

# 19th ANNUAL REPORT 2021-2022

*Resurgence  
Through Innovation*



INS Kalpeni in SBSL Slipway for Short Refit (SR-22)



Sea Blue Shipyard Ltd.

An ISO 9001 : 2015 Certified Shipyard



**Sea Blue Shipyard Ltd.**

(CIN: U35111KL2003PLC016677)

**Registered Office:**

1/212, V. P. Road, Azheekal. P.O,  
Vypin, Kochi- 682508



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## Board of Directors

Sri. O C John	Chairman and Managing Director
Sri. E Tojen	Director (Operations)
Sri. E V Ramachandran Nair	Non-Executive Director
Dr. Raju Varghese C	Non-Executive Director
Sri. R. Jeyaraman	Non-Executive Director
Sri. Shaji Joseph	Non-Executive Director
Sri. Jroish G. Kanippilly	Non-Executive Director
Sri. Vijith Vijayachandran	Independent Director
Dr. P.V. Chandramohan	Independent Director

## Audit Committee

Sri. Shaji Joseph	Chairman
Sri. Vijith Vijayachandran	Member
Dr. P.V. Chandramohan	Member

## Nomination and Remuneration Committee

Sri. E V Ramachandran Nair	Chairman
Sri. Vijith Vijayachandran	Member
Dr. P.V. Chandramohan	Member

**Banker** State Bank of India, SME Branch, Ernakulam

**Statutory Auditor** M/s. A Mathew & Associates,  
Practicing Chartered Accountants,  
Ernakulam

**Corporate Consultant** M/s. Satheesh & Remesh  
Practicing Company Secretaries, Ernakulam

**Legal Consultant** Adv. N N Sugunapalan  
Chandrasekharan & Chandrasekhar Menon,  
Advocates, Ernakulam



## Notice of the 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting (AGM) of the Members of Sea Blue Shipyard Ltd. will be held on Saturday, the 24th day of September, 2022 at 11.00 A.M (IST) via Video Conferencing (VC) facility or Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2022, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, Annexure and Schedules thereto and the reports of the Auditors and the Board of Directors thereon.
2. To declare a final dividend of Rs. 0.50 per equity Share, for the financial year ended 31st March, 2022.
3. To consider appointment of a director in place of Dr. Raju Varghese C (DIN:02830301) who retires by rotation being eligible for re-appointment and offers himself for re-election.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Dr. Raju Varghese C, Non-Executive Director (DIN:02830301) liable to retire by rotation, being eligible for re-appointment and offers himself for re-election, be and is hereby appointed as Director of the Company.”

4. To consider appointment of a director in place of Mr. R Jeyaraman (DIN: 07283849) who retires by rotation, eligible for re-appointment, and offers himself for re-election.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. R Jeyaraman, Non-Executive Director (DIN: 07283849) liable to retire by rotation, being eligible for re-appointment and offers himself for re-election, be and is hereby appointed as Director of the Company.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139,142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s JVR & Associates, Chartered Accountants, Ernakulam (Firm Registration No. 011121S) be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty fourth consecutive Annual General Meeting at a remuneration fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imburement of applicable taxes and actual out of pocket expenses incurred in connection with the audit and billed progressively.”

## SPECIAL BUSINESS:

### 6. To ratify the Remuneration of Executive Directors of the Company

To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT in accordance with the provisions of Section 196,197,198 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) and the recommendations of Nomination and Remuneration Committee and the Board, the consent of the members be and is hereby accorded to the remuneration package of executive directors fixed by the Board of Directors at its 124<sup>th</sup> Board Meeting held on 11<sup>th</sup> February, 2022 as set out below:

(i) Mr. Tojen E, WTD :

Existing Salary of Rs. 1,05,000 P.M and HRA of Rs. 16,000 P.M plus 0.5% of Net Profit derived under Section 198 as Performance Incentive w.e.f 01<sup>st</sup> April, 2021.

(ii) Mr. O.C John, CMD : No Salary

Percentage of Net Profit Under Section 198 of the Companies Act, 2013

Net Profit upto 7.5 Crores (After Tax): 9% of the Net Profit before Tax derived under Section 198 of the Companies Act, 2013 minus remuneration of Mr. Tojen E, WTD w.e.f 01<sup>st</sup> April, 2021.

Net Profit above 7.5 Crores (After Tax): Upto 7.5 Crores above slab rate of 9% applicable. Above 7.5 Crores, 10% of the Net Profit before Tax derived under Section 198 of the Companies Act, 2013 minus remuneration of Mr. Tojen E, WTD w.e.f 01<sup>st</sup> April, 2021.

RESOLVED FURTHER THAT the Board of Directors or any of its committee be and is here by authorized to do all such acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution.”

### 7. To approve the Re-appointment of Shri. O C John, Managing Director of the Company

To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 196,197 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and the recommendations of Nomination and Remuneration Committee and the Board, and subject to any other approval as may be required, the consent of the members of the Company be and is hereby accorded for re appointment of Mr. O C John, (DIN:00918513) as the Managing Director of the Company for a period of two years with effect from 24<sup>th</sup> September, 2022 and the payment of such remuneration as fixed by the Board of Directors at its 124<sup>th</sup> Board Meeting held on 11<sup>th</sup> February, 2022 and ratified by the members at this 19<sup>th</sup> Annual General Meeting as set out in foregoing resolution No.06 and explanatory statement annexed hereto;



RESOLVED FURTHER THAT the Board of Directors or any of its Committee be and is here by authorized to do all such acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution.”

