



SEC/48/2017-63

May 27, 2019

To The Manager, Compliance Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 Scrip Code/Symbol: 540678/COCHINSHIP	To The Manager, Compliance Department, The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Symbol: COCHINSHIP
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Subject: Investor Presentation – Highlights 2018-19

Dear Sir/Madam,

1. The Investor Presentation on highlights of the financial year 2018-19 is enclosed herewith for the purpose of dissemination of information widely to the members.

Thanking you

Yours faithfully,
For Cochin Shipyard Limited


**Company Secretary &
Compliance Officer**



Cochin Shipyard Limited Investor Presentation- May 2019



कोचीन शिपयार्ड लिमिटेड
Cochin Shipyard Limited
India's premier Shipyard

Cochin Shipyard Limited



Highlights – FY 2018-19

Dt. dd.mm.yy

Orders Secured - Shipbuilding



Secured the following New Building Orders

- 8 x ASW-SWC – for Indian Navy.
- 4 x Mini General Cargo Vessel – for JSW
- 9 x Floating Border Outposts – for BSF
- 8 x ROPAX Vessels + 2 x RO-RO Vessels - for IWAI
- 3 x Marine Ambulance Boats – for Kerala Fisheries Department,
- 2 x Brows & Pontoons – for Indian Navy



Highlights - Shipbuilding

Other Milestones -

- Launched 2 x 500 PAX Passenger Vessels
- Commenced erection of blocks for the 2 x 1200 PAX Vessels
- Commenced Steel Cutting for 2 x RO PAX Vessels for IWA
- Delivered 4 x Tuna Long Liner Cum Gilnetter Fishing Boats
- Commenced steel cutting for 3 x Marine Ambulance Boats for Department of Fisheries, Government of Kerala.



Highlights – Ship Repair

Major Projects undertaken during the Financial Year

- | | | | |
|---|--------------------|---|--------------------|
| ■ | INS Vikramaditya | - | Indian Navy |
| ■ | INS Shardul | - | Indian Navy |
| ■ | Modu Sagar Bhushan | - | ONGC |
| ■ | ICGS Samar | - | Indian Coast Guard |
| ■ | INS Sagardhwani | - | Indian Navy |
| ■ | RV Sindhu Sadhana | - | NIO |
| ■ | INS Jamuna | - | Indian Navy |



Other Highlights - FY 2018-19

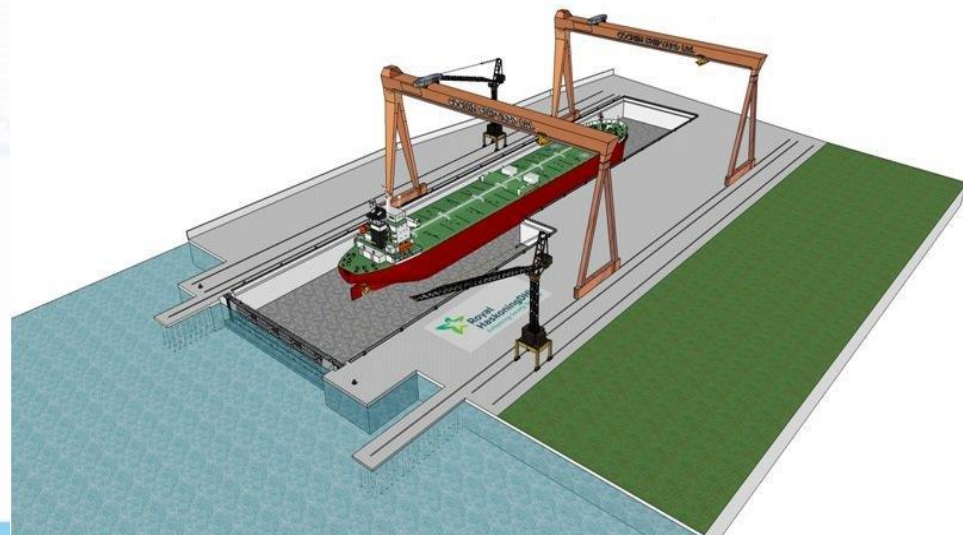
- Manpower strength of the company as on March 31, 2019 : 1744
- CSL continued to maintain & foster cordial industrial relations during the year.
- Memorandum of Agreement for wage revision of workmen signed on Mar 28, 2019.
(The increase in wages owing to the revision has already been provided for in the accounts)
- CSL has been re-certified to ISO 14001:2015.
- CSL has initiated the process for ISO 45001 accreditation
- Completed buyback of 43,95,610 equity shares aggregating upto 3.23% of the fully paid-up equity share capital of the company at a price of Rs 455 per equity share for an amount aggregating upto Rs 200 crs (approx.)

