

2ND ANNUAL REPORT 2018 - 19



HOOGHLY COCHIN SHIPYARD LIMITED

(A Joint Venture Company of Cochin Shipyard Limited & Hooghly Dock & Port Engineers Limited)



हुगली कोचीन शिपयार्ड लिमिटेड (एचसीएसएल)
Hooghly Cochin Shipyard Limited (HCSL)



Groundbreaking Ceremony of New Yard Construction
at Nazirgunge Unit

BOARD OF DIRECTORS

Shri Madhu S Nair

Chairman, CSL Nominee Director

Shri D Paul Ranjan

CSL Nominee Director

Shri N V Suresh Babu

CSL Nominee Director

Shri Bejoy Bhasker

CSL Nominee Director

Shri S Balaji Arunkumar

HDPEL Nominee Director

Shri Chandra Mani Rout

HDPEL Nominee Director

CHIEF EXECUTIVE OFFICER (CEO)

Shri Rajesh Gopalakrishnan

CHIEF FINANCIAL OFFICER (CFO)

Shri Shibu John

COMPANY SECRETARY

Shri Aswin Sarma M

MANAGEMENT TEAM – ON SECONDMENT BASIS

Smt. Kala V

Company Secretary, CSL

Shri Harikumar K

DGM (NP), CSL

Shri Sanil Peter

AGM (NP), CSL

Shri Najeeb E H

SM (NP), CSL

Shri Nitin Narayan

SM (NP), CSL

Smt. Bindu Krishna

SM (Legal), CSL

REGISTERED OFFICE

The Legacy, 25 A, Shakespeare Sarani, Level 1,
Kolkata, West Bengal – 700 017

CIN: U35900WB2017GOI223197

STATUTORY AUDITORS

M/s. Ghosal, Basu & Ray (CA0624),
8/2, Kiron Sankar Roy Road, 2nd Floor,
Room No. 28, Kolkata, West Bengal – 700 001

BANKERS

State Bank of India

Federal Bank Limited

WORKS

NAZIRGUNGE WORKS

P. O. Danesh Sk. Lane, Howrah – 711 109,
West Bengal, India

SALKIA WORKS

6, Howrah Road, Salkia, Howrah – 711 106,
West Bengal, India

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CHAIRMAN'S ADDRESS

Shri Madhu S Nair, Chairman



It gives me immense pleasure to welcome you all to the 02nd Annual General Meeting of Hooghly Cochin Shipyard Limited (HCSL). At the outset, let me take this opportunity to apprise you that the Ground-breaking ceremony of the Construction of New Yard at Nazirgunge unit was held on February 16, 2019 in the presence of distinguished guests. At first, the Company intends to develop the Nazirgunge unit in a phased manner viz., Operational Phase & Expansion Phase; the operation at Nazirgunge facility is expected to commence by 2020 upon completion of the operational phase of the project. The development works at Salkia is proposed to be taken up after the Nazirgunge facility becomes fully operational and viability of Salkia is clearly established.

The construction contract for Civil works was awarded on January 10, 2019 and is progressing. The tendering and awarding of works with respect to other packages viz., external electrical, fire fighting, gas piping, critical machineries and cranes etc. are also in progress. The land for the project is being handed over by HDPEL in stages owing to ongoing demolition of existing infrastructure and accordingly, handing over of the working site to the Contractor is also being done progressively for the benefit of the project. The Company has started recruiting personnel exclusively for HCSL apart from the CSL employees who are employed on secondment basis on the project.

As we are all aware, the Government of India has announced major initiatives in the Inland Waterways Transport (IWT) sector. The Inland Waterways Authority of India (IWAI) is developing 1,620 km of the NW 1 from Varanasi to Haldia (Kolkata) by creating multi-modal terminals at Varanasi, Ghazipur, Sahibganj, Haldia with rail/ road connectivity, a critical navigational lock at Farakka. This coupled with

major initiatives under the Sagarmala programme, has the potential to effect a major shift in the mode of transportation from road and rail to the waterways in future. The development of waterways will provide good business opportunities to players involved in the field of inland cargo movements, vessels construction, vessel operations, cruise operations etc.

Overall, the Company is of the view that the IWT sector holds significant potential and HCSL aims to exploit these opportunities. The Company aims to play a pivotal role in bringing technologically sound, safe, environment friendly and cost-efficient vessels and solutions into this promising sector through construction and maintenance of high quality Ro-Ro Vessels, Ro-Pax Vessels, River Crossing Ferries, Container Barges, River Cruise Vessels, etc. HCSL will also promote socio-economic development in the region as well as help development of ancillary units.

As HCSL is in its project implementation stage and yet to commence operations, the Company is exempt from compliance with the Guidelines on Corporate Governance pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM dated July 08, 2014, issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. However, the Company adopts the best Corporate Governance practices wherever possible and the report on Corporate Governance prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE is included in the Annual Report.

I take this opportunity to thank all the Board Members for their valuable guidance and support extended for the project. I also thank the Ministry of Shipping, other offices of the Government of India and the Government of West Bengal, Cochin Shipyard Limited (CSL), Hooghly Dock & Port Engineers Limited (HDPEL) and Kolkata Port Trust (KoPT) for their contribution in the progress of the project. The Company has set its sights on becoming a lead yard in the inland water vessel construction segment and I hope that it will be a major player in the Ministry of Shipping's ambitious Inland and Coastal waterways project, in the near future.

Thanking You

Jai Hind

Madhu S Nair
Chairman

DIN: 07376798

PROFILE OF DIRECTORS



Shri Madhu S Nair

Shri Madhu S Nair is one of the first directors of the Company as per the Articles of Association of the Company. Shri Madhu S Nair is the Chairman and Managing Director of Cochin Shipyard Limited (CSL) from January 1, 2016 and represents CSL in the Board. 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 is trained in shipbuilding systems at IHI Shipyard at Kure, Japan and undergone JICA Specialized training at Overseas Vocational Training Centre (OVTA), Tokyo and Osaka International Centre, Osaka, Japan and did research in Joining & Welding Research Institute, during Masters in Engineering at Osaka University, Japan. He is a member of various Professional bodies including The Royal Institution of Naval Architects, UK (RINA), Institution of Naval Architects, India. He has more than 30 years of work experience across the Ship Building and Ship Repair industry.



Shri D Paul Ranjan

Shri D Paul Ranjan is one of the first directors of the Company as per the Articles of Association of the Company. Shri D Paul Ranjan is the Director (Finance) and Chief Financial Officer of Cochin Shipyard

Limited (CSL) from May 1, 2014 and represents CSL in the Board. 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 has approximately 34 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control.



Shri N V Suresh Babu

Shri N V Suresh Babu is one of the first directors of the Company as per the Articles of Association of the Company. Shri N V Suresh Babu is the Director (Operations) of Cochin Shipyard Limited (CSL) from April 26, 2016 and represents CSL in the Board. 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 has approximately 33 years of work experience across various areas of the shipyard such as Ship Building, Materials and Ship Repair divisions.



Shri Bejoy Bhasker

Shri Bejoy Bhasker has been inducted to the Board of HCSL as the Nominee of Cochin Shipyard Limited. He is the Director (Technical) of Cochin Shipyard Limited from 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 was awarded the "Manager of the Year" award in 2014 by Kerala Management Association. He has more than 30 years of work experience across areas such as Ship Design, Ship Building, Outfit and Ship Repair.



Shri S Balaji Arunkumar

Shri S Balaji Arunkumar is one of the first directors of the Company as per the Articles of Association of the Company and represents Hooghly Dock & Port Engineers Limited (HDPEL) in the Board. Shri S Balaji Arunkumar is an IRTS officer of 1997 batch and he also holds a Bachelor Degree in Law from Madras University. Presently, he is the Dy. Chairman of Kolkata

Port Trust and the Chairman and Managing Director of Hooghly Dock & Port Engineers Limited. He has a vast experience of working in the operations, commercial and safety wings of the Indian Railways and was also involved in planning and project management of railway traffic infrastructure works like Railway gauge conversion, doubling and new siding works. He has also worked in Container Corporation of India, Chennai and has successfully piloted creation of LCL hub in CONCOR ICD, Chennai. He is also a Director in Bhor Sagar Port Limited and Kolkata Port Infrastructure Development Limited.



Shri Chandra Mani Rout

Shri Chandra Mani Rout is one of the first directors of the Company as per the Articles of Association of the Company and represents Hooghly Dock & Port Engineers Limited (HDPEL) in the Board. He holds a Bachelor Degree in Civil Engineering and Post Graduate Diploma in Management and Remote Sensing from XIM, Bhubaneswar and IIRS, Dehradun respectively. He is currently working as the Director

(IWT and Engg.), Ministry of Shipping, Government of India and has involved in the works pertaining to IWT sector of India including Bangladesh and Myanmar, Inland Waterways Authority of India (IWAI) and TAMP and ALHW and HDPEL along with the matter related to Development Wings of the Ministry of Shipping. He has more than 23 years of experience in Port and Harbor Engineering (Kolkata Port Trust), dredging in the river/estuary, River Hydraulics and R & D related areas. He has also visited several countries for the development of Inland waterways and Coastal Shipping of India. He is also a Director in Central Inland Water Transport Corpn Ltd.

NOTICE

Notice is hereby given that the 02nd Annual General Meeting of the Members of Hooghly Cochin Shipyard Limited will be held at 10.00 hrs on Friday, July 12, 2019 at The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700 069, to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited financial statements as on 31st March 2019, and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri D Paul Ranjan (DIN: 06869452), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S Balaji Arunkumar (DIN: 07526368), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2019-20.