**8. To approve the Re-appointment of Shri. Tojen E, Whole-time Director of the Company**

To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 196,197 and 203 read with Schedule V of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel)Rules,2014(including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and the recommendations of Nomination and Remuneration Committee and the Board, and subject to any other approval as may be required, the consent of the members of the Company be and is hereby accorded for re appointment of Mr. Tojen E, (DIN:01562904) as the Whole-time Director of the Company for a period of two years with effect from 24<sup>th</sup> September,2022 and the payment of such remuneration as fixed by the Board of Directors at its 124<sup>th</sup> Board Meeting held on 11<sup>th</sup> February,2022 and ratified by the members at this 19<sup>th</sup> Annual General Meeting as set out in foregoing resolution No.06 and explanatory statement annexed hereto;

RESOLVED FURTHER THAT the Board of Directors or any of its committee be and is here by authorized to do all such acts, deeds, things, matters and take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution.”

**9. To Appoint Mr. Kurien Varughese as the Non-Executive Director of the Company**

To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152,160 and other applicable provisions of the Companies Act,2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules,2014, as amended from time to time and other applicable if any under the Act, Mr. Kurien Varughese (DIN:09701719) be and is hereby appointed as the Non-Executive Director of the Company, who shall be liable to retire by rotation.”

**10. To Appoint Mr. K B Gopalakrishnan as the Non-Executive Director of the Company**

To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152,160 and other applicable provisions of the Companies Act,2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules,2014, as amended from time to time and other applicable if any under the Act, Mr. K B Gopalakrishnan (DIN:00007974) be and is hereby appointed as the Non-Executive Director of the Company, who shall be liable to retire by rotation.”

## 11. Appointment of Dr. Mohammed Sagheer as an Independent Director

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152,161,164 read with Schedule IV of the Companies Act,2013, and all other applicable provisions of the Companies Act,2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions including rules made there under if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Mohammed Sagheer (DIN: 02802910), who was appointed as an Additional Director of the Company under the category Non-Executive(Independent Director) of the Company with effect from August 06, 2022, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act,2013 and Articles of Association of the Company and in respect of whom the Company has received notice in writing under Section 160(1) of the Companies Act,2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for five(5) consecutive years with effect from August 06, 2022 and he shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers to any committee of directors with power to further delegate to any officer(s) / authorized representative(s) of the Company to do all acts, deeds, and things and take all such steps as may be necessary, proper, expedient to give effect to this resolution.”



## Notes

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business to be transacted in the Annual General Meeting as set out in the Notice is annexed.
2. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020 dated April 08,2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 05 ,2020, No. 02/2021 dated January 13, 2021, No. 19/2021 dated December 08,2021, No. 21/2021 dated December 14, 2021 and No. 02/2022 dated May 05, 2022 (collectively referred to as '**MCA Circulars**') has permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act') and MCA Circulars, the 19th AGM of the Company is being held through VC/OAVM on 24th September, 2022 at 11.00 a.m(IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at 1/212, V.P Road, Azheekal P.O, Vypin, Kochi-682508
3. Pursuant to the provisions of the act, a member entitled to attend and Vote at the AGM 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.

Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been Dispensed with. Accordingly, in terms of MCA circulars the facility for Appointment of proxy by the members will not be available for this AGM And hence the proxy form and attendance slip are not annexed to this Notice.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and up to 15 minutes after the scheduled time of commencement of the Meeting.
5. As per the provisions of Clause 3.B.IV of the General Circular No.20/2020 dated May 05, 2020, the matters of Special Business as appearing at Item Nos. 06 to 11 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
6. In line with the MCA Circular dated May 5, 2020 the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company. The Notice convening the 19th AGM has been uploaded on the website of the Company at [www.seablueshipyard.com](http://www.seablueshipyard.com).
7. Members who have not yet registered their email addresses are requested to register the same with the Company email id at [cs@seablueshipyard.com](mailto:cs@seablueshipyard.com), at least ten days before the date of the AGM.
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item Nos. 6 to 11 is annexed hereto and forms part of this notice.
9. Pursuant to Section 91 of the Companies Act 2013 the register of members and the share transfer books of the Company will remain closed from Sunday, September 18, 2022 to Saturday, September 24,2022 (both days inclusive) for the purpose of this AGM and for determining the entitlement of members to final dividend for the financial year ended March 31,2022, if approved at the AGM.

The dividend of Rs. 0.50 Paise per equity share of Rs. 10 each (5%), if declared at the AGM, will be paid subject to deduction of tax at source (TDS) on or after September 27, 2022 and before October 24, 2022 as under:

- (a) To all the Beneficial Owners as at the end of the day on September 17, 2022 as per the list of beneficial owners to be furnished by the Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) To all members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid request lodged with the Company as of the close of business hours on Saturday, September 17, 2022.

Members who are unable to receive the dividend directly in their bank account through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' Cheque/ demand draft to such Members.

10. According to the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f April 01, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members as prescribed rates in the Income Tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, and Category as per the IT Act with their Depository Participants (DPs) or in case shares are held in physical form, with the Company by sending documents by Thursday, 15<sup>th</sup> September, 2022 (Upto 5.00 P.M) to enable the Company to determine the appropriate TDS/with holding tax rate applicable.
11. Members are requested to: (a) intimate changes, if any, in their registered addresses to the Company / Registrar and Transfer Agents (RTA) at the address available in the Annual Report, (b) quote ledger folio numbers in all their correspondence, and (c) keep their copies of the Annual Report handy while attending the Annual General Meeting.
12. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH 13 duly filled in to the RTA. The prescribed form can be obtained from the Company / RTA.
13. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 19<sup>th</sup> AGM, from their registered e-mail address, mentioning their name, folio number and mobile number, to reach the Company's e-mail address at [cs@seablueshipyard.com](mailto:cs@seablueshipyard.com) at least 10 days before the Annual General Meeting to enable the Company to prepare suitable replies to such questions. In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode also. Members seeking to inspect such registers can send a request by email to [cs@seablueshipyard.com](mailto:cs@seablueshipyard.com) at least 10 days before the Annual General Meeting to enable the Company to prepare suitable replies to such questions.
14. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [cs@seablueshipyard.com](mailto:cs@seablueshipyard.com) by mentioning their Folio Number. Necessary arrangements will be made to inspect the documents through electronic mode.
15. **Instructions for Members attending the AGM through VC/OAVM are as under:**
  - a) During the meeting held through VC or OAVM facility, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their e-mail addresses which are registered with the Company. The said e-mails shall only be sent to the designated e-mail of the Company ie. [sathveeka001@gmail.com](mailto:sathveeka001@gmail.com)



b) The Board appointed Mr. Satheesh Kumar N, Practising Company Secretary, Satheesh & Ramesh Company Secretaries as Scrutinizer if poll demanded in the AGM. His Email ID is sathveeka001@gmail.com.

