



Globally Local

Annual Report 2022-23

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www.cochinshipyard.in

Forward-looking statements

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

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FY 2023 in focus

₹2,330.46 Crores
Turnover

₹25.43
EPS

₹533.40 Crores
EBITDA

₹1,766.45 Crores
Total income from shipbuilding

₹334.49 Crores
PAT

₹564.01 Crores
Total income from ship repairs

With a rich legacy spanning over five decades, Cochin Shipyard Limited (CSL) has established itself as a global hub for shipbuilding, Ship repair and refits. CSL is renowned for its state-of-the-art infrastructure, skilled workforce and commitment to delivering high-quality vessels to clients worldwide.

CSL has played a significant role in the growth and development of the Indian maritime industry, contributing to both domestic and international trade.

CSL endeavours to innovate in existing and emerging technologies in its business processes to benchmark with the best standards followed across the globe to deliver unmatched engineering and service excellence. The Shipyard's expertise extends beyond shipbuilding and ship repair, as it also offers services such as offshore vessel construction, refits and conversions, marine engineering, strategic and advanced solutions in the maritime space etc., making it a one-stop hub where the world comes for ships.

CSL is committed to implementing innovative and eco-friendly solutions in all its engineering projects in an effort to minimise our carbon footprint and promote renewable energy sources, ensuring a greener and more sustainable tomorrow. As part of its commitment to sustainability, CSL has invested in research and development to explore alternative fuels and energy-efficient technologies for its vessels. Additionally, CSL collaborates with industry experts and partners to exchange knowledge and best practices in order to continuously improve its environmental performance.



Shaping the future of maritime sector

Cochin Shipyard is a renowned shipbuilding and ship repair company committed to excellence and innovation in the maritime industry. With a rich legacy spanning over five decades, we have emerged as a trusted name in delivering world-class vessels and providing comprehensive ship repair services.

Our state-of-the-art facilities and skilled workforce enable us to cater to a diverse range of requirements, ranging from commercial ships to naval vessels. Our team's expertise and experience allow us to deliver high-quality solutions that meet the highest standards of performance and reliability.

We take pride in our unwavering commitment to quality, safety and delivery, ensuring the utmost satisfaction of our esteemed clients. At Cochin Shipyard, we constantly strive to push boundaries, embracing cutting-edge technologies and sustainable practices, as we continue to shape the future of the maritime sector.

Vessels Built and Delivered (Total as on March 31, 2023)

21
Large vessels

35
Offshore Support vessels

93
Small & medium vessels

31
Defence vessels



Vision

- Emerge as an internationally preferred shipyard to construct world class Merchant and Naval ships, offshore vessels and structures.
- Be the market leader in India for ship repairs, including conversions and up-gradation.
- To be admired for our achievements, respected for our ethics and trusted for our service excellence by our valued customers.



Mission

- To build and repair ships and offshore structures to international standards and provide value added quality engineering services.
- Sustain corporate growth in competitive environment.
- To adopt and undertake practices towards becoming a responsible corporate citizen.



Objectives

- To sustain and enhance shipbuilding and ship repair activities through technology up-gradation and capacity augmentation.
- To continuously endeavour to expand/diversify activities of the shipyard including setting up new facilities.
- To carry out research and 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.

Maintaining an impeccable track record

We have a strong track record of building and delivering prestigious vessels, including the Indigenous Aircraft Carrier for the Indian Navy. Our expertise extends to constructing and repairing some of the largest ships in India. As a recognition to our strong financial performance, operational efficiency and contribution to national security, CSL has been upgraded to a 'Schedule A' CPSE by the Government of India.

Throughout the years, we have adapted to changing market demands, progressing from bulk carriers to more advanced and technically sophisticated vessels such as Platform Supply Vessels (PSV) and Anchor Handling Tug Supply Vessels (AHTS). CSL has pioneered in the green vessels segment, successfully building and delivering green vessels to domestic as well as international clientele.