By the Order of the Board of Directors
For Hooghly Cochin Shipyard Limited

Place: Kochi
Date: June 20, 2019

Aswin Sarma M
Company Secretary

Notes:

1. A member who is entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. The instrument appointing the proxy should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A Proxy Form (MGT -11) is annexed to this Notice.
2. A person can act as a proxy on behalf of the members not exceeding fifty (50) members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder.
3. Members, Proxies and Authorized Representatives are requested to bring the duly filled attendance slip enclosed herewith along with their copy of Annual Report, to attend the Meeting. Corporate members intending to send their Authorized Representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney or any other instrument authorizing their representative(s) to attend and vote on its behalf at the Meeting.
4. The registers maintained under the Companies Act, 2013 and all documents referred to in the Notice or in the accompanying Explanatory Statement are available for inspection by members at the Meeting.
5. The route map to the venue of the Meeting is enclosed with this notice.
6. The brief details of the directors, who are seeking re-appointment, are annexed to this Notice as per the requirements of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

By the Order of the Board of Directors
For Hooghly Cochin Shipyard Limited

Place: Kochi
Date: June 20, 2019

Aswin Sarma M
Company Secretary

Registered Office:

The Legacy, 25 A, Shakespeare Sarani, Level 1,
Kolkata, West Bengal – 700 017
CIN: U35900WB2017GOI223197
Phone: +91 (33) 44000517
e-mail: secretary.hcsl@cochinshipyard.com

ATTENDANCE SLIP

Venue of the Meeting : The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700 069

Day, Date and Time : Friday, July 12, 2019 at 10.00 hrs.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

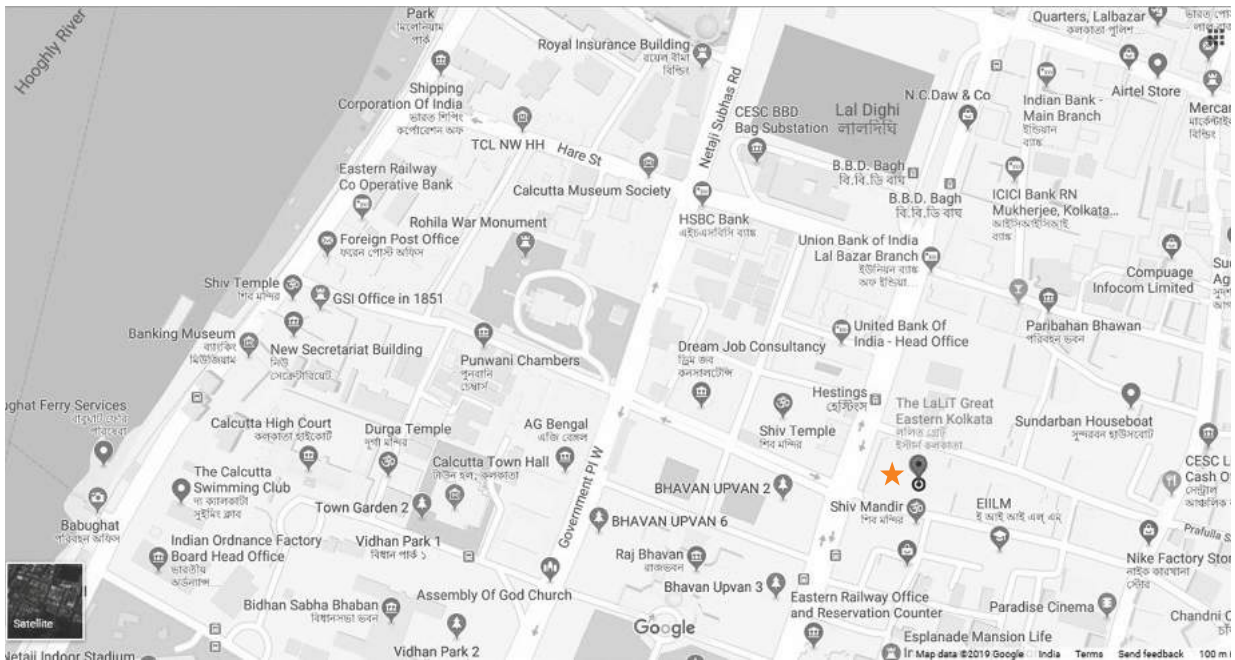
Name of the Shareholder(s)	
Registered Address	
Email ID	
Ledger Folio No.	
No. of shares held	

I certify that I am the registered shareholder(s)/proxy for the registered shareholder of the Company.

I hereby record my presence at the SECOND ANNUAL GENERAL MEETING of the Company on Friday the 12th day of July, 2019 at 10.00 hrs. at The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700 069.

Signature of the shareholder or proxy

ROUTE MAP TO THE VENUE OF THE MEETING



★ The Lalit Great Eastern Kolkata (Venue of the Meeting)

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the Meeting : The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700069
Day, Date and Time : Friday, July 12, 2019 at 10.00 hrs.

Name of Member(s)	
Registered Address	
Email ID	
Ledger Folio No.	

I/We, being the member(s) of Hooghly Cochin Shipyard Limited holding _____ shares, hereby appoint:

1.

Name:
Address:
E-mail Id:
Signature:

or failing him/her

2.

Name:
Address:
E-mail Id:
Signature:

or failing him/her

3.

Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SECOND ANNUAL GENERAL MEETING of members of the Company, to be held on Friday the 12th day of July, 2019 at 10.00 hrs. at The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700 069, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	For	Against
Ordinary Resolution			
1.	To consider and adopt the audited financial statements as on 31 st March 2019, and the Reports of the Board of Directors and Auditors' thereon.		
2.	To appoint a Director in place of Shri D Paul Ranjan (DIN: 06869452), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Shri S Balaji Arunkumar (DIN: 07526368), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To fix the remuneration of Auditors appointed under Section 139 of the Companies Act, 2013.		

Signed this day of..... 2019

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Details of Directors seeking reappointment at the 02nd Annual General Meeting (AGM)
[Pursuant to the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)]

Name of the Director	Shri D Paul Ranjan	Shri S Balaji Arunkumar
DIN	06869452	07526368
Age & Date of Birth	59 & July 30, 1959	48 & June 05, 1971
Qualifications	He holds a degree of bachelor of commerce from Madurai Kamaraj University. He is a Chartered Accountant and has completed a post qualification course in Information Systems Audit from the Institute of Chartered Accountants of India.	Shri S Balaji Arunkumar is an IRTS officer of 1997 batch and he also holds a Bachelor Degree in Law from Madras University.
Experience	Shri D Paul Ranjan is the Director (Finance) and Chief Financial Officer of Cochin Shipyard Limited (CSL), the Holding Company. He has approximately 34 years of work experience with CSL, 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 of CSL.	Shri S Balaji Arunkumar is the Dy. Chairman of Kolkata Port Trust and the Chairman and Managing Director of Hooghly Dock & Port Engineers Limited (HDPEL). He has a vast experience of working in the operations, commercial and safety wings of the Indian Railways and was also involved in planning and project management of railway traffic infrastructure works like Railway gauge conversion, doubling and new siding works. He has also worked in Container Corporation of India, Chennai and has successfully piloted creation of LCL hub in CONCOR ICD, Chennai.
Terms and conditions of reappointment	Shri D Paul Ranjan was appointed as one of the first directors of the Company on October 23, 2017 and represents Cochin Shipyard Limited (CSL) in the Board. Approval of the members is sought for continuation of office of directorship of Shri D Paul Ranjan, as the Nominee Director of CSL till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of Articles of Association of the Company and the Companies Act, 2013.	Shri S Balaji Arunkumar was appointed as one of the first directors of the Company on October 23, 2017 and represents Hooghly Dock & Port Engineers Limited (HDPEL) in the Board. Approval of the members is sought for continuation of office of directorship of Shri S Balaji Arunkumar, as the Nominee Director of HDPEL till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of Articles of Association of the Company and the Companies Act, 2013.
Details of remuneration sought to be paid on re-appointment and last drawn (FY 2018-19)	Nil	Nil
Date of first appointment on the Board	October 23, 2017	October 23, 2017

No. of shares held in the Company	10	10
Relationship with other Directors and Key Managerial Personnel	Nil	Nil
No. of Board Meetings attended during the Financial Year 2018-19	4/4	3/4
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Cochin Shipyard Limited	<ol style="list-style-type: none"> 1. Hooghly Dock & Port Engineers Limited (HDPEL); 2. Bhor Sagar Port Limited; and 3. Kolkata Port Infrastructure Development Limited.
Membership of Committees / Chairmanship in other Public Limited Companies	<p>Cochin Shipyard Limited</p> <ol style="list-style-type: none"> 1. Corporate Social Responsibility and Sustainable Development Committee (Member); 2. Stakeholders Relationship Committee (Member); and 3. Contracts and Capex Committee (Member). 	Nil

DIRECTORS' REPORT

Dear Shareholders,

1. Your Directors have immense pleasure in presenting the 02nd Annual Report of your Company together with the financial statements for the year ended 31st March 2019, the Report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India (C&AG) under Section 143 (6) (b) of the Companies Act, 2013.

About the Project

2. Hooghly Cochin Shipyard Limited (HCSL) was formed as a Joint Venture between Cochin Shipyard Limited (CSL) and Hooghly Dock & Port Engineers Limited (HDPEL) on October 23, 2017 with the objective of re-building and modernizing the shipbuilding infrastructure at HDPEL's facilities at Nazirgunge and Salkia in Kolkata by taking over the said facilities from HDPEL on lease. HCSL is an initiative of the Ministry of Shipping, with an ambition to be a lead player in the inland water ways segment of Shipbuilding and Ship repair, which is rapidly evolving in the country. The Project was presented in the Bengal Business Summit held in the month of February 2018 at Kolkata and notable recognition and encouragement was received from the State Government of West Bengal.

3. Subsequent to the incorporation of HCSL, KITCO Limited was appointed as the Project Management Consultants for restructuring and augmentation of the facilities and KITCO Limited after carrying out detailed site investigations submitted the Detailed Project Report (DPR) on May 21, 2018. The DPR recommendations are summarised below:

- ❖ Prioritize the developmental works at Nazirgunge considering commercial viability and to make the facility operational at the earliest; followed by development of Salkia works at later stage

based on the business prospects and return on investments from Nazirgunge facility.