c) AGM through VC or OAVM facility will be held through Zoom platform. You are requested to download the Zoom App. The link and other details are given below:

Zoom Meeting Id : **94538575965**

Password : **KatoUV2b\_s**

Meeting link : **<https://zoom.us/j/94538575965?pwd=dDI5c1FzQVhsRDBZM0xYem1jVIQ2UT09>**

Date of AGM : **24th September, 2022**

Time : **11:00 AM**

d) Members shall click on URL received by mail in their registered mail ID or by SMS in their registered mobile phone and shall key in the unique username and password disclosed in the mail.

e) The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

f) Members are encouraged to join the Meeting through Laptop / iPad for better experience.

g) Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

h) Please note that participants connecting from mobile devices or tablets or through laptop via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

For and on behalf of the Board of Directors

For Sea Blue Shipyard Limited

O C JOHN

Chairman & Managing Director

DIN: 00918513

Place : Vypin

Date: 30-07-2022

## Annexure to Notice

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 6

On recommendation by Nomination and Remuneration Committee, and the Board, the consent of members be and is hereby accorded to the remuneration package of Executive Directors fixed by the board of directors at board meeting held on 11th FEBRUARY, 2022

#### 01. TOJEN ETTATHOTTU (WHOLE-TIME DIRECTOR)

Existing Salary-RS 1, 05,000 P.M HRA- RS 16,000 P.M plus 0.5% of Net profit Derived under section 198 as performance incentive with effect from 01/04/2021

#### 02. O C JOHN (MANAGING DIRECTOR) - No Salary

##### Percentage of Net Profit Under Section 198 of the Companies Act, 2013

**Net Profit up to 7.5 Crores (After Tax):** 9% of the Net Profit before Tax derived under Section 198 of the Companies Act, 2013 minus remuneration of Mr. TOJEN E, WTD w.e.f 01st April, 2021.

**Net Profit above 7.5 Crores (After Tax):** Up to 7.5 Crores above slab rate of 9% applicable. Above 7.5 Crores, 10% of the Net Profit before Tax derived under Section 198 of the Companies Act, 2013 minus remuneration of Mr. TOJEN E, WTD w.e.f 01st April, 2021.

#### Item No. 7

O.C JOHN is a Post Graduate in Commerce and a Graduate in Law having 34 years of experience in Ship Building and Ship Repairing business. He is the Chairman & Managing Director of Sea Blue Shipyard Limited and is having about 24 years' experience with M/s. Western Marine Engineering, a ship repairing and building firm as its Manager and Power of Attorney holder.

Mr. O.C JOHN (DIN:00918513) on recommendation by Nomination and Remuneration Committee, the Board proposes in its meeting on 11th February, 2022 his reappointment as Managing director of the Company with effect from 24th September 2022 for two years and the payment of such remuneration as fixed by the board of directors at board meeting held on 11th FEBRUARY, 2022

Your Directors recommends the said resolution, as an ordinary resolution, for your approval.

#### Item No. 8

**TOJEN ETTATHOTTU** has about 9 years of experience in Merchant Navy as a Marine Engineer. Mr. TOJEN had been working with M/s. Denholm Ship Management Ltd., UK. He is having 15 years of experience in ship repairing and building business.

Mr. **TOJEN ETTATHOTTU** (DIN:01562904) on recommendation by Nomination and Remuneration Committee, the Board proposes in its meeting on 11th February, 2022 his reappointment as Whole-Time director of the Company with effect from 24th September 2022 for two years and the payment of such remuneration as fixed by the board of directors at board meeting held on 11th February, 2022

### Item No. 9

**KURIEN VARUGHESE** is a Versatile and highly accomplished senior executive management professional with 30+years of extensive experience with significant exposure to project management, service delivery management, technical team management, selecting and implementing core banking systems, Middleware solution, Omni Channel solutions, Card Management systems, Robotic Process Automation and disaster recovery planning across the banking industry in Kuwait. Provides invaluable and critical information to make key strategic decisions in IT with strong business and commercial focus and is fully capable of delivering cost-effective solutions and realizing significant benefits to business, both financial and operational. An outstanding team player who through a collaborative approach create robust strategies to translate vision into achievements, demonstrate strong analytical, problem-solving and decision-making skills.

**Mr. KURIEN VARUGHESE** (DIN: 09701719) on recommendation by Nomination and Remuneration Committee, and pursuant to the provisions of section 152,160 and other applicable provisions of Companies Act 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 to be appointed as the Non-Executive Director of the Company, who shall be liable to retire by rotation.

### Item No. 10

**K B GOPALAKRISHNAN** has 25 years in State Bank of India (SBI), India's largest commercial Bank including 3 years' international experience at London. Also, 5 years in SBI Capital Markets Ltd. as Head, Project Advisory and Structured Finance. Handled all types of assignments in Commercial Banking and had exposure to all facets through different roles such as Passing Officer, Credit Analyst, Accountant, Branch Manager, Divisional Manager, Controller, and Module Head& Network Head. Considerable exposure to Operations Management, Risk Management, SME Financing, Corporate Banking, International Banking and Investment Banking.