Collaborating with renowned technology firms like Rolls Royce Marine, GTT, IHC Holland, Robert Allan, Fincantieri, Vard Group etc., we have solidified our position in the international market, exporting 47 vessels to esteemed clients in countries such as Norway, Netherlands, Cyprus, USA, Germany, Denmark/ Bahamas, Saudi Arabia and UAE.

Within the domestic market, we have established strong relationships with key clients such as the Indian Navy, the

Indian Coast Guard, the Ministry of Home Affairs, the Shipping Corporation of India Limited, the Lakshadweep Government, various Ports, the Inland Waterways Authority of India (IWAI), the A&N Administration, the Directorate General of Lighthouses and Lightships (DGLL), and the JSW Group. Our services also encompass the repair and upgradation of vessels, including those in the oil exploration industry, as well as routine maintenance, repairs, and life extension of ships.



Delivering excellence beyond borders



Map not to scale

Enhancing our manufacturing capacities

With advanced technologies and state-of-the-art infrastructure, we ensure top-notch shipbuilding and repair services. Our dedicated workshops, equipped with cutting-edge machinery, allow us to deliver high-quality ships.

Our dry docks and other facilities provide a secure environment for efficient construction and maintenance. Committed to sustainability, we prioritise eco-friendly practices and channelises our resources to keep up with international standards, wherever possible.



Kochi, Kerala

We possess exceptional infrastructure that enables the construction of ships weighing up to 1,10,000 DWT, as well as the repair of ships weighing up to 1,25,000 DWT. With a track record of around 175 vessel constructions and over 2,500 ship repair projects, including the remarkable achievement of building India's first Indigenous Aircraft Carrier, we stand as India's foremost and highly proficient shipbuilding and repair facility serving a diverse range of clients, encompassing commercial, defence, domestic and international sectors.

Cochin Shipyard Limited (CSL), Kochi

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

International Ship Repair Facility (ISRF), Kochi

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



Mumbai, Maharashtra

Set up CSL Mumbai Ship Repair Unit (CMSRU) at the Mumbai Port with the objective of enhancing the current ship repair capabilities in the Mumbai region, we commenced our ship repair operations back in January 2019. Since then, it has achieved significant milestones by successfully completing repairs for around 90 vessels. By actively contributing to the enhancement of ship repair services, we have become a reliable and sought-after facility for ship repairs in the Mumbai area.

CSL Mumbai Ship Repair Unit (CMSRU)

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

Kolkata, West Bengal

Established CSL Kolkata Ship Repair Unit (CKSRU) to cater to the ship repair needs of both the commercial and defence sectors on the east coast of India. Strategically located at the Shyama Prasad Mookerjee Port in Kolkata, we initiated our ship repair operations in October 2019. Since then, it has successfully executed several significant ship repair projects, solidifying our position as a reliable and proficient facility in the region. Whether serving the requirements of commercial enterprises or defence entities, we remain committed to delivering high-quality ship repair services in the Kolkata area.

CSL Kolkata Ship Repair Unit (CKSRU)

Dry docks: 172 x 23 x 8 Mtr (2 numbers)



Port Blair, Andaman and Nicobar Islands

Established within the Marine Dockyard at Port Blair, CSL Andaman & Nicobar Ship Repair Unit (CANSRU) has been set up with the primary objective of developing a comprehensive ship repair ecosystem in the Andaman and Nicobar Islands. This includes the augmentation and modernisation of existing facilities. We commenced the ship repair activities in November 2021, contributing to the growth and enhancement of ship repair services in the region. By leveraging its strategic location and commitment to modernization, we aim to establish a thriving ship repair industry at the A&N Islands, providing efficient and advanced services to meet the maritime needs of the area.

CSL Andaman & Nicobar Ship Repair Unit (CANSRU)

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

Enhancing our manufacturing capacities contd...