- ❖ The proposed developmental works at Nazirgunge shall be carried out in a phased manner i.e. (i) Operational Phase & (ii) Expansion Phase.

4. To begin with, the Company intends to set up a modern shipbuilding facility at Nazirgunge, in close proximity to National waterways 1 & 2 equipped with a new side launching facility with sophisticated machineries in a phased manner. As per the DPR, developmental works at Nazirgunge unit is to be carried out in two phases, viz., (i) Operational Phase & (ii) Expansion Phase.

Operational phase development at Nazirgunge:

- ❖ Refurbishment of existing end launching slipway;
- ❖ 3 outfitting pontoon jetties with gangways and 5T tower cranes;
- ❖ Establishment of other essential shops & allied facilities for making the yard functional;
- ❖ Vessels up to a length of 70m can be built in Nazirgunge works;
- ❖ Yard will be capable of building 8-12 vessels per annum with a throughput of 600T/month in operational phase, from 50 skids initially. Throughput can be increased to 1000T/month by introducing additional skids near future expansion area, erection area etc.;
- ❖ Capable of taking up fabrication of hull blocks of different sizes with maximum tonnage of 30 Tonnes and transport them by barges;
- ❖ Small fibre glass boats also can be built and easily launched using the 50T gantry crane in slipway; and
- ❖ Operational phase completion by 15 months.

Expansion phase development at Nazirgunge:

- ❖ Establishment of new drop off type side launch facility to cater building of ships in the range of 100-120 m long and 20 m in breadth; estimated launching weight of approx. 1250 ~ 1500 tons; and
 - ❖ 1 outfitting pontoon jetty with gangway and 5T tower crane to accommodate 100-120m vessels.
5. As per the DPR, the total Project cost including operation and expansion phase would be Rs. 161.67 Crore.
- 6 Based on a tender, the construction contract was awarded on January 10, 2019. The tendering activities for various other work packages and machineries are in progress.
7. The Ground-breaking ceremony of the Construction of New Yard at Nazirgunge unit was performed by Shri Madhu S Nair, Chairman, HCSL and Chairman and Managing Director, CSL, on February 16, 2019 in the presence of Shri Vinit Kumar IRSEE, Chairman, KoPT, Shri S Balaji Arunkumar, Dy. Chairman, KoPT and Chairman and Managing Director, HDPEL and the Directors of HCSL. The project is expected to be completed in 24 months and the unit will be fully operational by first quarter of 2021. The establishment will promote socio economic development in the region and will also help development of ancillary units.
8. The development works at Salkia will be taken up after the Nazirgunge facility becomes fully operational and viability of Salkia is clearly established.

Financial Details

9. The Company being in the process of setting up the required shipyard infrastructure facilities has reported a loss of Rs. 133.19 lakh (Rs. 37.07 lakh PY) during the financial year 2018-19. The total capital expenditure incurred in the financial year 2018-19 amounted to Rs. 347.12 lakh (Rs. 26.81 lakh PY).

Financial Highlights

(Rs. in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Gross Income	75.77	18.57
(ii)	Profit Before Finance cost, Depreciation & Tax	(175.84)	(49.92)
(iii)	Finance Costs	-	-
(iv)	Depreciation & Write off	(4.32)	-
(v)	Profit Before Tax	(180.16)	(49.92)
(vi)	Tax Asset	46.97	12.85
(vii)	Net Profit/(loss)	(133.19)	(37.07)

Share Capital

10. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of face value of Rs. 10 (Rupees Ten only) each. The paid-up equity share capital of the Company as on March 31, 2019 is Rs. 22,00,00,000 (Rupees Twenty Two Crore only) divided into 2,20,00,000 (Two Crore Twenty Lakh) equity shares of face value of Rs. 10 (Rupees Ten only) each.

Debentures

11. During the year, 4,40,000 6.50% Unsecured Redeemable Non Convertible Debentures (Debentures) of face value of Rs. 1,000 (Rupees One Thousand Only) each with a tenor of 60 months was issued to Cochin Shipyard Limited (CSL) on Private Placement basis for an amount of Rs. 44,00,00,000 (Rupees Forty Four Crore Only).

Dividend

12. No dividend is recommended as the Company is currently in the project implementation stage and have no divisible profits. The Company has incurred a loss during the financial year 2018-19.

Transfer to Reserves

13. As the Company is in the project implementation stage and has incurred a loss during the financial year 2018-19, the Company is unable to transfer any amount to the Reserves.

Contribution to Exchequer

14. The total contribution made during the financial year 2018-19 by way of Goods and Services Tax (GST) and Income Tax (TDS) was approximately Rs. 74.17 lakh (Rs. 7.88 lakh PY).

Manpower Status

15. The Company is in the process of developing the necessary human resource structure for setting up the required shipyard facilities. A Chief Project Engineer (CPE) has been appointed on contract basis and a total of 7 officers have been employed on secondment basis by Cochin Shipyard Limited for initial management & execution of the yard development phase and undertaking the activities of the Company till such time the required human resource structure is in place.

Particulars of Employees and Related Disclosures

16. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June, 2015, Government Companies are exempted from Section 197 of the Companies Act, 2013 and its rules thereof.

Hence, details of remuneration of directors need not be included in the Board's report.

Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo

17. The Company is in the process of setting up shipyard infrastructure facilities and aims to adopt energy efficient measures wherever possible; technology absorption would also be achieved on commencement of operations.

18. Since the Company is in its project implementation stage there are no foreign exchange earnings and outgo.

Risk Management

19. The Company is in the process of setting up the required shipyard infrastructure facilities and the progress of the project is periodically reported to the Board for review and necessary guidance. A Comprehensive Risk Management Policy may be framed and adopted on commencement of the commercial operations.

Health, Safety & Environment (HSE)

20. The Company gives utmost importance to the Health and Safety of the work force and the Environment in which the work is being done. Towards this, the Company conducts periodic HSE awareness programs for the work force.

Industrial Security

21. The physical security of the Company has been entrusted to the DGR Sponsored Security Agency, M/s. Col (TS) Prithvi Rajan Das (Retd). A total of 36 personnel have been deployed of which 20 are positioned at the Nazirgunge unit and 16 are positioned at the Salkia unit of the Company.

Board of Directors & Key Managerial Personnel

22. The Board of the Company comprises of 6 directors, all of whom are Non-Executive Directors.

23. Shri Bejoy Bhasker (DIN: 08103825), Director (Technical), Cochin Shipyard Limited (CSL) was appointed as the nominee director of CSL in place of Shri Sunny Thomas with effect from April 25, 2018. The Board of Directors at their meeting held on November 08, 2018 designated the following officers of Cochin Shipyard Limited (CSL) as the Key Managerial Personnel of the Company.

1.	Shri Rajesh Gopalakrishnan, GM (BD&NP), CSL	Chief Executive Officer (CEO)
2.	Shri Shibu John, DGM (Finance), CSL	Chief Financial Officer (CFO)
3.	Shri Aswin Sarma M Assistant Company Secretary, CSL	Company Secretary

24. The Composition of the Board as on March 31, 2019 and attendance record of directors for the financial year 2018-19 is given below:

Sl. No.	Name	DIN	Designation	No. of Board Meetings attended
1.	Shri Madhu S Nair	07376798	Chairman	4/4
2.	Shri D Paul Ranjan	06869452	CSL Nominee Director	4/4
3.	Shri N V Suresh Babu	07482491	CSL Nominee Director	4/4
4.	Shri Bejoy Bhasker	08103825	CSL Nominee Director	4/4
5.	Shri S Balaji Arunkumar	07526368	HDPEL Nominee Director	3/4
6.	Shri Chandra Mani Rout	06935852	HDPEL Nominee Director	3/4

25. There were no other changes in Directors or Key Managerial Personnel of the Company during the financial year 2018-19.

Details of Board Meetings held during 2018-19

26. Four Board Meetings were held during the financial year 2018-19 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held and the attendance of Directors in the said meetings are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1.	April 25, 2018	6	5
2.	July 18, 2018	6	6
3.	November 08, 2018	6	5
4.	February 16, 2019	6	6

Committees of the Board

27. The Company has constituted a Share Allotment and Transfer Committee of the Board, which was renamed as Securities Offer, Allotment and Transfer Committee. The Composition of the Committee as on March 31, 2019 and attendance record of members for the financial year 2018-19 is given below:

Sl. No.	Name	DIN	Designation	No. of Meetings attended
1.	Shri Madhu S Nair	07376798	Chairman	2/2
2.	Shri D Paul Ranjan	06869452	Member	2/2
3.	Shri N V Suresh Babu	07482491	Member	2/2

28. Two meetings of the Committee were held during the financial year 2018-19 on June 01, 2018 and September 17, 2018 respectively. All the members were present at the said meetings.

Evaluation of Board's Performance

29. As the paid up share capital of the Company as at March 31, 2019 is less than twenty five crore rupees, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not disclosed in the Board's Report. However, the Ministry of Corporate Affairs vide notification GSR 463(E) dated 5th June, 2015 has exempted Government Companies from complying with certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology. Further, the said exemption notification also exempts the Government Companies from the provisions of Sub-Sections (2), (3) & (4) of Section 178 of the Companies Act, 2013 regarding appointment, performance evaluation and remuneration of Directors.

Declaration by Independent Directors

30. The Company has no Independent Directors on the Board as of now.

Directors Responsibility Statement

31. Your Directors state that:

- ❖ in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ❖ the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- ❖ the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ❖ the directors had prepared the annual accounts on a going concern basis; and
- ❖ the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

32. During the year under report, the Company has entered into lease with Hooghly Dock & Port Engineers Limited (HDPEL) which was ratified by the Board of Directors at their meeting held on April 22, 2019. The disclosure in form AOC-2 with respect to the same is placed at Annexure I. Except as stated above, no Related Party Transactions were entered into by the Company during the financial year 2018-19, which attracted the provisions of Section 188 of the Companies Act, 2013. Further, your Directors draw attention to Note 25 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

Dematerialisation of Securities

33. The Company, in line with Government of India's initiative to enhance transparency and corporate governance, has enlisted its Equity Shares as well as Debentures in the Depository System of both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) activated in the Depository System for the Equity Shares of the Company is INE03U601011 and for the Debentures of the Company is INE03U608016. The Security holders of the Company can avail the depository services with any of the Depository Participants registered with NSDL as well as CDSL for dematerialising the securities.

