nomination & Remuneration Committee, Contracts & Capex Committee, Corporate Social Responsibility and Sustainable Development Committee, Stakeholders Relationship Committee, Committee for New Technology, Strategy and New Initiatives, Share Allotment Committee and Share Transfer Committee.

Audit Committee

21. The Audit Committee of CSL was formed on August 21, 2008 and was reconstituted on September 21, 2012, December 13, 2012, March 30, 2015 and May 07, 2016. The present Audit Committee was constituted vide Circular Resolution No. CR 03/2017 adopted on August 30, 2017.

Terms of reference of Audit Committee

22. The following are the terms of reference of the Audit Committee:

    (i) 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;

    (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) 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;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinion(s) in the draft audit report;

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) 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;

(vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of our Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of our Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) 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;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

(xv) 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;

(xvi) 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;

(xvii) 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; and

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

(f) Statement of deviations:

(a) 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; and

(b) 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; and

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

Powers of the Audit Committee

23. 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.
24. The recommendations of the Audit Committee on any matter relating to the financial management, including the audit report, shall be binding on the Board.
25. 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

26. As on March 31, 2018, the Audit Committee is constituted with Shri Radhakrishna Menon, Non Official Part Time (Independent) Director as Chairman, Shri Krishna Das E, Non Official Part Time (Independent) Director, and Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director as members.
27. 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 2017-18 and attendance:

28. The Committee met six times during the year 2017-18 on May 11, 2017, June 10, 2017, July 17, 2017, September 11, 2017, November 10, 2017 and February 05, 2018. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Name of the Director	May 11, 2017	Jun 10, 2017	Jul 17, 2017	Sep 11, 2017	Nov 10, 2017	Feb 05, 2018
Shri Radhakrishna Menon	✓	✓	✓	✓	✓	✓
Shri Krishna Das E	✓	✓	✓	✓	✓	✓
Shri Elias George, IAS (Retd.)	×	×	×	NA	NA	NA
Shri Nanda Kumaran Puthezhath	NA	NA	NA	✓	✓	✓

Nomination & Remuneration Committee

29. The Nomination & Remuneration Committee of Cochin Shipyard Limited was constituted vide Circular Resolution adopted on December 13, 2008 and was reconstituted on May 13, 2014, March 30, 2015, May 07, 2016, and on May 06, 2018.

Terms of reference

30. The following are terms of reference of the Nomination & Remuneration Committee:
    (i) 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;
    (ii) Formulation and modification of schemes for providing perks and allowances for officers and non-unionized supervisors;

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

(iv) 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.

Constitution

31. As on March 31, 2018, the Committee comprises of Shri Krishna Das E, Non Official Part Time (Independent) Director as Chairman, Shri Elias George IAS (Retd.), Official Part Time (Nominee) Director, Smt. Roopa Shekhar Rai, Non Official Part Time (Independent) Director, as members.

Nomination & Remuneration Committee meetings held during 2017-18 and attendance:

32. Three meetings of the Nomination & Remuneration Committee were held during 2017-18 on May 11, 2017, September 27, 2017 and February 05, 2018. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl No	Name of the Member	May 11, 2017	September 27, 2017	February 05, 2018
1	Shri Krishna Das E	✓	✓	✓
2	Shri Elias George IAS (Retd.)	×	×	×
3	Smt. Roopa Shekhar Rai	✓	✓	✓

Remuneration Policy

33. 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 administrative ministry (Ministry of Shipping). The remuneration of workers are as per the long term settlement between the management and recognized trade unions.

34. Details of Remuneration paid to the Chairman & Managing Director and the Whole Time Directors are placed at **Enclosure I** to this report.

Sitting fees

35. The Non Official Part Time (Independent) Directors are paid sitting fees at the rate of ₹ 15,000/- for attending each meeting of the Board or Committee thereof. 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://www.cochinshipyard.com/dir.htm.

36. Sitting fees paid to the Non Official Part Time Directors for 2017-18 are as follows:

Sl No	Name	Fees (in ₹)
1	Shri Radhakrishna Menon	3,30,000
2	Shri Krishna Das E	2,70,000
3	Smt. Roopa Shekhar Rai	2,85,000
4	Shri Jiji Thomson IAS (Retd.)	1,05,000
5	Shri Pradipta Banerji	75,000
6	Shri Nanda Kumaran Puthezhath	1,50,000

37. Since the Non Official Part Time (Independent) Directors are appointed by the President of India, the evaluation of performance of such Directors is also done by the GOI.

Stakeholders Relationship Committee

38. In connection with the proposals for IPO and listing of equity shares of CSL, the Stakeholders Relationship Committee, a sub-Committee of the Board was constituted vide resolution no 227/08 at the 227th Board Meeting held on September 20, 2016. The present Committee was constituted vide Circular Resolution No. CR 03/2017 adopted on August 30, 2017.

Terms of reference

39. Following is the terms of reference of the Stakeholders Relationship Committee:

(i) The Stakeholder Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Constitution

40. As on March 31, 2018, the Committee comprises of Shri Krishna Das E, Non Official Part Time (Independent) Director as Chairman of the Committee, Shri D Paul Ranjan, Director (Finance) and Shri Suresh Babu N V, Director (Operations), as members.

Stakeholders Relationship Committee meetings held during the year and attendance:

41. No meeting was conducted during the year 2017-18.

Name, designation and address of the Compliance Officer

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

Status of Investor Complaints as on March 31, 2018 and reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on April 01, 2017	0
Received during the year	397
Resolved during the year	396
Not solved to the satisfaction of shareholders	0
Pending as on March 31, 2018	1

Contracts & Capex Committee

42. The Contracts Committee of the Board was constituted vide circular resolution no 01/2010 adopted on March 09, 2010. The Capex Committee of the Board was constituted vide Circular Resolution No. CR 07/2012 and adopted at the 203rd Board Meeting held on December 13, 2012. The Company decided to merge Contracts Committee and Capex Committee and further it was named as Contracts & Capex Committee. The Contracts & Capex Committee was re-constituted vide Circular Resolution No.01/2014 passed on July 05, 2014, Circular Resolution No.02/2015 adopted on March 30, 2015 and Circular Resolution No. CR 03/2017 adopted on August 30, 2017 and Circular Resolution No.CR 02/2018 adopted on May 06, 2018. The present Committee was constituted by way of Circular Resolution No. CR 02/2018 adopted on May 06, 2018.

Terms of reference

43. The following are the terms of reference of the Contracts & Capex Committee:

    (a) Examine and recommend the annual capital budget.

    (b) Quarterly review and report to Board on capital projects.

    (c) Quarterly review and report to Board on shipbuilding projects.

    (d) To advise on various business models adopted in the course of operations such as MOUs, JVs, SPVs, work share arrangement etc.

    (e) To review proposals for amendment to contracts during the pendency of shipbuilding projects which has a financial implication above 10% of the contractual value and make suitable recommendations to the Board.

    (f) Any other matter that may be referred to it from time to time by CMD, CSL.

Constitution

44. As on March 31, 2018, the Committee comprises of Shri Jiji Thomson, Non Official Part Time (Independent) Director as Chairman, Shri D Paul Ranjan, Director (Finance) and Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director, as members.

Contracts & Capex Committee meetings held during the year and attendance:

45. One meeting of Contracts & Capex Committee was held during 2017-18 on November 10, 2017. The necessary quorum was present at the meeting. The attendance during the meeting was as follows:

Sl No	Name of the Member	November 10, 2017
1	Shri Jiji Thomson	✓
2	Shri D Paul Ranjan	✓
3	Shri Sunny Thomas*	✓
4	Shri Nanda Kumaran Puthezhath	✓

* Shri Sunny Thomas, superannuated from the services of the Company on November 30, 2017.

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

46. 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.

47. 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.

48. 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. The present CSR & SD Committee was constituted vide Circular Resolution No. CR/02/2018 adopted on May 06, 2018.

Terms of reference

49. The following are the terms of reference of the Corporate Social Responsibility & Sustainable Development Committee:
    (i) Recommend CSR and sustainability development policy to the Board;
    (ii) Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;
    (iii) 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

50. As on March 31, 2018, the Committee comprises of Smt. Roopa Shekhar Rai, Non Official Part Time (Independent) Director as Chairperson of the Committee, Shri Radhakrishna Menon, Non Official Part Time (Independent) Director and Shri D Paul Ranjan, Director (Finance) as members.

CSR & SD Committee meetings held during the year and attendance

51. Six meetings of CSR & SD Committee were held during the year 2017-18 on April 27, 2017, May 11, 2017, September 11, 2017, November 10, 2017, January 09, 2018 and March 22, 2018. The attendance during these meetings were as follows:

Sl. No.	Name of Director	Apr 27 2017	May 11 2017	Sep 11 2017	Nov 10 2017	Jan 09 2018	Mar 22 2018
1	Smt. Roopa Shekhar Rai	✓	✓	✓	✓	✓	✓
2	Shri Radhakrishna Menon	✓	✓	✓	✓	✓	✓
3	Shri D Paul Ranjan	✓	✓	✓	✓	✓	✓
4	Shri Sunny Thomas*	✓	✓	✓	✓	NA	NA

* Shri Sunny Thomas, superannuated from the services of the Company on November 30, 2017.

Committee for New Technology, Strategy and New Initiatives

52. The Committee for New Technology, Strategy and New Initiatives was constituted vide Circular Resolution No. CR 03/2017 adopted on August 30, 2017 and was reconstituted vide Circular Resolution No. CR/02/2018 adopted on May 06, 2018.

Terms of reference

53. Following is the terms of reference of the Committee for New Technology, Strategy and New Initiatives:
    (i) The Committee shall deliberate on adoption of new technology, strategies and new initiatives.

Constitution

54. As on March 31, 2018, the Committee comprises of Shri Pradipta Banerji, Non Official Part Time (Independent) Director as Chairman of the Committee and Shri Jiji Thomson, Non Official Part Time (Independent) Director, as member.

Meetings of the Committee for New Technology, Strategy and New Initiatives held during the year and attendance:

55. No meeting was conducted during the year 2017-18.

Share Allotment Committee

56. The Share Allotment Committee of Cochin Shipyard Limited was constituted vide Resolution No. 236/05 at the 236th Board Meeting held on August 04, 2017 as one time committee for the purpose of allotment of equity shares pursuant to Initial Public Offer (IPO) of the Company.

Terms of reference

57. The Share Allotment Committee was authorised to take all the necessary steps, actions and decisions as required in connection with the issue and allotment of Equity Shares to the subscribers in the IPO transaction of the Company and to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as it may deem necessary or expedient in this regard.

Constitution

58. The Committee comprised of Shri Madhu S Nair, Chairman & Managing Director, Shri. D Paul Ranjan, Director (Finance), Shri Sunny Thomas, Director (Technical) and Shri Suresh Babu N V, Director (Operations) as members.

Share Allotment Committee meetings held during 2017-18 and attendance:

59. The Share Allotment Committee meeting was held on August 09, 2017. The necessary quorum was present at the meeting. The attendance during the meeting was as follows:

Sl No	Name of the Member	Aug 09, 2017
1	Shri Madhu S Nair	✓
2	Shri D Paul Ranjan	✓
3	Shri Sunny Thomas	✓
4	Shri Suresh Babu N V	✓

Share Transfer Committee

60. The Share Transfer Committee of Cochin Shipyard Limited was constituted vide Resolution No. 237/19B at the 237th Board Meeting held on September 11, 2017.

Terms of reference

61. The following are terms of reference of the Share Transfer Committee:

(i) To approve share transfers in physical mode;

(ii) To approve share transmissions;

(iii) To approve dematerialisation of shares and rematerialisation of shares and to issue share certificates thereafter;

(iv) To issue duplicate shares certificates;

(v) To approve format of new share certificates, printing of blank share certificates as and when required; and

(vi) To approve and issue fresh share certificate by way of split or consolidation of the existing certificate or in any other manner.

Constitution

62. As on March 31, 2018, the Committee comprises of Shri D Paul Ranjan, Director (Finance) and Shri Suresh Babu N V, Director (Operations) as members.

Share Transfer Committee meetings held during 2017-18 and attendance:

63. Two meetings of the Share Transfer Committee were held during 2017-18 on January 08, 2018 and January 23, 2018. Necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl No	Name of the Member	January 08, 2018	January 23, 2018
1	Shri D Paul Ranjan	✓	✓
2	Shri Suresh Babu N V	✓	✓

General Body Meetings

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

Year	Date	Time	Venue	Special resolution passed
2016-17	Jul 17, 2017	09:30 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin 682 015	Nil
2015-16	Sep 20, 2016	16.00 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin 682 015	4
2014-15	Sep 25, 2015	10.00 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin 682 015	1

Postal Ballot

65. During the FY 2017-18, no resolution was put through by postal ballot.

66. 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

67. 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 are made through the respective electronic filing systems.

68. The financial results for the quarter / half-year / year were published as under:

Quarterly / half-year / year	In the month of
Quarter ending June 30, 2017	September
Quarter / half-year ending September 30, 2017	November
Quarter ending December 31, 2017	February
Year ending March 31, 2018	May

69. Quarterly/half-yearly/annual results, notices and information relating to General Meetings, etc. are published in leading newspapers viz., The Economic

Times (All India edition), Mathrubhumi (Cochin edition) and Malayala Manorama (Cochin edition) and are notified to the Stock Exchanges as required under the Listing Regulations.

70. 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.com under 'investors corner' section. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with Bombay Stock Exchange Limited (BSE) through BSE Online Portal.

71. The Management hold quarterly briefs with analysts and institutional investors. The presentation made to the institutional investors and analysts for quarterly/annual results are available on the Company's website under 'Investors Corner'.

General Shareholder Information

Annual General Meeting – date, time, venue:

72. 46th Annual General Meeting (AGM): 11.00 hrs, August 14, 2018 at Kerala Fine Arts Society Hall, Foreshore Rd, Pallimukku, Ernakulam, Kerala – 682 016

73. Financial Year: April 01, 2017 to March 31, 2018

Dividend Payment:

74. The final dividend for the year ended March 31, 2018 if approved at the AGM, will be paid on or after August 20, 2018. Dividend warrants in respect of shares held in electronic / dematerialized form will be posted to the beneficial owners at their address as per the information furnished by NSDL and CDSL as on the record date.

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

Financial Year	Dividend Per Share (INR)
2014 - 15	1.50
2015 - 16	7.65
2016 - 17	8.97

Listing of shares and stock code:

76. The Company's equity shares are listed at the following Stock Exchanges and listing fees for the year 2017-18 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

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

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

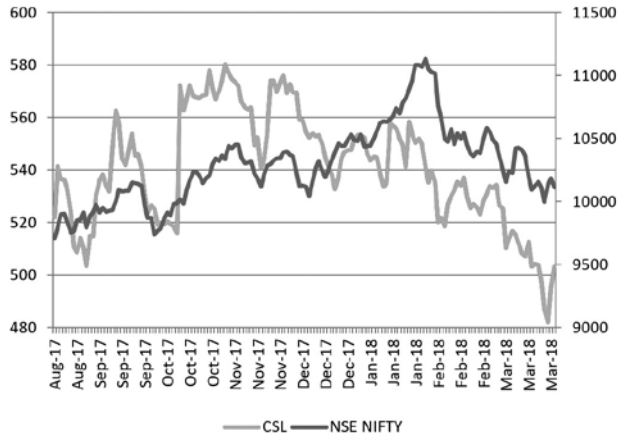
Price and volume of shares traded

Month/ Year	BSE Limited			National Stock Exchange of India Limited		
	High (INR)	Low (INR)	Volume (Nos.)	High (INR)	Low (INR)	Volume (Nos.)
Aug 2017*	575.00	435.00	76,23,370	575.00	435.00	13,81,980
Sep 2017	580.00	511.10	32,85,626	579.80	511.00	1,87,93,173
Oct 2017	597.40	514.00	33,63,083	597.80	515.00	2,13,58,045
Nov 2017	598.90	539.65	9,68,696	599.00	541.00	77,14,365
Dec 2017	573.00	525.00	4,43,950	574.00	523.55	32,51,896
Jan 2018	569.75	531.35	9,07,288	570.00	532.00	60,72,718
Feb 2018	544.80	501.05	3,45,999	544.70	500.00	29,63,353
Mar 2018	537.50	460.00	3,43,556	537.90	480.00	26,23,527

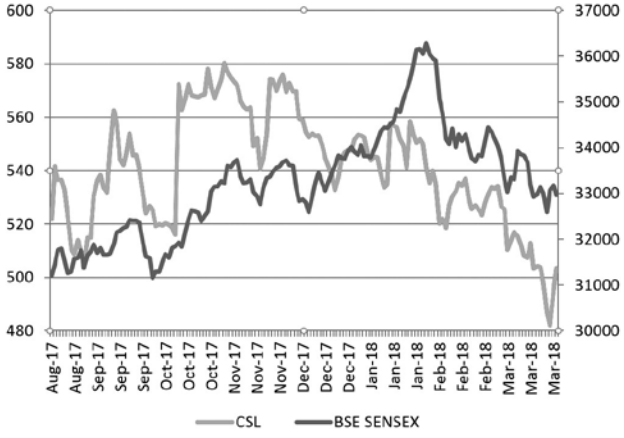
* Equity shares were listed on August 11, 2017.

Performance in comparison to broad based indices:

CSL vs NSE NIFTY



CSL vs BSE SENSEX



Details of securities suspended: Not applicable.

Registrar and Share 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

79. The Company's shares being in the compulsory demat list, are transferable through the depository system. However, shares held in physical form are processed by its Registrar & Share Transfer Agent in co-ordination with the Company and share certificates are returned within fifteen days from the date of receipt of the transfer by the Company provided that the transfer documents are complete in all respects.

Distribution of Shareholding:

80. Distribution of shareholding (as on March 31, 2018)

No. of shares held	Members		Shares	
	No.	%	No.	%
1-500	1,68,182	98.5971	73,10,903	5.3782
501-1000	1,261	0.7393	10,02,873	0.7378
1001-2000	517	0.3031	7,68,844	0.5656
2001-3000	189	0.1108	4,75,998	0.3502
3001-4000	76	0.0446	2,68,324	0.1974
4001-5000	93	0.0545	4,17,870	0.3074
5001-10000	96	0.0563	7,01,931	0.5164
>10000	161	0.0944	12,49,89,257	91.9471
Total	1,70,575	100.0000	13,59,36,000	100.0000

Dematerialisation of shares and liquidity

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

Percentage of shares held in:-

Physical form	:	0
Electronic form with NSDL	:	4.02
Electronic form with CDSL	:	95.98

The Company's 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.

Commodity price risk or foreign exchange risk and hedging of activities:

82. The Company has formulated Forex Risk Management Policy duly approved by the Board and the Forex exposures are being hedged depending upon the market conditions. Considering the complexity of Forex market operations, A.V. Rajwade & Co, a reputed and well known Forex consulting firm has been appointed as the Forex consultants since 2010 to advise CSL regarding Forex hedging transactions. They advise CSL on need basis and also brief the Board periodically.

83. To keep the minimum impact due to adverse exchange variations, the Company is 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. However, since the total cost of buyer's credit including hedging cost is higher than deposit rate of banks, we were not able to avail any buyer's credit during the recent times. However, various options are being looked into and a continuous watch on the same is being kept. Status of the forex exposure and the hedging position is reviewed by the Audit Committee and the Board on a quarterly basis.

Plant Locations:

Kochi

- Perumanoor, Ernakulam District, Kochi – 682 015
- International Ship Repair Facility: M/s. Cochin Port Trust, Willingdon Island, Kochi – 682 009

Address for Correspondence:

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

Other Disclosures

Related Party Transactions

84. 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: http://www.cochinshipyard.com/links/Relatedpartytransactionpolicy.pdf

Non-compliance by the Company

85. No penalties/strictures have been imposed on the Company by the Sock 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.

Vigil Mechanism and Whistle Blower Policy

86. Cochin Shipyard has adopted a Whistle Blower Policy approved by the Board at its 199th meeting held on April 20, 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 and 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 said policy is available in the website of the Company at http://www.cochinshipyard.com/links/CSLVIGILMECHANISMANDWHISTEBLOWERPOLICY.pdf

Code of Conduct for Prevention of Insider Trading

87. The Company has in place a Code of Conduct for Prevention of Insider Trading for its Designated Persons,

in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them 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: http://www.cochinshipyard.com/links/Policy%20on%20Insider%20Trading%20237BM%2011Sep2017%20-%20website%20upload.pdf

Mandatory Requirements

88. 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 Listing Regulations.