**Mr. K B GOPALAKRISHNAN** (DIN: 00007974) on recommendation by Nomination and Remuneration Committee, and pursuant to the provisions of section 152,160 and other applicable provisions of Companies Act 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 to be appointed as the Non-Executive Director of the Company, who shall be liable to retire by rotation

Your Directors recommends the said resolution, as an ordinary resolution, for your approval

### Item No. 11

**Mr. MOHAMMED SAGHEER** aged 51 years residing at ALUVA.. He is a Post Graduate in Civil Engineering from IIT Madras, PhD in Civil Engineering from IIT Delhi, MBA (Finance) from FMS Delhi University and LLB from Delhi University. He was an IRS/ IPS probationer and has 27 years of experience in various fields

**Mr. MOHAMMED SAGHEER** (DIN: 02802910) on recommendation by Nomination and Remuneration Committee, the Board proposes his reappointment as an Additional Director of the Company under the category Non-Executive (INDEPENDENT DIRECTOR) of the Company with effect from 06th August 2022 for five years and he shall not be liable to retire by rotation

Your Directors recommends the said resolution, as an ordinary resolution, for your approval.

## Chairman's Message

Dear Shareholders,

Your company's performance during the financial year 2021-22 has been gratifying even through the economic slowdown seen in India's growth during the year due to the third Covid wave. Your company did extremely well during the financial year 2021-22.

Your company had a long history of set backs and grave threats. All of us passed through horrendous days of distress for a couple of years, and I am aware that you were, as I did, experiencing trauma on serious concern of eroding value and potential threat of loss of investment.

It is certainly a matter of pride for all of us that we could, unlike a majority of shipyards in our country; turn a new leaf so that we could make history of resurgence from distress. Let us take a while, in looking back at our story of resurgence in the last three years. In three years, we were able to achieve unbelievable milestones. At this opportunity, I would like to list out a few important landmark developments during the said period:

1. In December 2020, we came out of NPA status by paying off all the liabilities with the bank.
2. In Financial Year 2019-20, we could buck the trend and make a reasonable profit. In Financial Year 2020-21 we were able to continue the trend in profitability and now in Financial Year 2021-22, we were able to significantly increase our profit and our net position.
3. We have wiped out all accumulated losses and the reserves now show a positive figure without any net worth erosion.
4. Our position has improved significantly and as a result, your company is back on track to becoming a dividend paying company with a dividend of 5% being declared for the current year and further dividends being expected considering our profitability and recent track record.
5. We were able to improve our process and compliances and therefore we cleared off many of the irregularities and audit remarks on Capital Work in Progress, Statutory dues, and large unrealized receivables.
6. We made significant improvements to our infrastructure and presentation through which we can bag large orders and provide an opportunity for sustained business and income. In this regard, the mechanical slipway has been supplemented with balloon docking facility as part of our bid to enhance our infrastructure capabilities.
7. The biggest evidence of our improved operations and position is that our prime customer, The Indian Navy has consequently upgraded our vendor status by allowing us to participate in tenders for refit of smaller warships for which they normally don't consider private shipyards. This improved recognition and confidence is what led us to securing the order for the refit of INS Kalpeni.

Overall, a fulfilling year! It is bright now. I am sure tomorrow will be brighter. Let us all pray for the prosperity of our company and a rewarding future!

## Directors' Report for the Financial Year 2021-2022

Dear Members,

Your directors have pleasure in presenting the 19th Annual Report of your company along with the audited financial statements for the year ended 31st March, 2022.

### FINANCIAL HIGHLIGHTS

(in Rs.)

Particulars	Year ended 31/03/2022	Year ended 31/03/2021
Gross Income	19,46,30,957	12,87,23,626
Profit before taxation	5,37,14,575	3,70,18,225
Finance Charges	88,70,070	53,58,207
Depreciation & Amortization	98,91,957	15,41,283
Current Tax	84,15,007	NIL
Deferred Tax Asset	61,36,108	76,16,915
Profit After Tax	3,91,63,460	2,94,01,310
Dividend Proposed	2,00,00,000	0

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

#### A) Financial Performance

The Company is engaged in the business of repairs and maintenance of ships, barges, dredgers, tugs, fishing trawlers, boats, other marine vessels, floating crafts and general engineering works. There has been no change in the business activity of the Company during the financial year ended 31st March, 2022.

During the financial year 2021-22, the net revenue from operations of your Company increased by 66.14% from Rs.12.87 Crores to Rs.19.46 Crores. The Company's profit after tax stood at Rs. 3.91 Crore vis-à-vis Rs.2.94 crore in the previous year, registering a growth of 75.07% Both the turnover and profit have increased with respect to the previous year which can be attributed to lockdown restrictions easing and the economy recovering from the pandemic. The company expects both the turnover and profit to increase further in the future due to these factors.

## B) Ship Repair

During the year, we have undertaken repair works of 23 vessels of different types for Indian Navy, KSINC, SCI, Adani, Andaman and Lakshadweep Harbour Works, Indian Coast Guard etc. The Major project details are tabled below:

Sl.No.	Name of the Project	Category	
01	FC Neelam	Naval Ship Repair Yard Kochi	Dry Docking
02	FB Pradayak	Naval Ship Repair Yard Kochi	Dry docking
03	INS Kalpeni	Naval Ship Repair Yard Kochi	Dry Dock Repair Works
04	Sagar III	Adani Ports & Logistics Ltd	Dry Dock Repair Works
05	RV Samudra Shaudhikama	Shipping Corporation of India	Dry Dock Repair Works

## C) Land Mark Developments

During the year under review, perhaps the most important development was that we received the order for Dry dock repair of INS Kalpeni, which is a Fast-Attacking Craft (FAC). This type of vessels is rarely handed over to private parties which is a huge achievement for us. We were able to not only secure the order, but perform the same without any issues and only a small portion of the work and handover of the vessel remains to be done. Also, we were able to handle 23 vessels as compared to 18 in the previous year, due to improved operations and performance.

