



COCHIN SHIPYARD LIMITED



CRUISE 2030
Annual Report 2019-20

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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.

CRUISE 2030

The Company understands that long term sustenance is to position CSL as a knowledge company, capable of imbibing technological advances combined with innovation & commercial aggressiveness. This would call for a process of unlearning, re-learning, revamping & recasting, for resurgence as an organisation of the future with a long term strategy road map with visibility upto 2030.

In March 2019, CSL kicked off CRUISE 2030 (CSL's Revenue & profitability Unlock through Integrated Strategic Excellence 2030) along with M/s. Boston Consulting Group (BCG) to formulate strategic roadmap to achieve its 2030 vision of 6-8X growth. Over next 10 years, CSL has setup a bold ambition to transform from being the leading Indian Shipyard to one of the leading global shipyards. This transformation requires relentless focus on revenue growth as well as developing and sustaining global competitiveness through systematic operational excellence.

HIGHLIGHTS OF THE YEAR

April 2019

April 25: Launching of 2 nos. RO-PAX Vessels for IWAI in the presence of Shri Sanjay Bandopadhyaya IAS, Additional Secretary, Ministry of Shipping, Govt. of India.

April 30: CSL signed contract for building 8 nos. Anti-Submarine Warfare Shallow Water Crafts for Indian Navy.

May 2019

May 17: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

June 2019

June 04: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Sobha A, Superintendent (Office), CSL.

June 14: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept., by Smt. Madhavi K K, Leading Service Assistant (Office), CSL.

June 14: Steel Cutting of 2 nos. RO-RO Vessels for IWAI by Shri Alok Ranjan, ICAS, Member (Finance), IWAI.

June 26: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Paul Ranjan D, Director (Finance), CSL and Shri Mathew George, Director, IWAI.

July 2019

July 01: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

July 10: Steel Cutting of Brows & Pontoons for INS Vikramaditya and IAC for Southern Naval Command, Kochi, by Capt. Ramesh Krishna, SSO (Projects), HQSNC, Indian Navy.

August 2019

August 02: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Susamma P, Senior Service Assistant (Office), CSL.

August 12: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Asha Paul W/o. Shri Mathew George, Director, IWAI and Smt. Mini C C, W/o. Shri Suresh Babu N V, Director (Operations), CSL.

August 16: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. E A Rajalekshmi, Leading Service Assistant (HK), CSL.

August 28: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

August 29: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Sobha K B, Service Assistant (Canteen), CSL.

September 2019

September 04: Steel Cutting of 4 nos. 8000 DWT Mini General Cargo Ships for Utkarsh Advisory Services Private Limited (JSW Group) by Shri Pranab Jha, Vice President – Shipping, JSW Steel Limited.

September 16: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Suresh Babu N V Director (Operations), CSL and Shri Bejoy Bhasker, Director (Technical), CSL.

September 19: Inauguration of CSL Maritime Park by Shri Mansukh L Mandaviya, Hon'ble Minister of State for Shipping (Independent Charge) and Chemicals & Fertilizers.

September 20: Keel Laying of 1 no. Marine Ambulance Boat for the Department of Fisheries, Govt. of Kerala, by Smt. J Mercykutty Amma, Hon'ble Minister of Fisheries, Harbour Engineering & Cashew Industry.

September 30: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Chandrika Devi D, Jr. Superintendent (Office), CSL.

Turnover

₹ **3422** crores

Achieved Record Turnover

Shipbuilding Turnover

₹ **2852** crores

Achieved Record Shipbuilding Turnover

Profit After Tax

₹ **638** crores

Achieved Record Profit After Tax



COCHIN SHIPYARD LIMITED
LAUNCHING CEREMONY
SHIP 023
(12000 DWT UNIMODAL CARGO VESSEL)
ANDAMAN NICOBAR ADMINISTRATION
SMT BAMEETHA K. SURESH 'O', NPOL
(C-100-220-0023 & 8 Star - CAMD, CHL)
In the presence of (Guests, Distinguished Guests & All Employees of CSL)
28 JANUARY 2020 (Tuesday)

HIGHLIGHTS OF THE YEAR

October 2019

October 21: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Julie Jose W/o. Shri Jose V J, Director (Finance), CSL and Smt. Binu N S, W/o. Shri Bejoy Bhasker, Director (Technical), CSL.