Non-Mandatory Requirements

89. The Company has complied with the following non-mandatory requirements of the 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 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 opinion.

Subsidiary Company:

90. Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 20% 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.

91. Hooghly Cochin Shipyard Limited is the subsidiary company of Cochin Shipyard Limited which was incorporated as Joint Venture Company on October 23, 2017, venturing with Hooghly Dock & Port Engineers Limited.

92. Pursuant to the explanation under Regulation 16(1) (c) of the Listing Regulations, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed on the Company's website at the following web link: http://www.cochinshipyard.com/links/Material%20Subsidiary%20Policy.pdf

Details of compliance with the requirement of Corporate Governance guidelines

93. 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 **Enclosure II** to this report.

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

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

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

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

97. The administrative and office expenditure of the Company for the year 2017-18 was 2.23 % of the total expenditure as against 1.88 % in 2016-17. Financial expenditure stood at 0.59% of the total expenditure in 2017-18, against 0.61% in the previous year.

Code of Conduct

98. 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 2017-18. The Code is hosted on the website of the Company and can be accessed at: http://www.cochinshipyard.com/links/CodeofConduct.pdf

99. A declaration signed by the Chairman and 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 2017-18.

    Sd/-
    Madhu S Nair
    Chairman and Managing Director
    DIN: 07376798

CEO/CFO Certification

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

Risk Management Process

101. CSL reviewed the existing risk management policy and adopted a revised policy encompassing a comprehensive system of Risk Management at its 214th Board Meeting held on September 16, 2014. The salient features of the new risk management policy is as follows:

    (i) 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.

    (ii) Risk Management Policy:

        (a) The Risk Management process is implemented to improve the Company's ability to prevent risks and ensure timely detection of risk.

        (b) To identify risks and its mitigation.

        (c) Risk Management process to be standardized.

        (d) Facilitate sharing of risk information.

102. 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

103. The Board at the helm will review the risk management system within CSL. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The Board may also delegate to any other person or committee the task of independently assessing and evaluating the effectiveness of the risk management system. The CSL management comprising of CSL Board Level and below Board level executives will be entrusted with the implementation of the risk management process. In this respect the Risk Management Committees and Risk Management Steering Committee have been constituted to implement the policy in CSL.

Share holding pattern

104. The Company has issued 13,59,36,000 equity shares of Rs.10 each, details of which as on March 31, 2018 are as follows:

Sl. No.	Category	No. of shareholders	No. of shares	% holding
1.	Central Government	1	10,19,52,000	75.0000
2.	Clearing Members	338	3,82,424	0.2813
3.	Financial Institutions	5	7,12,568	0.5242
4.	Foreign Portfolio Investors (Corporate)	33	46,97,022	3.4553
5.	Foreign Portfolio Investors (Individual)	1	900	0.0007
6.	Hindu Undivided Family	6,090	5,04,360	0.3710
7.	Mutual Funds	34	1,39,83,664	10.2869
8.	Nationalised Banks	2	3,69,800	0.2720
9.	Non Nationalised Banks	3	46,934	0.0345
10.	Non Resident (Non Repatriable)	670	46,934	0.0939
11.	Non Resident Indians	2,092	5,41,373	0.3983
12.	Other Bodies Corporate	616	18,83,283	1.3854
13.	Public	1,60,681	1,07,21,031	7.8868
14	Trusts	8	12,987	0.0096
	Total	**1,70,574**	**13,59,36,000**	**100.0000**

Means of Communication

105. The quarterly/half yearly financial results are posted on the websites of the BSE, NSE and the Company after consideration and approval by the Board and also will be published in one English national daily having all India circulation and atleast in one Malayalam national daily Kochi edition within 48 hours of its adoption. The Annual Report of the Company is posted in the website viz. www.cochinshipyard.com. The website of the Company also displays all official news releases.

Audit Qualifications

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

107. The Report submitted by M/s SVJS & Associates, Secretarial Auditors of the Company does not contain any qualification, reservation or adverse remark or disclaimer.

Training Board Members

108. 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
DIN: 07376798

Kochi
June 30, 2018

Enclosure I to Corporate Governance Report

DETAILS OF MANAGERIAL REMUNERATION (Amount in ₹)

Name of the Director	Total of Basic Pay, DA, HRA & other perks & Allowances	Performance Related Payment	Performance Criteria	Details of Service Contracts, Notice period, severance fees	Stock Option details	Total
Shri Madhu S Nair Chairman & Managing Director	3133638	626493	Based on performance criteria laid down by DPE.	Appointed vide MOS letter No. SY-11011/ 1/2009-CSL dated 11 December 2015 for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his 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 3 months pay may be remitted. Shri Madhu S Nair took charge as CMD on 01 January 2016.	NIL	3760131
Shri D Paul Ranjan, Director (Finance)	2852625	928933	Same as above	Appointed vide MOS letter No. SY-11012/ 1/2009-CSL. Vol-II dated April 04, 2014 for a period of 5 years with effect from the date of assumption of charge of the post on or after 01st May 2014 or till the date of his 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 3 months pay may be remitted.	NIL	3781558
Shri Sunny Thomas, Director (Technical)	1876850	926673	Same as above	Appointed vide MOS letter No. SY-11012/ 3/2010-CSL dated 12th May 2014 for a period of 5 years with effect from the date of assumption of charge of the post on or after 01 June 2014 or till the date of his 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 3 months pay may be remitted.	NIL	2803523
Shri Suresh Babu NV, Director (Operations)	2688507	400578	Same as above	Appointed vide MOS letter No. SY-11012/2/2010 -CSL dated April 26, 2016 for a period of 5 years with effect from the date of assumption of charge of the post on or after April 26, 2016 or till the date of his 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 3 months pay may be remitted.	NIL	3089085

For and on behalf of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Kochi
June 30, 2018

Enclosure II

CORPORATE GOVERNANCE CERTIFICATE

{Under Regulation 34(3) and Schedule V (E) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015}
Registration No. of the Company: U63032KL1972GOI002414
Nominal Capital: 250,00,00,000/-

To,
The Members
M/s Cochin Shipyard Limited
Cochin -682015

I have examined the compliance of the conditions of Corporate Governance by M/s Cochin Shipyard Limited (The Company), for the year ended March 31, 2018, as stipulated in Regulation 34 (3) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I have obtained all the necessary information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the company's management. My examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the company has complied with all the conditions of the corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Certificate 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.

M.C.SAJUMON, MCOM, ACMA,ACS,ACIS(UK)
PRACTISING COMPANY SECRETARY
ACS:9868, CP:2385

Place: Kochi-18
Date: 28.06.2018

Enclosure II

CORPORATE GOVERNANCE CERTIFICATE

(As stipulated in the guidelines on corporate governance for CPSES issued by the Department of Public Enterprises, Government of India).

To the Members of
Cochin Shipyard Limited

I have examined the compliance of conditions of corporate governance by Cochin Shipyard Limited (the company) for the financial year ended 31-03-2018, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines.

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

M.C.SAJUMON, MCOM, ACMA,ACS,ACIS(UK)
PRACTISING COMPANY SECRETARY
ACS:9868, CP:2385

Place: Kochi-18
Date: 28.06.2018

Enclosure III

CEO/CFO CERTIFICATION

To
The Board of Directors
Cochin Shipyard Limited
Cochin- 15

Dear Sirs,

Sub: CEO/CFO Certificate

1. We have reviewed Financial Statements, read with the Cash Flow Statement of Cochin Shipyard Limited for the year ended 31st March 2018 and that to the best of our knowledge and belief, we state that:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current Accounting Standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and;

4. We have indicated to the Auditors and the Audit Committee that:

   (i) There are no significant changes, in internal control over financial reporting during the year;

   (ii) There are no significant changes, in accounting policies made during the year and;

   (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

D Paul Ranjan
Director (Finance)
DIN:06869452

Madhu S Nair
Chairman and Managing Director
DIN: 07376798

Kochi
June 30, 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Cochin Shipyard Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Cochin Shipyard Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind As financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:-

i) Note No.29 to the Standalone Ind AS financial statements regarding the basis on which the Company has recognized revenue from ship building/ ship repair activities based on the Company's own assessment of physical completion and further, reliance is placed on the technical assessment and activity based cost

estimates defined by the Management for the purpose of recognition of income;

ii) Note No.41.a to the Standalone Ind As financial statements regarding environmental Clearance for the International Ship Repair Facility ('ISRF') project from the National Board for Wildlife ('NBWL') which has recommended environmental clearance for the ISRF project along with the conditions imposed by State Chief Wild Life Warden ('CWLW') and subsequent utilization of the Initial Public Offer proceeds relating to the ISRF project based on the management contention that the conditions imposed by the CWLW are to be complied with during the implementation of the ISRF project.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in " Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Based on the verification of records of the Company and based on information and explanations given to us, we give in "Annexure B" reports on the Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) 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 the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed 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 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements – Refer Notes 40, 42, 43 and 44 to the Standalone Ind AS 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. Further the Company did not have any long-term derivative contracts for which there were any material foreseeable losses. – Refer Note 53 to the Standalone Ind AS financial statements;

      iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Standalone Ind As financial statements for the year ended March 31, 2018, we report the following:

i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the Management during the year and there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) As explained to us, the inventories (excluding goods in transit) were physically verified during the year in accordance with the inventory verification procedure adopted by the Management. In our opinion, the frequency of such physical verification needs to be increased. The discrepancies noticed on such physical verification between the physical stock and the book records were not material.

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans, investments, guarantees and securities.

v) According to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and the rules framed there under and we are of the opinion that prima-facie, the prescribed books of account and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or 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:

(a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018, for a period of more than six months from the date they became payable.

(b) There are no dues of Income tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited with the appropriate authorities on account of disputes, except as given in "Annexure D".

viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks or government during the year. In respect of bonds issued, the Company has not defaulted in payment of any dues.

ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised any term loans during the year.

x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) 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 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii) In our opinion and according to the information given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

Annexure B to the Independent Auditor's Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the Standalone Ind As financial statements for the year ended March 31, 2018, we report the following:

A. Directions

1. **Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available.**

   Based on our examination of the records of the Company and according to the information and explanations given to us and the confirmation from Bond Trustees in respect of title deeds deposited with them and based on the details of land and buildings furnished to us by the Company, the title / lease deeds for freehold and lease hold land respectively are held in the name of the Company.

2. **Whether there are any cases of waiver/write off debts/loans/interest etc., if yes, the reasons therefore and the amount involved.**

   Based on our examination of the records of the Company and according to the information and explanations given to us, during the year, the Company has not waived or written off any debts/loans/interest. As per the policy followed by the company, liquidated damages, where the levies depend on decisions regarding force majeure condition of contract, are accounted for on completion of contract and/or when final decision is taken. Based on our examination of the records of the Company and according to the information and explanations given to us, Liquidated damages accounted for has not been waived /written off during the year. Based on the explanation given to us, the Company does not have the practice of claiming interest on delayed payment from customers though certain contracts provide for the same.

3. **Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.**

   Based on our examination of the records as we considered appropriate and further based on the information and explanations given to us, the Company is maintaining proper records of inventory sent out during the year and lying with third parties. The Company has not received any assets as gift or grant(s) from Government or other authorities.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

Annexure C to the Independent Auditor's Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report to the members of the Company on the Standalone Ind As financial statements for the year ended March 31, 2018.)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Cochin Shipyard Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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 Act.

Auditor's 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 Standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31,2018 , 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.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

Annexure D referred to under clause vii (b) to Annexure A

Details of dues outstanding with respect to Income tax, Sales tax, Value Added Tax, Service Tax and Duty of Customs on account of disputes:

(₹ in lakhs)

Sl. No	Name of the statute	Nature of dues	Amount* ₹	Amount paid/ adjusted ₹	Amount unpaid ₹	Period	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	3158.87	-	3158.87	AY 1997-98 AY 1998-99	Assessing Officer
2	Income Tax Act, 1961	Income Tax	620.47	-	620.47	AY 1999-00 AY 2000-01 AY 2001-02	Hon'ble High Court of Kerala
3	Income Tax Act, 1961	Income Tax	29.99	29.99	-	AY 2002-03	Income Tax Appellate Tribunal
4	Income Tax Act, 1961	Income Tax	2268.52	2267.95	0.57	AY 2009-10 AY 2010-11 AY 2011-12 AY 2012-13 AY 2013-14 AY 2014-15	Commissioner of Income Tax (Appeals)
5	Kerala General Sales Tax Act, 1963	Sales Tax	266.89	20.38	246.51	1996-97 2000-01 2001-02	Assessing Officer, Commercial Taxes
6	Kerala General Sales Tax Act, 1963	Sales Tax	58.03	-	58.03	1999-2000	Assessing Authority, Commercial Taxes (Remanded back to Assessing Officer by Kerala Sales Tax Appellate Tribunal)
7	Kerala General Sales Tax Act, 1963	Sales Tax	202.22	6.55	195.67	2004-05	**
8	Kerala Value Added Tax Act, 2003	Value Added Tax	1008.70	130.00	878.70	2005-06 2007-08	KVAT Appellate Tribunal
9	Finance Act, 1994	Service Tax	3284.49	1686.53	1597.96	2003-04 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
10	Finance Act, 1994	Service Tax	24.08	-	24.08	2003-04 to 2007-08	Hon'ble High Court of Kerala
11	Finance Act, 1994	Service Tax	50.62	3.45	47.18	Jul 2012-Mar 2013	Commissioner of Central Excise (Appeals)
12	Customs Act, 1962	Duty of Customs	27.46	-	27.46	1984-1990	Chief Commissioner of Customs, Bangalore
13	Customs Act, 1962	Duty of Customs	283.34	261.22	22.12	2003-04 2013-14	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
14	Customs Act, 1962	Duty of Customs	23.31	-	23.31	2004-05	Commissioner of Customs, Kochi
15	Customs Act, 1962	Duty of Customs	14,891.39	-	14,891.39	2010-2015	Hon'ble High Court of Kerala

* Dues includes penalty and interest wherever applicable.

** The Company is in the process of filing an appeal before KVAT Appellate Tribunal.

BALANCE SHEET

as at March 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	28,446.72	30,285.30
(b) Capital work-in-progress	4	11,484.34	5,392.33
(c) Intangible assets	5	6,451.75	6,775.89
(d) Financial assets			
(i) Investments	6	1,637.18	9.18
(ii) Loans	7	147.77	145.39
(e) Income tax assets (net)	8	5,400.03	3,601.27
(f) Deferred tax assets (net)	9	4,332.27	2,433.43
(g) Other non-current assets	10	7,688.25	2,467.23
		65,588.31	**51,110.02**
Current assets			
(a) Inventories	11	31,455.67	18,647.09
(b) Financial Assets			
(i) Investments	12	0.16	0.00
(ii) Trade receivables	13	58,012.76	30,699.22
(iii) Cash and cash equivalents	14	79,194.06	67,598.15
(iv) Bank balances other than (iii) above	15	269,840.19	131,530.99
(v) Loans	16	38.14	46.70
(vi) Other Financial assets	17	26,083.13	23,269.18
(c) Current tax assets (net)	8	0.00	1,694.74
(d) Other current assets	18	16,716.32	7,057.05
		481,340.43	**280,543.12**
Total Assets		**546,928.74**	**331,653.14**
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	19	13,593.60	11,328.00
(b) Other equity	20	311,993.09	191,530.24
		325,586.69	**202,858.24**
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,300.00	12,300.00
(ii) Other financial liabilities	22	261.22	261.22
(b) Provisions	23	2,265.70	2,141.60
(c) Other non current liabilities	24	13.74	0.00
		14,840.66	**14,702.82**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	25	27,382.97	16,088.06
(ii) Other financial liabilities	26	11,736.48	9,607.79
(b) Other current liabilities	27	137,977.56	67,303.88
(c) Provisions	28	28,332.91	21,092.35
(d) Current tax liabilities (net)	8	1,071.47	0.00
		206,501.39	**114,092.08**
Total Equity and Liabilities		**546,928.74**	**331,653.14**

Corporate overview and Significant Accounting Policies 1-2

Notes to the Financial Statements 3-55

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA	**SURESH BABU N V**	**D PAUL RANJAN**	**MADHU S NAIR**
Company Secretary	Director (Operations) DIN - 07482491	Director (Finance) & Chief Financial Officer DIN - 06869452	Chairman and Managing Director DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in lakhs)

Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	**Income**			
	Revenue from operations	29	235512.33	205887.10
	Other income	30	18915.83	15863.26
	Total Income		**254428.16**	**221750.36**
II	**Expenses:**			
	Cost of materials consumed	31	116565.64	100872.67
	Changes in inventories of work-in-progress	32	2510.39	(1395.52)
	Sub contract and other direct expenses	33	23528.99	31936.73
	Employee benefits expense	34	27139.85	21726.64
	Finance costs	35	1141.03	1053.58
	Depreciation and amortisation expense	36	3751.02	3850.99
	Other expenses	37	13479.06	13451.87
	Provision for anticipated losses and expenditure	38	5826.17	913.35
	Total expenses		**193942.15**	**172410.31**
III	**Profit before tax**		**60486.01**	**49340.05**
IV	**Tax expense:**			
	(1) Current tax	8	22412.00	16348.35
	(2) Deferred tax	8	(1601.00)	837.00
V	**Profit for the year**		**39675.01**	**32154.70**
VI	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(205.04)	(163.00)
	ii) Income tax relating to items that will not be reclassified to profit or loss		70.96	56.41
	Other comprehensive income for the year		**(134.08)**	**(106.59)**
VII	**Total Comprehensive income for the year**		**39540.93**	**32048.11**
VIII	**Earnings per equity share of Rs 10 each :**	39		
	(1) Basic (Rs)		**31.03**	**28.39**
	(2) Diluted (Rs)		**31.03**	**28.39**

Corporate overview and Significant Accounting Policies 1-2

Notes to the Financial Statements 3-55

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	**60,486.01**	**49,340.05**
Adjustments for :		
Depreciation and amortisation	3,497.59	3,584.23
Interest expense	1,141.03	1,053.58
Interest income	(15,421.47)	(13,085.52)
Rental income	(58.18)	(55.39)
Dividend income	(185.84)	(199.02)
Loss on sale/write off of property plant and equipment	9.86	414.85
Profit on sale of property plant and equipment	(1.34)	(6.56)
Profit on sale of investments	(669.82)	(460.96)
Income recognised on Govt. assistance	(1.14)	0.00
Loss/(gain) on derivative contracts (net)	0.00	(222.84)
Unrealised loss/(gain) on derivative contracts (net)	0.00	38.68
Net gain /(loss) on foreign currency transactions	(217.73)	(227.22)
Expenses on Initial Public Offer	668.89	182.11
Effective loss/gain of cash flow hedges	0.00	35.53
Operating cash flow before working capital changes	49,247.86	40,391.52
Movements in working capital :		
(Increase) / decrease in inventories	(12,808.58)	4,516.71
(Increase) / decrease in trade and other receivables	(181,602.26)	15,781.35
Increase / (decrease) in trade and other payables	85,596.22	(24,458.54)
	(59,566.76)	36,231.04
Income tax paid net of refunds	(15,610.00)	(15,003.00)
Net cash flows from operating activities (A)	**(75,176.76)**	**21,228.04**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,364.27)	(4,042.71)
(Increase) / decrease in capital work In progress	(6,092.01)	(2,975.17)
Investment in Mutual Funds	(203,750.00)	(113,785.00)
Redemption of Mutual Funds	203,749.84	113,785.00
Dividend received	185.84	199.02
Profit on sale of investments	669.82	460.96
Govt. assitance received	16.03	0.00
Investment in HCSL Subsidiary	(1,628.00)	0.00
Sale or withdrawal of property, plant and equipment	20.91	10.55
Interest received	13,607.52	12,766.91
Rent received	59.50	55.39
Net cash flows from investing activities (B)	**5,475.18**	**6,474.95**

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities		
Proceeds from IPO including securities premium	96,195.36	0.00
Loss/(gain) on derivative contracts (Net)	0.00	222.84
Net gain /(loss) on foreign currency transactions	217.73	227.22
Dividend paid	(10,161.21)	(8,665.92)
Dividend distribution tax paid	(2,068.58)	(1,764.18)
Interest paid	(1,141.15)	(1,053.70)
Expenses on Initial Public Offer	(1,744.66)	(218.28)
Net cash flows from financing activities (C)	**81,297.49**	**(11,252.02)**
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**11,595.91**	**16,450.97**
Cash and cash equivalent at the beginning of the Year		
Cash on hand	0.00	1.24
Balance with Banks in current account and deposit account	67,598.15	51,145.94
Cash and cash equivalents (as per Note 16)	67,598.15	51,147.18
Cash and cash equivalent at the end of the Year		
Cash on hand	0.12	0.00
Balance with Banks in current account and deposit account	79,193.94	67,598.15
Cash and cash equivalents (as per Note 14)	79,194.06	67,598.15

Note: Figures in brackets indicate outflow.