Infrastructure Projects



New Dry-Dock

- 310 Mtr x 75/60 Mtr x 13Mtr & Other Allied Facilities
- Estimate - Rs 1799 crores # Targeted Completion - Jun 2021
- Construction of Complex, Technology Intensive large vessels such as LNG Carriers, Offshore Drillships, Aircraft Carriers, Offshore Rigs, Semi-sibmersibles etc
- Status
 - Turnkey contract for construction awarded to L&T on Apr 27, 2018
 - Construction activities commenced on June 01, 2018.
 - Five hundred piles completed.
 - Contract for supply & commissioning of 600 T gantry crane issued on Mar 14, 2019

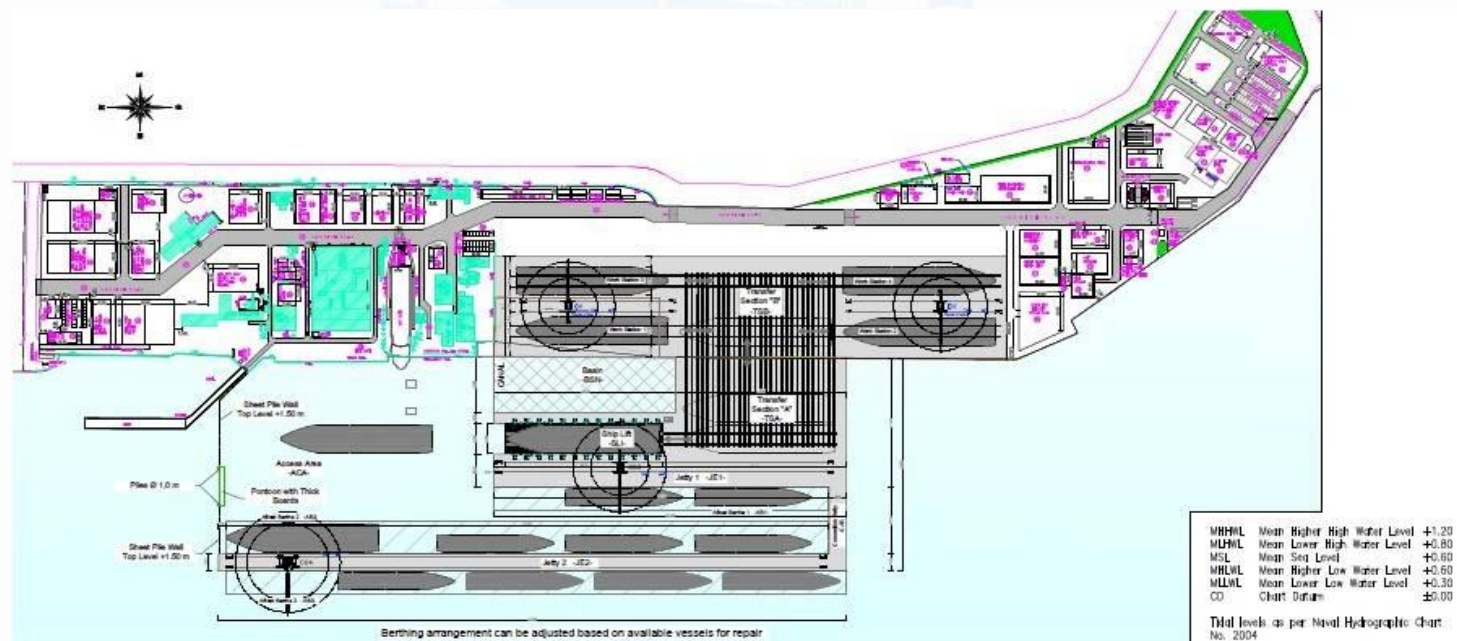


Infrastructure Projects



ISRF

- Shiplift : 130 Mtr x 25 Mtr x 6000 T with 4 work stations
- Estimate : Rs 970 crores # Target Completion : Nov 19
- Repair of 80 additional vessels a year. Increase in Repair throughput by around 70%
- Status
 - Construction works commenced on 17 Nov 2017. 60% of piling work completed
 - Maritime Park being set up adjacent to ISRF for OEM's and service providers.



New Initiatives



Hooghly Cochin Shipyard Limited (HCSL) at Kolkata

- New JV between CSL & Hooghly Dock & Port Engineers Limited named HCSL.
- CSL holding 74% stake
- HCSL setting up a shipbuilding/ ship repair unit at Nazirgunge and Salkia in Kolkata.
- Estimated Project Cost - Rs 162 crs
- Construction contract awarded on 10 Jan 2019
- Ground Breaking Ceremony conducted on Feb 16, 2019
- Unit expected to be operational by 2020
- New Business segment



Facility targets construction and repairs of the Inland Water and Coastal Vessels – will cater to emerging demands of the NW-1, NW-2 and NW-5 sector .

New Initiatives



Cochin Mumbai Ship Repair Unit – Mumbai Port Trust

- Agreement entered into with Mumbai Port on 20 October 2019
- Ship Repair operations commenced @ CMSRU Jan 18, 2019
- Nine ships repaired in the facility as on date
- Target Ship Repair Segment - Defence , Offshore & Commercial Segments

Separation of newly built submarine from Pontoon at Hughes Dock

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COCHIN SHIPYARD LIMITED