October 28: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Suresh Babu N V, Director (Operations), CSL and Shri Mathew George, Director, IWAI.

October 29: CSL signed contract for design and construction of 23 nos. of Hybrid Electric - Passenger Ferries for Kochi Metro Rail Limited.

October 31: CSL signed Phase III contract for construction of the Indigenous Aircraft Carrier for Indian Navy.

November 2019

November 01: CSL acquired 26 percent equity stake of Hooghly Cochin Shipyard Limited from the joint venture partner to become a wholly owned subsidiary of CSL.

November 07: Steel Cutting of Floating Border Outposts for Ministry of Home Affairs, Govt. of India, by Shri Mukesh Tyagi, DIG (Water Wing), Border Security Force.

November 07: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Radhamoni G, Leading Service Assistant (HK), CSL.

November 08: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

November 21: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Omana E S, Senior Assistant (Finance), CSL.

November 2019

November 22: CSL delivered 2 nos. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

November 28: CSL signed agreement with Andaman and Nicobar Administration for operation and management of the Marine Dockyard, Port Blair and for development of the ship repair eco system of the islands.

December 2019

December 04: With a view to promote paperless office culture in CSL, the Company implemented SAP File Life Cycle Management, a full-fledged online file and document management system.

December 19: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. P D Lisamma, Leading Service Assistant (HK), CSL.

December 21: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

January 2020

January 04: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Gayathri M, Deputy Commissioner, Income Tax, Kochi and Smt. Bindu P R, Asst. Commissioner, State Goods and Services Tax, Ernakulam.

January 24: Commencement of Block Erection of 2 nos. RO-RO Vessels for IWAI by Smt. Amita Prasad IAS, Chairperson, IWAI.

January 28: Launching of 1 no. 1200 Pax Cum 1000T Cargo Vessel for Andaman and Nicobar Administration by Smt. Rameetha K, Scientist 'G', NPOL (DRDO) and W/o. Shri Madhu S Nair, CMD, CSL.

January 2020

January 29: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. V Kala, Company Secretary and General Manager (Finance), CSL.

February 2020

February 15: Launching of 2 nos. Tuna Long Liner Cum Gilnetter Fishing Vessels for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Nitya Kalyani, the beneficiary and Smt. Mini B, Asst. Administrative officer (SG) CSL.

March 2020

March 04: Keel laying of 2 nos. 8000 DWT Mini General Cargo Ships for JSW Shipping & Logistics Private Limited by Shri Pranab Jha, Vice President, JSW Shipping and Shri Vipon Chopra, Advisor, JSW Shipping.

March 04: CSL emerged as successful resolution applicant for Tebma Shipyards Limited undergoing Corporate Insolvency Resolution Process, under the Insolvency and Bankruptcy Code, 2016

March 09: Launching of 1 no. Marine Ambulance Boat for the Department of Fisheries, Govt. of Kerala, by Smt. Sreelu N S, Jt. Dir. Fisheries & Exec. Dir. SAF.

March 09: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

March 11: The protocol signing ceremony for delivery of 4 nos. of RO-PAX Vessels for IWAI.

March 13: The protocol signing ceremony for delivery of 4 nos. of RO-PAX Vessels for IWAI.

A RARE SIGHT IN INDIAN SHIPBUILDING

Made in CSL Ro-Pax vessels and fishing vessels ready for its voyage. In March 2020, CSL delivered 8 Ro-Pax vessels to the Inland Waterways Authority of India (IWAI). The vessels designed to carry both passengers and vehicles would be operated in strategic locations in National Waterways 1 and 2. During the year, CSL delivered 8 fishing vessels and 5 vessels are ready for delivery. The vessels have been built for the beneficiaries of Tamil Nadu Fisheries Department under the 'Blue Revolution Scheme' introduced by the Government of India. These vessels targets to promote sustainable fishing practices such as Gill netting and Long lining in the deep sea and also to provide necessary fishing infrastructural facilities to support deep sea fishing. This indeed is reflection of the commitment of CSL Shipbuilding division.