Corporate overview and Significant Accounting Policies	1-2
Notes to the Financial Statements	3-55

For and on behalf of Board of Directors

V KALA Company Secretary	**SURESH BABU N V** Director (Operations) DIN - 07482491	**D PAUL RANJAN** Director (Finance) & Chief Financial Officer DIN - 06869452	**MADHU S NAIR** Chairman and Managing Director DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

A. Equity Share Capital		(₹ in lakhs)
As at 01.04.2017	Changes in equity share capital during the year	As at 31.03.2018
11,328.00	2,265.60	13,593.60
As at 01.04.2016	Changes in equity share capital during the year	As at 31.03.2017
11,328.00	0.00	11,328.00

B. Other Equity (₹ in lakhs)

	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	
Balance as at April 01,2017	**263.56**	**0.85**	**6,322.75**	**172,081.27**	**11,914.20**	**947.61**	**191,530.24**
Profit for the year				39,675.01			39,675.01
Other comprehensive income for the year				(134.08)			(134.08)
Total comprehensive income for the year				**39,540.93**			**39,540.93**
Dividends (including taxes)				(12,229.79)			(12,229.79)
Transfer from retained earnings				(288.33)		288.33	0.00
Premium on IPO net of Deferred Tax		93,151.83					93,151.83
Amortisation of premium		(0.12)					(0.12)
Balance as at March 31,2018	**263.56**	**93,152.56**	**6,322.75**	**199,104.08**	**11,914.20**	**1,235.94**	**311,993.09**
Balance as at April 01,2016	**263.56**	**0.97**	**6,322.75**	**150,944.38**	**11,914.20**	**659.28**	**170,105.14**
Prior period adjustments				(192.79)			(192.79)
Restated balance at the beginning of the reporting period	263.56	0.97	6,322.75	150,751.59	11,914.20	659.28	169,912.35
Profit for the year				32,154.70			32,154.70
Other comprehensive income for the year				(106.59)			(106.59)
Total comprehensive income for the year				32,048.11			32,048.11
Dividends (including taxes)				(10,430.10)			(10,430.10)
Transfer from retained earnings				(288.33)		288.33	0.00
Amortisation of premium		(0.12)					(0.12)
Balance as at March 31,2017	**263.56**	**0.85**	**6,322.75**	**172,081.27**	**11,914.20**	**947.61**	**191,530.24**

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

Notes

To Financial Statements for the year ended 31st March 2018

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, 2018, the Government of India holds 75% 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, 2018 were approved by the Board of Directors and authorised for issue on May 24, 2018.

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.

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.

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 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.

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 measurment 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 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.

Classification of Leases

The Company enters into leasing arrangements for various assets. 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.

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.

Provision for 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.

A provision in respect of liquidated damages is recognised for the period of delay between the due date of supply of goods as per the delivery schedule and the expected date of delivery of the said goods.

Revenue Recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. The use of the percentage of completion method requires the Company to estimate the costs expended to date as a proportion to the total cost to be expended on a project considering the physical progress or financial progress whichever is lower. 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.

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.

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

As a lessee:

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed or unless the lease agreement explicitly states that increase is on account of inflation.

(ii) Finance Lease:

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

As a lessor:

Lease income is recognised based on the lease agreements and is charged to Statement of Profit and Loss

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.

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.

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 assets class 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 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 subsidiary 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. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit is valued at lower of cost or 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) Work in progress:

Work in progress Ship Building :- Work in progress is recognised only when the percentage of physical completion is less than the financial completion, in which case the cost proportionate to excess of percentage of financial completion over physical completion is treated as Work in progress. In the case of Indigenous Aircraft Carrier since all the materials belongs to Indian Navy, work in progress is not recognized.

Work in progress of ships/offshore structures under repair, which have not reached 75% stage of physical completion and general engineering jobs are valued at cost. Work- in- progress of ships where physical construction has not started is also valued at cost.

(c) Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.

(d) 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

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

Trade Receivables

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 off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to off set 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. Monetory 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. Derivatives are initially recognised at fair value on the date a derivative contact is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The use of foreign currency and derivative contracts is governed by the Company's foreign exchange risk management policy approved by the Board of Directors which provide written directives 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. The ineffective portion of designated hedges are recognised immediately in the Statement of Profit and Loss.

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 Advance/progress payments received

Advance/progress payments received from customers in respect of repair work of ships/offshore structures are shown as deduction from the amount of work in progress in respect of income recognized under proportionate completion method. In the case of ship building, the advance payment received is adjusted only when the ship is invoiced.

2.17 Provision , 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, we treat 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, we do 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.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised

2.18 Revenue Recognition

a) Contracts for the construction of ships and small crafts (Other than Indigenous Aircraft Carrier)

The income from ship building is recognized on percentage of completion method, in the proportion the cost incurred for the work performed up to the reporting date bear to the estimated total contract cost, considering the physical progress or financial progress, whichever is lower. 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.

b) Construction of Indigenous Aircraft Carrier

In the case of construction of IAC which is partly fixed price basis and partly cost plus basis, the income from fixed price is recognised on the percentage of completion method.

Mark up from cost plus part of contract activities for materials and design outsourcing are recognised when payments towards the same are made. Cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy is charged off to statement of Profit and Loss when materials are consumed/activities are performed/expenses are incurred and are grossed up with the value of work done and recognised as income.

c) Contracts for repair of ships/ Offshore structures:

Income from repair of ships /Offshore structures is recognized based on proportionate completion method when proportionate performance of each ship repair activity exceeds 75% after taking into consideration possible contingencies with reference to the realizable value of work done. The proportionate progress is measured by the Company's technical evaluation of the percentage of physical completion of each job. In the case of ship repair contracts completed and invoices settled during the year, income recognized is net of reductions due to price variation admitted. In the case of unsettled invoices, the income is recognised net of estimated amount of reductions. Differences, if any, on settlement are adjusted against income in the year of settlement.

d) 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.

e) Liquidated damages and interest on advances

No income has been recognized on account of (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.

f) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under builders risk Insurance Policies, the insurance claims lodged will be recognized in the financial statments in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

(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 statments on settlement of the claims by way of receipt of the amount from the Insurance Company.

g) Others

Dividend income is recognized when the Company's right to receive payment has been established.

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

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 provident fund, in substance a defined contribution retirement benefit plan. 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 Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

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

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.

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

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

Other employee benefits

Compensated absences

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

non-accumulating compensated absence is recognised in the period in which the absences occur.

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 Company has opted to charge its Corporate Social responsibility (CSR) expenditure to the Statement of Profit & Loss, except in respect of expenditure incurred against the non-lapsable provision held under the guidelines of Department of Public Enterprises (DPE)

2.22 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.

2.23 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 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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.24 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.

2.25 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 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".

2.26 Statement of cash flow

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, 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.

2.28 Recent accounting pronouncements - Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115, Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers.

Notes

To Financial Statements for the year ended 31st March 2018

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

In view of the significant complexities involved, the Company is in the process of evaluating the impact on application of Ind AS 115 on its financial statements.

Notes

To Financial Statements for the year ended 31st March 2018

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjust-ment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Owned Assets										
Land (Freehold)	587.54	-	-	**587.54**	-	-	-	**-**	**587.54**	587.54
Buildings	9,377.91	243.56	-	**9,621.47**	802.43	670.09	-	**1,472.52**	**8,148.95**	8,575.48
Plant and equipment	16,798.49	452.08	3.56	**17,247.01**	2,707.00	1,426.70	-	**4,133.70**	**13,113.31**	14,091.49
Furniture and fixtures	813.24	64.26	1.67	**875.83**	165.35	102.94	1.03	**267.26**	**608.57**	647.89
Vehicles	344.49	177.14	27.77	**493.86**	92.74	53.67	3.23	**143.18**	**350.68**	251.75
Office equipment	184.19	24.81	0.07	**208.93**	74.49	30.27	-	**104.76**	**104.17**	109.70
			-				-			-
Others			-				-			-
Data Processing Equipments	727.21	142.54	0.61	**869.14**	324.29	177.45	0.02	**501.72**	**367.42**	402.92
Docks and quays	4,466.45	-	-	**4,466.45**	644.32	299.41	-	**943.73**	**3,522.72**	3,822.13
Railway sidings	1.10	-	-	**1.10**	-	-	-	**-**	**1.10**	1.10
Electrical installation	1,182.08	108.73	-	**1,290.81**	444.64	156.02	-	**600.66**	**690.15**	737.44
Drainage and water supply	6.67	-	-	**6.67**	-	-	-	**-**	**6.67**	6.67
Vessels	19.74	-	-	**19.74**	1.64	1.36	-	**3.00**	**16.74**	18.10
Sub Total	34,509.11	1,213.12	33.68	**35,688.55**	5,256.90	2,917.91	4.28	**8,170.53**	**27,518.02**	29,252.21
Leased assets and assets on leased premises										
Buildings	838.22		-	**838.22**	165.53	85.32	-	**250.85**	**587.37**	672.69
Plant and equipment	85.89	27.56	-	**113.45**	25.84	13.27	-	**39.11**	**74.34**	60.05
Docks and quays	9.62	-	-	**9.62**	8.35		-	**8.35**	**1.27**	1.27
Electrical installation	329.54		-	**329.54**	30.46	33.36	-	**63.82**	**265.72**	299.08
Sub Total	1,263.27	27.56	-	**1,290.83**	230.18	131.95	-	**362.13**	**928.70**	1,033.09
Total	**35,772.38**	**1,240.68**	**33.68**	**36,979.38**	**5,487.08**	**3,049.86**	**4.28**	**8,532.66**	**28,446.72**	**30,285.30**

Notes

To Financial Statements for the year ended 31st March 2018

(₹ in lakh)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjust-ment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Owned Assets										
Land (Freehold)	587.54	-	-	**587.54**	-	-	-	-	587.54	587.54
Buildings	8,241.50	1,137.25	0.84	**9,377.91**	377.31	425.17	0.05	**802.43**	**8,575.48**	7,864.19
Plant and equipment	15,163.91	1,683.66	49.08	**16,798.49**	1,332.65	1,386.76	12.41	**2,707.00**	**14,091.49**	13,831.26
Furniture and fixtures	599.27	214.45	0.48	**813.24**	75.65	89.99	0.29	**165.35**	**647.89**	523.62
Vehicles	227.23	123.48	6.22	**344.49**	53.18	43.85	4.29	**92.74**	**251.75**	174.05
Office equipment	156.64	28.48	0.93	**184.19**	37.66	37.32	0.49	**74.49**	**109.70**	118.98
			-				-			
Others			-				-			
Data Processing Equipments	565.14	162.78	0.71	**727.21**	153.57	171.28	0.56	**324.29**	**402.92**	411.57
Docks and quays	4,466.45	-	-	**4,466.45**	344.91	299.41	-	**644.32**	**3,822.13**	4,121.54
Railway sidings	1.10	-	-	**1.10**	-	-	-	**-**	**1.10**	1.10
Electrical installation	981.54	200.54	-	**1,182.08**	216.26	228.38	-	**444.64**	**737.44**	765.28
Drainage and water supply	6.67	-	-	**6.67**	-	-	-	**-**	**6.67**	6.67
Vessels	37.57	-	17.83	**19.74**	1.02	2.11	1.49	**1.64**	**18.10**	36.55
Sub Total	31,034.56	3,550.64	76.09	**34,509.11**	2,592.21	2,684.27	19.58	**5,256.90**	**29,252.21**	28,442.35
Leased assets and assets on leased premises										
Buildings	1,155.76	72.79	390.33	**838.22**	93.28	100.26	28.01	**165.53**	**672.69**	1,062.48
Plant and equipment	77.18	8.71	-	**85.89**	13.32	12.52	-	**25.84**	**60.05**	63.86
Docks and quays	9.62	-	-	**9.62**	7.72	0.63	-	**8.35**	**1.27**	1.90
Electrical installation	82.63	246.91	-	**329.54**	9.68	20.78	-	**30.46**	**299.08**	72.95
Sub Total	1,325.19	328.41	390.33	**1,263.27**	124.00	134.19	28.01	**230.18**	**1,033.09**	1,201.19
Total	32,359.75	3,879.05	466.42	**35,772.38**	2,716.21	2,818.46	47.59	**5,487.08**	**30,285.30**	29,643.54

Notes

To Financial Statements for the year ended 31st March 2018

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, 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

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Plant and machinery, Buildings and Civil works	11,285.07	5,299.88
Capital yard items	199.27	92.45
Total	**11,484.34**	**5,392.33**

Note 5 : Other Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjustment/ (withdrawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Internally generated weld procedure	27.67		-	**27.67**	10.75	9.22	-	**19.97**	**7.70**	16.92
Computer software	1,243.16	123.59	-	**1,366.75**	984.19	196.20		**1,180.39**	**186.36**	258.97
Right to use - land and ship repair facility	7,000.00		-	**7,000.00**	500.00	242.31	-	**742.31**	**6,257.69**	6,500.00
	8,270.83	**123.59**	**-**	**8,394.42**	**1,494.94**	**447.73**	**-**	**1,942.67**	**6,451.75**	**6,775.89**

Notes

To Financial Statements for the year ended 31st March 2018

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2016	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2017	As at 1st April 2016	For the year	Adjustment/ (withdrawal)	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Internally generated weld procedure	27.67		-	**27.67**	1.52	9.23	-	**10.75**	**16.92**	26.15
Computer software	1,079.50	163.66	-	**1,243.16**	477.65	506.54	-	**984.19**	**258.97**	601.85
Right to use - land and ship repair facility	7,000.00		-	**7,000.00**	250.00	250.00	-	**500.00**	**6,500.00**	6,750.00
	8,107.17	**163.66**	**-**	**8,270.83**	**729.17**	**765.77**	**-**	**1,494.94**	**6,775.89**	**7,378.00**

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 31.03.2018	As at 31.03.2017
Unquoted (Fully Paid up)		
Investment in equity instruments		
a) At Fair Value through statement of Profit and Loss		
Equity shares in subsidiary company		
Hooghly Cochin Shipyard Ltd - 16280000 Equity shares of ₹ 10 each	1,628.00	0.00
b) At Fair Value Through Other Comprehensive Income		
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	10.00	10.00
Less diminution in value of Investment		
Cochin Waste to Energy Private Limited	(10.00)	(10.00)
Total	**1,637.18**	**9.18**
Aggregate value of unquoted investment	**1,647.18**	**19.18**
Aggregate value of impairment in value of investment	**10.00**	**10.00**

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.

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 has 16280000 equity shares of face value of ₹ 10 each for cash (74%) and Hooghly Dock & Port Engineers Limited has 5720000 equity shares of face value of ₹ 10 each for consideration other than cash (26%) and this investment in HCSL is accounted at cost as per Ind AS 27- Separate Financial Statements.

Notes

To Financial Statements for the year ended 31st March 2018

Note 7 : Loans - Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good:		
Security deposits	66.89	55.94
Employee advances		
Loans to related parties	0.00	2.30
Other employees	80.88	87.15
Total	**147.77**	**145.39**

Note 8 : Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Non current tax assets		
Advance income tax net of provisions	5,400.03	3,601.27
Current tax assets / liabilities		
Advance income tax net of provisions	(1,071.47)	1,694.74

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Current tax:		
Current income tax charge	22,406.57	16,394.91
Adjustment in respect of prior years	5.43	(46.56)
Total (A)	**22,412.00**	**16,348.35**
Deferred tax:		
In respect of current year	(1,601.00)	837.00
Total (B)	(1,601.00)	837.00
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**20,811.00**	**17,185.35**

Notes

To Financial Statements for the year ended 31st March 2018

The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Profit before tax	60,486.01	49,340.05
Income tax expense calculated @34.608%	20,933.00	17,075.61
Effect of expenses that are not deductible in determining taxable profit	5,312.99	3,470.33
Effect of expenses that are allowable in determining taxable profit	(2,642.89)	(5,297.65)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	296.62	250.41
Effect of income that is exempt from taxation	(64.32)	(35.87)
Others	(1,428.83)	932.08
	22,406.57	16,394.91
Adjustments recognised in the current year in relation to the current tax of prior years	5.43	(46.56)
Adjustments for changes in estimates of deferred tax assets	(1,601.00)	837.00
Income tax expense recognised in the Statement of Profit and Loss	20,811.00	17,185.35

Note 9 : Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax liabilities	3,954.57	4,072.90
Deferred tax assets	(8,286.84)	(6,506.33)
Total	**(4,332.27)**	**(2,433.43)**

Deferred tax liabilities/(assets) in relation to 2017-18

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(5,226.67)	(2,212.21)	0.00	(7,438.88)
Property, plant and equipment	4,045.04	(87.00)	0.00	3,958.04
Intangible assets	27.86	(31.33)	0.00	(3.47)
Others	(1,279.66)	729.54	(297.84)	(847.96)
Total	**(2,433.43)**	**(1,601.00)**	**(297.84)**	**(4,332.27)**

Notes

To Financial Statements for the year ended 31st March 2018

Deferred tax liabilities/(assets) in relation to 2016-17

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Closing Balance
Provisions	(6,676.87)	1,450.20	(5,226.67)
Property, plant and equipment	4,070.73	(25.69)	4,045.04
Intangible assets	135.09	(107.23)	27.86
Others	(799.38)	(480.28)	(1,279.66)
Total	**(3,270.43)**	**837.00**	**(2,433.43)**

Note 10 : Other non-current assets

(₹ in lakhs)

Particulars			As at 31.03.2018	As at 31.03.2017
Unsecured, considered good				
Capital advances			6,641.69	1,674.48
Advances other than capital advances:				
Security deposits			209.75	167.85
Advance lease rentals			575.59	363.68
Deposits with Customs department			261.22	261.22
Total			**7,688.25**	**2,467.23**

Notes

To Financial Statements for the year ended 31st March 2018

Note 11 : Inventories

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Raw Materials and components*	11,301.78	5,707.70
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(331.27)	(467.37)
Goods-in transit*	5,795.66	327.40
	16,766.17	5,567.73
Work-in-progress (Valued at cost)	6,284.46	8,794.85
Work-in-progress (Valued at net realisable value)	6,787.00	2,649.78
	13,071.46	11,444.63
Stores & Spares*	586.36	637.76
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(27.97)	(13.81)
Goods-in transit*	82.72	14.80
	641.11	638.75
Loose Tools*	794.58	893.32
Scrap*	182.35	102.66
Total	**31,455.67**	**18,647.09**

* Valuation of inventories are 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 ₹ 71053.76 lakhs (previous year ₹ 57107.65 lakhs) held on behalf of Indian Navy lying with the Company and is shown under 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 12 : Investments-Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investment in Mutual Funds	0.16	0.00
Total	0.16	0.00
Details of Mutual Funds	**Fund Value**	**Fund Value**
UTI- Treasury Advantage Fund	**0.16**	-

Notes

To Financial Statements for the year ended 31st March 2018

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured		
Considered good:		
Based on invoice	25,473.28	25,828.58
Based on proportionate completion method	32,539.48	4,870.64
Considered doubtful	9,263.32	5,987.03
Less: Allowance for doubtful debts (Expected credit loss allowance)	(9,263.32)	(5,987.03)
Unsecured, considered doubtful (Net)	0.00	0.00
Total	**58,012.76**	**30,699.22**

Trade receivables include debts amounting to ₹32539.48 lakhs (previous year ₹4870.64 lakhs) on account of income recognized under proportionate completion method pertaining to incomplete vessels, against which stage payments received amounting to ₹88490.06 lakhs (previous year ₹33928 lakhs) for completed stage and is shown as advance under current liabilities.