Corporate Governance

34. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on 08th July, 2014, HCSL is exempt from the compliance with the Guidelines on Corporate Governance. However, the report on Corporate Governance prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE is presented in a separate section forming part of the Annual Report.

Management Discussion and Analysis

35. The Management Discussion and Analysis Report for the year under review, as per the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

Internal Financial Controls

36. The Board has adopted robust policies and procedures to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures.

Secretarial Standards of ICSI

37. Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has on April 23, 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective July 01, 2015. The Company is complying with the same.

Statutory Auditors

38. M/s. Ghosal Basu & Ray (CA0624), Chartered Accountants, Kolkata were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2018-19.

Auditors Report

39. M/s. Ghosal Basu & Ray, Statutory Auditors have submitted their report on May 02, 2019. The Report does not contain any adverse remark.

Comments of C&AG

40. The comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 is placed at Annexure II.

Extract of Annual Return

41. 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 III.

Corporate Social Responsibility (CSR)

42. The Company being in its project implementation stage is not in a position to undertake CSR activities. Further, the Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR.

Vigilance

43. There were no vigilance cases pending/disposed off during the financial year 2018-19.

Supplementary Audit

44. The Comptroller & Auditor General of India (C&AG) has decided not to conduct the supplementary audit of the financial statements of the Company for the year end March 31, 2019.

Right to Information Act, 2005

45. The Company has received only one request under the Right to Information (RTI) Act, 2005 which was transferred by the Ministry of Shipping and appropriate reply for the same has been provided.

Details of frauds reported by Auditors under Section 143

46. Nil.

Material changes and commitments

47. 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.

Particulars of loans, guarantees or investments

48. 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.

Details of change in nature of business

49. The Company has not yet started its business operations and is focusing on putting in place required infrastructure and manpower to commence the business operations.

Deposits

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

Significant and Material orders

51. 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.

Other Disclosures

52. No cases have been filed / disposed off during the financial year 2018-19 under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under.

Acknowledgment

53. The Board of Directors is extremely thankful for the continued patronage and support extended by the Hon'ble Prime Minister, Hon'ble Minister of Shipping, Cochin Shipyard Limited (CSL), Hooghly Dock & Port Engineers Limited (HDPEL), Kolkata Port Trust (KoPT) and all officers of the Ministry of Shipping, CSL, HDPEL and KoPT. The Board would also like to express its grateful appreciation for the support and co-operation from various offices of the Government of India, Government of West Bengal, various local bodies, the Comptroller & Auditor General of India, Statutory Auditors, Legal Counsels, Consultants, Suppliers, Sub-contractors and Company's Bankers.

For and on behalf of the Board of Directors

Place: Kochi
Date: June 20, 2019

Madhu S Nair
Chairman
DIN: 07376798

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - Nil

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	
b.	Nature of contracts/arrangements/transaction	
c.	Duration of the contracts/arrangements/transaction	
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions'	
f.	Date of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at arm's length basis.

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Hooghly Dock & Port Engineers Limited (HDPEL). HDPEL holds 26% in the equity share capital of HCSL.
b.	Nature of contracts/arrangements/transaction	Leasing of land
c.	Duration of the contracts/arrangements/transaction	Two years
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease of 800 square meter land situated adjacent and opposite to the HCSL Nazirgunge facility for a lease rent of Rs. 1,155 (Rupees One Thousand One Hundred and Fifty Five Only) per 100 square meter per month with 2.5% annual increment.
e.	Date of approval by the Board	April 22, 2019
f.	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Madhu S Nair

Chairman

DIN: 07376798

Place: Kochi

Date: June 20, 2019

Annexure II

COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOOGHLY COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2019 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 auditor appointed by the Comptroller and Auditor-General of India under section 139(5) of the Act is 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 02.05.2019.

I, on behalf of the Comptroller and Auditor-General of India, have decided not to conduct the supplementary audit of the financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2019 under Section 143(6)(a) of the Act.

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

**(Mausumi Ray Bhattacharyya)
DIRECTOR GENERAL OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD - II
KOLKATA**

Place: Kolkata,
Dated: 14 May 2019

For and on behalf of the Board of Directors

Place: Kochi
Date: June 20, 2019

Madhu S Nair
Chairman
DIN: 07376798

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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	U35900WB2017GOI223197
2	Registration Date	October 23, 2017
3	Name of the Company	Hooghly Cochin Shipyard Limited
4	Category/Sub-category of the Company	Private Company/ Limited by Shares
5	Address of the Registered office & contact details	The Legacy, 25 A, Shakespeare Sarani, Level 1, Kolkata – 700 017, West Bengal, India. Ph: 913344000517 E-mail: secretary.hcsl@cochinshipyard.com
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

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
Not Applicable since the Company is in project stage and yet to start its operations.			

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.	Cochin Shipyard Limited Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam - 682 015, Kerala, India.	L63032KL1972GOI002414	Holding	74	2(46)
2.	Hooghly Dock & Port Engineers Limited (HDPEL) Martin Burn House, 1 R N Mukherjee Road, 2 nd Floor, Kolkata – 700 001, West Bengal, India.	U63032WB1984SGC037662	HDPEL holds 26% in the equity share capital of HCSSL.		

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 st April 2018]				No. of Shares held at the end of the year [As on 31 st March 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	10	10	.*	-	10	10	.*	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	2,19,99,990	2,19,99,990	100 [#]	-	2,19,99,990	2,19,99,990	100 [#]	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	2,20,00,000	2,20,00,000	100	-	2,20,00,000	2,20,00,000	100	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)(1) + (A)(2)	-	2,20,00,000	2,20,00,000	100	-	2,20,00,000	2,20,00,000	100	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
(i) Non Resident Indians	-	-	-	-	-	-	-	-	-
(ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
(iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
(iv) Clearing Members	-	-	-	-	-	-	-	-	-
(v) Trusts	-	-	-	-	-	-	-	-	-
(vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	-	2,20,00,000	2,20,00,000	100	-	2,20,00,000	2,20,00,000	100	-

* The percentage of shares held by the Central Govt. is 0.00004545. The percentage is not shown in the above table as it is negligible in terms of the total shares of the Company.

#The percentage of shares held by Bodies Corporate comes to 99.99995455. Hence it is rounded off to 100.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01 st April 2018]			Shareholding at the end of the year [As on 31 st March 2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1.	Cochin Shipyard Limited (CSL)	1,62,80,000	74	-	1,62,80,000	74	-	-
2.	Hooghly Dock & Port Engineers Limited (HDPEL)	57,19,990	26 [#]	-	57,19,990	26 [#]	-	-
3.	Ministry of Shipping, Government of India	10	.*	-	10	.*	-	-

Note: 60 shares (10 shares each) are held by CSL Representative and Nominees on behalf of CSL and 10 shares each are held by representatives of HDPEL and Ministry of Shipping, Govt. of India.

*The percentage of shares held by the Ministry of Shipping, Government of India is 0.00004545. The percentage is not shown in the above table as it is negligible in terms of the total shares of the Company.

#The percentage of shares held by HDPEL comes to 25.99995455. Hence it is rounded off to 26.

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

Sl. No.	Particulars	Shareholding at the beginning of the year [As on 01 st April 2018]		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year [As on 01 st April 2018]	2,20,00,000	100	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year [As on 31 st March 2019]	-	-	2,20,00,000	100

Note: There is no change in the Promoters Shareholding during the year.

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

The Company does not have any shareholders other than promoters.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 01 st April 2018]		Cumulative Shareholding during the year [As on 31 st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year [As on 01st April 2018] Shri Madhu S Nair, Chairman & CSL Nominee Director (DIN: 07376798)	10	.*		
2.	Shri D Paul Ranjan, CSL Nominee Director (DIN: 06869452)	10	.*		
3.	Shri Sunny Thomas, CSL Nominee Director (DIN: 06882228)	10	.*		
4.	Shri N V Suresh Babu, CSL Nominee Director (DIN: 07482491)	10	.*		
5.	Shri S Balaji Arunkumar, HDPEL Nominee Director (DIN:07526368)	10	.*		
6.	Shri Chandra Mani Rout, HDPEL Nominee Director (DIN: 06935852)	10	.*		
7.	Shri Bejoy Bhasker, CSL Nominee Director (DIN: 08103825)	-	-		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	Date	Name	Reason		
	June 01, 2018	Shri Sunny Thomas	Transfer	(10)	.*
	June 01, 2018	Shri Bejoy Bhasker	Transfer	10	.*
	At the end of the year [As on 31st March 2019]				
1.	Shri Madhu S Nair, Chairman & CSL Nominee Director (DIN: 07376798)	-	-	10	.*
2.	Shri D Paul Ranjan, CSL Nominee Director (DIN: 06869452)	-	-	10	.*
3.	Shri Sunny Thomas, CSL Nominee Director (DIN: 06882228)	-	-	-	.*
4.	Shri N V Suresh Babu, CSL Nominee Director (DIN: 07482491)	-	-	10	.*
5.	Shri S Balaji Arunkumar, HDPEL Nominee Director (DIN:07526368)	-	-	10	.*
6.	Shri Chandra Mani Rout, HDPEL Nominee Director (DIN: 06935852)	-	-	10	.*
7.	Shri Bejoy Bhasker, CSL Nominee Director (DIN: 08103825)	-	-	10	.*

Note: Shri Madhu S Nair, Shri D Paul Ranjan, Shri N V Suresh Babu and Shri Bejoy Bhasker hold shares on behalf of CSL. Shri S Balaji Arunkumar has been allotted shares for subscribing to the MoA and AoA of the Company as the representative of HDPEL. Shri Chandra Mani Rout has been allotted shares for subscribing to the MoA and AoA of the Company as the representative of Ministry of Shipping, Government of India. Since the % of total shares held by the Directors at the end of the year is negligible, it is not shown in the above table.