## D) Future Outlook

The Directors are happy to inform you that our major clients like Indian Navy and Indian Coast Guard are happy and confident to deal with us. The Indian Navy has now started considering us for higher class of vessels. This is evident from the fact that we were able to secure the orders of INS Kalpeni, FC Neelam and FB Pradayak. We now wish to extend our slipways and infrastructure to handle such higher class of vessels. This will further enhance our competitive and economic position in the coming years.

We are confident that, with the ardent desire and unstinted support from shareholders, your company is poised for growth and profits and the future looks very bright for SBSL.

## WEBLINK OF ANNUAL RETURN:

The Weblink of Annual Return of our Company is:  
<https://www.seablueshipyard.com/investors/reports>

## DIVIDEND

The Board is pleased to recommend a dividend of Rs.0.50 per equity share of the Company of Rs. 10/- each (5%) for the financial year ended 31st March, 2022.

The Board has adopted a dividend distribution policy and recommended dividends based on the parameters laid down in the Dividend Distribution Policy.

The said Dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on Saturday, September 24, 2022. If approved and declared in the forthcoming Annual General Meeting, it would result in a dividend out flow of Rs.2,00,00,000/-.

The Dividend once approved by the Shareholders will be paid on or from September 27, 2022, and before October 24, 2022.



Dr. P V Chandramohan (DIN: 03093272) who was appointed as an Independent Director of the Company at the 14th Annual General Meeting for a period of five years will expire at the ensuing 19th AGM.

Dr. Mohammed Sagheer (DIN:02802910) was appointed as an Additional Director under the category of Non- Executive, Independent Director with effect from August 06, 2022, subject to the approval of Members. Dr. Mohammed Sagheer holds office as an Additional Director, till conclusion of the ensuing 19th Annual General Meeting (“19th AGM”). A notice under Section 160 of the Companies Act 2013, has been received from a member nominating the candidature of Dr. Mohammed Sagheer for appointment as Non-Executive, Independent Director of the Company. The Nomination and Remuneration Committee (“NRC”) and the Board have considered and recommended to the Members for the appointment of Dr. Mohammed Sagheer as Non-Executive, Independent Director and a resolution seeking shareholders' approval for his appointment forms part of the Notice of the ensuing 19th AGM.

According to Section 152(6) of the Companies Act, 2013 2/3rd of the total directors are liable to retire by rotation and those out of the 2/3rd, 1/3rd of the directors who were in the office for the longer period is liable to retire first. Accordingly, Dr. Raju Varghese C (DIN:02830301) and Mr. R Jeyaraman (DIN:07283849) retire by rotation at the ensuing 19TH AGM.

As on March 31, 2022, the following were Key Managerial Personnel (“KMP”) of the Company as per Section 2(51) and 203 of the Companies Act, 2013:

- a) Mr. O C John, Chairman and Managing Director
- b) Mr. Tojen E, Whole-time Director
- c) Mr. Jilish George Kanippilly, Chief Financial Officer and
- d) Mr. Jofin John, Company Secretary

#### **PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH THE COMPANY**

During the year under review, the Non-Executive Directors of the Company had no other pecuniary relationship or transactions with the Company, other than sitting fees, Interest on Unsecured Loan and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee(s) of the Company.

#### **NUMBER OF BOARD MEETINGS:**

During the Financial Year 2021-22, 5 [Five] meetings of the Board of Directors of the Company were held. The meetings were held on 04.08.2021, 28.08.2021, 27.11.2021, 31.12.2021, and 11.02.2022 respectively.

## **BOOK CLOSURE**

The Register of Members and Share Transfer of the Company will remain closed from Sunday, September 18, 2022 to Saturday, September 24, 2022 (both days inclusive) to determine the eligible shareholders to receive dividend for the year ended March 31, 2022. According to the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders with effect from April 01, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members as prescribed rates in the Income Tax Act, 1961 (the IT Act).

## **RESERVES**

During the year under review, the company has transferred Rs 1.91 Cr to reserves and surplus account.

## **CAPITAL STRUCTURE**

As on 31 Mar 2022, the authorized share capital and paid-up equity share capital of the Company are Rs 40.00 Cr and Rs. 40.00 Cr respectively. During the year under review, there was an increase of Rs. 2,61,30,680/- in paid up share capital of the company by way of Rights Issue. The Company had allotted 26,13,068 shares electronically to the members who had applied for the rights offer.

## **DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS:**

The Company has put in place adequate internal financial controls with reference to the financial statements.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, there were nine directors comprising of two Executive Directors, five Non-executive Directors and two Independent Directors.

Dr. Raju Varghese C (DIN:02830301) Non-Executive (Non-Independent) Director of the Company, who was retiring by rotation at the 18th Annual General Meeting ("18th AGM") held on September 29, 2021 was re-appointed by the Members at the 18th AGM and he shall be liable to retire by rotation.

Mr. R Jeyaraman (DIN:07283849) Non-Executive (Non-Independent) Director of the Company, who was retiring by rotation at the 18th Annual General Meeting ("18th AGM") held on September 29, 2021 was re-appointed by the Members at the 18th AGM and he shall be liable to retire by rotation.

Mr. Jroish George Kanippilly (DIN: 03623843), who was earlier appointed as Additional Director with effect from December 23, 2020, and in respect of whom, a notice of candidature for the office of director in writing under Section 160 of the Companies Act, 2013 was received, was appointed as Non-Executive (Non-Independent) Director by the Members at 18th AGM and he shall be liable to retire by rotation.

Mr. Vijith Vijayachandran (DIN:08917126) was appointed as an Additional Director under the category of Non-Executive, Independent Director with effect from March 23, 2021, and in respect of whom, a notice of candidature for the office of director in writing under Section 160 of the Companies Act, 2013 was received, was appointed as a Non-Executive, Independent Director of the Company for a term of 5 years commencing from March 23, 2021 by the Members at 18th AGM and he is not liable to retire by rotation.