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Opening balance	5,987.03	5,300.14
Add: Provision made/transfer during the year	3,832.20	1,193.09
Less: Amount collected/reversal of provision	555.91	506.20
Closing Balance	**9,263.32**	**5,987.03**

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Cash on hand	0.12	-
Balance with Banks		
In current account	1,249.46	1,641.83
In current account on behalf of Indian Navy	62,807.09	29,656.32
Term deposits with original maturity of less than three months	15,137.39	36,300.00
Total	**79,194.06**	**67,598.15**

Balance in current account includes ₹ 3.84 lakhs (previous year Nil) being IPO proceeds and Term deposits with original maturity of less than three months includes ₹ 9437.39 lakhs (previous year Nil) being proceeds from IPO including interest accrued.

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Bank balance in Current Account includes ₹838.65 lakh to be adjusted against GST liability on delivery of IAC towards Input Tax Credit availed on Cost Plus procurements for IAC funded by Indian Navy.

Notes

To Financial Statements for the year ended 31st March 2018

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Term Deposits with banks with original maturity more than 3 months and less than 12 months	269,840.19	131,530.99
Total	**269,840.19**	**131,530.99**

Deposits with banks with maturity upto 12 months, includes ₹ 74689.22 lakhs (previous year Nil) relating to proceeds from IPO including interest accrued.

Deposits with banks with maturity upto 12 months, includes ₹ 76.96 lakhs (previous year ₹ 71.99 lakhs) is lien marked in favour of The Registrar of High Court of Kerala.

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		
Employee advances		
Loans to related parties	-	0.52
Other employees	38.14	46.18
Total	38.14	46.70

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest accrued on fixed deposits	6,059.78	4,235.91
Interest accrued on employee advances		
Related parties	-	0.50
Other employees	23.35	32.77
Fixed Deposit with HDFC Ltd	20,000.00	19,000.00
Total	26,083.13	23,269.18

Notes

To Financial Statements for the year ended 31st March 2018

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured advances		
Advances other than capital advances		
Advances to related party	4.44	4.59
Other advances	5,589.06	4,206.29
Advances considered doubtful	0.07	0.07
	5,593.57	4,210.95
Less: Provision for doubtful advances	0.07	0.07
	5,593.50	4,210.88
Others		
Balance with Sales Tax department and CBEC	427.32	826.01
Miscellaneous deposits	9.94	7.36
Prepaid expenditure	1,720.56	533.49
Miscellaneous current assets (Including claims receivable)	8,965.00	1,479.31
Total	**16,716.32**	**7,057.05**

Notes

To Financial Statements for the year ended 31st March 2018

Note 19 : Equity Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹ 10/- each	250000000	25,000.00	250000000	25,000.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up	135936000	13,593.60	113280000	11,328.00
Total	**135936000**	**13,593.60**	**113280000**	**11,328.00**

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	113280000	11,328.00	113280000	11,328.00
Add : shares issued during the year	22656000	2265.60	-	-
Equity Shares outstanding at the end of the year	**135936000**	**13,593.60**	**113280000**	**11,328.00**

During the year ,Company has raised capital of ₹ 2265.60 lakhs through Initial Public Offer (IPO) by issuing 22656000 equity shares of ₹ 10 each.

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/ declared by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. All dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	101952000	75	113280000	100
Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (Elss) Fund	7104353	5.23	0	0

Notes

To Financial Statements for the year ended 31st March 2018

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Reserves	263.56	263.56
Capital Redemption Reserve	11,914.20	11,914.20
Securities Premium Reserve	93,152.56	0.85
Debenture Redemption Reserve	1,235.94	947.61
General Reserve	6,322.75	6,322.75
Retained Earnings	199,104.08	172,081.27
	311,993.09	**191,530.24**

Capital Reserve: Capital reserve represents restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Company's land.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 11914.20 lakhs represents the reserves created on redemption of preference shares which will be utilised for the purpose defined under the Companies Act 2013.

Securities Premium Reserve:

Premium on tax free bonds is amortised on straight line basis over the period of bonds.

The Company has completed an Initial Public Offer ('IPO') of 33984000 equity shares of face value of ₹ 10 each. This comprises of an offer for sale of 11328000 equity shares (10% of its equity shareholding) under the Disinvestment programme of Govt. of India, the President of India acting through the Ministry of Shipping and a fresh issue of 22656000 equity shares and shares were allotted on 09 Aug 2017 . The equity shares were listed in Bombay Stock Exchange and National Stock Exchange on 11.08.2017.

The company has completed the Initial Public Offer (IPO) and has allotted 22656000 equity shares of ₹ 10 each at premium (₹ 93929.76 lakhs).

Expenses incurred net of deffered tax adjustment towards such allotment of shares amounting Rs 777.93 lakhs has been debited in securities premium reserve In accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

Debenture Redemption Reserve: In accordance with provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008 the Company has created Debenture Redemption Reserve (DRR) amounting to ₹ 1235.94 lakhs (cumulative) at 25% of the value of debenture issued by the Company,over the maturity period of such debentures, proportionately for the period upto 31.03.2018.

Notes

To Financial Statements for the year ended 31st March 2018

Reconciliation of Other Equity as at 31.03.2017	
Particulars	(₹ in lakhs)
Other Equity (Reserves excluding Revaluation Reserve) as at 31.03.2017 as per audited Financial Statements as at 31.03.2017	191783.15
Adjustments during the year for prior period items:	
Decrease in retained Earnings for incomes/expenses relating to FY 2016-17 and periods prior to FY 2016-17	(252.91)
Other Equity (Reserves excluding Revaluation Reserve) as at 31.03.2017 now restated	191530.24

Tax expenses (current tax and deferred tax) includes previous year tax adjustments also.

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹ 12/- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2018 at the board meeting held on May 24, 2018.

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Bonds - from other parties (Secured)		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00	12,300.00
Total	**12,300.00**	**12,300.00**

Tax Free Infrastructure Bond Series 2013-14

a) 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

b) 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 28 th 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 Financial Statements for the year ended 31st March 2018

Note 22 : Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Payable to Chennai Port Trust	261.22	261.22
Total	**261.22**	**261.22**

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. 10

Note 23 : Provisions - Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for employee benefits - Compensated absences (Refer Note No 34)	2,265.70	2,141.60
Total	**2,265.70**	**2,141.60**

Note 24 : Other non current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Income arising from Government Assistance	13.74	0.00
Total	**13.74**	**0.00**

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	682.19	584.95
Outstanding dues of creditors other than Micro enterprises and Small enterprises	26,700.78	15,503.11
Total	**27,382.97**	**16,088.06**

In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". The average credit period on goods and services are within 30 to 60 days. The amount remaining unpaid to Micro and Small suppliers as at the end of the financial year is ₹ 682.19 lakhs. No interest for delay was paid or payable under the Act.

Notes

To Financial Statements for the year ended 31st March 2018

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest accrued but not due	281.98	281.98
Others		
Security and other deposits	733.34	1,087.87
Others Payables	10,721.16	8,237.94
Total	**11,736.48**	**9,607.79**

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance for Indigenous Aircraft Carrier (Cost plus)	691,656.37	555,275.22
Less: Indigenous Aircraft carrier inventory in stock	71,053.76	57,107.65
Less: Material issued	429,719.34	352,045.46
Less: Design and other direct expenses	30,758.47	30,474.65
Less: Advance paid for purchase of materials and services	30,555.83	34,719.45
Less: Other expenses against cost plus activities	68,684.02	57,466.57
	60,884.95	**23,461.44**
Advance for Indigenous Aircraft Carrier fixed price contract	309,179.83	267,883.84
Less : income recognised so far	323,993.64	268,724.46
	(14,813.81)	**(840.62)**
Advance for Indigenous Aircraft Carrier infrastructure	28,517.05	26,347.16
Less: Assets on infrastructure	26,934.76	24,879.24
Less: Prepayment	14.00	6.44
	1,568.29	**1,461.48**
Advance outstanding for Indigenous Aircraft Carrier works (Net)	47,639.43	24,082.30
Advances for other ship building contracts	88,515.06	41,967.69
Advances for ship repair and others	1,099.15	529.63
Income received in advance	23.28	22.22
Statutory dues	699.50	702.04
Deferred Income arising from Government Assistance	1.14	0.00
Total	**137,977.56**	**67,303.88**

Cost of infrastructure facilities which has been met out of funds from Navy and adjusted by Indian Navy, till date.

(₹ in lakhs)

Details	As at 31.03.2018	As at 31.03.2017
Buildings and other civil works	8,600.39	6,572.58
Data processing equipment	1,294.44	1,294.44
Furniture and Office equipments	249.17	221.46
Plant and machinery	16,790.76	16,790.76
Total	**26,934.76**	**24,879.24**

Notes

To Financial Statements for the year ended 31st March 2018

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee benefits		
Gratuity	2,361.82	261.96
Compensated absences	383.78	332.80
Others	1,220.93	21.31
	3,966.53	616.07
Other Provisions		
Taxes and duties	196.48	233.03
Provision for shipbuilding loss	548.22	35.00
Expenditure / contingencies	23,621.68	20,208.25
	24,366.38	20,476.28
Total	**28,332.91**	**21,092.35**

28.1 : Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2017	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2018
a) Provision for taxes and duties	233.03	26.15	0.00	(62.70)	196.48
b) Provision for shipbuilding loss	35.00	548.22	(35.00)	0.00	548.22
c) Provision for expenditure / contingencies	20,208.25	17,338.89	(12,155.46)	(1,770.00)	23,621.68
d) Provision for employee benefits -Others	21.31	1,220.93	(21.31)	0.00	1,220.93

(₹ in lakhs)

Particulars	As at 01.04.2016	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2017
a) Provision for taxes and duties	380.45	55.29	(22.85)	(179.86)	233.03
b) Provision for shipbuilding loss	810.00	35.00	0.00	(810.00)	35.00
c) Provision for expenditure / contingencies	20,321.36	17,685.34	(16,037.58)	(1,760.87)	20,208.25
d) Provision for employee benefits -Others	16.00	21.31	(16.00)	0.00	21.31

Notes

To Financial Statements for the year ended 31st March 2018

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 017
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	144,334.95	131,504.38
Vessels other than IAC	28,428.83	19,862.93
Engineering works	4.26	-
	172,768.04	**151,367.31**
Sale of services		
Ship repairs	62,326.64	54,304.93
	62,326.64	**54,304.93**
Other operating revenue		
Sale of stock items	0.05	214.86
Scrip under MEIS scheme	417.60	-
	417.65	**214.86**
Total	**235,512.33**	**205,887.10**

Disclosure as required by Ind AS 11 - Construction Contracts

(a) Shipbuilding income of ₹172763.78 lakhs (previous year ₹151367.31 lakhs) includes revenue recognized under percentage of completion method amounting to ₹172729.20 lakhs (previous year ₹136171.34 lakhs) against incomplete vessels.

(b) Method of revenue recognition - Percentage of completion method

(c) Method used to determine the stage of completion - Stage of completion is measured in the proportion to expenses incurred till the end of the year to the estimated total cost of completion of the project or percentage of physical completion whichever is less.

(d) For contracts in progress as at the end of the year.

(₹ in lakhs)

		2017-18	2016-17
(i)	Contract revenue recognized in the period	172,729.20	136,171.34
(ii)	Contract cost incurred and recognized profits (less recognized losses) up to the reporting period	885,255.31	713,252.32
(iii)	Advance received from customers	926,392.08	741,469.06
(iv)	Gross amount due to customers	66,535.58	29,057.36
(v)	Gross amount due from customers	25,398.81	840.62

Ship repair income includes income recognised under proportionate completion method amounting to ₹21092.00 lakhs (previous year ₹ 4153.00 lakhs)

Income from ship repair is net of actual / anticipated reductions amounting to ₹ 1922.81 lakhs (previous year ₹ 3903.13 lakhs).

Notes

To Financial Statements for the year ended 31st March 2018

Note 30 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Training facilities	241.12	315.18
Income from sale of scrap and stores	457.51	173.45
Profit on sale of fixed assets	1.34	6.56
Income from laboratory services	33.52	37.90
Rent received	187.01	130.83
Hire charges received	0.00	29.08
Interest on bank deposits	15,087.57	12,439.68
Interest from others	333.90	645.85
Dividend income from equity investments/ Mutual Funds	185.84	199.02
Profit on sale of Mutual Funds	669.82	460.96
Net gain /(loss) on foreign currency transactions	217.73	227.22
Provision no longer required	1,103.03	949.63
Miscellaneous income	397.44	247.90
Total	**18,915.83**	**15,863.26**

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.

Income from sale of scrap and stores is net of import duty amounting to ₹ 45.33 lakhs (previous year ₹ 234.49 lakhs) on sale of bonded scrap and stores.

Note 31 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Raw Materials		
Steel	4,235.44	2,286.54
Pipe	1,096.48	724.25
Paint	1,278.40	1,439.45
Bought out components	109,955.32	96,422.43
Total	**116,565.64**	**100,872.67**

Note 32 : Changes in Inventories of Work-in-Progress

(₹ in lakhs)

(Other than those which are recognised as income on percentage/proportionate completion method)		
Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Work -in-progress :		
At the beginning of the year	8,794.85	7,399.33
Less: at the end of the year	6,284.46	8,794.85
Decretion/(Accretion) to work-in-progress	**2,510.39**	**(1,395.52)**

Notes

To Financial Statements for the year ended 31st March 2018

Note 33 : Sub Contract and Other Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Sub contract and off loaded jobs	17,950.24	16,592.52
Hull insurance	51.04	76.12
Other direct expenses	5,527.71	15,268.09
Total	**23,528.99**	**31,936.73**

Note 34 : Employee Benefits Expense

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Salaries, wages, bonus/exgratia and allowances	22,531.89	19,229.42
Contribution to Provident Fund and Family Pension Fund	1,226.65	1,164.13
Gratuity	2,188.68	110.20
Staff welfare expenses	1,192.63	1,222.89
Total	**27,139.85**	**21,726.64**

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 15.16 lakhs (previous year ₹14.67 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 175.08 lakhs (previous year ₹ 19.18 lakhs)

The employee benefits accruing to the employees on deputation from Cochin Port Trust are being accounted based on demands received from Cochin Port Trust as per tripartite agreement between the Company, Cochin Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2017-18.

The revision in pay and allowances of officers and non-unionised supervisors was due w.e.f 01.01.2017 and for workmen w.e.f 01.04.2017. While most of the dues in respect of the executives have crystallised and the same for workmen is under finalisation. An amount of ₹1200.96 lakhs has been carried as a liability as on March 31, 2018 towards pending due on this account.

Employee benefit expenses includes ₹ 11.95 Lakhs (previous year Nil) being secondment to subsidiary (Hooghly Cochin Shipyard Ltd)

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate (p.a)	7.72%	7.40%
Rate of increase in compensation levels	3.00%	3.00%

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 March 31, 2018	For the year ended March 31, 2017
Service Cost:		
Current Service Cost	172.90	173.48
Net Interest expense	151.84	176.63
Acturial (Gain)/Loss recognised during the period	695.38	266.30
Expenses recognised in the statement of profit and loss	1020.12	616.41

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 March 31, 2018	For the year ended March 31, 2017
Present Value of Defined Benefit Obligation at end of the year	2,649.48	2,474.40
Fair Value of Plan Assets at the end of the year		-
Net Liabilities /(Assets) recognized in the Balance Sheet	2,649.48	2,474.40

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined Benefit Obligation at beginning of the year	2,474.40	2,557.66
Current & Past Service Cost	172.90	173.48
Current Interest Cost	151.84	176.63
Actuarial (Gain)/ Loss	695.38	266.30
Benefits paid	(845.04)	(699.67)
Defined Benefit Obligation at end of the year	**2,649.48**	**2,474.40**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	845.04	699.67
Benefits paid	(845.04)	(699.67)
Fair Value of the Assets at the end of the year	-	-

Notes

To Financial Statements for the year ended 31st March 2018

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate (p.a)	7.72%	7.40%
Rate of increase in compensation levels	3.00%	3.00%
Expected Rate of Return on Plan Asset	7.72%	7.40%

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 March 31, 2018**	**For the year ended March 31, 2017**
Service Cost:		
Current Service Cost	111.41	87.79
Past Service Cost	1567.90	0.00
Net Interest expense	8.71	11.16
Components of defined benefit costs recognised in statement of profit and loss	1688.02	98.95
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	220.67	181.36
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(15.63)	(18.35)
Components of defined benefit costs recognised in Other Comprehensive Income	205.04	163.01

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 March 31, 2018	For the year ended March 31, 2017
Present Value of Defined Benefit Obligation at end of the year	5,077.72	3,713.66
Less: Fair Value of Plan Assets at the end of the year	3,211.31	3,451.70
Net Liabilities /(Assets) recognized in the Balance Sheet	1,866.41	261.96

Notes

To Financial Statements for the year ended 31st March 2018

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined Benefit Obligation at beginning of the year	3,713.66	4,484.55
Current Service Cost	111.41	87.79
Current Interest Cost	245.88	304.96
Past Service Cost	1,567.91	-
Actuarial (Gain)/ Loss	220.67	181.36
Benefits paid	(781.81)	(1,345.00)
Defined Benefit Obligation at end of the year	**5,077.72**	**3,713.66**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair Value of Plan Assets at the beginning of the year	3,451.70	4,205.49
Expected Return on Plan Assets	237.18	293.80
Actuarial (Gain)/ Loss	15.63	18.35
Contributions from the employer	288.61	279.06
Benefits paid	(781.81)	(1,345.00)
Fair Value of the Assets at the end of the year	**3,211.31**	**3,451.70**

The plan assets are managed by the Gratuity Trust formed by the Company.

Note 35 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Bank interest	36.42	2.10
Interest others	53.17	0.04
Interest on tax free bonds	1,051.44	1,051.44
Total	**1,141.03**	**1,053.58**

Notes

To Financial Statements for the year ended 31st March 2018

Note 36 : Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Depreciation on property, plant and equipments	3,049.86	2,818.46
Amortisation of other intangible asset	447.73	765.77
Total	3,497.59	3,584.23
Add : Loss on revaluation of tools	253.43	266.76
Total	**3,751.02**	**3,850.99**

Note 37 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Consumption of stores	1,446.32	1,659.13
Consumption of spares	62.32	154.89
Rates and taxes	36.01	212.90
Power	1,863.16	1,856.23
Fuel	651.62	774.07
Water	173.36	218.95
Repairs and maintenance:		
Building and roads	553.73	517.27
Plant and machinery	80.91	105.63
Others	1,119.77	1,037.85
Maintenance dredging	784.35	733.78
Transport and stores handling	124.96	223.19
Travelling and conveyance expenses	598.24	456.12
Printing and stationery	64.05	73.98
Postage, telephone and telex	44.34	60.10
Advertisement and publicity	525.65	316.03
Lease rent	567.21	632.11
Guaranteed Amount under lease agreement	2.25	-
Hire charges	506.02	574.58
Insurance charges	230.64	333.86
Security expenses	1,342.98	1,310.93
Auditors remuneration	12.50	8.66
Auditors remuneration for other services	8.75	4.02
Training expenses	521.48	458.79
Legal expenses	16.68	12.42
Consultancy	96.87	33.08
Bank charges	46.38	162.27
Net loss /(gain) on derivative contracts	-	(148.63)
Corporate social responsibility (Refer Note no.45)	857.08	723.56
Loss on sale/write off of property, plant and equipments	15.48	414.85
Miscellaneous expenses	1,125.95	531.25
Total	**13,479.06**	**13,451.87**

Notes

To Financial Statements for the year ended 31st March 2018

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
For Audit Fees	12.50	8.66
For Limited Review/other services	8.75	4.02
For certification for Initial Public Offer	12.00	9.20
Total	**33.25**	**21.88**

Note 38 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Provision for:		
Doubtful debts / advances	3,804.88	246.10
Non moving / perpetual inventory verification	31.62	56.86
Expenses and contingencies	1,476.45	575.39
Provision for loss on Ship Building	513.22	35.00
Total	**5,826.17**	**913.35**

MODU Sagar Bhushan, an oil rig owned by M/s ONGC was under repair at CSL and there was a fire incident on board the vessel on Feb 13, 2018 while the vessel was undergoing repairs. The incident resulted in damages to the vessel. The company has assessed the estimated damage cost to be ₹1851 lakhs. Company has an annual insurance cover for the vessel under Ship Repairer's liability policy with a limit of liability for any one incident of ₹1500 lakhs with an annual limit of ₹30000 lakhs. The company has accordingly made a provision for an amount of ₹ 351 lakhs net of insurance claim, towards probable loss on this

Note 39 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Net Profit after tax (₹ in lakhs)	39,675.01	32,154.70
Weighted average number of Equity Shares	127866740	113280000
Basic and Diluted Earnings Per Share (EPS) (in ₹)	**31.03**	**28.39**
Face value per equity (in ₹)	10.00	10.00

Notes

To Financial Statements for the year ended 31st March 2018

Note 40 : CONTINGENT LIABILTIES AND COMMITMENTS

	Particulars	For the period ended 31 Mar 2018 (₹ in lakhs)	For the period ended 31 Mar 2017 (₹ in lakhs)	Brief Description of the nature and obligation
A	**CONTINGENT LIABILITY (To the extent not provided for)**			
a	**Guarantees**			
i	Letters of Credit	**52,609.28**	39,328.74	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii	Bank Guarantees	**125,157.57**	69,366.52	
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	**Other money for which the company is contingently liable**			
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.
ii	Customs duties	**15,934.66**	17,941.22	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 is pending before the Hon'ble High Court of Kerala.
iii	Sales Tax/Kerala Value Added Tax	**1,259.75**	1,259.75	2000-01 - Rs. 111.93 Lakhs 2001-02 - Rs. 73.44 Lakhs 2004-05 - Rs 195.67 Lakhs 2005-06 - Rs. 602.24 Lakhs 2007-08 - Rs. 276.47 Lakhs (Under appeal.) Stay of collection of tax obtained in all cases. Demand reduced to the extent of amount paid and appeal allowed by Deputy Commissioner (Appeals). Detailed notes in Note no. 40.1 (II &III)
		12.10	12.10	VAT credit for the year 1996-97 which has not been considered in the demand, for which no provision exists in the books
iv	Income Tax	**6,077.85**	6,077.85	Demand relating to Assessment Years:

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To Financial Statements for the year ended 31st March 2018

	Particulars	For the period ended 31 Mar 2018 (₹ in lakhs)	For the period ended 31 Mar 2017 (₹ in lakhs)	Brief Description of the nature and obligation
				(a) AY 2009-10 - Rs 77.67 Lakhs AY 2010-11 - Rs. 126.25 Lakhs AY 2011-12 - Rs. 420.19 Lakhs AY 2012-13 - Rs. 546.14 Lakhs AY 2013-14 - Rs. 221.37 Lakhs AY 2014-15 - Rs. 876.90 Lakhs (b) AY 1997-98 - Rs 2191.60 Lakhs AY 1998-99 - Rs 967.27 Lakhs AY 1999-00 - Rs 353.72 Lakhs AY 2000-01 - Rs 170.31 Lakhs AY 2001-02 - Rs 96.44 Lakhs (c) AY 2002-03 - Rs 29.99 Lakhs Detailed notes in Note no. 40.1 (I)
v	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	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
		-	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
		24.08	24.08	Penalty on service tax for the period 2003-04 to 2007-08 which is pending before Hon'ble High Court of Kerala.