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

	Rs. in Crore			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year [As on 01 st April 2018]				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year 2018-19				
Addition	-	44.00	-	44.00
Reduction	-	-	-	-
Net Change	-	44.00	-	44.00
Indebtedness at the end of the financial year [As on 31 st March 2019]				
i) Principal Amount	-	44.00	-	44.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	01.54	-	01.54
Total (i + ii + iii)	-	45.54	-	45.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Company does not have a Managing Director/Whole Time Director or Manager.

B) Remuneration to other directors – Nil

Nominee Directors are not paid any remuneration by the Company.

C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD - Nil

No remuneration is being paid to the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary since they are the employees of Cochin Shipyard Limited (CSL), the Holding Company and they hold their respective offices in the Company in addition to that held in CSL.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - Nil

For and on behalf of the Board of Directors

Place: Kochi
Date: June 20, 2019

Madhu S Nair
Chairman
DIN: 07376798

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

1. Hooghly Cochin Shipyard Limited ("HCSL/ Company") believes that good Corporate Governance facilitates effective and prudent management that can deliver the long-term success of the Company. Considering this, HCSL strives for good governance practices through transparency, fairness, accountability and stakeholder engagement. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on 08th July, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance. However, the Company has prepared the report on Corporate Governance in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by DPE.

Board of Directors

2. The Company has been formed as a Joint Venture between Cochin Shipyard Limited (CSL) and Hooghly Dock & Port Engineers Limited (HDPEL) and a shareholders' agreement in this regard has been entered into between the Company, CSL and HDPEL. The Board of Directors of the Company has been constituted as per the said agreement, which has been approved by Government of India (GOI) vide letter no. SY-12016/1/2014-HDPE dated 19th September 2017.

3. As per the Articles of Association of the Company and based on the Shareholders agreement as approved by the GOI, the Board shall comprise of not more than 11 persons. HDPEL shall have the right to nominate such number of Directors as is proportionate to its shareholding in the Company subject to a minimum of two so long as the shareholding of HDPEL is maintained at a minimum of 10% in the Company. CSL shall have the right to nominate the remaining Directors subject to a minimum of 3 Directors, who shall be nominated for appointment on behalf of CSL by the Chairman and Managing Director of CSL.

4. As on March 31, 2019, the Board of the Company consisted of six non-executive directors, 4 nominated by CSL and 2 by HDPEL. The Company has a non-executive Chairman. The composition of the Board as on March 31, 2019 is as follows:-

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category of Directorship
1.	Shri Madhu S Nair	07376798	CSL Nominee Director
2.	Shri D Paul Ranjan	06869452	CSL Nominee Director
3.	Shri N V Suresh Babu	07482491	CSL Nominee Director
4.	Shri Bejoy Bhasker	08103825	CSL Nominee Director
5.	Shri S Balaji Arunkumar	07526368	HDPEL Nominee Director
6.	Shri Chandra Mani Rout	06935852	HDPEL Nominee Director

5. Disclosure of relationship between Directors inter-se: Nil

Appointment / Reappointment of Directors

6. Shri Bejoy Bhasker (DIN: 08103825), Director (Technical), Cochin Shipyard Limited (CSL) was appointed as the nominee director of CSL in place of Shri Sunny Thomas with effect from April 25, 2018. Further, Shri N V Suresh Babu (DIN: 07482491) and Shri Chandra Mani Rout (DIN: 06935852), whose offices as Director were liable to retire by rotation and being eligible were reappointed as the Directors of the Company in the first Annual General Meeting held on July 18, 2018. The profile of the said Directors including the nature of their expertise in specific functional areas is given in the first part of this Annual Report. The details of directorships and committee positions held by these Directors are provided under the heading 'Directorships and Committee positions' below.

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

7. Four Board Meetings were held during the year under review. The gap between any two meetings has been less than one hundred and twenty days. The 01st AGM of HCSL was held on July 18, 2018. The details of attendance of Directors at the said Board Meetings and AGM are given below:-

Name of the Director	Board Meeting				AGM
	2018			2019	Jul 18, 2018
	Apr 25	Jul 18	Nov 08	Feb 16	
Shri Madhu S Nair	Yes	Yes	Yes	Yes	Yes
Shri D Paul Ranjan	Yes	Yes	Yes	Yes	Yes
Shri N V Suresh Babu	Yes	Yes	Yes	Yes	Yes
Shri Bejoy Bhasker	Yes	Yes	Yes	Yes	Yes
Shri S Balaji Arunkumar	Yes	Yes	No	Yes	Yes
Shri Chandra Mani Rout	No	Yes	Yes*	Yes	Yes

*Attended through Video Conferencing.

Directorships and Committee positions

8. The total number of Directorship(s)/Chairmanship(s) held by Directors and the positions of Membership/Chairmanship on Committees including Hooghly Cochin Shipyard Limited, as on March 31, 2019, are given below:

Name of the Director	No. of other Directorship		Other Board Committees	
	Chairman	Member	Chairman	Member
Shri Madhu S Nair	2	-	-	-
Shri D Paul Ranjan	-	2	-	1
Shri N V Suresh Babu	-	2	-	-
Shri Bejoy Bhasker	-	2	-	1
Shri S Balaji Arunkumar	-	4	-	-
Shri Chandra Mani Rout	-	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.

Board Committees

9. The Company is focusing on putting in place required infrastructure and manpower to commence the operations. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on 08th July, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance.

10. The Company has constituted a Share Allotment and Transfer Committee of the Board, which was renamed as Securities Offer, Allotment and Transfer Committee. The Composition of the Committee and attendance record of members for the financial year 2018-19 is given below:

Sl. No.	Name	DIN	Designation	No. of Meetings attended
1.	Shri Madhu S Nair	07376798	Chairman	2/2
2.	Shri D Paul Ranjan	06869452	Member	2/2
3.	Shri N V Suresh Babu	07482491	Member	2/2

11. Two meetings of the Committee were held during the financial year 2018-19 on June 01, 2018 and September 17, 2018 respectively. All the members were present at the said meetings.

General Body Meetings

12. The Company was incorporated on October 23, 2017 and hence only one Annual General Meeting (AGM) was held during the last three years. The first AGM of the Company was held on Wednesday, July 18, 2018 at 11.00 hrs. at the Registered Office of the Company at The Legacy, 25 A, Shakespeare Sarani, Level 1, Kolkata, West Bengal – 700017. Special Resolutions approving the borrowing limits up to Rs. 200 Crore and private placement of securities other than equity shares including NCDs upto Rs. 100 Crore within the above said limit of Rs. 200 Crore were passed in the said AGM.

13. The second AGM of the Company is scheduled to be held on July 12, 2019 at 10.00 hrs. at The Lalit Great Eastern Kolkata, 1,2,3 Old Court House Street, Dalhousie Square, Kolkata, West Bengal – 700 069.

Other Disclosures

(i) Related Party Transactions

14. 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.

(ii) Non-compliance by the Company

15. No penalties/strictures have been imposed on the Company by any other statutory authority on any matter related to any guidelines issued by Government, during the last three years.

(iii) Whistle Blower Policy

16. The Company is focusing on putting in place required infrastructure and manpower to commence the operations. Once the infrastructure is in place and the company commences its operations, it will formulate and put in place a Whistle Blower Policy to provide a framework for Stakeholders to report to the management, instances of illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

(iv) Compliance with DPE Guidelines on Corporate Governance

17. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on 08th July, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance.

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

18. The Company being a new company which came into existence on October 23, 2017 is in the process of setting up the required shipyard infrastructure at Nazirgunge and Salkia in Kolkata. No Presidential Directives have been issued to the Company by the Central Government till date.

(vi) Items of expenditure debited in books of accounts, which are not for the purposes of the business.

NIL

(vii) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.

NIL

(viii) The administrative and office expenses of the Company for the year 2018-19 were 47.49% (45.45% PY) of the total expenses. The financial expenses stood at 0% (0% PY) of the total expenses in the year 2018-19.

(ix) Means of communication of results

19. The Company, a newly incorporated unlisted Joint Venture between CSL and HDPEL where 74% shares are held by CSL and 26% by HDPEL is in the process of operationalising the facilities at Salkia and Nazirgunge units. As the Company's shares are not listed in any of the stock exchanges, there is no statutory requirement for publishing the quarterly/half yearly/ annual results. The Annual Reports and the official news releases of the Company shall be made available at the Company's website once the website of the Company is operational.

(x) Audit Qualifications

20. The Report submitted by the Statutory Auditors, M/s. Ghosal Basu & Ray, with respect to the financial statements of the Company for the financial year 2018-19 does not contain any adverse remark.

(xi) Training of Board Members

21. Presently the Company is focusing on putting in place required infrastructure and manpower to commence the operations at the units at Salkia and Nazirgunge and in the course of time the Board members will be provided training in various areas for the success of the business.

Address for Correspondence:

The Legacy, 25 A, Shakespeare Sarani,
Level 1, Kolkata, West Bengal – 700 017
Tel: +91 (33) 44000517,
Email: secretary.hcsl@cochinshipyard.com

For and on behalf of the Board of Directors

Madhu S Nair
Chairman
DIN: 07376798

Place: Kochi
Date: June 20, 2019

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 Hooghly Cochin Shipyard Limited ("HCSL" 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 financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us",

"our", "the Company", "Hooghly Cochin Shipyard", "HCSL", "Group" are to Hooghly Cochin Shipyard Limited and its holding company.