New Initiatives

CKSRU - KoPT

- Agreement entered into with Kolkata Port Trust on Mar 28, 2019
- Ship Repair operations to commenced @ CKSRU shortly
- Infrastructure improvement activities & other Statutory Arrangements under process
- Target Ship Repair Segment - Defence , Offshore & Commercial Segments

New Initiatives – in the Pipeline

- CSL has signed a MoU with Andaman & Nicobar (A&N) Administration for setting up its unit at Port Blair in September 2018.
- The agreement with A&N is in the administrative phase and is expected to be cleared in the current FY.
- By entering into this arrangement with A&N Administration, CSL shall be developing an integrated ship repair ecosystem at A&N islands that includes modernisation of facilities, maintenance of Administration owned vessels and skill development for the islanders.

CSR Initiatives

Water ATM provided at
Attappadi , Tribal hamlet



Palliative Van

CSR SPENDING STATUS : BUDGET VS ACTUAL

THEME	BUDGET	ACTUAL IN 2018-19
Health and Education (60%)	609 (60%)	877
Others	406	178
Total	1015	1055



Financial Overview





KEY FINANCIAL PARAMETERS

Particulars	Standalone						Consolidated		
	FY 19 Q4	FY 18 Q4	QoQ %	FY 19	FY 18	YoY %	FY 19	FY 18	YoY %
Turnover (Rs Crs)	787.61	600.60	31.1%	2962.16	2355.12	25.7%	2962.16	2355.12	25.7%
Profit Before Tax (Rs Crs)	160.93	141.60	13.6%	751.38	604.86	24.2%	747.52	604.24	24.2%
Profit After Tax (Rs Crs)	97.51	91.62	6.4%	481.18	396.75	21.2%	477.79	396.25	20.5%
EPS (Rs)	7.41	6.74	9.9%	35.72	31.03	15.1%	35.47	31.00	14.4%
PAT Margins (%)	12.3%	15.2%		16.3%	16.8%		16.1%	16.8%	
*EBITDA (%)	22.2%	25.5%		27.0%	27.7%		26.8%	27.7%	

* Includes other income but excludes one off items



KEY FINANCIAL PARAMETERS

Particulars	Standalone		Consolidated	
	FY19	FY18	FY19	FY18
Net worth (Rs Crs)	3332.08	3255.87	3328.64	3255.47
Book value / share (Rs)	253.31	239.51	253.05	239.49
Net Debt (Rs Crs)	123.00	123.00	123.00	123.00

The Board of Directors of the company have recommended a dividend of Rs 13/- per equity share of face value of Rs.10 for the financial year ended March 31, 2019.