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To Financial Statements for the year ended 31st March 2018

	Particulars	For the period ended 31 Mar 2018 (₹ in lakhs)	For the period ended 31 Mar 2017 (₹ in lakhs)	Brief Description of the nature and obligation
B	**COMMITMENTS (To the extent not provided for)**			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	**73,430.43**	4,584.66	
b	Other commitments			
i	Investment in subsidiary (Hooghly Cochin Shipyard Ltd) for which the company has restriction for their disposal for 5 years from the effective date of the concession agreement.	**1,628.00**	0.00	
ii	Unutilised amount of Initial Public Offer (IPO) proceeds (Pending utilisation amount deposited with various banks in current account and term deposits)	**82,621.86**	0.00	Detailed notes in Note no. 41.b

40.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

(a) The Income Tax Assessment of the company have been completed up to AY 2014-15 Demands raised as per the assessment orders totaling to ₹2268.52 lakhs for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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 to Company.

(b) For the Assessment years 1997-98 to 2001-02,the Income Tax department has gone for appeal against the order of the ITAT allowed in favour of CSL before the Hon'ble High Court of Kerala . For the Assessment year 1997-98 the appeal was decided in favour of CSL and for the Assessment year 1998-99 the appeal was decided against CSL. However for both the assessment years orders are yet to be given effect to by the reassessing officer.

(c) The Company has filed appeal before the ITAT against the order of Assessing Officer/ Commissioner of Income Tax (Appeals) and the appeal was partly allowed in favor of Company, the effect to the order has not yet been given by the reassessing officer.

(II) Sales Tax Assessment under KGST Act

The Sales Tax assessments under Kerala General Sales Tax Act up to the Assessment Year 2004-05 have been completed and orders were issued for all the years except for the year 2002-03 & 2003-04. Due to apparent mistake in the orders issued for the year 2000-01 and 2001-02, applications have been filed for rectification of the orders. Pending rectification to the assessment orders the demands thereto have been shown under Contingent Liabilities. For the Assessment year 2004-05, the Deputy Commissioner (Appeals) has dismissed the appeal filed by the Company against the demand for ₹202.22 lakhs. The Company is in the process of filing appeal to Tribunal.

(III) Sales Tax Assessments under KVAT Act

The KVAT assessments from Assessment Year 2005-06 to Assessment Year 2007-08 have been completed and assessment orders were issued for Assessment Year 2005-06 and Assessment Year 2007-08 with a demand of ₹ 2836.63 lakhs and ₹ 5554.71 lakhs respectively. The appeals filed by the Company against the above orders, before the Deputy Commissioner (Appeals) have been partially decided in favour of the Company and remanded for fresh assessments. Accordingly the demands as per the original assessment orders have become null. As such no demand exists as on reporting date. Pending receipt of the revised assessment order, the company filed appeal before the Hon'ble KVAT Appellate Tribunal on the other issues. The appeal is currently pending before the Tribunal. Assessment order for the year 2006-07 is pending.

41.a. The Environmental Clearances, for the ISRF project received from Ministry of Environment, Forest and Climate Change (MOEFCC), is subject to obtaining prior clearance of the Standing Committee of the National Board for Wildlife ("NBWL"). Pursuant to the SEBI Exemption letter dated July 14, 2017, SEBI had permitted the Company to utilize the net proceeds of the Initial Public Offer assigned towards the proposed ISRF project and utilize such funds raised once the necessary approvals for Environmental Clearance for the ISRF project are received. The Company had also undertaken to SEBI vide letter dated July 10, 2017 and further stated in the Prospectus dated August 4, 2017 that the net proceeds assigned for the proposed ISRF project shall be transferred to a separate bank account which would be utilised only after requisite pending approval(s) are received and all expenditure on the ISRF project shall be incurred through internal accruals till the time such pending approvals are received.

The State Board for Wild Life at their meeting held on August 16, 2017 specified compensatory mangrove afforestation by the Company as a condition while recommending the proposal to the NBWL. The Standing Committee of NBWL in their 46th meeting held on December 8, 2017 has recommended the Environmental Clearance for the ISRF project

along with conditions imposed by the State Chief Wild Life Warden (CWLW). The condition imposed by State CWLW is to be complied during the implementation of the ISRF project and the matter has been taken up with the Forest Department, Government of Kerala and the process of identification of notified mangrove area for afforestation is underway. Accordingly, the Company has considered the date of Environmental clearance as January 9, 2018 and started utilisation of the funds set apart for this purpose after intimating SEBI vide letter dated January 17, 2018.

41.b. The Utilisation of IPO proceeds is summarised below:

(₹ in lakhs)

Particulars	IPO proceeds received -Based on Final allotment	Actual cash outflow upto March 31, 2018	Unutilised amount as at March 31, 2018
Setting up of Dry Dock	51000.00*	330.72	50669.28
Setting up of ISRF	26500.00*	1142.14	25357.86
General corporate purposes	16523.26	9956.42	6566.84
Issue related expenses (Attributtable to the Company)	2172.10**	2144.22	27.88
Total	96195.36	13573.50	82621.86

*** As per Prospectus Filed**

** Increase in IPO expenditure (Rs.172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

42. 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. The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.

43. Permanent Machinery for Arbitration, Department of Public Enterprises, Govt. of India, has notified award in favour of the Company in the dispute between the Company and M/s Oil and Natural Gas Corporation Ltd (ONGC) on the Works Contract Tax issue and ONGC has paid to the Company the disputed sum along with interest amounting to ₹2642.22 Lakhs as per the award. ONGC has gone on appeal before the Law Secretary, Ministry of Law & Justice against the award. Pending disposal of ONGC appeal, no adjustment has been made in the accounts.

44. 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.

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Details of material litigations as on 31 March 2018

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."

45. 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 those specified in Schedule VII of the Companies Act 2013. The utilisation of CSR funds are done through direct spending 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, 2018				₹ 853.75 lakhs
(b) Amount spent during the year	₹ 857.08 lakhs			₹ in Lakhs
Particulars		**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset		611.03	-	611.03
(ii) On purposes other than (i) above		246.05	-	246.05

46. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2017-18	2016-17
Shri. Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri. Paul Ranjan D Director (Finance) & Chief Financial Officer	Key Managerial Personnel	Key Managerial Personnel
Shri. Sunny Thomas Director (Technical) (Upto 30/11/2017)	Key Managerial Personnel	Key Managerial Personnel
Shri. Suresh Babu N V Director (Operations)	Key Managerial Personnel	Key Managerial Personnel
Shri Barun Mitra (upto 17/04/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	Key Managerial Personnel
Shri Pravir Krishna (from 17/04/2017 to 04/10/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	--
Shri Satinder Pal Singh (from 04/10/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	--
Shri Elias George Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	Key Managerial Personnel
Smt. Roopa Shekhar Rai Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Radhakrishna Menon Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel

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Related Party	Nature of Relationship	
	2017-18	2016-17
Shri Krishna Das E Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Jiji Thomson (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel	--
Shri Pradipta Banerjee (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel	--
Shri Nanda Kumaran Puthezhath (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel	--
Smt V Kala Company Secretary	Key Managerial Personnel	Key Managerial Personnel
M/s Hooghly Cochin Shipyard Ltd.	Subsidiary Company with 74 % stake holding	-

Nature of transaction-Remuneration to Key Managerial Person

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Short term benefit	142.20	148.34
Post employment Benefit	17.11	23.12
Total	159.31	171.46

Nature of transaction-Loans*

₹ in Lakhs

Name of Related Party	Opening Balance as on 1/4/2017	Loans/advances Taken during 2017-18	Repay ment	Balance as on 31/03/18	Interest accrued as on 31/03/18
MADHU S NAIR	0.90	1.54	1.53	0.91	0.00
PAUL RANJAN D	1.04	1.38	1.43	0.99	0.00
SUNNY THOMAS	0.96	0.82	0.96	0.82	0.00
SURESH BABU N V	3.72	1.33	4.10	0.95	0.00
KALA V	0.79	1.09	1.11	0.77	0.00

₹ in Lakhs

Name of Related Party	Opening Balance as on 1/4/2016	Loans/advances Taken during 2016-17	Repay ment	Balance as on 31/03/17	Interest accrued as on 31/03/17
MADHU S NAIR	2.27	1.14	2.51	0.90	0.00
PAUL RANJAN D	0.13	1.28	0.37	1.04	0.00
SUNNY THOMAS	0.11	3.00	2.15	0.96	0.00
SURESH BABU N V	3.45	1.14	0.87	3.72	0.50
KALA V	0.11	1.03	0.35	0.79	0.00

*Loan balances have been considered from the year of attaining KMP status.

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Nature of transaction-Sitting Fee to Independent Directors

₹ in Lakhs

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Board Meeting	1.50	1.35	1.50	0.90	0.90	0.75
Audit Committee	0.00	0.90	0.90	0.00	0.45	0.00
Corporate Social Responsibility	0.90	0.00	0.90	0.00	0.00	0.00
Nomination and Remuneration Committee	0.45	0.45	0.00	0.00	0.00	0.00
Contract and Capex Committee	0.00	0.00	0.00	0.15	0.15	0.00
Total payment for 2017-18	**2.85**	**2.70**	**3.30**	**1.05**	**1.50**	**0.75**

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 individuvally significant transactions:

Transactions with Government and Government related entities by the parent company.

Particulars	As at 31.03.2018 ₹ Lakhs	As at 31.03.2017 ₹ Lakhs
Secondment to subsidiary - Hooghly Cochin Shipyard Ltd.	11.95	0.00
Amount payable to Government of India	235.40	0.00
Amount paid as dividend during the year	10161.21	8665.92
In the case of subsidiary company shares issued for consideration other than cash to M/s HDPEL	572.00	0.00

In addition to the above, around 98 % of the companies turnover and 100% (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 31.03.2018 No of shares	As at 31.03.2017 No of shares
MADHU S NAIR (First Director)	10	Nil
PAUL RANJAN D (First Director)	10	Nil
SUNNY THOMAS (First Director)	10	Nil
SURESH BABU N V (First Director)	10	Nil
KALA V (Subscriber to Memorandum)	10	Nil
K J RAMESH (Subscriber to Memorandum)	10	Nil

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47. 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 31.03.2018	As at 31.03.2017	
Financial Assets			
Non Current			
(i) Investments	1,637.18	9.18	Level III
(ii) Trade Receivables	-	-	Level II
(iii) Loans	147.77	145.39	Level II
(iv)Others	-	-	Level II
Current			
(i) Investments	0.16		Level I
(ii) Trade Receivables	58,012.76	30,699.22	Level II
(iii)Cash & Cash equivalents	79,194.06	67,598.15	Level II
(iv)Bank Balances other than (iii)	269,840.19	131,530.99	Level II
(v) Loans	38.14	46.70	Level II
(vi)Others	26,083.13	23,269.18	Level II
Total Financial Assets	**434,953.39**	**253,298.81**	
Financial Liabilities			
Non Current			
(i) Borrowings	12,300.00	12,300.00	Level I
(ii) Other financial liabilities	261.22	261.22	Level II
			Level II
Current			
(i) Trade Payables	27,382.97	16,088.06	Level II
(ii) Other financial liabilities	11,736.48	9,607.79	Level II
Total Financial Liabilities	**51,680.67**	**38,257.07**	

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Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI 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.

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.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

3. 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)

	31st March 2018			31st March 2017		
	FVTPL/ at cost	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments (Non-current)						
-Equity instruments	1,628.00	9.18			9.18	
Investments (Current)						
-Mutual Funds	0.16					
Trade receivables			58,012.76			30,699.22
Cash & Cash equivalents			349,034.25			199,129.14
Other Financial Assets			26,269.04			23,461.27
Total Financial Assets	**1,628.16**	**9.18**	**433,316.05**	**0.00**	**9.18**	**253,289.63**
Financial liabilities						
Borrowings			12,300.00			12,300.00
Trade payables			27,382.97			16,088.06
Capital creditors						
Other financial liabilties			11,997.70			9,869.01
Total Financial Liabilities			**51,680.67**	**0.00**	**0.00**	**38,257.07**

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To Financial Statements for the year ended 31st March 2018

48. 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 main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. 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. All derivative activities for risk management purposes are carried out by under the supervision of the Forex Risk Management Committee by assigning necessary resources. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

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 relates primarily to the Company's long-term debt obligations with floating interest rates.

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.

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. Therefore, the Company plans its purchases closely to optimise the price.

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 financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes

To Financial Statements for the year ended 31st March 2018

49. Lease arrangements & Guaranteed amount

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
a) Premises taken on operating lease:		
The Company has operating leases for facility at International Ship Repair Facility (ISRF). These lease arrangements with Cochin Port Trust (CoPT) is for 30 years, which is non-cancellable leases.		
With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:		
b) Guaranteed amount:		
The amount which CSL has undertaken to pay to Cochin Port Trust during the contract period of 30 years.		
With respect to non-cancellable operating lease, the future minimum lease payment and Guarantee amount as at Balance Sheet date is as under:		
For a period not later than one year	606.55	558.67
For a period later than one year and not later than five years	3509.96	2349.89
For a period later than five years	62538.03	16847.21

50. 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 31.03.2018	As at 31.03.2017
Segment Assets		
Ship building	231887.20	169699.79
Ship Repair	168349.50	125884.57
Others	146692.04	36068.78
Total	546928.74	331653.14
Segment Liability		
Ship building	89620.66	40854.99
Ship Repair	23368.86	21547.62
Others	108352.53	66392.29
Total	221342.05	128794.90
External Sales		
Ship building	173185.70	151582.17
Ship Repair	62326.63	54304.93
Unallocated	3494.36	2777.73
Total	**239006.69**	**208664.83**

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₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Interest Income	15421.47	13085.53
Unallocated		
Total Revenue		
Ship building	173185.70	151582.17
Ship Repair	62326.63	54304.93
Unallocated	18915.83	15863.26
Total	254428.16	221750.36
Accretion(-)/Decretion to Work in progress		
Ship building	1002.26	(3918.05)
Ship Repair	(3512.65)	5313.57
Total	(2510.39)	1395.52
Segment Result		
Ship building	41471.88	23064.29
Ship Repair	13145.75	14577.80
Unallocated	5868.38	11697.96
Total	**60486.01**	**49340.05**

The Company has two major business segments –"Ship Building" and "Ship Repair". Revenue under Ship building includes Rs. 144334.95 lakhs (Previous year: Rs. 131504.38 lakhs) from one Customers (Previous year: one Customer) having more than 10% revenue of the total revenue. And for Ship repair, revenue includes Rs. 40014.22 lakhs (Previous year: Rs. 38073.82 lakhs) from one customers (Previous year: one Customer) having more than 10% revenue of the total revenue.

51. 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).

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To Financial Statements for the year ended 31st March 2018

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13593.60	11328.00
Other equity	311993.09	191530.24
Total Equity	325586.69	202858.24
Gearing Ratio	3.78%	6.06%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

52 a. 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.

52 b. Balance shown under Trade Receivables, Trade Payables , loans, deposits and claims are subject to confirmation and consequent reconciliation, if any

53.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.

54. Figures in brackets denote negative figures.

55. Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members Of

Cochin Shipyard Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Cochin Shipyard Limited ('the Holding Company') and its subsidiary Hooghly Cochin Shipyard Limited (collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding 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 Consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at March

31, 2018, its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:-

i) Note No.29 to the Consolidated Ind AS financial statements regarding the basis on which the Group has recognized revenue from ship building/ ship repair activities based on the Group's own assessment of physical completion and further, reliance is placed on the technical assessment and activity based cost estimates defined by the Management for the purpose of recognition of income;

ii) Note No.41.a to the Consolidated Ind AS financial statements regarding environmental Clearance for the International Ship Repair Facility ('ISRF') project from the National Board for Wildlife ('NBWL') which has recommended environmental clearance for the ISRF project along with the conditions imposed by State Chief Wild Life Warden ('CWLW') and subsequent utilization of the Initial Public Offer proceeds relating to the ISRF project based on the management contention that the conditions imposed by the CWLW are to be complied with during the implementation of the ISRF project.

Our opinion is not modified in respect of these matters.

Other Matter

We did not audit the financial statements of the subsidiary company (Hooghly Cochin Shipyard Limited), whose financial statements (before eliminating inter Company balances) reflect total assets of ₹ 2180.54 lakhs and net assets of ₹ 2162.93 lakhs as at March 31, 2018, total revenues (before eliminating inter Company transactions) of ₹ 18.57 lakhs and net cash inflows amounting to ₹ 1504.69 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate Financial Statements and the other financial information of subsidiary, incorporated in India, referred in the Other Matter paragraph above, we report, to the extent applicable, 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 Ind AS Financial Statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and report of the other auditor;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements;

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed 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;

   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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Group has disclosed the impact of pending litigations on its consolidated

financial position in its consolidated Ind AS financial statements – Refer Notes 40, 42, 43 and 44 to the consolidated Ind AS 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. Further the Group did not have any long-term derivative contracts for which there were any material foreseeable losses. – Refer Note 56 to the Consolidated Ind AS financial statements;

iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Group; and

iv. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report to the members of the Company on the Consolidated Ind As financial statements for the year ended March 31, 2018.)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Cochin Shipyard Limited ("the Holding Company") and its Subsidiary Hoogly Cochin Shipyard Limited ("the Subsidiary"), which is incorporated in India, together referred to as the "Group" as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group'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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Subsidiary Company which is incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation

of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Company which is 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, 2018 , based on the internal control over financial reporting criteria established by the respective 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.

Other Matter

Our aforesaid reports 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 which is incorporated in India, is based on the corresponding report of the auditor of that company.