Global Shipbuilding Industry

3. As per available inputs, the global Shipbuilding industry is still going through a downturn which is likely to continue for the next year. The chief factor which contributed for this was the decline in oil prices. A marginal improvement in oil price has not provided much relief in the interim.

Indian Shipbuilding Industry

4 The opportunities in the defence and inland/coastal waterways segments were the focus areas for the Indian Shipbuilding Industry. The government's focus on development of Inland and Coastal Waterways infrastructure is expected to spur demand for this sector. It is estimated that to begin with around 150 vessels may be required to carry cargo in national waterways once it is commissioned

Government of India (GOI) Initiatives in Inland Waterways

5. The GOI has taken initiative to develop the National Waterway No. 1 (NW-1) through the Jal Marg Vikas Project with technical and financial assistance of the World Bank.

6. The Proposed Project - Jal Marg Vikas aims at improvement of navigation in entire stretch of 1620 km. of NW-1 (Haldia to Allahabad). The GOI has availed World Bank fund for the development of the Inland Waterway No. 1 between Haldia and Varanasi. The Government's initiative to develop inland waterways present an opportunity for the Indian Shipbuilding Industry in the form of future orders in building various vessels such as Ro Pax vessels, Dredgers, Multipurpose & Mini Bulk Carriers, Inland Cruise Vessels, Petroleum Product Carriers etc.

Global Ship Repair Industry

7. As per available inputs, India has high potential in the Ship Repair segment, even though presently its share in global ship repair market is not significant. 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.

Indian Ship Repair Industry

8. The current captive market for ship repair in India is estimated at around Rs. 2,500 crore. It is estimated that only 15% of the country's potential is being tapped presently. Lack of infrastructure and weak ancillary support are the primary reasons for failure to tap the above opportunities. As a part of the Sagarmala project, government has embarked on a programme for utilisation of existing repair facilities in major ports for ship repair services by professional shipyards.

Operations

9. The Company was formed as a Joint Venture between Cochin Shipyard Limited (CSL) and Hooghly Dock & Port Engineers Limited (HDPEL) on October 23, 2017 with the objective of re-building and modernizing the shipbuilding infrastructure at HDPEL's facilities at Nazirgunge and Salkia in Kolkata by taking over the said facilities from HDPEL on lease. Initially, the Company intends to set up a modern shipbuilding facility at Nazirgunge, which is to be executed in two phases, viz., (i) Operational Phase & (ii) Expansion Phase. The development works at Salkia will be taken up after the Nazirgunge facility becomes fully operational and viability of Salkia is clearly established. The contract for construction of the new yard at Nazirgunge unit was awarded on January 10, 2019 and the tendering activities for various work packages and machineries are in progress. The Company being in the project implementation stage has reported a loss of Rs. 133.19 lakh during the financial year

2018-19 (Rs. 37.07 lakh PY). The total capital expenditure incurred in the financial year 2018-19 amounted to Rs. 347.12 lakh (Rs. 26.81 lakh PY)

Proposed Dividend

10. No dividend is recommended as the Company is in the project implementation stage and does not have divisible profits. The Company has incurred a loss during the financial year 2018-19.

Segment wise/ product wise performance

11. The Company is in the project implementation stage and has not commenced its operations.

SWOT

12. Hooghly Cochin Shipyard Limited is in the early stages of its project implementation and hence is not in a position to analyse the Strength, Weakness, Opportunities and Threats. However, the Company foresees a good opportunity in the emerging Inland waterways and Coastal shipping sector in India.

Risks and concerns

13. The Company endeavours to set up the required shipyard infrastructure at Nazirgunge and Salkia to cater to the needs of the inland waterways segment. Delay in timely completion of developmental works and failure to commence operations as planned would be the major risk at the moment for the Company.

14. Availability of experienced and talented workforce for undertaking the works at the sites also poses a risk. The project implementation is also subject to inherent risks such as equipment defects, malfunctions and failures, equipment misuse and disasters that can result in fires and explosions. The Company intends to mitigate the said risks through professional project management, vendor development programmes and ensuring warranties on equipment, machineries, plant etc. and availing insurance cover on its assets.

Internal Control

15. The Company has adopted robust policies and procedures to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures.

Human Resource Development and Industrial Relations

16. The Company is in the process of developing the necessary human resource structure for setting up the required shipyard facilities.

Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

17. The Company is in the process of setting up shipyard infrastructure facilities and has given preference in adopting energy efficient measures; technology absorption would be achieved on commencement of operations. The Company has not

incurred any expenses in foreign currency during the year 2018-19.

Corporate Social Responsibility

18. Since the Company is in its early stages of project implementation no attempt has been taken for Corporate Social Responsibility. In due course efforts will be ensured towards the Corporate Social Responsibility aspects of the organisation.

Cautionary statement

19. Statement 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
DIN: 07376798

Place: Kochi
Date: June 20, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOOGLY COCHIN SHIPYARD LIMITED

Opinion

We have audited the standalone financial statements of **HOOGLY COCHIN SHIPYARD LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2019, profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (3) of section 143 of the Companies Act, 2013, we give in Annexure A to this report a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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 company has no branches and, consequently, the question of dealing with reports of branch auditors does not arise.

- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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 B to this Report.
- h) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.: 315080E)

Apratim Ray
Partner
(Membership No. 52204)

Kolkata,
Date: 2nd May, 2019

Annexure A

**Matters to be included in the auditor's report
Under Companies (Auditors' Report) Order, 2016**

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been verified physically by the management and no discrepancies have been noted.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The Company has no inventory; hence the question of conducting physical verification does not arise.
- (iii) 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 Companies Act, 2013.
- (iv) The Company has not given any loans that attract the provisions of sec. 185 and 186 of the Companies Act, 2013; hence the question of our reporting under this clause does not arise.
- (v) The company has not accepted deposits of the nature that attracts the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Hence, the question of our reporting under this clause does not arise.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013; hence the question of our reporting under this clause does not arise.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods & services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities;
- (b) there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods & services tax that have not been deposited on account of any dispute; hence, the question of our reporting under this clause does not arise.
- (viii) The Company has not taken any loans or borrowing from financial institutions, banks, Government or debenture holders; hence the questions of defaulting on repayment and our reporting under this clause do not arise.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans; hence the question of their application or the question of our reporting under this clause does not arise.
- (x) No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration as per Section 197 read with Schedule V of the Companies Act, 2013. ; hence the question of our reporting under this clause does not arise.
- (xii) This Company is not a Nidhi Company; hence the question of our reporting under this clause does not arise.

- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review; hence the question of our reporting under this section does not arise.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them and, hence, the question of our reporting under this clause does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Kolkata,
Date: 2nd May, 2019

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.: 315080E)

Apratim Ray
Partner
(Membership No. 52204)

Annexure B

Report on the Internal Financial Controls 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 **Hooghly Cochin Shipyard Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 Companies Act, 2013.

Auditors' 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 Companies Act, 2013, to the extent applicable to an audit of

internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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, 2019, 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.

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No. 315080E)

Apratim Ray
Partner
(Membership No. 52204)

Kolkata,
Date: 02nd May, 2019

Financial Statements 2018-19

Balance Sheet

as at March 31, 2019

(Rs in lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment	2	20.55	-
(b) Capital work-in-progress	3	347.12	601.81
(c) Intangible assets	4	118.70	-
(d) Deferred tax assets (net)	5	59.82	12.85
(e) Financial Assets	6	0.28	-
(f) Other non-current assets	7	506.65	9.02
		1,053.13	623.68
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	8	4,232.81	1,504.69
(ii) Bank balances other than (i) above	9	1,206.11	-
(iii) Other financial assets	10	77.23	1.60
(b) Current tax assets (net)	11	21.24	1.86
(c) Other current assets	12	62.34	48.71
		5,599.73	1556.86
Total Assets		6,652.86	2,180.54
EQUITY AND LIABILITIES			
Equity :			
(a) Equity Share capital	13	2,200.00	2,200.00
(b) Other Equity	14	(170.26)	(37.07)
		2,029.74	2162.93
Liabilities :			
(1) Non- current liabilities			
Financial liabilities			
Borrowings	15	4,400.00	-
(2) Current liabilities			
(a) Financial liabilities			
Other financial liabilities	16	18.56	0.97
(b) Other current liabilities	17	0.19	-
(c) Other payables	18	204.37	16.64
		223.12	17.61
Total Equity and Liabilities		6,652.86	2,180.54

Significant Accounting Policies 1
Notes to the financial statements 2-30
The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
COMPANY SECRETARY

SHIBU JOHN
CHIEF FINANCIAL
OFFICER

RAJESH GOPALAKRISHNAN
CHIEF EXECUTIVE
OFFICER

D PAUL RANJAN
DIRECTOR
DIN - 06869452

MADHU S NAIR
CHAIRMAN
DIN - 07376798

Kochi, 24 April, 2019
In terms of our report attached

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.315080E)

APRATIM RAY
PARTNER
(Membership Number : 052204)
Kolkata, 02 May, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

(Rs in lakhs)

	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018 (23.10.2017 to 31.03.2018)
I	Income			
	Other income	19	75.77	18.57
	Total Income		75.77	18.57
II	Expenses:			
	Depreciation and amortisation expense	20	4.32	-
	Other expenses	21	251.61	68.49
	Total expenses		255.92	68.49
III	Profit/(Loss) before tax		(180.15)	(49.92)
IV	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	5	46.97	12.85
V	Profit/(Loss) for the year		(133.19)	(37.07)
VI	Other comprehensive income		-	-
VII	Total Comprehensive income for the year		(133.19)	(37.07)
VIII	Earnings per equity share of Rs 10 each:	22		
	(1) Basic (Rs)		(0.61)	(0.17)
	(2) Diluted (Rs)		(0.61)	(0.17)