The composition and category of the Directors alongwith their attendance at Board Meetings as on 31st March, 2022 are given below:

SI No	Name of Director	Designation	No. of Board Meetings	
			Held	Attended
1	Sri. O C John	Chairman and Managing Director	5	5
2	Sri. E. Tojen	Executive Director	5	5
3	Sri. Shaji Joseph	Non- Executive Director	5	5
4	Dr. Raju Varghese C	Non- Executive Director	5	5
5	Sri. Jroish G Kanippilly	Non- Executive Director	5	5
6	Sri. R. Jeyaraman	Non- Executive Director	5	5
7	Sri. E V Ramachandran Nair	Non- Executive Director	5	5
8	Dr. P. V. Chandramohan	Independent Director	5	5
9	Sri. VijithVijayachandran	Independent Director	5	5

## **DIRECTOR'S APPOINTMENT AND REMUNERATION**

The policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters is in compliance with Section 178(3) of the Companies Act, 2013. The Board has constituted Nomination and Remuneration Committee for this purpose.

Pursuant to Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has fixed a sitting fees of Rs. 10,000 per meeting per Director (excluding Executive Directors) for attending the Board Meeting of the Company.

## **DETAILS OF DIRECTORS/KMP APPOINTED OR RESIGNED DURING THE YEAR**

There are no changes in the constitution of Board during the year under review.

## **DECLARATION BY INDEPENDENT DIRECTORS**

As on March 31, 2022, Dr. PV Chandramohan and Sri. Vijith Vijayachandran were the Independent Directors on the Board.

According to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder.

Further, the declaration of compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by the Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to the enrollment in the Data Bank created by MCA for Independent Directors, had been received from all Independent Directors.

## **REMUNERATION POLICY**

The Company follows a remuneration policy as approved by the Nomination and Remuneration Committee and the Board ensures that the composition of remuneration is reasonable to attract, retain and motivate the Directors, KMP and Senior Management employees.

## STATUTORY AUDITOR

M/s. A Mathew & Associates, Practicing Chartered Accountants, 66/6172, Kanakathara Lane, Convent Road, Ernakulam -682035 the Statutory Auditors of the Company, hold office till the conclusion of the ensuing AGM. The Notes on stand alone and consolidated financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of Section 178(1) of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board & its Powers) Rules 2014, the Board has reconstituted the Nomination and Remuneration Committee on 20th March, 2021 with the following Members:

Sl.No.	Name of the Member	Designation
1.	Sri. E V Ramachandran Nair / Non-Executive Director	Chairman
2.	Dr. P V Chandramohan / Independent Director	Member
3.	Sri. Vijith V / Independent Director	Member

The purpose of constituting the Nomination and Remuneration Committee is to formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees by striking a balance between the interest of the Company and the Shareholders.

During the year under review, two meetings of the Nomination and Remuneration Committee were held on 10th November, 2021

## AUDIT COMMITTEE

The Board has reconstituted the Audit Committee on 20th March, 2021 with the following members:

Sl.No.	Name of the Member	Designation
1.	Sri. Shaji Joseph / Non-Executive Director	Chairman
2.	Dr. P V Chandramohan / Independent Director	Member
3.	Sri. Vijith V / Independent Director	Member

All the recommendations made by the Audit Committee were accepted by the Board during the period under review.

During the year 2021-22 under review, four meetings of the Audit Committee were held on 04.08.2021, 28.08.2021, 24.11.2021 and 23.03.2022.

Sl.No	Name of the Member	Category of Member	No. of Audit Committee Meetings	
			Held	Attended
1.	Sri. Shaji Joseph	Non-Executive Director	4	4
2.	Dr. P V Chandramohan	Independent Director	4	4
3.	Sri. Vijith V	Independent Director	4	4

**Material changes and commitments affecting financial position of the Company, occurring after balance sheet date:**

There has been no material change between the end of the Financial Year and date of this report.

**FIXED DEPOSITS**

Your Company has not accepted any fixed deposits and as such no amount of principal or interest was outstanding as on the date of Balance Sheet.

**PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

The Company has not granted any loan, guarantees and investment covered under section 186 of the Companies Act, 2013 during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Company has not entered contract or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 during the year under review. Therefore, Form AOC-2 is not attached with the Board's Report as required under Section 134(3)(h) of Companies Act 2013 read with Rule 8 (2) of Companies (Accounts) Rules 2014.

**RISK MANAGEMENT POLICY**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to provisions of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and Individual Directors.

The Nomination and Remuneration Committee ("NRC") approved a framework in the form of questionnaire for annual evaluation of the Board, Committee(s) and Individual Directors.

The Board evaluated its performance at the 121st Board Meeting held on August 28, 2021 after seeking inputs from all the Directors based on criteria such as the Board Composition and Structure, effectiveness of Board Processes, Information and functioning etc., The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of committees, effectiveness of committee meetings etc.

All the directors participated in the evaluation process. The responses received from the Board members were compiled and a consolidated report was submitted to the Chairman of the NRC and the Chairman of the Board.

The Board and the NRC reviewed the performance of Individual Directors based on criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors and the Board as a whole, and the Chairman of the Company was evaluated taking into account the views of the Executive Directors and Non -Executive Directors.