EXPANDING SHIPBUILDING AND REPAIRING CAPABILITIES

New Dry-dock

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



How We Are Progressing

Construction activities commenced in June 2018 were progressing seemingly well. Ground improvement works are completed. RCC piling and sheet pile installation works are in progress. Around 40% of RCC piling and 70% of sheet piling works have been completed. Contract for the supply & commissioning of 600 T gantry crane was issued on March 14, 2019 and review of design submitted by the contractor is being carried out

ISRF

The International Ship Repair Facility (ISRF) will modernise and expand the existing ship repair facility in CSL. The ISRF includes 6000T shiplift for ships upto 130 x 25 m with six work stations and allied facilities. Total outfitting berth of 1500 meters approx.



How We Are Progressing

More than 95% of the piling works, 50% of the deck concreting & 80% of the dredging activities of the ISRF are completed and the facility is expected to be commissioned in FY 2021-22.

CSL-Mumbai Ship Repair Unit (CMSRU)

CSL entered into an agreement with Mumbai Port Trust (Mbpt) for management and operation of the ship repair facilities at Mumbai Port Trust for expansion of the ship repair capacity within the Indira Dock, that may include setting up of a floating dry-dock and upgrading existing facility at Hughes dry-dock thereby enhancing the existing ship repair capacity in Mumbai Area. During the year 24 vessels were repaired at CMSRU.

CSL-Kolkata Ship Repair Unit (CKSRU)

CSL entered into an agreement with Kolkata Port Trust (KoPT) for utilizing two dry-docks at Netaji Subhas Dock and Berth No.6 for a period of 15 years, with an option to extend upto 30 years. CSL will establish a professional ship repair ecosystem, that would be beneficial for the commercial as well as defence ship repair industry in east coast of India. The Honorable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020 at a function held as part of the commencement of the Sesquicentenary Celebrations of the Kolkata Port Trust.



CSL-Andaman & Nicobar Ship Repair Unit (CANSRU)

CSL has entered into an agreement with the Andaman & Nicobar Administration to commence operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, the CSL A&N Ship Repair Unit, named (CANSRU), shall assist the Administration in developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands, is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the Island to ensure faster turnaround and minimise downtime of the vessels, which are the lifeline for the Islands.

CHAIRMAN'S ADDRESS



Dear Shareholders

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors to the 48th Annual General Meeting of your Company, Cochin Shipyard Limited (CSL). I would like to take you through the highlights of performance and achievements of the Company in the year 2019-20, impact of COVID-19 and the initiatives for the future.

Operating Scenario

The operating scenario this year saw significant changes with CSL Mumbai Ship Repair Unit (CMSRU) at Mumbai ramping up operations and increasing momentum. CSL Kolkata Ship Repair Unit (CKSRU) at Kolkata became operational and has since completed three projects. The year also saw CSL moving into Andaman & Nicobar with the inauguration of the CSL Andaman & Nicobar Ship Repair Unit (CANSRU) at Port Blair. The long term business strategy road map worked out firmly points out the necessity of pro-active marketing efforts on both commercial and defence sectors. The main focus segments on the commercial front would include coastal, inland, fishing, specialised vessels etc. The

eight Ro-Pax vessels contracted for Inland Waterways Authority of India (IWAI) for operations in NW1 & NW2 was delivered amidst the COVID-19 lockdown and sailed off to Kolkata. The yard construction at Hooghly Cochin Shipyard Limited (HCSL), the 100% subsidiary of CSL at Kolkata is making good progress, except the delay that would accrue on account of the COVID-19 lockdown period. This is being set up as a dedicated facility for construction of inland water vessels. With further development of the inland waterways and coastal segment, the Company sees more opportunities here. CSL has also delivered 11 out of the 16 Fishing Vessels contracted for the Tamil Nadu beneficiaries. The balance 5 vessels are ready for delivery. Sensing the high potential in this arena for good quality safe and technologically advanced vessels, CSL aspires to spin off a dedicated vertical which will enable production of these vessels to cater to the high demand volume envisaged. Towards this, CSL submitted a Resolution Plan for TEBMA Shipyard Limited, which was listed under the National Company Law Tribunal (NCLT) and succeeded in obtaining favourable orders for taking over the facility. Physical activities towards this will commence once lockdown restriction are eased up.