Significant Accounting Policies

Notes to the financial statements

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
COMPANY SECRETARY

SHIBU JOHN
CHIEF FINANCIAL
OFFICER

RAJESH GOPALAKRISHNAN
CHIEF EXECUTIVE
OFFICER

D PAUL RANJAN
DIRECTOR
DIN - 06869452

MADHU S NAIR
CHAIRMAN
DIN - 07376798

Kochi, 24 April, 2019

In terms of our report attached

For **Ghosal, Basu & Ray**

Chartered Accountants

(Firm Registration No.315080E)

APRATIM RAY

PARTNER

(Membership Number : 052204)

Kolkata, 02 May, 2019

Statement of Cash Flows

for the year ended March 31, 2019

(Rs in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018 (23.10.2017 to 31.03.2018)
A. Cash flow from operating activities		
Profit/(Loss) before tax	(180.15)	(49.92)
Adjustments for :		
Depreciation and amortisation	4.32	-
Interest income	(241.86)	(18.57)
Operating cash flow before working capital changes	(417.70)	(68.49)
Movements in working capital :		
(Increase) / decrease in trade and other receivables	(1,281.57)	(59.59)
Increase / (decrease) in trade and other payable	241.28	17.61
Net cash flows from operating activities (A)	(1,457.98)	(110.47)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(24.63)	-
(Increase) / decrease in capital work In progress	(320.31)	(29.81)
Lease rental paid	(1.00)	-
Interest received	132.04	16.97
Net cash flows from investing activities (B)	(213.91)	(12.85)
C. Cash flow from financing activities		
Proceeds from issue of Non convertible Debentures	4,400.00	-
Proceeds from Share issue	-	1,628.00
Net cash flows from financing activities (C)	4,400.00	1,628.00
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	2,728.12	1,504.69
Cash and cash equivalent at the beginning of the year	1,504.69	
Cash and cash equivalent at the end of the year		
Cash on hand	-	-
Balance with Banks in current account and deposit account	4,232.81	1,504.69
Cash and cash equivalents (as per Note 8)	4,232.81	1,504.69

Notes:

- 1) Figures in brackets indicate cash outflow.
- 2) Previous year figures have been regrouped/rearranged/recasted wherever necessary to make them comparable with those of current year.

Significant Accounting Policies 1
Notes to the financial statements 2-30
The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

ASWIN SARMA M
COMPANY SECRETARY

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Kochi, 24 April, 2019
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For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.315080E)

APRATIM RAY
PARTNER
(Membership Number : 052204)
Kolkata, 02 May, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

(Rs in lakhs)

As at 01.04.2018	Changes in equity share capital during the year	As at 31.03.2019
2,200.00	-	2,200.00
As at 01.04.2017	Changes in equity share capital during the year	As at 31.03.2018
-	2,200.00	2,200.00

B. Other Equity

(Rs in lakhs)

	Reserves and Surplus	Total
	Retained Earnings	
Balance as at April 01, 2018	(37.07)	(37.07)
Profit for the year	(133.19)	(133.19)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(133.19)	(133.19)
Balance as at March 31, 2019	(170.26)	(170.26)

(Rs in lakhs)

	Reserves and Surplus	Total
	Retained Earnings	
Balance as at April 01, 2017	-	-
Profit for the year	(37.07)	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(37.07)	(37.07)
Balance as at March 31, 2018	(37.07)	(37.07)

For and on behalf of Board of Directors

ASWIN SARMA M
COMPANY SECRETARY

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Kochi, 24 April, 2019
In terms of our report attached

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.315080E)

APRATIM RAY
PARTNER
(Membership Number : 052204)
Kolkata, 02 May, 2019

Notes

to Financial Statements for the year ended March 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. In accordance with the notification issued by the Ministry of Corporate Affairs, the holding Company, M/s Cochin Shipyard Ltd, has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The company HCSL has prepared its financial statements in accordance with Ind AS as applicable to its holding company M/s Cochin Shipyard Ltd which has decisive majority of its equity share capital.

1.2 Basis of preparation of financial statements

These financial statements have been prepared on the historical cost basis 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.

1.3 Use of estimates and judgements

The preparation of the financial statements in conformity with 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.

1.4 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 and liabilities

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgements are involved in determining the elements of deferred tax items. Also, in this connection Note no.1.16 on Deferred tax may be referred to.

Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in provisions.

Contingencies and commitments

The normal course of business may give rise to circumstances that have the potential to cast future liabilities on the company resulting in outflow of resources in the future. These circumstances may include claims against the Company that are disputed by it. The crystallization of such liabilities and their quantum depend upon the outcome of certain events, viz. judgements in lawsuits that cannot be predicted. These liabilities are not recognized in the financial statements, but the circumstances that give rise to them are disclosed as part of the notes thereto.

Recoverability of advances / receivables

The Company makes provision for expected credit loss based on an assesment 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 measurement

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 instruments. 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 arms length transaction at the reporting date.

1.5 Leases**As a lessee:**

Leases are classified as finance leases whenever the terms of lease transfers 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 the standalone statement of Profit or Loss.

1.6 Property , Plant and Equipment (PPE)

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. PPE are stated at cost less accumulated depreciation (other than freehold land which are stated at cost) and impairment losses, if any.

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 it is replaced. All other expenses on repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

1.7 Capital work in progress

Capital work in progress are items of Property, Plant and Equipment that are under construction or development and are not yet ready for their intended use at the reporting date. These are carried at cost comprising direct cost, related incidental expenses and attributable borrowing cost.

1.8 Intangible Assets

Up-front fees and/or other consideration 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 for which the right is acquired, commencing from the date on which the right becomes capable of being exercised.

1.9 Depreciation

Depreciation on property, plant & equipment is provided on straight line method based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013.

An item of property, plant & 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 standalone Statement of Profit or loss when the asset is derecognised. Fully depreciated assets still in use are retained in standalone 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 the assets are same as those prescribed under Schedule II to the Act except for certain types of buildings and equipments where in based on technical evaluation, useful life has been estimated to be different from that prescribed in the said Schedule II. Useful lives considered for calculation of depreciation for various asset classes are as follows:

Asset Class	Useful Life
Buildings	3-60 years
Plant & Equipment	5-15 years
Furniture & Fixtures	8-10 years
Data processing equipments	3-6 years

1.10 Financial instruments

Financial assets and liabilities are recognised when the entity 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 profit or 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 profit or loss.

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.

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.

Off setting of financial instruments

Financial assets and financial liabilities are set off 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.

1.11 Provisions, 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.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

1.12 Revenue Recognition

Others

Other income earned is recognised on accrual basis.

1.13 Employee Benefits

Employee benefits consists of salaries and wages and contribution to provident fund. As the company at present has employees appointed on contractual basis on fixed term employment, the requirement of contribution to superannuation fund, medical assistance and compensated absences does not arise.

1.14 Borrowing costs

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 capitalised as part of cost of such assets up to the date when such assets are ready for 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/Loss in the period in which they are incurred.

1.15 Prior Period Adjustments

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 the prior periods presented in which the error occurred or if the error occurred before the earliest financial period presented, by restating the opening statement of financial position.

1.16 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 set off 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 is 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 realised.

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 set off current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

1.17 Earnings Per Share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares/dilutive potential equity shares outstanding as at the end of the reporting period as the case may be.

1.18 Cash flow statement

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 cash flow statement, 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 are disclosed within borrowings in current liabilities in the Balance Sheet.

Note 2 : Property, Plant and Equipment

(Rs in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1 st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31 st March 2019	As at 1 st April 2018	For the year	Adjustment/ (withdrawal)	As at 31 st March 2019	As at 31 st March 2019	As at 31 st March 2018
Buildings	-	16.98	-	16.98	-	2.99	-	2.99	13.99	-
Plant and equipment	-	0.24	-	0.24	-	0.01	-	0.01	0.23	-
Furniture and fixtures	-	0.28	-	0.28	-	0.02	-	0.02	0.26	-
Data Processing Equipments	-	7.13	-	7.13	-	1.06	-	1.06	6.07	-
Total	-	24.63	-	24.63	-	4.08	-	4.08	20.55	-

Note 3 : Capital work-in-progress

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Project Management fees and miscellaneous capital expenditure	347.12	26.81
Intangible assets under development	-	575.00
Total	347.12	601.81

The company has availed of services of personnel from its holding company, Cochin Shipyard Ltd, on secondment basis towards activities carried out for the augmentation of the project. The company accounts for the costs incurred on the above personnel on "Cost to Company" (CTC) basis which is to be reimbursed to the service provider. Since these costs are exclusively for refurbishment of the existing facilities, they are taken to Capital Work in progress under the head Employee Manpower Costs, which will be capitalised on completion of the capital project.

Note 4 : Other Intangible Assets

(Rs in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1 st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31 st March 2019	As at 1 st April 2018	For the year	Adjustment/ (withdrawal)	As at 31 st March 2019	As at 31 st March 2019	As at 31 st March 2018
Right to use - Land at Nazirgunge	-	118.94	-	118.94	-	0.24	-	0.24	118.70	-
Total	-	118.94	-	118.94	-	0.24	-	0.24	118.70	-

Note 5 : Deferred tax assets (net)

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax assets	59.82	12.85
Total	59.82	12.85

Note 6 : Loans - Non Current

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security deposits	0.28	-
Total	0.28	-

Note 7 : Other non-current assets

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Security deposits	467.57	9.02
Advance lease rental	39.08	-
Total	506.65	9.02

Note 8 : Cash and Cash equivalents

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance with Banks		
In current account	132.81	14.69
Term deposits with original maturity of less than three months	4,100.00	1,490.00
Total	4,232.81	1,504.69

Note 9 : Bank balances other than cash and cash equivalents

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Term Deposits with banks with original maturity more than 3 months and less than 12 months	1,206.11	-
Total	1,206.11	-

Note 10 : Other Financial Assets - Current

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Interest accrued on fixed deposits	77.23	1.60
Total	77.23	1.60

Note 11 : Current tax assets (net)

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Deducted at source	21.24	1.86
Total	21.24	1.86

Note 12 : Other Current Assets

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured advances		
Miscellaneous deposits (Unutilised GST Input Credit)	60.14	7.88
Advance towards Security deposit	-	40.00
Prepaid expenditure	1.13	0.83
Miscellaneous current assets	1.07	-
Total	62.34	48.71

Note 13 : Equity Share Capital

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number	Rs in lakhs	Number	Rs in lakhs
Authorised				
Equity shares of Rs 10/- each	22000000	2,200.00	22000000	2,200.00
Issued, Subscribed and Fully paid up				
Equity shares of Rs 10 each fully paid up				
For Cash	16280000	1,628.00	16280000	1,628.00
For Consideration other than cash	5720000	572.00	5720000	572.00
Total	22000000	2,200.00	22000000	2,200.00

13.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number	Rs in lakhs	Number	Rs in lakhs
Equity Shares outstanding at the beginning of the year	22000000	2,200.00	22000000	2,200.00
Add: shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	22000000	2,200.00	22000000	2,200.00

Rights, preferences and restrictions attaching to Equity shares:

The Company has only one class of equity shares having a face value of Rs 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.