Howrah, West Bengal

Located on the banks of the Hooghly River in Nazirgunge, Hooghly Cochin Shipyard Limited (HCSL), a wholly owned subsidiary of CSL, have been established as a compact shipyard with a specific focus on constructing high-quality inland and coastal vessels. This completely new state-of-the-art facility, dedicated to meeting the demand for such vessels, was officially inaugurated on August 16, 2022. By leveraging this strategic location and compact design, we are well-equipped to deliver exceptional shipbuilding services for inland and coastal purposes, ensuring the construction of vessels that meet stringent quality standards.

Hooghly Cochin Shipyard Limited (HCSL)

Slipway: 136 x 40 Mtr

3 Outfitting Jetties

Udupi, Karnataka

Udupi Cochin Shipyard Limited (UCSL) acquired in September 2020 via the Insolvency and Bankruptcy Code (IBC) process, is the other wholly owned subsidiary of CSL with its main facility located in Udupi, Karnataka. The operations of this facility commenced in July 2021. With its highly sophisticated infrastructure, CSL is well-equipped to deliver superior shipbuilding services, catering to the specific requirements of smaller and medium-sized vessels both in the domestic and international markets.



Udupi Cochin Shipyard Limited (UCSL)

Slipway: 96 x 22 Mtr



Expanding portfolio to meet diverse needs

Shipbuilding



Defence

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



Commercial

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



Offshore

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

Ship Repair

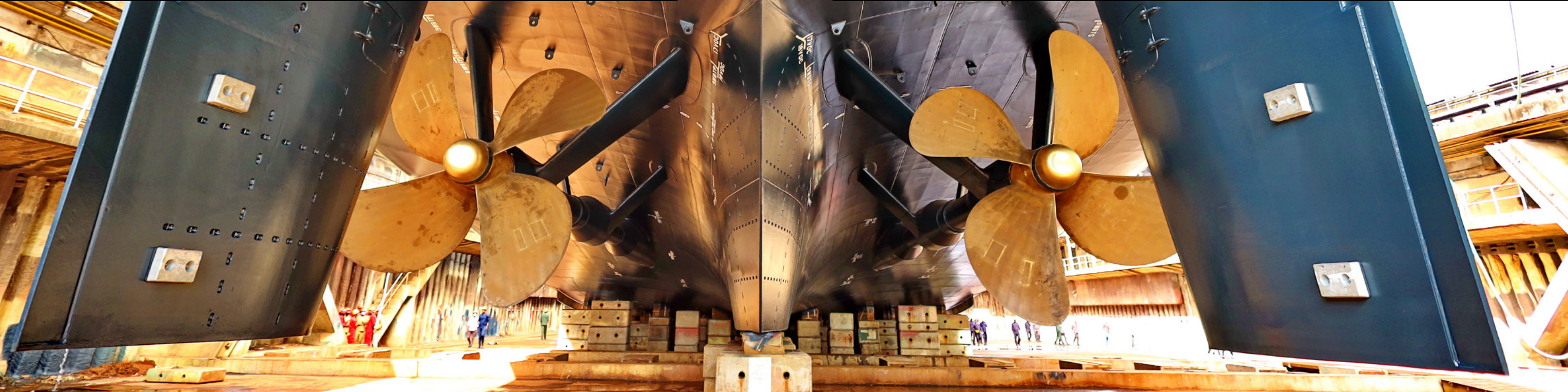


- ▶ Maintenance and repairs of Aircraft Carriers and other Defence Vessels
- ▶ Repairs and maintenance of Tankers, Bulk Carriers, all kinds of Commercial and Specialised Vessels
- ▶ Oil Rig Upgradation, Repair Projects and Conversions

