



SEC/48/2017-63

February 12, 2021

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

Dear Sir / Madam,

Subject: Monitoring Agency Report for the Quarter ended December 31, 2020

1. The Monitoring Agency Report issued by the State Bank of India (“the **Monitoring Agency**”) for the Quarter ended December 31, 2020 pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith for the purpose of dissemination of information widely to the members.
2. We would also like to mention that the Company has fully utilized the funds raised through its Initial Public Offer (IPO) concluded in August 2017 and hence, this is the final Monitoring Agency Report in this regard.

Thanking you,

For Cochin Shipyard Limited

**Syamkamal N
Company Secretary &
Compliance Officer**



पंजीकृत कार्यालय : प्रशासनिक भवन, पी.ओ.बैग सं 1653, पेरुमानूर पी. ओ., कोची - 682 015
Registered Office : Administrative Building, P.O. Bag No. 1653, Perumanoor P.O., Kochi - 682 015
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वेबसाइट / Website : www.cochinshipyard.com, सीआईएन / CIN: L63032KL1972GOI002414

FORMAT OF REPORT TO BE SUBMITTED BY MONITORING AGENCY
[See regulation 82 (2) and 82 (3)]

Report of the Monitoring Agency

Name of the Issuer: **COCHIN SHIPYARD LIMITED**

For quarter ended: **DECEMBER 31, 2020**

Name of the Monitoring Agency: **STATE BANK OF INDIA**

(a) Deviation from the objects: **NO DEVIATION**

- Utilization different from Objects stated in the offer document but in line with change of objects approved by shareholders' resolution;
- or
- Utilization neither in line with Objects stated in the offer document nor approved by shareholders' resolution
- In case there is no deviation, the same shall be stated.

(b) Range of Deviation*: **NOT APPLICABLE**

Indicate the range of percentage deviation from the amount of issue proceeds earmarked for the objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

* The range of deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

Signature:

Name and Designation of the Authorized Signatory:

Designation of Authorized person/Signing Authority:

12/2/21
P.V.VISWANATHAN.
Asst. General Manager.

bank.sbi

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0484 - 2340027

0484 - 2341222

0484 - 2340028

0484 - 2340029

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✉ sbi.04062@sbi.co.in



കൊച്ചിയിൽ ഭാഗ്യ എറണാകുളം

വകാരത്ത് ടവേഴ്സ്

എൻ.എച്ച്. ബൈപാസ് ജംഗ്ഷൻ

പാടവട്ടം, കൊച്ചി - 682 024

वाणिज्यिक शाखा एरणाकुलम

वन्कारत्त टवेर्स

एन.ए.ए. बंपास जंक्शन

पाटिवट्ट, कोच्चि - 682 024

Commercial Branch Ernakulam

Vankarath Towers

NH By - Pass Junction

Padivattom, Kochi - 682 024

1) Issuer Details:

Name of the issuer : **COCHIN SHIPYARD LIMITED**
 Names of the promoter : The President of India acting through Ministry of Shipping
 Industry/sector to which it belongs : Ship building and ship repair

2) Issue Details:

Issue Period : 1st August 2017 – 3rd August 2017
 Type of issue (public/rights) : Public Issue
 Type of specified securities : Equity shares
 IPO Grading, if any : Nil
 Issue size (in Rs. crore) : Fresh Issue of up to 2,26,56,000 equity shares of face value of Rs.10 each aggregating to Rs. 961.95 crore.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

(Give item by item description for all the objects stated in offer document separately in following format)

Particulars	Reply	Setting up of Dry Dock	Setting up of ISRF	General Corporate Purposes	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/No	Yes	N.A.	N.A.	Yes	-
Whether Shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Offer Document?	Yes/No	N.A.	N.A.	N.A.	N.A.	-
Whether the means of finance for the disclosed objects of the Issue has changed?	Yes/No	No	No	No	No	-
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	No	No	No	No	-
Whether all Government / statutory approvals related to the object(s) have been obtained?	Yes/No	Yes	Yes	N.A.	Yes	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	Yes	Yes	N.A.	No deviation reported	-
Are there any favorable events improving the viability of these object(s)?	Yes/No	No	No	No	No such events noticed/ reported	-
Are there any unfavorable events affecting the viability of these object(s)?	Yes/No	No	No	No	No such events noticed/ reported	-
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	No	No	No	Nil	-

[#] Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.