Our opinion is not qualified in respect of this matter.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
Firm's registration number: 001488S

C.R Rema
Partner
Membership number: 029182

Cochin-16
May 24, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2018
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3	28,446.72
(b) Capital work-in-progress	4	12,074.20
(c) Intangible assets	5	6,451.75
(d) Financial assets		
(i) Investments	6	9.18
(ii) Loans	7	147.77
(e) Income tax assets (net)	8	5,400.03
(f) Deferred tax assets (net)	9	4,345.12
(g) Other non-current assets	10	7,697.27
		64,572.04
Current assets		
(a) Inventories	11	31,455.67
(b) Financial Assets		
(i) Investments	12	0.16
(ii) Trade receivables	13	58,012.76
(iii) Cash and cash equivalents	14	80,698.75
(iv) Bank balances other than (iii) above	15	269,840.19
(v) Loans	16	38.14
(vi) Other Financial assets	17	26,084.73
(c) Current tax assets (net)	8	1.86
(d) Other current assets	18	16,765.03
		482,897.29
Total Assets		**547,469.33**
EQUITY AND LIABILITIES		
Equity :		
(a) Equity share capital	19	13,593.60
(b) Other equity	20	311,953.71
Equity attributable to owners		**325,547.31**
(c) Non Controlling interests		**562.36**
Total Equity		**326,109.67**
Liabilities :		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	21	12,300.00
(ii) Other financial liabilities	22	261.22
(b) Provisions	23	2,265.70
(c) Other non current liabilities	24	13.74
		14,840.66
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	25	27,382.97
(ii) Other financial liabilities	26	11,737.44
(b) Other current liabilities	27	137,977.57
(c) Provisions	28	28,349.55
(d) Current tax liabilities (net)	8	1,071.47
		206,519.00
Total Equity and Liabilities		**547,469.32**

Corporate overview and Significant Accounting Policies 1-2

Notes to the Consolidated Financial Statements 3-58

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA	**SURESH BABU N V**	**D PAUL RANJAN**	**MADHU S NAIR**
Company Secretary	Director (Operations)	Director (Finance) & Chief Financial Officer	Chairman and Managing Director
	DIN - 07482491	DIN - 06869452	DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2018
I	**Income**		
	Revenue from operations	29	235512.33
	Other income	30	18922.45
	Total Income		**254434.78**
II	**Expenses:**		
	Cost of materials consumed	31	116565.64
	Changes in inventories of work-in-progress	32	2510.39
	Sub contract and other direct expenses	33	23528.99
	Employee benefits expense	34	27139.85
	Finance costs	35	1141.03
	Depreciation and amortisation expense	36	3751.02
	Other expenses	37	13547.55
	Provision for anticipated losses and expenditure	38	5826.17
	Total expenses		**194010.64**
III	**Profit before tax**		**60424.14**
IV	**Tax expense:**		
	(1) Current tax	8	22412.00
	(2) Deferred tax	8	(1613.85)
V	**Profit for the year**		**39625.99**
VI	**Other comprehensive income**		
	A) Items that will not be reclassified to profit or loss		
	i) Remeasurements of defined employee benefit obligations		(205.04)
	ii) Income tax relating to items that will not be reclassified to profit or loss		70.96
	Other comprehensive income for the year		**(134.08)**
VII	**Total Comprehensive income for the year**		**39491.91**
	Profit attributable to:		
	Owners of the Company		**39635.63**
	Non-controlling interest		(9.64)
	Profit for the year		**39625.99**
	Other comprehensive income attributable to:		
	Owners of the Company		**(134.08)**
	Non-controlling interest		0.00
	Other comprehensive income for the year		**(134.08)**
	Total Comprehensive Income attributable to:		
	Owners of the Company		**39501.55**
	Non-controlling interest		**(9.64)**
	Total Comprehensive Income for the year		**39491.91**
VIII	**Earnings per equity share of Rs 10 each :**	39	
	(1) Basic (Rs)		**31.00**
	(2) Diluted (Rs)		**31.00**

Corporate overview and Significant Accounting Policies 1-2

Notes to the Consolidated Financial Statements 3-58

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA	**SURESH BABU N V**	**D PAUL RANJAN**	**MADHU S NAIR**
Company Secretary	Director (Operations)	Director (Finance) & Chief Financial Officer	Chairman and Managing Director
	DIN - 07482491	DIN - 06869452	DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	For the year ended March 31, 2018
A. Cash flow from operating activities	
Profit before tax	**60,424.14**
Adjustments for :	
Depreciation and amortisation	3,497.59
Interest expense	1,141.03
Interest income	(15,440.04)
Rental income	(58.18)
Dividend income	(185.84)
Loss on sale/write off of property plant and equipment	9.86
Profit on sale of property plant and equipment	(1.34)
Profit on sale of investments	(669.82)
Income recognised on Govt. assistance	(1.14)
Loss/(gain) on derivative contracts (net)	0.00
Unrealised loss/(gain) on derivative contracts (net)	0.00
Net gain /(loss) on foreign currency transactions	(217.73)
Expenses on Initial Public Offer	668.89
Effective loss/gain of cash flow hedges	0.00
Operating cash flow before working capital changes	49,167.42
Movements in working capital :	
(Increase) / decrease in inventories	(12,808.58)
(Increase) / decrease in trade and other receivables	(181,661.85)
Increase / (decrease) in trade and other payables	85,613.83
	(59,689.18)
Income tax paid net of refunds	(15,610.00)
Net cash flows from operating activities (A)	**(75,299.18)**
B. Cash flow from investing activities	
Purchase of property, plant and equipment	(1,364.27)
(Increase) / decrease in capital work In progress	(6,109.87)
Investment in Mutual Funds	(203,750.00)
Redemption of Mutual Funds	203,749.84
Dividend received	185.84
Profit on sale of investments	669.82
Govt. assitance received	16.03
Sale or withdrawal of property, plant and equipment	20.91
Interest received	13,624.49
Rent received	59.50

(₹ in lakhs)

Particulars	For the year ended March 31, 2018
Net cash flows from investing activities (B)	**7,102.29**
C. Cash flow from financing activities	
Proceeds from IPO including securities premium	96,195.36
Loss/(gain) on derivative contracts (Net)	0.00
Net gain /(loss) on foreign currency transactions	217.73
Dividend paid	(10,161.21)
Dividend distribution tax paid	(2,068.58)
Interest paid	(1,141.15)
Expenses on Initial Public Offer	(1,744.66)
Net cash flows from financing activities (C)	**81,297.49**
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**13,100.60**
Cash and cash equivalent at the beginning of the Year	
Cash on hand	0.00
Balance with Banks in current account and deposit account	67,598.15
Cash and cash equivalents (as per Note 16)	**67,598.15**
Cash and cash equivalent at the end of the Year	
Cash on hand	0.12
Balance with Banks in current account and deposit account	80,698.63
Cash and cash equivalents (as per Note 14)	**80,698.75**

Note: Figures in brackets indicate outflow.

Corporate overview and Significant Accounting Policies 1-2

Notes to the Consolidated Financial Statements 3-58

For and on behalf of Board of Directors

V KALA	**SURESH BABU N V**	**D PAUL RANJAN**	**MADHU S NAIR**
Company Secretary	Director (Operations) DIN - 07482491	Director (Finance) & Chief Financial Officer DIN - 06869452	Chairman and Managing Director DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

A. Equity Share Capital

(₹ in lakhs)

As at 01.04.2017	Changes in equity share capital during the year	As at 31.03.2018
11,328.00	2,265.60	13,593.60

B. Other Equity

(₹ in lakhs)

	Reserves and Surplus								Total other equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Total attributable to the Company	Attributable to NCI	
Balance as at April 01,2017	**263.56**	**0.85**	**6322.75**	**172081.27**	**11914.20**	**947.61**	**191530.24**	**0.00**	**191530.24**
Profit for the year				39635.63			39635.63	(9.64)	39625.99
Other comprehensive income for the year				(134.08)			(134.08)		(134.08)
Total comprehensive income for the year				39501.55			39501.55	(9.64)	39491.91
Dividends (including taxes)				(12229.79)			(12229.79)		(12229.79)
Transfer from retained earnings				(288.33)		288.33	0.00		0.00
Premium on IPO net of Deferred Tax		93151.83					93151.83		93151.83
Amortisation of premium		(0.12)					(0.12)		(0.12)
Balance as at March 31,2018	**263.56**	**93152.56**	**6322.75**	**199064.70**	**11914.20**	**1235.94**	**311953.71**	**(9.64)**	**311944.07**
Equity infused by NCI								572.00	
TOTAL								**562.36**	

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

Notes

To Financial Statements for the year ended 31st March 2018

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, 2018, the Government of India holds 75% 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.

The consolidated Financial Statements relate to Cochin Shipyard Limited (Parent Company) and its Subsidiary Company, Hooghly Cochin Shipyard Limited. The subsidiary company was incorporated on October 23, 2017 and is proposed to be mainly engaged in the business of construction and repair of vessels of all types.

The Company and its Subsidiary are together referred to as "Group".

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 24, 2018.

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.

2.2 Basis of preparation of Consolidated Financial Statements

These consolidated 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.

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 financial statements of the parent and its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany 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. Subsidiary company was incorporated in October 2017 and this is the first year preparation of Consolidated Financial Statements. Consequently, previous year figures are not disclosed.

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 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.

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 measurment 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.

Classification of Leases

The Group enters into leasing arrangements for various assets. 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.

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 financial statements.

Provision for Liquidated Damages

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

A provision in respect of liquidated damages is recognised for the period of delay between the due date of supply of goods as per the delivery schedule and the expected date of delivery of the said goods.

Revenue Recognition

The Group uses the percentage of completion method in accounting for its fixed price contracts. The use of the percentage of completion method requires the Group to estimate the costs expended to date as a proportion to the total cost to be expended on a project considering the physical progress or financial progress whichever is lower. 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.

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 Group 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 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 consolidated 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, commencing from the date on which the right becomes capable of being exercised.

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

As a lessee:

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed or unless the lease agreement explicitly states that increase is on account of inflation.

(ii) Finance Lease:

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

As a lessor:

Lease income is recognised based on the lease agreements and is charged to consolidated Statement of Profit and Loss

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 consolidated 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.

For the assets acquired by the parent Company 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.

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 consolidated Statement of profit and loss 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 assets class 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 consolidated statement of profit and loss.

2.13 Inventories

(a) Raw materials, components, stores and spares are valued at weighted average cost method or net realisable value whichever is lower. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit is valued at lower of cost or 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) Work in progress:

Work in progress Ship Building :- Work in progress is recognised only when the percentage of physical completion is less than the financial completion, in which case the cost proportionate to excess of

percentage of financial completion over physical completion is treated as Work in progress. In the case of Indigenous Aircraft Carrier since all the materials belongs to Indian Navy, work in progress is not recognized.

Work in progress of ships/offshore structures under repair, which have not reached 75% stage of physical completion and general engineering jobs are valued at cost. Work- in- progress of ships where physical construction has not started is also valued at cost.

(c) Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.

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

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.

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 consolidated statement of profit and loss.

Financial Assets

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

Trade Receivables

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 consolidated 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 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 off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the consolidated financial statements if there is a currently enforceable legal right to off set 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. Monetory 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 consolidated 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. Derivatives are initially recognised at fair value on the date a derivative contact is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The use of foreign currency and derivative contracts is governed by the Group's foreign exchange risk management policy approved by the Board of Directors which provide written directives on the use of such financial derivatives consistent with the Group's risk management strategy. The Group 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. The ineffective portion of designated hedges are recognised immediately in the consolidated Statement of Profit and Loss.

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 the consolidated 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 consolidated Statement of Profit and Loss.

2.15 Advance/progress payments received

Advance/progress payments received from customers in respect of repair work of ships/offshore structures are shown as deduction from the amount of work in progress in respect of income recognized under proportionate completion method. In the case of ship building, the advance payment received is adjusted only when the ship is invoiced.

2.16 Provision , 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, we treat 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, we do 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.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised

2.17 Revenue Recognition

a) Contracts for the construction of ships and small crafts

(Other than Indigenous Aircraft Carrier)

The income from ship building is recognized on percentage of completion method, in the proportion the cost incurred for the work performed up to the reporting date bear to the estimated total contract cost, considering the physical progress or financial progress, whichever is lower. 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.

b) Construction of Indigenous Aircraft Carrier

In the case of parent company, with respect to construction of IAC which is partly fixed price basis and partly cost plus basis, the income from fixed price is recognised on the percentage of completion method.

Mark up from cost plus part of contract activities for materials and design outsourcing are recognised when payments towards the same are made. Cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy is charged off to the consolidated statement of Profit and Loss when materials are consumed/activities are performed/ expenses are incurred and are grossed up with the value of work done and recognised as income.

c) Contracts for repair of ships/ Offshore structures:

Income from repair of ships /Offshore structures is recognized based on proportionate completion method when proportionate performance of each ship repair activity exceeds 75% after taking into consideration possible contingencies with reference to the realizable value of

work done. The proportionate progress is measured by the Group's technical evaluation of the percentage of physical completion of each job. In the case of ship repair contracts completed and invoices settled during the year, income recognized is net of reductions due to price variation admitted. In the case of unsettled invoices, the income is recognised net of estimated amount of reductions. Differences, if any, on settlement are adjusted against income in the year of settlement.

d) 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 the consolidated 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 consolidated 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 the consolidated statement of profit & loss in the period in which they become receivable.

e) Liquidated damages and interest on advances

No income has been recognized on account of (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.

f) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under builders risk Insurance Policies, the insurance claims lodged will be recognized in the consolidated 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 consolidated financial statments on settlement of the claims by way of receipt of the amount from the Insurance company.

g) Others

Dividend income is recognized when the Group's right to receive payment has been established.

2.18 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 company does not carry any further obligations, apart from the contributions made.

The parent company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. 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 Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the company. Having regard to the assets of the fund and the return on the investments, the company does not expect any deficiency as at the year end.

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 company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

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 consolidated 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 consolidated Statement of Changes in Equity and in the consolidated Balance Sheet.

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

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 and provided for. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 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 consolidated 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

2.20 Corporate Social Responsibility

The Group has opted to charge its Corporate Social responsibility (CSR) expenditure to the consolidated Statement of Profit & Loss, except in respect of expenditure incurred against the non-lapsable

provision held under the guidelines of Department of Public Enterprises (DPE)

2.21 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.

2.22 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 the consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

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

Deferred tax

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

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

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

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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.23 Earnings Per Share

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

2.24 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 of the parent company.

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".

2.25 Consolidated statement of cash flow

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

2.26 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.

2.27 Recent accounting pronouncements - Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group is evaluating the requirement of the amendment and the impact on the Consolidated financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115, Revenue from Contract with Customers

Ind AS 115, Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

In view of the significant complexities involved, the Group is in the process of evaluating the impact on application of Ind AS 115 on its consolidated financial statements.

Notes

To Financial Statements for the year ended 31st March 2018

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjust-ment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018
Owned Assets									
Land (Freehold)	587.54	-	-	**587.54**	-	-	-	**-**	**587.54**
Buildings	9,377.91	243.56	-	**9,621.47**	802.43	670.09	-	**1,472.52**	**8,148.95**
Plant and equipment	16,798.49	452.08	3.56	**17,247.01**	2,707.00	1,426.70	-	**4,133.70**	**13,113.31**
Furniture and fixtures	813.24	64.26	1.67	**875.83**	165.35	102.94	1.03	**267.26**	**608.57**
Vehicles	344.49	177.14	27.77	**493.86**	92.74	53.67	3.23	**143.18**	**350.68**
Office equipment	184.19	24.81	0.07	**208.93**	74.49	30.27	-	**104.76**	**104.17**
			-				-		
Others			-				-		
Data Processing Equipments	727.21	142.54	0.61	**869.14**	324.29	177.45	0.02	**501.72**	**367.42**
Docks and quays	4,466.45	-	-	**4,466.45**	644.32	299.41	-	**943.73**	**3,522.72**
Railway sidings	1.10	-	-	**1.10**	-	-	-	**-**	**1.10**
Electrical installation	1,182.08	108.73	-	**1,290.81**	444.64	156.02	-	**600.66**	**690.15**
Drainage and water supply	6.67	-	-	**6.67**	-	-	-	**-**	**6.67**
Vessels	19.74	-	-	**19.74**	1.64	1.36	-	**3.00**	**16.74**
Sub Total	34,509.11	1,213.12	33.68	**35,688.55**	5,256.90	2,917.91	4.28	**8,170.53**	**27,518.02**
Leased assets and assets on leased premises									
Buildings	838.22		-	**838.22**	165.53	85.32	-	**250.85**	**587.37**
Plant and equipment	85.89	27.56	-	**113.45**	25.84	13.27	-	**39.11**	**74.34**
Docks and quays	9.62	-	-	**9.62**	8.35		-	**8.35**	**1.27**
Electrical installation	329.54		-	**329.54**	30.46	33.36	-	**63.82**	**265.72**
Sub Total	1,263.27	27.56	-	**1,290.83**	230.18	131.95	-	**362.13**	**928.70**
Total	**35,772.38**	**1,240.68**	**33.68**	**36,979.38**	**5,487.08**	**3,049.86**	**4.28**	**8,532.66**	**28,446.72**

Notes

To Financial Statements for the year ended 31st March 2018

In repect of parent company:

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, 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

(₹ in lakhs)

Particulars	As at 31.03.2018
Plant and machinery, Buildings and Civil works	11,285.07
Capital yard items	199.27
Project Management fees and miscellaneous capital expenditure	14.86
Intangible assets under development	575.00
Total	12,074.20

Note 5 : Other Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjust-ment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018
Internally generated weld procedure	27.67		-	27.67	10.75	9.22	-	19.97	7.70
Computer software	1,243.16	123.59	-	1,366.75	984.19	196.20		1,180.39	186.36
Right to use - land and ship repair facility	7,000.00		-	7,000.00	500.00	242.31	-	742.31	6,257.69
	8,270.83	123.59	-	8,394.42	1,494.94	447.73	-	1,942.67	6,451.75

Notes

To Financial Statements for the year ended 31st March 2018

Note 6 : Investments-Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Unquoted (Fully Paid up)	
Investment in equity instruments	
Subsidiary company at cost	
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares of ₹ 100 each	2.18
Kerala Enviro Infrastructure Limited - 70000 equity shares of ₹ 10 each	7.00
Cochin Waste to Energy Private Limited -100000 equity shares of ₹ 10 each	10.00
Less diminution in value of Investment	
Cochin Waste to Energy Private Limited	(10.00)
Total	**9.18**
Aggregate value of unquoted investment	**19.18**
Aggregate value of impairment in value of investment	**10.00**

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

(₹ in lakhs)

Particulars	As at 31.03.2018
Unsecured, considered good:	
Security deposits	66.89
Employee advances	
Loans to related parties	0.00
Other employees	80.88
Total	**147.77**

Note 8 : Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at 31.03.2018
Non current tax assets	
Advance income tax net of provisions	5,400.03
Current tax assets / liabilities	
Advance income tax net of provisions	(1,071.47)
Tax deducted at source	1.86

Notes

To Financial Statements for the year ended 31st March 2018

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Current tax:	
Current income tax charge	22,406.57
Adjustment in respect of prior years	5.43
Total (A)	**22,412.00**
Deferred tax:	
In respect of current year	(1,613.85)
Total (B)	**(1,613.85)**
Income tax expense recognised in the Statement of Profit and Loss (A+B)	20,798.15

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Profit before tax	60,424.14
Income tax expense calculated @34.608%	20,911.58
Effect of expenses that are not deductible in determining taxable profit	5,312.99
Effect of expenses that are allowable in determining taxable profit	(2,642.89)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	296.62
Effect of income that is exempt from taxation	(64.32)
Others	(1,407.41)
	22,406.57
Adjustments recognised in the current year in relation to the current tax of prior years	5.43
Adjustments for changes in estimates of deferred tax assets	(1,613.85)
Income tax expense recognised in the Statement of Profit and Loss	20,798.15

Note 9 : Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2018
Deferred tax liabilities	3,954.57
Deferred tax assets	(8,299.69)
Total	**(4,345.12)**

Notes

To Financial Statements for the year ended 31st March 2018

Deferred tax liabilities/(assets) in relation to 2017-18

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(5,226.67)	(2,212.21)	0.00	(7,438.88)
Property, plant and equipment	4,045.04	(87.00)	0.00	3,958.04
Intangible assets	27.86	(31.33)	0.00	(3.47)
Others	(1,279.66)	716.69	(297.84)	(860.81)
Total	**(2,433.43)**	**(1,613.85)**	**(297.84)**	**(4,345.12)**

Note 10 : Other non-current assets

(₹ in lakhs)

Particulars	As at 31.03.2018
Unsecured, considered good	
Capital advances	6,641.69
Advances other than capital advances:	
Security deposits	218.77
Advance lease rentals	575.59
Deposits with Customs department	261.22
Total	**7,697.27**

Notes

To Financial Statements for the year ended 31st March 2018

Note 11 : Inventories

(₹ in lakhs)

Particulars	As at 31.03.2018
Raw Materials and components*	11,301.78
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(331.27)
Goods-in transit*	5,795.66
	16,766.17
Work-in-progress (Valued at cost)	6,284.46
Work-in-progress (Valued at net realisable value)	6,787.00
	13,071.46
Stores & Spares*	586.36
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(27.97)
Goods-in transit*	82.72
	641.11
Loose Tools*	**794.58**
Scrap*	**182.35**
Total	**31,455.67**

* Valuation of inventories are 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 ₹ 71053.76 lakhs held on behalf of Indian Navy lying with the Company and is shown under 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 12 : Investments-Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Investment in Mutual Funds	0.16
Total	0.16
Details of Mutual Funds	Fund Value
UTI- Treasury Advantage Fund	0.16

Notes

To Financial Statements for the year ended 31st March 2018

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Unsecured	
Considered good:	
Based on invoice	25,473.28
Based on proportionate completion method	32,539.48
Considered doubtful	9,263.32
Less: Allowance for doubtful debts (Expected credit loss allowance)	(9,263.32)
Unsecured, considered doubtful (Net)	0.00
Total	58,012.76

Trade receivables include debts amounting to ₹32539.48 lakhs on account of income recognized under proportionate completion method pertaining to incomplete vessels, against which stage payments received amounting to ₹88490.06 lakhs for completed stage

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at 31.03.2018
Opening balance	5,987.03
Add: Provision made/transfer during the year	3,832.20
Less: Amount collected/reversal of provision	555.91
Closing Balance	9,263.32

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2018
Cash on hand	0.12
Balance with Banks	
In current account	1,264.15
In current account on behalf of Indian Navy	62,807.09
Term deposits with original maturity of less than three months	16,627.39
Total	80,698.75

Balance in current account includes ₹ 3.84 lakhs being IPO proceeds and Term deposits with original maturity of less than three months includes ₹ 9437.39 lakhs being proceeds from IPO including interest accrued.