Marine Engineering Training



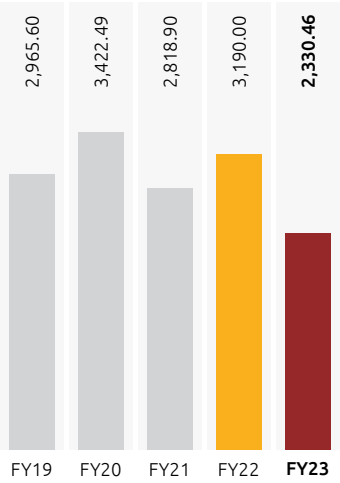
Strategic and Advanced Solutions



Financial performance

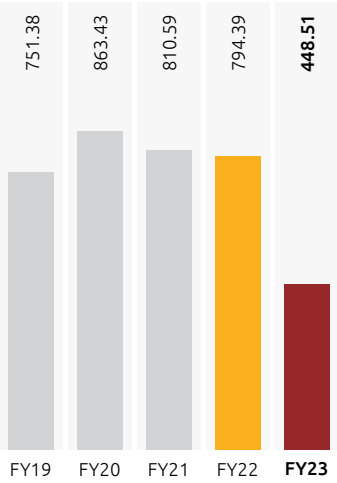
Turnover

(₹ in Crores)



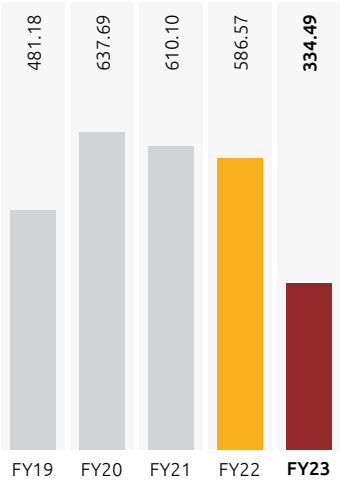
Profit Before tax

(₹ in Crores)



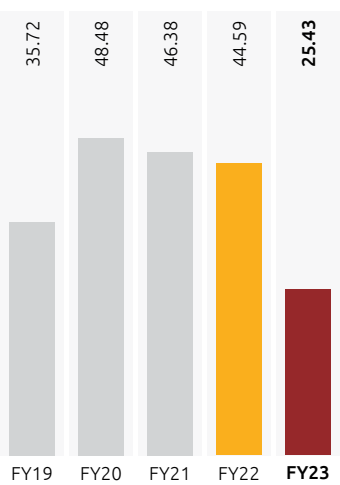
Profit After tax

(₹ in Crores)



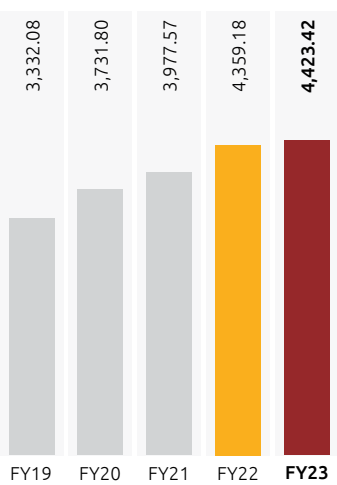
EPS

(₹)



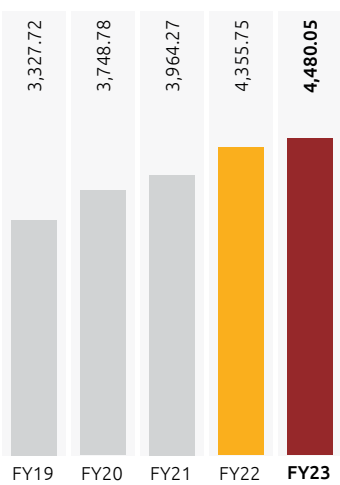
Net Worth

(₹ in Crores)



Capital Employed

(₹ in Crores)



10-year Performance review

Key Indicators	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
EPS (₹ per share)	25.43	44.59	46.38	48.48	35.72	31.03	28.39	24.07	20.75	17.15
Face Value Per Share (₹)	10	10	10	10	10	10	10	10	10	10
EBDIT/ Gross Turnover (%)	22.89	28.12	32.43	27.95	26.97	27.76	26.35	23.52	22.81	20.37
Net Profit Margin (%)	14.35	18.39	21.64	18.63	16.23	16.85	15.62	13.73	12.64	11.75
Return on Net Worth (%)	7.56	13.46	15.34	17.09	14.44	12.19	15.85	15.09	15.06	14.15
Return on Capital Employed (%)	10.80	18.81	15.39	17.01	14.46	12.13	15.59	15.65	14.82	13.86