4) Details of object(s) to be monitored:

(i) Cost of object(s)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)

Sl. No.	Item Head	Portion of the Original Cost of the project to be funded by the IPO (Rs. in Crore)* Original Cost (as per Offer Document)	Revised Cost	Comments of the Monitoring Agency	Comments of the Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Setting up of Dry Dock	510.00	-	No revision in cost reported	N.A.	N.A.	N.A.
2	Setting up of ISRF	265.00	-	No revision in cost reported	N.A.	N.A.	N.A.
3	General Corporate Purposes**	165.23	-	No revision reported.	N.A.	N.A.	N.A.
	TOTAL	940.23					

* Cost as indicated in the Objects Chapter of Prospectus dated August 4, 2017.

** In the Offer Document, the gross proceeds from fresh issue was mentioned as Rs.961.34 Crore assuming the entire employee reservation portion would get fully subscribed, which was at a discounted price of Rs 411/-per share. Since the employee reservation portion did not get fully subscribed, the unsubscribed portion has been allotted to other categories in the respective ratios and hence there is a slight increase in the amount of issue proceeds. The actual issue proceeds comes to Rs. 961.95 crore; out of which Rs. 20 crore was estimated as CSL's share of issue expenses. However, CSL's share of issue expenses have now been estimated at Rs. 21.72 crore and accordingly, the net issue proceeds have been reduced to Rs. 940.23 crore. The increase in the issue expenses have been adjusted against the General Corporate Purpose and the portion of General Corporate Purpose in the net issue proceeds is reduced to Rs. 165.23 crore.

(ii) Progress in the object(s)-

(Give item by item Description for all the Objects Stated in Offer Document separately in the following format)

Sl. No.	Item Head [§]	Amount as proposed in the Offer Document (Rs. in Crore)	Amount utilized (Rs. in Crore)			Total unutilized Amount (Rs. in Crore)	Comments of the Monitoring Agency	Comments of Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin.	510.00	501.56	8.44	510.00	-	Please refer Notes below.	Please refer Notes below.	
2	Setting up of ISRF at Cochin Port Trust Area, Cochin	265.00	265.00	-	265.00	-	-	-	-
3	General Corporate Purposes	165.23	165.23	-	165.23	-	-	-	-
	TOTAL	940.23	931.79	8.44	940.23	-			

[§] Provide following details under Item Head:

(a) Name of the object(s):

(b) Brief description of the object(s):

(c) Location of the object(s) (if applicable):

Notes

1. Tendering of CME works delayed by 02 months due to re-engineering design for optimization.
2. Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution.
3. Finalization of contract took 88 days for establishing techno-commercial points with required clarity.
4. CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018.



5. Unprecedented flood that devastated Kerala in August 2018, the heavy monsoon and flood during 2019 hampered progress.
6. The activities carried out at night shift were regulated due to collective resistance from nearby dwellers regarding noise and vibrations.
7. Unforeseen drifting of Sunken Flap Gate has hindered the completion of critical works like cofferdam, pump house works and Earth work excavation for the dock floor. The said unforeseen hindrance was successfully salvaged on October 05, 2020 and towed to the existing CSL Dry Dock on October 16, 2020.
8. Due to the outbreak of COVID-19 Pandemic and unforeseen obstruction due to Sunken Flap Gate, M/s. Larsen & Toubro (Construction contractor) has notified the force majeure event. The Company has intimated the cessation of force majeure effective from September 01, 2020 with regard to the Pandemic and October 16, 2020 with regard to the unforeseen obstruction due to Sunken Flap Gate to M/s. Larsen & Toubro (Construction contractor).
9. Also, M/s. Hyundai Samho Heavy Industries, Korea has notified the force majeure event from February 26, 2020 onwards and force majeure is still continuing.
10. The lockdowns and night curfew due to COVID-19 Pandemic disrupted the material supply and labour availability (experienced on their exodus) resulted in the extremely low productivity.
11. Even though the construction work by L&T partially restarted from April 27, 2020 post second lockdown, for complying MHA guidelines with respect to the social distancing norms the works are performed with 50% labour strength, which is a major hindrance in the project's progress in the backdrop of the limited project area available.
12. Significant shortage of labours at site due to non-availability of long distance trains and surging COVID-19 cases in Kerala.