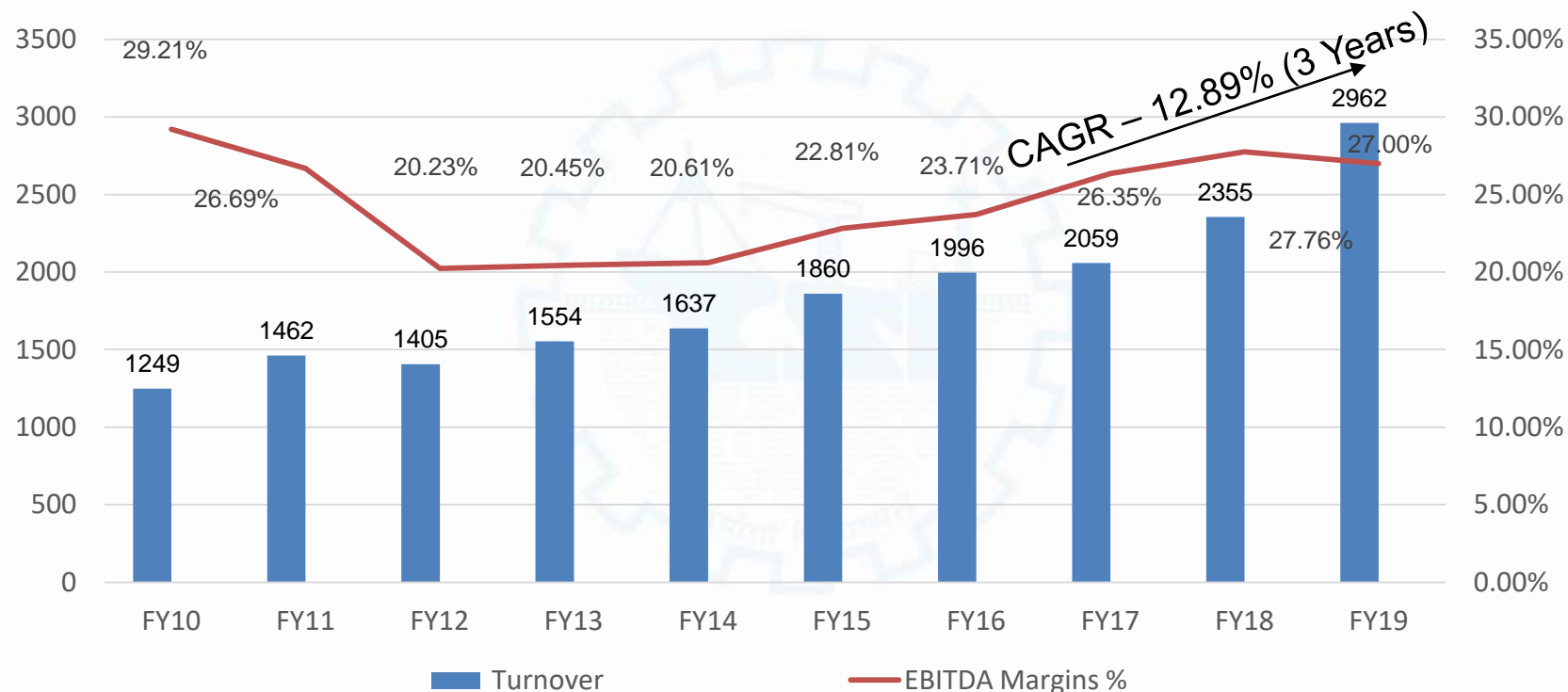


REVENUE MIX (Rs Cr.)