Particulars	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Turnover	2,330.46	3,190.00	2,818.90	3,422.49	2,965.60	2,355.12	2,058.87	1,993.45	1,859.51	1,652.66
Total income	2,536.95	3,456.42	3,012.76	3,669.99	3,192.89	2,544.28	2,217.50	2,107.37	1,952.97	1,728.64
Profit Before Tax (PBT)	448.51	794.39	810.59	863.43	751.38	604.86	493.40	419.65	367.56	290.96
Depreciation & write offs	51.15	54.41	53.07	48.73	34.16	37.51	38.51	37.19	38.33	26.43
Profit After Tax (PAT)	334.49	586.57	610.10	637.69	481.18	396.75	321.55	273.79	235.07	194.24
Equity Share Capital	131.54	131.54	131.54	131.54	131.54	135.94	113.28	113.28	113.28	113.28
Reserves & Surplus	4,291.88	4,227.64	3,846.03	3,600.25	3,200.54	3,119.93	1,915.30	1,701.05	1,447.79	1,239.25
Net Worth	4,423.42	4,359.18	3,977.57	3,731.80	3,332.08	3,255.87	2,028.58	1,814.33	1,561.07	1,352.53
Gross Fixed Assets	1,029.67	1,008.36	973.96	853.82	426.69	369.79	357.72	569.53	636.84	602.38
Net Fixed Assets	706.74	735.82	754.68	696.54	313.03	284.47	302.85	296.44	377.44	383.41
Number of Employees	1,883	1,756	1,727	1,710	1,744	1,781	1,829	1,671	1,786	1,751

Key Indicators – MoU with the Government of India

Key Indicators (Consolidated)	2022-23	2021-22
Value of Production (₹ in Crores)	2,365.99	3,194.47
Capex (₹ in Crores)	385.97	227.81
Exports as % of Revenue from Operations (%)	2.92	2.98
Reduction in total imports consumed over previous year (%)	19.60	-43.80
EBITDA as a percentage of Revenue (%)	17.91	25.64
Return on Net Worth (%)	7.02	13.61
Asset Turnover Ratio (%)	25.66	41.05
Trade Receivables as number of days of Revenue from Operations (No. of Days)	48.99	44.66
Expenditure on R&D/ Innovations Initiatives as % of PBT (%)	2.42	-

Chairman's message

Dear Shareholders,

It is with profound delight that I extend a warm welcome to each one of you on behalf of the Board of Directors to the 51st Annual General Meeting of your Company, Cochin Shipyard Limited (CSL). Allow me to share with you the highlights of the Company's performance and accomplishments during the fiscal year 2022-23, as well as our future endeavours.



Financial performance

The fiscal year 2022-23 presented certain financial and operational challenges for Cochin Shipyard Limited. Our results fell short of our initial expectations. Specifically, the revenue from operations for the year amounted to ₹2330.46 Crores, compared to ₹3190.00 Crores in the prior fiscal year. The profit before tax stood at ₹448.51 Crores, down from ₹794.39 Crores in the preceding year. The net profit for the year was ₹334.49 Crores, a decrease from ₹586.57 Crores in the previous year. Despite this, we achieved PAT Margins of 14%, while the Earnings Per Share (EPS) stood at ₹25.43. Moreover, we achieved an EBITDA of ₹533.40 Crores with a fairly decent EBITDA margin of 23%.

Our interactions during the conference calls on May 31, 2023, provided insight into the specific factors affecting our financial performance, and a comprehensive presentation on this matter can be found on the Company's website in the investor section. I have full confidence in CSL's resilience and anticipate a robust recovery in FY24, considering the strong order visibility and the execution of various orders in hand.