(iii) Deployment of unutilized IPO proceeds- **NOT APPLICABLE**

(iv) Delay in implementation of the object(s)-

Object(s)	Completion Date		Delay (No. of days/months)	Comments of the Board of Directors	
	As per the Offer Document	Actual*		Reason of delay	Proposed Course of Action
Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin.	June 2020	December 2022	30 Months	Please refer Note No. 1 below.	-
Setting up of ISRF at Cochin Port Trust Area, Cochin.	August 2022	August 2022	NIL	Please refer Note No. 2 below.	

* In case of continuing object(s) please specify latest/revised estimate of completion date.

Note No. 1

1. Tendering of CME works delayed by 02 months due to re-engineering design for optimization.
2. Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution.
3. Finalization of contract took 88 days for establishing techno-commercial points with required clarity.
4. CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018.
5. Unprecedented flood that devastated Kerala in August 2018, the heavy monsoon and flood during 2019 hampered progress.
6. The activities carried out at night shift were regulated due to collective resistance from nearby dwellers regarding noise and vibrations.



7. Unforeseen drifting of Sunken Flap Gate has hindered the completion of critical works like cofferdam, pump house works and Earth work excavation for the dock floor. The said unforeseen hindrance was successfully salvaged on October 05, 2020 and towed to the existing CSL Dry Dock on October 16, 2020.
8. Due to the outbreak of COVID-19 Pandemic and unforeseen obstruction due to Sunken Flap Gate, M/s. Larsen & Toubro (Construction contractor) has notified the force majeure event. The Company has intimated the cessation of force majeure effective from September 01, 2020 with regard to the Pandemic and October 16, 2020 with regard to the unforeseen obstruction due to Sunken Flap Gate to M/s. Larsen & Toubro (Construction contractor).
9. Also, M/s. Hyundai Samho Heavy Industries, Korea has notified the force majeure event from February 26, 2020 onwards and force majeure is still continuing.
10. The lockdowns and night curfew due to COVID-19 Pandemic disrupted the material supply and labour availability (experienced on their exodus) resulted in the extremely low productivity.
11. Even though the construction work by L&T partially restarted from April 27, 2020 post second lockdown, for complying MHA guidelines with respect to the social distancing norms the works are performed with 50% labour strength, which is a major hindrance in the project's progress in the backdrop of the limited project area available.
12. Significant shortage of labours at site due to non-availability of long distance trains and surging COVID-19 cases in Kerala.

Note No. 2

1. CSL had initially placed order for the procurement of shiplift & transfer system on the consortium of M/s Broehl GmbH, Germany & M/s IMG, Germany on January 19, 2017. Meanwhile, M/s Broehl became insolvent and hence CSL had to renegotiate and finally, contract for the procurement of shiplift & transfer system signed with the consortium of M/s IMG, Germany & M/s Syncrolift AS, Norway on December 10, 2019. Accordingly, delivery schedule of shiplift components will be in such a manner to achieve the milestone, viz., "Completion of Shiplift and transfer system, yard for 2 vessels and berths for afloat repair" by October 2021.
2. All possible steps are being implemented to upkeep the project completion date of Aug 2022 even with the prevailing impacts of COVID-19 Pandemic. Nevertheless it depends on the effect of COVID-19 crisis pertinent to the associated disruptions in material and labour shortage being experienced. Force Majeure notice issued by main construction contractor, ship lift supplier, crane supplier and other contractors/vendors. Even though the works partially restarted from April 27, 2020 post lockdown, progress of work is impacted due to the restrictions mentioned in MHA orders especially in the backdrop of the limited project area available for execution.

