



SEC/48/2017-63

June 24, 2022

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

Dear Sir / Madam,

**Subject: SEBI Communication – one-time relaxation in respect to compliance with Minimum Public Shareholding (MPS) norms by Cochin Shipyard Limited**

1. The Securities and Exchange Board of India (SEBI) vide letter ref no. SEBI/HO/CFD/CMD1/OW/P/2022/24375/1 dated June 13, 2022 and received by us on June 24, 2022, has given a one-time relaxation, on sale of 30,90,978 shares held by the President of India as a part of CPSE Exchange Traded Fund FFO-6, as a method to comply with MPS requirements under clause (ix) of the Annexure to the SEBI Circular dated February 22, 2018 (MPS Circular).
2. Pursuant to the IPO concluded in the month of August 2017, the public shareholding of CSL was 25%, as prescribed under the MPS norms. In December 2018, CSL's public shareholding fell to 24.79% (0.21% less than the prescribed limit) consequent to the buyback of shares. As per Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957, CSL had to increase its public shareholding to at least 25% in the manner prescribed by SEBI by December 2020.
3. In order to facilitate Government of India's initiative to disinvest some of its stake in selected CPSEs, 30,90,978 (2.35%) equity shares of CSL held by the President of India were sold during February 2020 as part of the CPSE Exchange Traded Fund FFO-6, a mutual fund scheme based on the "Nifty CPSE Index". Pursuant to the said transaction, the Public shareholding of CSL increased to 27.14%.



4. As the aforementioned method was not a SEBI prescribed method to achieve the MPS requirements, SEBI, vide letter dated July 14, 2020, had advised the Company to comply with MPS requirements by December 2020 by adopting any one of the methods prescribed by SEBI.
5. Subsequently, the Department of Investment and Public Asset Management (DIPAM), had requested SEBI to allow disinvestment through ETF route as one of the methods for achieving MPS compliance as the shares divested by the Government finally reaches the secondary market.
6. SEBI, after examination of the matter, granted a one-time relaxation to CSL on sale of 30,90,978 shares held by the President of India to Nippon Life India Asset Management Ltd., as a part of CPSE Exchange Traded Fund FFO-6, in the month of February 2020, as a method to comply with MPS requirements under clause (ix) of the Annexure to the MPS Circular. SEBI also intimated that this shall not be treated as a precedent.
7. SEBI vide the communication referred at Para 1 above has also advised the Stock Exchanges to stop levying penalty imposed on the Company in terms of SEBI Circular dated October 10, 2017 for MPS non-compliance.
8. The above is for your information and records.

Thanking you,

**For Cochin Shipyard Limited**