The above evaluations were then discussed at the Board meeting dated August 28, 2021 that followed the meeting of the Independent Directors and the NRC, at which the performance of the Board, its committees, and individual directors was also discussed. The performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

## DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards and the instructions provided under Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have 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 as at 31st March 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134(3)(m) of Companies Act 2013 read with rule no 8(3) read with the Companies (Accounts) Rules 2014 pertaining to conservation of energy, technology absorption and foreign earning and outgo are a sunder:

**Conservation of Energy:** Adequate steps are taken to conserve energy.

**Technology absorption:** Not applicable

**Foreign Exchange Earnings/ Outgo:**

**Earnings** - 46,78,319.00

**Outgo** -18,94,261.00

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Personnel and industrial relations were cordial and satisfactory during the year under review. There were no employees of the company who have drawn remuneration in excess of the limits set out under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or other wise. use of shares (including we at equity shares) to employees of the Company under any scheme.
3. Change in the nature of the business of the company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



5. Your Directors further state that during the year under review, there were no cases reported to the Internal Complaints Committee pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also no frauds were reported by the Auditors of the Company.

### UNSECURED LOANS

During the year under review, the unsecured loan outstanding as on 31st March, 2022 is Rs. 3,34,00,000/-

Opening Balance		: Rs. 7,03,86,856/- (Including Accrued Interest)
Received from	(i) Dr. Raju Varghese	: Rs. 72,00,000.00/-
	(ii) Shri. O C John	: Rs. 3,77,60,000/-
	(iii) Shri. Shaji Joseph	: Rs. 75,00,000/-
	(iv) Shri. R Jeyaraman	: Rs. 1,07,60,650/-
Repayment made including Interest to		
	(i) Dr. Raju Varghese C	: Rs. 1,33,92,972.00/-
	(ii) Shri. O C John	: Rs. 57,42,043/-
	(iii) Shri. Shaji Joseph	: Rs. 0.00/-
	(iv) Shri. R Jeyaraman	: Rs. 1,31,34,222/-
Interest Accrued	(i) Dr. Raju Varghese C	: Rs. 26,64,535/-
	(ii) Shri. O C John	: Rs.24,67,241/-
	(iii) Shri. Shaji Joseph	: Rs. 14,08,654.00/-
	(iv) Shri. R Jeyaraman	: Rs.8,08,459/-
Net Balance Accrued		: Rs.3,34,00,000/- (Including Accrued interest)

### ACKNOWLEDGMENT

Your Directors are grateful to the Company's valued shareholders for their un-stinted support and patronage and look forward to receive the same in equal measures in the years to come. The Board members also express their indebtedness to bankers and other stakeholders for their cooperation and continued support. Your Directors also wish to place on record their deep sense of appreciation for the committed services by all employees of the Company.

#### For and on behalf of the Board of Directors

Sd/-

**O C John**

Managing Director

DIN: 00918513

Sd/-

**E. Tojen**

Director

DIN: 01562904

Place: Vypin

Date: 30/07/2022

## Independent Auditor's Report

**To The Members of  
Sea Blue Shipyard Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **M/s Sea Blue Shipyard Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and 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 financial statements give the information required by the Companies Act, 2013 ('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, 2022, its Profit and Cash Flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

#### **Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



## **Management's responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, those 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 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.

### **As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 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;
  - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to the whole-time directors during the year is in accordance with the provisions of Section 197 of the Act and we have been informed that the increase/change in remuneration calculation made during the year as per board's decision is subject to ratification/approval by the shareholders in the ensuing annual general meeting
  - (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 has an impact on its financial position in its financial statements.
  - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. As stated in Note to financial statements
    - (a) The Company has not proposed final dividend in the previous year, declared and paid by the Company during the year.
    - (b) No interim dividend has been declared and paid by the Company during the year and until the date of this report.
    - (c) The Board of Directors of the Company have declared dividend for the year ended 31 March 2022 subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order

**For A Mathew & Associates**

Chartered Accountants (Registration No. 013144S)

**Abraham Mathew**

Proprietor

(Membership No. 201884)

66/6172, Kanakathara Lane, Convent Road,  
Ernakulam-682035, Kerala, India.

Dated: 30-07-2022

**UDIN: 22201884ANZWKS8039**

## Annexure - A to the Auditors' Report

**(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Sea Blue Shipyard Limited of even date)**

**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 Sea Blue Shipyard Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The board of directors of the Company 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, 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 31 March 2022, 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 A Mathew & Associates**

Chartered Accountants (Registration No.013144S)

### **Abraham Mathew**

Proprietor

(Membership No. 201884)

66/6172, Kanakathara Lane, Convent Road,  
Ernakulam-682035, Kerala, India.

Dated: 30-07-2022

**UDIN: 22201884ANZWKS8039**

## Annexure 'B' To The Independent Auditor's Report

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sea Blue Shipyard Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment :
  - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (ii) The Company has no intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by management during the year and in our opinion, the coverage and procedure followed by the management is appropriate having regard to the size of the Company and the nature of its inventory. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The company has not made investments in, provided any guarantee or stood security, granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or to any other parties.
- iv. The company has not given any loans or guarantees or made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company
- (vii) In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory

dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - (c) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders during the year
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority and we draw your attention to Note No-29 of notes attached to the financial statements mentioning errors in CIBIL report.
- (c) The term loans availed during the year have been utilized for the purposes for which they were obtained and there are no outstanding term loans from banks or financial institutions at the beginning of the year
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and there are no subsidiaries, associates or joint ventures
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and there are no subsidiaries, associates or joint ventures
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As informed to us by the management, there are no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company and accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- xxi. The financial statements under audit represents the stand alone financial statements as there are no subsidiaries, associates or joint ventures or group companies and accordingly reporting under clause 3(xxi) of the Order is not applicable for the year.

**For A Mathew & Associates**

Chartered Accountants (Registration No.013144S)

**Abraham Mathew**

Proprietor

(Membership No. 201884)

66/6172, Kanakathara Lane, Convent Road,  
Ernakulam-682035, Kerala, India.