Operational performance

The Company delivered the first indigenously built Aircraft Carrier to the Indian Navy on July 28, 2022 and the vessel was commissioned by the Hon'ble Prime Minister of India Shri Narendra Modi on September 02, 2022, which is a significant milestone not only for the Company but also for the entire nation. The construction of IAC is considered as the most ambitious warship project of the country as it is unprecedented in terms of size and complexity in comparison to any ship built in India till date, setting a new benchmark in Indian shipbuilding. Other noteworthy vessel deliveries during the year include two Autonomous Electric Barges, viz., "Marit" & "Theres", for Norway based ASKO Maritime AS, one 500 Pax Vessel viz., "Nalanda" for Andaman and Nicobar

Administration, three Floating Border Out-Post (FBOPs) Vessels built for Ministry of Home Affairs and seven Hybrid Electric Catamaran Hull Vessels for Kochi Metro Rail Limited.

Orders received during the year

CSL's prowess in securing substantial shipbuilding orders remained evident during the year. Despite intense competition, we secured orders for two Commissioning Service Operation Vessels (CSOV) from Pelagic Group, Cyprus; six Next Generation Missile Vessels (NGMV) from Ministry of Defence and two Zero Emission Feeder Container Vessels, from companies based in Norway which are part of the SAMSKIP Group, headquartered in Netherlands. These achievements underscore our strengths in the Indian defence shipbuilding sector as also our credibility in the Global shipbuilding sector.

Major expansion projects

CSL is executing two large expansion projects costing ₹2,769 Crores viz., International Ship Repair Facility (ISRF) costing ₹970 Crores and new dry dock costing ₹1,799 Crores.

The new dry dock project is at an advanced stage of execution. Majority of the works viz., Ground improvement works, cofferdam works, dock wall sheet pile installation works, caisson gate unit fabrication, 3 out of 4 underground Substations, 280 Meter of dock floor (at a depth of 13m), 65% Civil Works of underground pump house (from depth of 21m), 98% RCC piling works, 40% crane track works, 50% caisson gate erection works, grand assembly area works etc. have been completed. Further, the fabrication of components of 600T gantry crane, a critical machinery for the dry dock, have been completed in South Korea. Delivery of crane components to the site is targeted by October 2023. Overall, the project is progressing well and it is expected to complete the construction by December 2023 and thereafter full commissioning of the project by mid of 2024.

The ISRF project had run into difficulties due to the financial problems faced by the turnkey contracting company, forcing us to terminate the contract. The physical progress of construction works reported till contract termination was 78%. As a result, the remaining of the job was divided into three independent tender packages. The works have been resumed with new contractors, the dredging works have since been completed and civil, mechanical and electrical works are progressing well. All the shiplift components have already been received at site and the 130m X 25m shiplift platform is under sea transit from Vietnam. We expect to complete commissioning of the ship lift and the first two workstations by December 2023, put the facility into initial stages of operation, and thereafter complete and commission the balance facilities by mid-next year.

Wholly owned subsidiaries

Hooghly Cochin Shipyard Limited:

During the financial year 2022-23 the setting up of new state-of-the-art ship building and repair facility at Nazirgunge was completed and on August 16, 2022, the Facility was dedicated to the nation by Shri Sarbananda Sonowal, the Hon'ble Minister of Ports, Shipping & Waterways. The Facility has been set up in an area of 15.76 acres on the banks of river Hooghly at a cost of ₹175.20 Crores with an intention to position HCSL as a premier shipbuilding/ repair yard in the east coast of India for inland and coastal vessels. The facility stands as a testament to our commitment to excellence in shipbuilding on the east coast. HCSL bagged its first shipbuilding order for design and construction of a Multi-purpose cargo Vessel (2200T) for JAK Maritime & Logistics India Private Limited. The construction of the vessel is in progress. HCSL is also in advanced stages of completion of the caisson gate for Kolkata Port and is gearing up for construction of six Battery Electric Passenger Ferries for IWAI.