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Bank balance in Current Account includes ₹ 838.65 lakh to be adjusted against GST liability on delivery of IAC towards Input Tax Credit availed on Cost Plus procurements for IAC funded by Indian Navy.

Notes

To Financial Statements for the year ended 31st March 2018

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2018
Term Deposits with banks with original maturity more than 3 months and less than 12 months	269,840.19
Total	269,840.19

Deposits with banks with maturity upto 12 months, includes ₹ 74689.22 lakhs relating to proceeds from IPO including interest accrued.

Deposits with banks with maturity upto 12 months, includes ₹ 76.96 lakhs is lien marked in favour of The Registrar of High Court of Kerala.

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Unsecured, considered good	
Employee advances	
Loans to related parties	-
Other employees	38.14
Total	38.14

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Interest accrued on fixed deposits	6,061.38
Interest accrued on employee advances	
Related parties	-
Other employees	23.35
Fixed Deposit with HDFC Ltd	20,000.00
Total	26,084.73

Notes

To Financial Statements for the year ended 31st March 2018

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at 31.03.2018
Unsecured advances	
Advances other than capital advances	
Advances to related party	4.44
Other advances	5,589.06
Advances considered doubtful	0.07
	5,593.57
Less: Provision for doubtful advances	0.07
	5,593.50
Others	
Balance with Sales Tax department and CBEC	427.32
Miscellaneous deposits	17.82
Advance towards Security deposit	40.00
Prepaid expenditure	1,721.39
Miscellaneous current assets (Including claims receivable)	8,965.00
Total	**16,765.03**

Notes

To Financial Statements for the year ended 31st March 2018

Note 19 : Equity Share Capital

Particulars	As at 31.03.2018	
	Number	(₹ in lakhs)
Authorised		
Equity shares of ₹ 10/- each	250000000	25,000.00
Issued, Subscribed and Fully paid up		
Equity shares of ₹ 10 each fully paid up	135936000	13,593.60
Total	135936000	13,593.60

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at 31.03.2018	
	Number	(₹ in lakhs)
Equity Shares outstanding at the beginning of the year	113280000	11,328.00
Add : shares issued during the year	22656000	2265.60
Equity Shares outstanding at the end of the year	135936000	13,593.60

During the year ,Company has raised capital of ₹ 2265.60 lakhs through Initial Public Offer (IPO) by issuing 22656000 equity shares of ₹ 10 each.

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/declared by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. All dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2018	
	Number of Shares held	% of holding
The President of India	101952000	75.00
Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (Elss) Fund	7104353	5.23

Notes

To Financial Statements for the year ended 31st March 2018

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at 31.03.2018
Capital Reserves	263.56
Capital Redemption Reserve	11,914.20
Securities Premium Reserve	93,152.56
Debenture Redemption Reserve	1,235.94
General Reserve	6,322.75
Retained Earnings	199,064.70
	311,953.71

Capital Reserve: Capital reserve represents restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Company's land.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 11914.20 lakhs represents the reserves created on redemption of preference shares which will be utilised for the purpose defined under the Companies Act 2013.

Securities Premium Reserve:

Premium on tax free bonds is amortised on straight line basis over the period of bonds.

The parent company has completed an Initial Public Offer ('IPO') of 33984000 equity shares of face value of ₹10 each. This comprises of an offer for sale of 11328000 equity shares (10% of its equity shareholding) under the Disinvestment programme of Govt. of India, the President of India acting through the Ministry of Shipping and a fresh issue of 22656000 equity shares and shares were allotted on 09 Aug 2017 . The equity shares were listed in Bombay Stock Exchange and National Stock Exchange on 11.08.2017.

The parent Company has allotted 22656000 equity shares of ₹ 10 each at premium (₹ 93929.76 lakhs).

Expenses incurred net of deffered tax adjustment towards such allotment of shares amounting Rs 777.93 lakhs has been debited in securities premium reserve In accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

Reconciliation of Other Equity as at 31.03.2017

Particulars	(₹ in lakhs)
Other Equity (Reserves excluding Revaluation Reserve) as at 31.03.2017 as per audited Financial Statements as at 31.03.2017	191783.15
Adjustments during the year for prior period items:	
Decrease in retained Earnings for incomes/expenses relating to FY 2016-17 and periods prior to FY 2016-17	(252.91)
Other Equity (Reserves excluding Revaluation Reserve) as at 31.03.2017 now restated	191530.24
Tax expenses (current tax and deferred tax) includes previous year tax adjustments also.	

Debenture Redemption Reserve: In accordance with provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008 the Company has created Debenture Redemption Reserve (DRR) amounting to ₹ 1235.94 lakhs (cumulative) at 25% of the value of debenture issued by the Company,over the maturity period of such debentures, proportionately for the period upto 31.03.2018.

Proposed dividend :The Board of Directors of the parent Company have recommended a final dividend of ₹ 12/- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2018 at the board meeting held on May 24, 2018.

Notes

To Financial Statements for the year ended 31st March 2018

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at 31.03.2018
(a) Bonds - from other parties (Secured)	
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00
Total	12,300.00

Tax Free Infrastructure Bond Series 2013-14

a) 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

b) 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 28 th 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 : The Company has fully utilised/adjusted the bond issue proceeds of ₹12300 lakhs 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 : Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Payable to Chennai Port Trust	261.22
Total	261.22

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. 10

Note 23 : Provisions - Non Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Provision for employee benefits - Compensated absences (Refer Note No 34)	2,265.70
Total	2,265.70

Note 24 : Other non current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2018
Deferred Income arising from Government Assistance	13.74
Total	13.74

Notes

To Financial Statements for the year ended 31st March 2018

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at 31.03.2018
Trade payables (Unsecured)	
Outstanding dues of Micro enterprises and Small enterprises	682.19
Outstanding dues of creditors other than Micro enterprises and Small enterprises	26,700.78
Total	**27,382.97**

In some cases, the Group has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006". The average credit period on goods and services are within 30 to 60 days. The amount remaining unpaid to Micro and Small suppliers as at the end of the financial year is ₹ 682.19 lakhs. No interest for delay was paid or payable under the Act.

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Interest accrued but not due	281.98
Others	
Security and other deposits	734.16
Others Payables	10,721.30
Total	**11,737.44**

Notes

To Financial Statements for the year ended 31st March 2018

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2018
Advance for Indigenous Aircraft Carrier (Cost plus)	691,656.37
Less: Indigenous Aircraft carrier inventory in stock	71,053.76
Less: Material issued	429,719.34
Less: Design and other direct expenses	30,758.47
Less: Advance paid for purchase of materials and services	30,555.83
Less: Other expenses against cost plus activities	68,684.02
	60,884.95
Advance for Indigenous Aircraft Carrier fixed price contract	309,179.83
Less : income recognised so far	323,993.64
	(14,813.81)
Advance for Indigenous Aircraft Carrier infrastructure	28,517.05
Less: Assets on infrastructure	26,934.76
Less: Prepayment	14.00
	1,568.29
Advance outstanding for Indigenous Aircraft Carrier works (Net)	**47,639.43**
Advances for other ship building contracts	88,515.06
Advances for ship repair and others	1,099.15
Income received in advance	23.28
Statutory dues	699.51
Deferred Income arising from Government Assistance	1.14
Total	**137,977.57**

Cost of infrastructure facilities which has been met out of funds from Navy and adjusted by Indian Navy, till date.

(₹ in lakhs)

Details	As at 31.03.2018
Buildings and other civil works	8,600.39
Data processing equipment	1,294.44
Furniture and Office equipments	249.17
Plant and machinery	16,790.76
Total	26,934.76

Notes

To Financial Statements for the year ended 31st March 2018

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at 31.03.2018
Provision for Employee benefits	
Gratuity	2,361.82
Compensated absences	383.78
Others	1,220.93
	3,966.53
Other Provisions	
Taxes and duties	196.48
Provision for shipbuilding loss	548.22
Expenditure / contingencies	23,638.32
	24,383.02
Total	**28,349.55**

28.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2017	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2018
a) Provision for taxes and duties	233.03	26.15	0.00	(62.70)	196.48
b) Provision for shipbuilding loss	35.00	548.22	(35.00)	0.00	548.22
c) Provision for expenditure / contingencies	20,208.25	17,355.54	(12,155.46)	(1,770.01)	23,638.32
d) Provision for employee benefits -Others	21.31	1,220.93	(21.31)	0.00	1,220.93

Notes

To Financial Statements for the year ended 31st March 2018

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Sale of products	
Ship building:	
Indigenous Aircraft Carrier (IAC)	144,334.95
Vessels other than IAC	28,428.83
Engineering works	4.26
	172,768.04
Sale of services	
Ship repairs	62,326.64
	62,326.64
Other operating revenue	
Sale of stock items	0.05
Scrip under MEIS scheme	417.60
	417.65
Total	**235,512.33**

Disclosure as required by Ind AS 11 - Construction Contracts

(a) Shipbuilding income of ₹ 172763.78 lakhs includes revenue recognized under percentage of completion method amounting to ₹ 172729.20 lakhs against incomplete vessels.

(b) Method of revenue recognition - Percentage of completion method

(c) Method used to determine the stage of completion - Stage of completion is measured in the proportion to expenses incurred till the end of the year to the estimated total cost of completion of the project or percentage of physical completion whichever is less.

(d) For contracts in progress as at the end of the year.

(₹ in lakhs)

	2017-18
(i) Contract revenue recognized in the period	172,729.20
(ii) Contract cost incurred and recognized profits (less recognized losses) up to the reporting period	885,255.31
(iii) Advance received from customers	926,392.08
(iv) Gross amount due to customers	66,535.58
(v) Gross amount due from customers	25,398.81

Ship repair income includes income recognised under proportionate completion method amounting to ₹21092.00 lakhs

Income from ship repair is net of actual / anticipated reductions amounting to ₹ 1922.81 lakhs

Notes

To Financial Statements for the year ended 31st March 2018

Note 30 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Training facilities	241.12
Income from sale of scrap and stores	457.51
Profit on sale of fixed assets	1.34
Income from laboratory services	33.52
Rent received	187.01
Interest on bank deposits	15,106.14
Interest from others	333.90
Dividend income from equity investments/ Mutual Funds	185.84
Profit on sale of Mutual Funds	669.82
Net gain /(loss) on foreign currency transactions	217.73
Provision no longer required	1,103.03
Miscellaneous income	385.49
Total	**18,922.45**

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.

Income from sale of scrap and stores is net of import duty amounting to ₹ 45.33 lakhs on sale of bonded scrap and stores.

Note 31 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Raw Materials	
Steel	4,235.44
Pipe	1,096.48
Paint	1,278.40
Bought out components	109,955.32
Total	116,565.64

Notes

To Financial Statements for the year ended 31st March 2018

Note 32 : Changes in Inventories of Work-in-Progress

(₹ in lakhs)

(Other than those which are recognised as income on percentage/proportionate completion method)	
Particulars	**For the year ended March 31,2018**
Work -in-progress :	
At the beginning of the year	8,794.85
Less: at the end of the year	6,284.46
Decretion/(Accretion) to work-in-progress	**2,510.39**

Note 33 : Sub Contract and Other Direct Expenses

(₹ in lakhs)

Particulars		**For the year ended March 31,2018**
Sub contract and off loaded jobs		17,950.24
Hull insurance		51.04
Other direct expenses		5,527.71
Total		**23,528.99**

Note 34 : Employee Benefits Expense

(₹ in lakhs)

Particulars		**For the year ended March 31,2018**
Salaries, wages, bonus/exgratia and allowances		22,531.89
Contribution to Provident Fund and Family Pension Fund		1,226.65
Gratuity		2,188.68
Staff welfare expenses		1,192.63
Total		**27,139.85**

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 15.16 lakhs

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 175.08 lakhs

The employee benefits accruing to the employees on deputation from Cochin Port Trust are being accounted based on demands received from Cochin Port Trust as per tripartite agreement between the Company, Cochin Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2017-18.

The revision in pay and allowances of officers and non-unionised supervisors was due w.e.f 01.01.2017 and for workmen w.e.f 01.04.2017. While most of the dues in respect of the executives have crystallised and the same for workmen is under finalisation. An amount of ₹1200.96 lakhs has been carried as a liability as on March 31, 2018 towards pending due on this account.

Notes

To Financial Statements for the year ended 31st March 2018

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars		As at 31.03.2018
Discount Rate (p.a)		7.72%
Rate of increase in compensation levels		3.00%

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 March 31, 2018
Service Cost:		
Current Service Cost		172.90
Net Interest expense		151.84
Acturial (Gain)/Loss recognised during the period		695.38
Expenses recognised in the statement of profit and loss		1020.12

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 March 31, 2018
Present Value of Defined Benefit Obligation at end of the year		2,649.48
Fair Value of Plan Assets at the end of the year		
Net Liabilities /(Assets) recognized in the Balance Sheet		2,649.48

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars		For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year		2,474.40
Current & Past Service Cost		172.90
Current Interest Cost		151.84
Actuarial (Gain)/ Loss		695.38
Benefits paid		(845.04)
Defined Benefit Obligation at end of the year		**2,649.48**

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	-
Expected Return on Plan Assets	-
Actuarial (Gain)/ Loss	-
Contributions from the employer	845.04
Benefits paid	(845.04)
Fair Value of the Assets at the end of the year	-

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars		For the year ended March 31, 2018
Discount Rate (p.a)		7.72%
Rate of increase in compensation levels		3.00%
Expected Rate of Return on Plan Asset		7.72%

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 March 31, 2018
Service Cost:	
Current Service Cost	111.41
Past Service Cost	1567.90
Net Interest expense	8.71
Components of defined benefit costs recognised in statement of profit and loss	1688.02
Remeasurement of the net defined benefit liability:	
Actuarial (Gain)/Loss on Plan Obligations	220.67
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(15.63)
Components of defined benefit costs recognised in Other Comprehensive Income	205.04

Notes

To Financial Statements for the year ended 31st March 2018

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 March 31, 2018
Present Value of Defined Benefit Obligation at end of the year	5,077.72
Less: Fair Value of Plan Assets at the end of the year	3,211.31
Net Liabilities /(Assets) recognized in the Balance Sheet	1,866.41

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year	3,713.66
Current Service Cost	111.41
Current Interest Cost	245.88
Past Service Cost	1,567.91
Actuarial (Gain)/ Loss	220.67
Benefits paid	(781.81)
Defined Benefit Obligation at end of the year	5,077.72

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars		For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year		3,451.70
Expected Return on Plan Assets		237.18
Actuarial (Gain)/ Loss		15.63
Contributions from the employer		288.61
Benefits paid		(781.81)
Fair Value of the Assets at the end of the year		3,211.31

The plan assets are managed by the Gratuity Trust formed by the Company.

Notes

To Financial Statements for the year ended 31st March 2018

Note 35 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Bank interest	36.42
Interest others	53.17
Interest on tax free bonds	1,051.44
Total	**1,141.03**

Note 36 : Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Depreciation on property, plant and equipments	3,049.86
Amortisation of other intangible asset	447.73
Total	3,497.59
Add : Loss on revaluation of tools	253.43
Total	**3,751.02**

Notes

To Financial Statements for the year ended 31st March 2018

Note 37 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Consumption of stores	1,446.32
Consumption of spares	62.32
Rates and taxes	56.91
Power	1,863.16
Fuel	651.62
Water	173.36
Repairs and maintenance:	
Building and roads	554.08
Plant and machinery	82.72
Others	1,119.77
Maintenance dredging	784.35
Transport and stores handling	125.95
Travelling and conveyance expenses	598.28
Printing and stationery	64.12
Postage, telephone and telex	44.39
Advertisement and publicity	525.65
Lease rent	567.21
Guaranteed Amount under lease agreement	2.25
Hire charges	509.73
Insurance charges	230.64
Security expenses	1,342.98
Auditors remuneration	13.00
Auditors remuneration for other services	8.75
Training expenses	521.48
Legal expenses	16.68
Consultancy	104.04
Bank charges	46.39
Corporate social responsibility (Refer Note no.45)	857.08
Loss on sale/write off of property, plant and equipments	15.48
Miscellaneous expenses	1,126.13
Pre incorporation expenses	32.71
Total	13,547.55

Notes

To Financial Statements for the year ended 31st March 2018

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31,2018
For Audit Fees	13.00
For Limited Review/other services	8.75
For certification for Initial Public Offer	12.00
Total	**33.75**

Note 38 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Provision for:	
Doubtful debts / advances	3,804.88
Non moving / perpetual inventory verification	31.62
Expenses and contingencies	1,476.45
Provision for loss on Ship Building	513.22
Total	**5,826.17**

MODU Sagar Bhushan, an oil rig owned by M/s ONGC was under repair at CSL and there was a fire incident on board the vessel on Feb 13, 2018 while the vessel was undergoing repairs. The incident resulted in damages to the vessel. The company has assessed the estimated damage cost to be ₹1851 lakhs. Company has an annual insurance cover for the vessel under Ship Repairer's liability policy with a limit of liability for any one incident of ₹1500 lakhs with an annual limit of ₹30,000 lakhs. The company has accordingly made a provision for an amount of ₹351 lakhs net of insurance claim, towards probable loss on this

Note 39 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31,2018
Profit attributable to the Group	39,635.63
Weighted average number of Equity Shares	127866740
Basic and Diluted Earnings Per Share (EPS) (in ₹)	31.00
Face value per equity (in ₹)	10.00

Notes

To Financial Statements for the year ended 31st March 2018

NOTES ON ACCOUNTS

Note 40 : CONTINGENT LIABILTIES AND COMMITMENTS

Particulars		For the period ended 31 Mar 2018 (₹ in Lakhs)	Brief Description of the nature and obligation
A	**CONTINGENT LIABILITY (To the extent not provided for)**		
a	**Guarantees**		
i	Letters of Credit	**52,609.28**	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii	Bank Guarantees	**125,157.57**	
iii	Corporate Performance Guarantee to Cochin Port Trust	**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	**Other money for which the company is contingently liable**		
i	Greater Cochin Development Authority (GCDA)	**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.
ii	Customs duties	**15,934.66**	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 is pending before the Hon'ble High Court of Kerala.
iii	Sales Tax/Kerala Value Added Tax	**1,259.75**	2000-01 - Rs. 111.93 Lakhs 2001-02 - Rs. 73.44 Lakhs 2004-05 - Rs 195.67 Lakhs 2005-06 - Rs. 602.24 Lakhs 2007-08 - Rs. 276.47 Lakhs (Under appeal.) Stay of collection of tax obtained in all cases. Demand reduced to the extent of amount paid and appeal allowed by Deputy Commissioner (Appeals). Detailed notes in Note no. 40.1 (II &III)
		12.10	VAT credit for the year 1996-97 which has not been considered in the demand, for which no provision exists in the books

Notes

To Financial Statements for the year ended 31st March 2018

iv	Income Tax	**6,077.84**	Demand relating to Assessment Years: Demand relating to Assessment Years: (a) AY 2009-10 - Rs 77.67 Lakhs AY 2010-11 - Rs. 126.25 Lakhs AY 2011-12 - Rs. 420.19 Lakhs AY 2012-13 - Rs. 546.14 Lakhs AY 2013-14 - Rs. 221.37 Lakhs AY 2014-15 - Rs. 876.90 Lakhs (b) AY 1997-98 - Rs 2191.60 Lakhs AY 1998-99 - Rs 967.27 Lakhs AY 1999-00 - Rs 353.72 Lakhs AY 2000-01 - Rs 170.31 Lakhs AY 2001-02 - Rs 96.44 Lakhs (c) AY 2002-03 - Rs 29.99 Lakhs Detailed notes in Note no. 40.1 (I)
v	Service Tax	**1,647.47**	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Adjudication pending
		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	Demand of Service Tax on IAC (Management Fee/Handling Charges) as per Show Cause Notice issued. Adjudication pending
		24.08	Penalty on service tax for the period 2003-04 to 2007-08 which is pending before Hon'ble High Court of Kerala.
B	**COMMITMENTS (To the extent not provided for)**		
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	**73,430.43**	
b	Other commitments		
i	Investment in subsidiary (Hooghly Cochin Shipyard Ltd) for which the company has restriction for their disposal for 5 years from the effective date as per the concession agreement.	**1,628.00**	
ii	Unutilised amount of Initial Public Offer (IPO) proceeds (Pending utilisation amount deposited with various banks in current account and term deposits)	**82,621.86**	Detailed notes in Note no. 41.b

Notes

To Financial Statements for the year ended 31st March 2018

40.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

(a) The Income Tax Assessment of the company have been completed up to AY 2014-15 Demands raised as per the assessment orders totaling to ₹2268.52 lakhs for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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 to Company.