Particulars	Standalone						Consolidated		
	Q4 FY19	Q4 FY18	QoQ %	FY19	FY18	YoY %	FY19	FY18	YoY%
Shipbuilding	661.66	503.53	31.4%	2130.18	1731.86	22.9%	2130.18	1731.86	22.9%
Ship Repair	125.95	97.07	29.8%	831.97	623.27	33.5%	831.97	623.27	33.5%
Turnover	787.61	600.60	31.1%	2962.16	2355.12	25.7%	2962.16	2355.12	25.7%
Other Income	64.98	38.09	70.6%	228.11	189.16	20.6%	226.81	189.22	19.8%
Total Income	852.59	638.70	33.5%	3190.27	2544.28	25.4%	3188.97	2544.34	25.3%

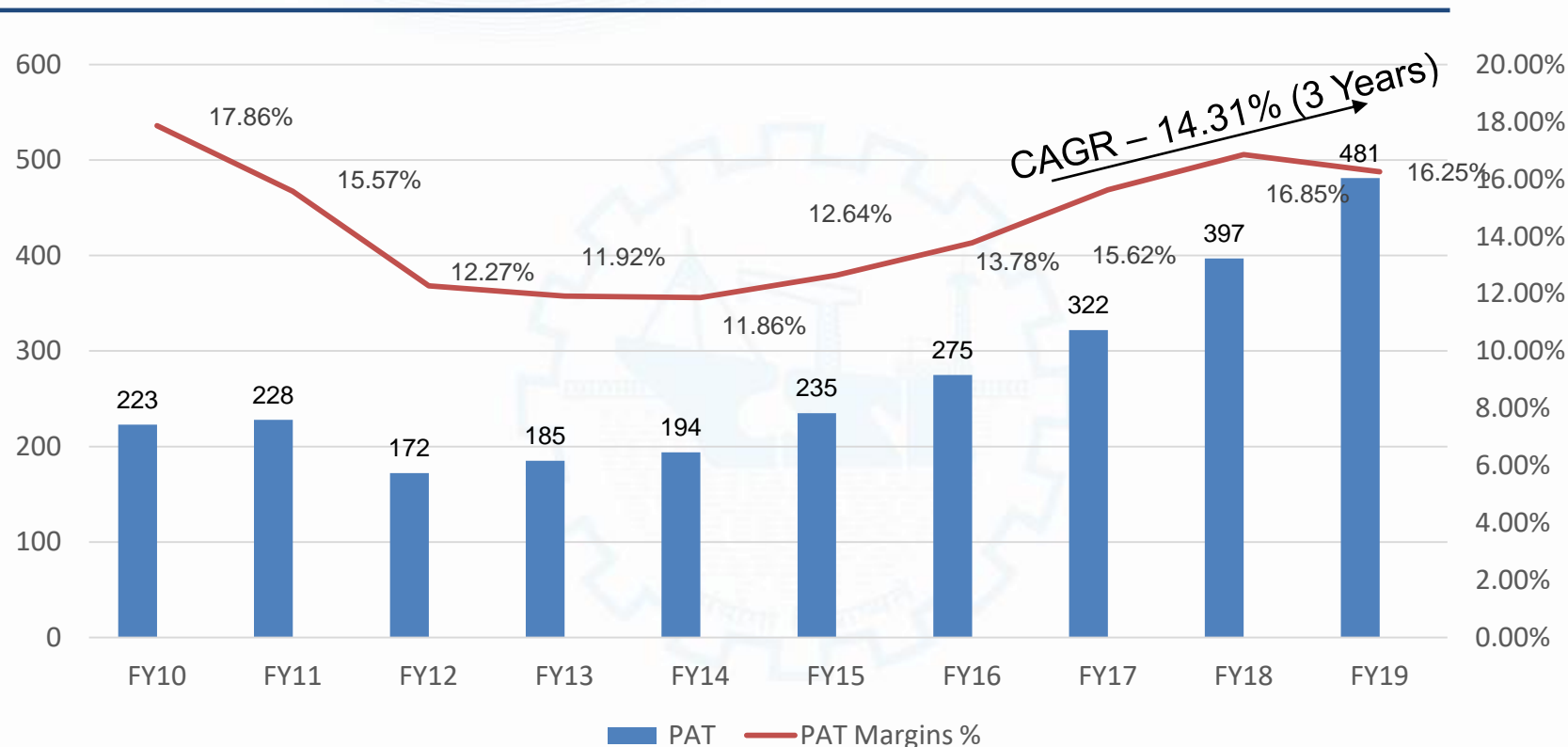


TURNOVER (RS CR) & EBITDA MARGINS





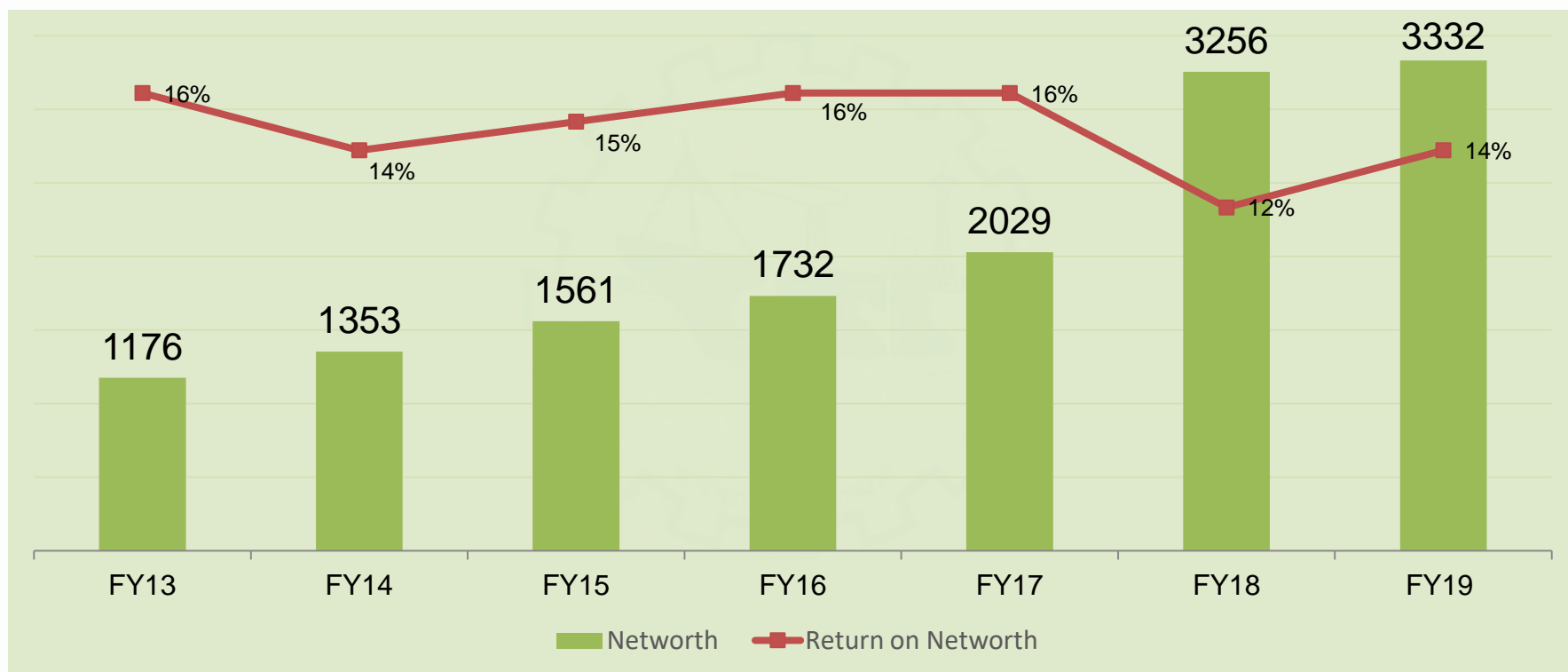
PROFIT AFTER TAX (Rs Cr.) & PAT MARGINS (%)