13.2 Details of shares held by holding company

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares held	Rs in lakhs	Number of Shares held	Rs in lakhs
Cochin Shipyard Ltd. (Holding Company) 16280000 equity shares of Rs 10 each	16280000	1,628.00	16280000	1,628.00
Total	16280000	1,628.00	16280000	1,628.00

13.3 Details of shareholders holding more than 5% shares in the company

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited (Holding Company)	16280000	74	16280000	74
Hooghly Docks and Ports Engineers Ltd	5720000	26	5720000	26
Total	22000000	100	22000000	100

13.4 Details of shares issued for consideration other than cash

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Hooghly Docks and Ports Engineers Ltd	5720000	26	5720000	26

Note 14 : Other Equity

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Retained Earnings	(170.26)	(37.07)
Total	(170.26)	(37.07)

Retained Earnings

(Rs in lakhs)

Balance at the beginning of the year	(37.07)	-
Add Profit/(Loss) for the period	(133.19)	(37.07)
Balance at the end of the reporting period	(170.26)	(37.07)

Note 15 : Borrowings

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
6.5% Unsecured Redeemable Non-convertible Debentures	4,400.00	-
Total	4,400.00	-

The Company had issued 440000, 6.5% Unsecured Redeemable Non-convertible Debentures of Rs 1000 each, with interest rate of 6.50% per annum payable annually, to M/s Cochin Shipyard Limited. The debentures are due for redemption on 16th September 2022.

Note 16 : Other Financial Liabilities

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Security and other deposits	18.49	0.82
Others Payables	0.07	0.14
Total	18.56	0.96

Note 17 : Other current liabilities

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory dues	0.19	0.01
Total	0.19	0.01

Note 18 : Other payables

(Rs in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Creditors for expenses		
Expenditure / contingencies	204.37	16.64
Total	204.37	16.64

Note 19 : Other Income

(Rs in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018 (23.10.2017 to 31.03.2018)
Rent received	0.10	-
Interest on bank deposits	72.96	18.57
Interest from others	0.42	-
Miscellaneous income	2.26	-
Unwinding of Discount on Security Deposit	0.02	-
Total	75.77	18.57

Note 20 : Depreciation and Amortisation Expense

(Rs in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018 (23.10.2017 to 31.03.2018)
Depreciation on property, plant and equipments	4.08	-
Amortisation on lease hold land	0.24	-
Total	4.32	-

Note 21 : Other Expenses

(Rs in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018 (23.10.2017 to 31.03.2018)
Rates & Taxes	0.08	20.90
Power	25.05	-
Repairs and maintenance:		
Building and roads	7.02	0.35
Plant and machinery	-	1.81
Others	1.72	-
Transport and stores handling	-	0.99
Travelling and conveyance expenses	0.57	0.04
Printing and stationery	1.26	0.07
Postage, telephone and telex	0.39	0.05
Advertisement and publicity	55.29	-
Lease rent	1.80	-
Hire charges	20.50	3.71
Security expenses	121.58	-
Auditors remuneration	1.75	0.50
Auditors remuneration for other services	0.06	-
Consultancy	6.63	7.17
Bank charges	0.01	0.01
Miscellaneous expenses	7.88	0.18
Pre incorporation expenses	-	32.71
Employee Welfare expenses	-	-
Amortisation & Depreciation	-	-
Total	251.61	68.49

Note 22 : Earnings per Equity Share

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Net Profit after tax (Rs in lakhs)	(133.19)	(37.07)
Weighted average number of Equity Shares	22000000	22000000
Basic and Diluted Earnings Per Share (EPS) (in Rs)	(0.61)	(0.17)
Face value per equity (in Rs)	10.00	10.00

23. Contingencies and Commitments

(Rs in Lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Commitments (To the extent not provided for)		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	6,141.43	-

24. Corporate Social Responsibility (CSR):

The company does not have either any profit from its operations or networth as prescribed under Section 135 of the Companies Act, 2013. As such, the Company is not required to comply with the provisions of Sec 135 of the Companies Act, 2013.

25. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	Nature of Relationship
	2018-19	2017-18
Shri. Madhu S Nair Chairman	Key Managerial Personnel	Key Managerial Personnel
Shri. D Paul Ranjan Director	Key Managerial Personnel	Key Managerial Personnel
Shri. Sunny Thomas Director (Ceased to be Director from 24.04.2018)	Key Managerial Personnel	Key Managerial Personnel
Shri. Suresh Babu N V Director	Key Managerial Personnel	Key Managerial Personnel
Shri. Bejoy Bhasker Director (From 25.04.2018)	Key Managerial Personnel	-
Shri. S Balaji Arunkumar Director	Key Managerial Personnel	Key Managerial Personnel
Shri. Rajesh Gopalakrishnan Chief Executive Officer (From 08.11.2018 onwards)	Key Managerial Personnel	-
Shri. Shibu John Chief Financial Officer (From 08.11.2018 onwards)	Key Managerial Personnel	-
Smt V Kala Company Secretary (Till 08.11.2018)	Key Managerial Personnel	Key Managerial Personnel
Shri. Aswin Sarma.M Company Secretary (From 08.11.2018 onwards)	Key Managerial Personnel	-
M/s Cochin Shipyard Ltd	Holding Company	Holding Company
M/s Hooghly Docks and Ports Engineers Ltd	Associate Company	Associate Company

Nature of transaction - Remuneration

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Short term benefit	-	-
Post employment Benefit	-	-
Total	-	-

Nature of transaction - Loans : There are no transactions in the nature of remuneration/loans and advances with the above Key Managerial Personnel.

Nature of transaction

(Rs Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Employee Manpower Services (provided by Cochin Shipyard Ltd - Holding Company)*	64.19	11.95
4,40,000 6.5% Redeemable Non-convertible Debentures of face value of Rs 1,000 each issued to Cochin Shipyard Ltd (Holding Company)	4,400.00	-

* As regards reimbursement of manpower costs to Holding company M/s Cochin Shipyard Ltd, the same is accounted on cost basis since GST paid is claimed as input credit receivable.

26. 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 I 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)

Financial assets/ financial liabilities	Fair value as at 31.03.2019	Fair Value hierarchy	Fair value as at 31.03.2018	Fair Value hierarchy
Financial Assets				
Current				
(i) Cash & Cash equivalents	4,232.81	Level II	1,504.69	Level II
(ii) Bank balance other than (i)	1,206.11	Level II		
(iii) Other financial assets	77.23	Level II	1.60	Level II
Total Financial Assets	5,516.16		1,506.29	
Financial Liabilities				
Non Current				
Borrowings	4,400.00	Level II		
Current				
Other financial liabilities	18.56	Level II	0.97	Level II
Total Financial Liabilities	4,418.56		0.97	

Note: There were no transfers between Level I and II in the period.

Financial Instruments by category

(Rs in Lakhs)

Particulars	31.03.2019				31.03.2018		
	FVTPL	FVTOCI	Amortised Cost	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Cash & Cash equivalents			4,232.81	5,438.93			1,504.69
Other financial assets			77.23	77.23			1.60
Total Financial Assets			4,310.04	5,516.16			1,506.29
Financial liabilities							
Borrowings				4,400.00			-
Other financial liabilities			18.56	18.56			0.97
Total Financial Liabilities			18.56	4,418.56			0.97

27. Lease arrangements

(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
a) Premises taken on operating lease:		
The Company has operating leases for facilities at Nazirgunge and Salkia, Dist. Howrah, West Bengal. These lease arrangements with Hooghly Docks & Ports Engineers Ltd are for 60 years and are non-cancellable leases.		
With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:		
For a period not later than one year	40.00	40.00
For a period later than one year and not later than five years	215.51	183.34
For a period later than five years	5,184.15	5,868.57

28. Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Repair of ships/ offshore structures. The Company shall undertake segment wise analysis and allocation of costs and revenues when it commences operations.

29. Balance shown under Trade Receivables, Trade Payables, loans, and deposits claims are subject to confirmation and consequent reconciliation, if any.

30. 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

ASWIN SARMA M
COMPANY SECRETARY

SHIBU JOHN
CHIEF FINANCIAL
OFFICER

RAJESH GOPALAKRISHNAN
CHIEF EXECUTIVE
OFFICER

D PAUL RANJAN
DIRECTOR
DIN - 06869452

MADHU S NAIR
CHAIRMAN
DIN - 07376798

Kochi, 24 April, 2019

In terms of our report attached

For **Ghosal, Basu & Ray**
Chartered Accountants
(Firm Registration No.315080E)

APRATIM RAY
PARTNER
(Membership Number : 052204)
Kolkata, 02 May, 2019





HOOGHLY COCHIN SHIPYARD LIMITED

(A Joint Venture Company of Cochin Shipyard Limited & Hooghly Dock & Port Engineers Limited)

Registered office: The Legacy, 25A, Shakespeare Sarani, Level 1
Kolkata, West Bengal -700 017