(b) For the Assessment years 1997-98 to 2001-02,the Income Tax department has gone for appeal against the order of the ITAT allowed in favour of CSL before the Hon'ble High Court of Kerala . For the Assessment year 1997-98 the appeal was decided in favour of CSL and for the Assessment year 1998-99 the appeal was decided against CSL. However for both the assessment years orders are yet to be given effect to by the reassessing officer.

(c) The Company has filed appeal before the ITAT against the order of Assessing Officer/ Commissioner of Income Tax (Appeals) and the appeal was partly allowed in favor of Company, the effect to the order has not yet been given by the reassessing officer.

(II) Sales Tax Assessment under KGST Act

The Sales Tax assessments under Kerala General Sales Tax Act up to the Assessment Year 2004-05 have been completed and orders were issued for all the years except for the year 2002-03 & 2003-04. Due to apparent mistake in the orders issued for the year 2000-01 and 2001-02, applications have been filed for rectification of the orders. Pending rectification to the assessment orders the demands thereto have been shown under Contingent Liabilities. For the Assessment year 2004-05, the Deputy Commissioner (Appeals) has dismissed the appeal filed by the Company against the demand for ₹202.22 lakhs. The Company is in the process of filing appeal to Tribunal.

(III) Sales Tax Assessments under KVAT Act

The KVAT assessments from Assessment Year 2005-06 to Assessment Year 2007-08 have been completed and assessment orders were issued for Assessment Year 2005-06 and Assessment Year 2007-08 with a demand of ₹ 2836.63 lakhs and ₹ 5554.71 lakhs respectively. The appeals filed by the Company against the above orders, before the Deputy Commissioner (Appeals) have been partially decided in favour of the Company and remanded for fresh assessments. Accordingly the demands as per the original assessment orders have become null. As such no demand exists as on reporting date. Pending receipt of the revised assessment order, the company filed appeal before the Hon'ble KVAT Appellate Tribunal on the other issues. The appeal is currently pending before the Tribunal. Assessment order for the year 2006-07 is pending.

41.a. The Environmental Clearances, for the ISRF project received from Ministry of Environment, Forest and Climate Change (MOEFCC), is subject to obtaining prior clearance of the Standing Committee of the National Board for Wildlife ("NBWL"). Pursuant to the SEBI Exemption letter dated July 14, 2017, SEBI had permitted the Company to utilize the net proceeds of the Initial Public Offer assigned towards the proposed ISRF project and utilize such funds raised once the necessary approvals for Environmental Clearance for the ISRF project are received. The Company had also undertaken to SEBI vide letter dated July 10, 2017 and further stated in the Prospectus dated August 4, 2017 that the net proceeds assigned for the proposed ISRF project shall be transferred to a separate bank account which would be utilised only after requisite pending approval(s) are received and all expenditure on the ISRF project shall be incurred through internal accruals till the time such pending approvals are received.

The State Board for Wild Life at their meeting held on August 16, 2017 specified compensatory mangrove afforestation by the Company as a condition while recommending the proposal to the NBWL. The Standing Committee of NBWL in their 46th meeting held on December 8, 2017 has recommended the Environmental Clearance for the ISRF project

along with conditions imposed by the State Chief Wild Life Warden (CWLW). The condition imposed by State CWLW is to be complied during the implementation of the ISRF project and the matter has been taken up with the Forest Department, Government of Kerala and the process of identification of notified mangrove area for afforestation is underway. Accordingly, the Company has considered the date of Environmental clearance as January 9, 2018 and started utilisation of the funds set apart for this purpose after intimating SEBI vide letter dated January 17, 2018.

41.b. The Utilisation of IPO proceeds is summarised below:

(₹ in lakhs)

Particulars	IPO proceeds received -Based on Final allotment	Actual cash outflow upto March 31, 2018	Unutilised amount as at March 31, 2018
Setting up of Dry Dock	51000.00*	330.72	50669.28
Setting up of ISRF	26500.00*	1142.14	25357.86
General corporate purposes	16523.26	9956.42	6566.84
Issue related expenses (Attributtable to the Company)	2172.10**	2144.22	27.88
Total	96195.36	13573.50	82621.86

* As per Prospectus Filed
** Increase in IPO expenditure (Rs.172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

42. The dispute between M/s Apeejay Shipping Ltd (formerly known as Surendra Overseas Ltd) and the CSL, 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 CSL under which the CSL 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. The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.

43. Permanent Machinery for Arbitration, Department of Public Enterprises, Govt. of India, has notified award in favour of the CSL in the dispute between the CSL and M/s Oil and Natural Gas Corporation Ltd (ONGC) on the Works Contract Tax issue and ONGC has paid to the Company the disputed sum along with interest amounting to ₹2642.22 Lakhs as per the award. ONGC has gone on appeal before the Law Secretary, Ministry of Law & Justice against the award. Pending disposal of ONGC appeal, no adjustment has been made in the accounts.

44. Litigations : The Group 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.

Notes

To Financial Statements for the year ended 31st March 2018

Details of material litigations as on 31 March 2018

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. "

45. 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 those specified in Schedule VII of the Companies Act 2013. The utilisation of CSR funds are done through direct spending 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 CSL during the period ended March 31, 2018				₹ 853.75 lakhs
(b) Amount spent during the year	₹ 857.08 lakhs			(₹ in lakhs)
Particulars		**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset		611.03	-	611.03
(ii) On purposes other than (i) above		246.05	-	246.05

46. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship
	2017-18
Shri. Madhu S Nair Chairman & Managing Director	Key Managerial Personnel
Shri. Paul Ranjan D Director (Finance) & Chief Financial Officer	Key Managerial Personnel
Shri. Sunny Thomas Director (Technical)	Key Managerial Personnel
Shri. Suresh Babu N V Director (Operations)	Key Managerial Personnel
Shri Barun Mitra (upto 17/04/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel
Shri Pravir Krishna (from 17/04/2017 to 04/10/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel
Shri Satinder Pal Singh (from 04/10/2017) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel
Shri Elias George Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel
Smt. Roopa Shekhar Rai Non Official Part Time (Independent) Director	Key Managerial Personnel
Shri Radhakrishna Menon Non Official Part Time (Independent) Director	Key Managerial Personnel
Shri Krishna Das E Non Official Part Time (Independent) Director	Key Managerial Personnel

Notes

To Financial Statements for the year ended 31st March 2018

Related Party	Nature of Relationship
	2017-18
Shri Jiji Thomson (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel
Shri Pradipta Banerjee (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel
Shri Nanda Kumaran Puthezhath (from 15/07/2017) Non Official Part Time (Independent) Director	Key Managerial Personnel
Shri. S Balaji Arunkumar (from 23/10/2017) Director, HCSL	Key Managerial Personnel
Smt V Kala Company Secretary	Key Managerial Personnel

Nature of transaction-Remuneration to Key Managerial Person

(₹ in lakhs)

Particulars	As at 31.03.2018
Short term benefit	142.20
Post employment Benefit	17.11
Total	**159.31**

Nature of transaction-Loans*

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2017	Loans/ advances Taken during 2017-18	Repay ment	Balance as on 31/03/18	Interest accrued as on 31/03/18
MADHU S NAIR	0.90	1.54	1.53	0.91	0.00
PAUL RANJAN D	1.04	1.38	1.43	0.99	0.00
SUNNY THOMAS	0.96	0.82	0.96	0.82	0.00
SURESH BABU N V	3.72	1.33	4.10	0.95	0.00
KALA V	0.79	1.09	1.11	0.77	0.00

Notes

To Financial Statements for the year ended 31st March 2018

Nature of transaction-Sitting Fee to Independent Directors

(₹ in lakhs)

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Board Meeting	1.50	1.35	1.50	0.90	0.90	0.75
Audit Committee	0.00	0.90	0.90	0.00	0.45	0.00
Corporate Social Responsibility	0.90	0.00	0.90	0.00	0.00	0.00
Nomination and Remuneration Committee	0.45	0.45	0.00	0.00	0.00	0.00
Contract and Capex Committee	0.00	0.00	0.00	0.15	0.15	0.00
Total payment for 2017-18	2.85	2.70	3.30	1.05	1.50	0.75

Nature of transaction - Transaction with other related parties Transactions with Government and Government related entities by the parent company.

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 individuvally significant transactions:

Particulars	As at 31.03.2018 (₹ in Lakhs)
Amount payable to Government of India	235.40
Amount paid as dividend during the year	10161.21
In the case of subsidiary company shares issued for consideration other than cash to M/s HDPEL	572.00

In addition to the above, around 98% of the companies turnover and 100% (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

47. 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 Financial Statements for the year ended 31st March 2018

	As at 31.03.2018 (₹ in Lakhs)	
Financial Assets		
Non Current		
(i) Investments	9.18	Level III
(ii) Loans	147.77	Level II
Current		
(i) Investments	0.16	Level I
(ii) Trade Receivables	58,012.76	Level II
(iii)Cash & Cash equivalents	80,698.75	Level II
(iv)Bank Balances other than (iii)	269,840.19	Level II
(v) Loans	38.14	Level II
(vi)Others	26,084.73	Level II
Total Financial Assets	**434,831.68**	
Financial Liabilities		
Non Current		
(i) Borrowings	12,300.00	Level I
(ii) Other financial liabilities	261.22	Level II
Current		
(i) Trade Payables	27,382.97	Level II
(ii) Other financial liabilities	11,737.44	Level II
Total Financial Liabilities	**51,681.63**	

Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI 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.

   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.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

3. 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 Financial Statements for the year ended 31st March 2018

Financial Instruments by category

(₹ in lakhs)

	31st March 2018		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets			
Investments (Non-Current)			
-Equity instruments		9.18	
Investments (Current)			
-Mutual Funds	0.16		
Trade receivables			58,012.76
Cash & Cash equivalents			350,538.94
Other Financial Assets			26,270.64
Total Financial Assets	**0.16**	**9.18**	**434,822.34**
Financial liabilities			
Borrowings			12,300.00
Trade payables			27,382.97
Capital creditors			
Other financial liabilties			11,998.66
Total Financial Liabilities			**51,681.63**

Notes

To Financial Statements for the year ended 31st March 2018

48. 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 main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. 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. All derivative activities for risk management purposes are carried out by under the supervision of the Forex Risk Management Committee by assigning necessary resources. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

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 relates primarily to the Company's long-term debt obligations with floating interest rates.

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.

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. Therefore, the Company plans its purchases closely to optimise the price.

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 financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes

To Financial Statements for the year ended 31st March 2018

49. Lease arrangements & Guaranteed amount

(₹ in lakhs)

Particulars	As at 31.03.2018
a) Premises taken on operating lease:	
The Company has operating leases for facility at International Ship Repair Facility (ISRF). These lease arrangements with Cochin Port Trust (CoPT) is for 30 years, which is non-cancellable leases.	
With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:	
In the case of HCSL has operating leases for facility at Nazirgunge and Salkia facilities These lease arrangements with Hooghly Docks &Ports with respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:Engineers Ltd are for 60 years, which is non-cancellable leases.	
b) Guaranteed amount:	
The amount which CSL has undertaken to pay to Cochin Port Trust during the contract period of 30 years.	
With respect to non-cancellable operating lease, the future minimum lease payment and Guarantee amount as at Balance Sheet date is as under:	
For a period not later than one year	646.55
For a period later than one year and not later than five years	3693.80
For a period later than five years	68406.60

Notes

To Financial Statements for the year ended 31st March 2018

50. 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 31.03.2018
Segment Assets	
Ship building	231887.20
Ship Repair	168349.50
Others	147232.63
Total	547469.33
Segment Liability	
Ship building	131092.54
Ship Repair	36514.61
Others	53752.51
Total	221359.66
External Sales	
Ship building	173185.70
Ship Repair	62326.63
Unallocated	3482.41
Total	**238994.74**

(₹ in lakhs)

Particulars	As at 31.03.2018
Interest Income	15440.04
Unallocated	
Total Revenue	
Ship building	173185.70
Ship Repair	62326.63
Unallocated	18922.45
Total	254434.78
Accretion(-)/Decretion to Work in progress	
Ship building	1002.26
Ship Repair	(3512.67)
Total	(2510.39)
Segment Result	
Ship building	41471.88
Ship Repair	13145.75
Unallocated	6947.54
Total	**61565.17**

The Company has two major business segments –"Ship Building" and "Ship Repair". Revenue under Ship building includes Rs. 144334.95 lakhs (Previous year: Rs. 131504.38 lakhs) from one Customers (Previous year: one Customer) having more than 10% revenue of the total revenue. And for Ship repair, revenue includes Rs. 40014.22 lakhs (Previous year: Rs. 38073.82 lakhs) from one customers (Previous year: one Customer) having more than 10% revenue of the total revenue.

Notes

To Financial Statements for the year ended 31st March 2018

51. 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).

(₹ in lakhs)

Particulars	As at 31.03.2018
Long term borrowings	12300.00
Net Debt	12300.00
Equity Share Capital	13593.60
Other equity	311953.71
Total Equity	325547.31
Gearing Ratio	3.78%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018.

52 .Details of Subsidiaries

Sl No	Name	Relationship	Nature of activity	Principal place of business	As at 31st March 2018 Proportionate ownership in %
1	Hooghly Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	India	74%

Notes

To Financial Statements for the year ended 31st March 2018

53. Summarised financial information of subsidiary company is as follows:

The amounts disclosed for subsidiary are before inter-company eliminations

(₹ in lakhs)

Summarised Balancesheet	2017-18
Non-current assets	623.68
Current assets	1556.86
Total Assets	**2180.54**
Current liabilities	17.61
Total Liabilities	**17.61**
Net Assets	**2162.93**
Accumulated NCI	**562.36**

Summarised Statement of Profit & Loss	2017-18
Revenue	0.00
Profit/(Loss) for the year	(37.07)
Other Comprehensive Income	0.00
Total Comprehensive Income	**(37.07)**
Profit/(Loss) attributable to NCI	**(9.64)**

Summarised Cashflows	2017-18
Cashflows from operating activites	(110.47)
Cashflows from investing activities	(12.84)
Cashflows from financing activities	**1628.00**
Net increase/decrease in cash and cash equivalents	1504.69

Notes

To Financial Statements for the year ended 31st March 2018

54. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013,WITH RESPECT TO CONDOLIDATED FINANCIAL STATEMENTS

	Networth			Profit or (Loss)		Other Comprehensive Income		Total Comprehensive Income	
Name of the entity in the group	Ownership in % As at March 31, 2018	Proportionate Share	As % of Consolidated NetWorth	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 Comrpehensive income
Cochin Shipyard Limited	100.00%	325586.69	99.84%	39675.01	100.12%	-134.08	100.00%	39540.93	100.12%
Subsidary									
Hooghly Cochin Shipyard Limited	74	1600.57	0.49%	-27.43	-0.07%	0	0	(27.43)	-0.07%
Non-controlling interest		562.36	0.17%	-9.64	-0.02%	0	0	(9.64)	-0.02%
Consolidation adjustments		(1639.95)	-0.50%	-11.95	-0.03%	0	0	(11.95)	-0.03%
Grand Total		326109.67	100.00%	39625.99	100.00%	-134.08	100.00%	39491.91	100.00%

55 a. 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.

55 b. Balance shown under Trade Receivables, Trade Payables , loans, deposits and claims are subject to confirmation and consequent reconciliation, if any

56. 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.

57. Figures in brackets denote negative figures.

58. Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 24, 2018

As per our report attached

For **M/s Krishnamoorthy & Krishnamoorthy,**
Chartered Accountants
(Firm Registration No.001488S)

C R Rema
Partner
(Membership Number 029182)
Kochi, dated 24 May 2018

Form AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed form AOC-1 relating to subsidiaries or associate companies or joint ventures

Part A - Subsidiary

1.	Name of the subsidiary	Hooghly Cochin Shipyard Limited
2.	The date since when subsidiary was incorporated*	October 23, 2017
3.	Reporting period for the subsidiary concerned	April 01, 2017 to March 31, 2018
4.	Reporting currency	INR
5.	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
6.	Share capital	₹ 2,200.00 Lakhs (2,20,00,000 equity shares of ₹ 10 each)
7.	Reserves and surplus	₹ (37.07 lakhs)
8.	Total assets	₹ 2,180.54 Lakhs
9.	Total Liabilities	₹ 2,180.54 Lakhs
10.	Investments	₹ 1,490.00 Lakhs
11.	Turnover	₹ 18.57 Lakhs
12.	Profit before taxation	₹ (49.92) Lakhs
13.	Provision for taxation	₹ (12.85) Lakhs
14.	Profit after taxation	₹ (37.07) Lakhs
15.	Proposed Dividend	Nil
16.	Percentage of shareholding	74%

Part B - Joint Venture

1.	Name of Joint Venture	Hooghly Cochin Shipyard Limited
2.	Latest audited Balance Sheet Date	March 31, 2018
3.	Date on which the Joint Venture was incorporated*	October 23, 2017
4.	Percentage of shares of Joint Venture held by the company on the year end	74%
5.	No. of shares of Joint Venture held by the company on the year end	1,62,80,000
6.	Amount of Investment in Joint Venture	₹ 1,628.00 Lakhs
7.	Description of how there is significant influence	Major shareholder of Hooghly Cochin Shipyard Limited
8.	Reason why the joint venture is not consolidated	N.A.
9.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 1,600.56 Lakhs
10.	Profit or Loss for the year	
	i. Considered in Consolidation	₹ (37.07) lakhs
	ii. Not Considered in Consolidation	-

Notes:

1. Hooghly Cochin Shipyard Limited is yet to commence its operations.

* Hooghly Cochin Shipyard Limited had been incorporated as a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited, in which Cochin Shipyard Limited is the Holding Company with 74% of the total shareholding.

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COCHIN SHIPYARD LIMITED

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Concept & Design: www.corpcommstudio.in