RETURN EFFICIENCIES

Net worth (INR cr), RoE (%)





Order book position as on 31 Mar 2019

Sl. No.	Project	Owner	Total No. of Vessels	Total Value (INR Cr.)	% Completed	Balance orders in hand (INR Cr.)
1	Indigenous Aircraft Carrier*	Indian Navy	1	2848.00	91%	256.32
2	Technology Demonstration Vessel	DRDO	1	388.11	67%	129.93
3	500 Pax cum 150 Ton Cargo Vessel	A&N Administration	1	241.08	67%	80.36
4	500 Pax cum 150 Ton Cargo Vessel	A&N Administration	1	241.08	62%	91.82
5	1200 Pax cum 1000 Ton Cargo Vessel	A&N Administration	1	415.65	21%	321.47
6	1200 Pax cum 1000 Ton Cargo Vessel	A&N Administration	1	415.65	10%	369.87
7	ROPAX Vessels	IWAI	10	102.60	13%	88.89
8	Fishing Vessel	Tamil Nadu Fishermen	12	9.87	10%	8.86
9	ASW SCW Corvette	Indian Navy	8	6311.32		6311.32
10	Mini General Cargo Vessel	JSW	4	248.05		248.05
11	Floating Border Outposts	BSF	9	348.00		348.00
12	Others			31.30		31.30
	Total			11600.71		8286.19

*Above does not include cost plus part of the contract.

*Phase III contract is in advanced stage of conclusion.



Write up on major provisions in Q4 2018-19

INS Aditya & INS Airavat –Indian Navy : Rs. 29.18 crs

Refit of INS Aditya & INS Airavat owned by Indian Navy involved additional refit job beyond the Contractual Value. The additional refit was approved by the Contract Operating Authority (CoA), however the amount has been held up due to lack of budget allocation and long approval process involved at the Navy's end to rectify the budget allocation. Following the principle of conservative accounting, provisions of Rs. 29.18 crs was created in the books of account. However, the Company is actively pursuing with the Indian Navy for the approval and release of the amount.

Provision of IAC withholding tax refund: Rs. 26.15 crs

The supply of Working Design Documents (WDD) from an overseas vendor was subjected to withholding tax and Customs duty. The withholding tax was paid treating the supply as technical service while the Customs Duty was simultaneously demanded by the Customs authority, which had to be paid by CSL in the interest of the project. Subsequently, the Company then based on the advice of the tax consultants is in the process of filing a refund application for the withholding tax paid. However, as the same is matter which may encounter time delays, the Company on a conservative principle has made a provision for the same in the accounts.



Reasons for Segmental Loss in Ship Repair in Q4 of FY19

- The company incurred a loss of Rs 13 Crs on its refit work on the ONGC vessel MODU Sagar Bhushan. The loss was essentially due the unfortunate accident on the vessel while on refit in the yard during Feb 18. The accident led to delays as the vessel which contractually attracts LD imposition by the client to the tune of Rs 11 crores. Additionally expenditure involved in rectifying the damages has also been factored in. Major part of the expenditure in rectifying the damages was incurred in earlier quarters. The insurance claim of estimated approx. amount of Rs 12.00 crores lodged by the company on account of the accident loss is under scrutiny by the insurance company. The Revenue from the insurance claim is likely to be recognised in FY 20 as per the accounting policy of the Company. The company is also pursuing with ONGC for a waiver of the LD.
- The Company had bagged a few refit orders under very tight margin for conscious strategic marketing reasons. Out of this the company expects certain reduction during invoice settlement for some projects such as Sagar Dhvani and Nireekshak, for which provisions for loss of Rs 19 crores has been included while accounting. The company expects to minimise this upon final settlement of the invoice. .
- The operation of repair business at Mumbai Port facility was started only in January 2019. As the operation is still in nascent stage the company had to incur a loss of Rs 5 Crs on account of the fixed cost associated with this facility. However, the company expects good business and results from this facility once the business and operations matures.
- In spite of the above, the Ship Repair segment continues to give the Company 29% returns for FY19 as a whole.