Dated: 30-07-2022

**UDIN: 22201884ANZWKS8039**



## Balance Sheet as at 31 March 2022

Particulars	Notes	31-03-2022	31-03-2021
		(Rupees Thousand)	
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDER'S FUNDS</b>			
(a) Share Capital	1	400,000	373,869
(b) Reserves and Surplus	2	28,432	(10,731)
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	3	49,400	57,600
(b) Long-Term Provisions	4	2,315	2,200
(c) Deferred Tax Liabilities (Net)		2,241	-
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-Term Borrowings	5	9,236	17,991
(b) Trade Payables	6	15,939	18,498
(c) Other Current Liabilities	7	18,856	17,148
	<b>TOTAL</b>	<b>526,419</b>	<b>476,575</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant and Equipment	8	342,513	202,799
(ii) Capital work in progress	9	4,857	134,142
(b) Long Term Loans and Advances	10	1,262	480
(c) Deferred Tax Asset Net		-	3,895
(d) Other Non Current Assets	11	35,258	24,018
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	12	12,034	11,006
(b) Trade Receivables	13	101,379	83,878
(c) Cash and Cash Equivalents	14	6,506	1,180
(d) Short Term Loans and Advances	15	5,831	6,003
(e) Other Current Assets	16	16,779	9,174
	<b>Total</b>	<b>526,419</b>	<b>476,575</b>

The accompanying Notes (1 to 54) form an integral part of the financial statements

As per our report of even date attached

**O. C John** (DIN: 0918513)  
Managing Director

**E. Tojen** (DIN: 01562904)  
Wholetime Director

**Jilish George Kanippilly**  
Chief Financial Officer

Dated : 30 July 2022, Vypeen

For **A Mathew & Associates**  
Chartered Accountants, Regn No: 013144S

**C A Abraham Mathew**  
(ICAI M No: 201884)  
**UDIN: 22201884ANZWKS8039**

## Profit and Loss Statement for the year ended 31st March 2022

Particulars	Notes	31-03-2022	31-03-2021
		(Rupees Thousand)	
I. Revenue from Operations	17	190,806	127,352
II. Other Income	18	3,825	1,372
<b>III Total Income (I + II)</b>		<b>194,631</b>	<b>128,724</b>
<b>IV. Expenses:</b>			
Cost of material consumed	19	36,019	27,311
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Work in Progress	20	-3,523	2,393
Operating Expenses	21	38,027	38,154
Employee Benefits Expense	22	34,590	26,668
Financial costs	23	8,870	5,358
Depreciation and Amortization expense	8	9,892	1,541
Other expenses	24	17,041	9,878
<b>Total Expenses</b>		<b>140,916</b>	<b>111,303</b>
V. Profit before exceptional and extraordinary items and tax (III- IV)		53,715	17,421
VI. Exceptional items - Income			
VII. Profit before Extraordinary Items and Tax (V- VI)		53,715	17,421
VIII. Extra Ordinary Item- Income		0	19,597
IX. Profit Before Tax (VII- VIII)		53,715	37,018
X. Tax expense:			
(1) Current Tax		8,415	0
(2) Deferred Tax		6,137	7,617
XI. Profit/(Loss) for the period from continuing operations (IX- X)		39,163	29,401
XII. Profit/Loss from Discontinuing Operations		Nil	Nil
XIII. Tax Expense of Discontinuing Operations		Nil	Nil
XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII- XIII)		0	0
XV. Profit/(Loss) for the period (XI + XIV)		39,163	29,401
XVI. Earning Per Share :			
(1) Basic		0.98	0.79
(2) Diluted		0.98	0.79

The accompanying Notes (1 to 54) form an integral part of the financial statements

As per our report of even date attached

**O. C John** (DIN: 0918513)  
Managing Director

**E. Tojen** (DIN: 01562904)  
Wholetime Director

**Jilish George Kanippilly**  
Chief Financial Officer

Dated : 30 July 2022, Vypeen

**For A Mathew & Associates**  
Chartered Accountants, Regn No: 013144S

**C A Abraham Mathew**  
(ICAI M No: 201884)  
**UDIN: 22201884ANZWKS8039**

## Cash Flow Statement for the year ended 31 March 2022

	31-03-2022	31-03-2021
	(Rupees Thousand)	
<b>I Cash flows from operating activities</b>		
Net profit before taxation, and extraordinary item	53,715	17,421
Adjustments for :		
Depreciation	9,892	1,541
Interest income	-770	-584
Interest expense	8,171	4,321
<b>Operating profit before working capital changes</b>	<b>71,008</b>	<b>22,699</b>
<b>Working Capital Changes</b>		
(Increase) / Decrease in Trade Receivables	-17,501	-28,335
Decrease / (Increase) in Short Term Advances	172	838
Decrease / (Increase) in Other Current Assets	-7,605	214
Decrease / (Increase) in Inventories	-1,028	-393
Increase / (Decrease) in Trade Creditors	-2,559	4,534
Increase / (Decrease) in Other Current Liabilities	1,708	-16,961
<b>Cash generated from operations</b>	<b>44,195</b>	<b>-17,404</b>
Income taxes paid	8,415	0
<b>Net cash from operating activities before extra ordinary Items</b>	<b>35,780</b>	<b>-17,404</b>
<b>Add: Extra Ordinary items (Refer Note 1-15)</b>	0	19,598
<b>Net cash from operating activities</b>	<b>35,780</b>	<b>2,194</b>
<b>II Cash flows from investing activities</b>		
Purchase/Construction of PPE & CWIP	-20,324	-1,230
Proceeds from sale of PPE	2	
Interest received	770	584
Fixed Deposits with Long Term Tenure	-8,669	-17,054
Decrease / (Increase) in Other Non Current Assets	-2,571	28
<b>Net cash from investing activities</b>	<b>-30,792</b>	<b>-17,672</b>
<b>III Cash flows from financing activities</b>		
Proceeds from issuance of share capital	26,131	16,857
Proceeds from long-term borrowings	20,000	47,600
(Increase)/Decrease long-term loans and advances	-782	178
Proceeds/(repayment) of Long & short-term borrowings	-36,955	-46,091
Increase/(Decrease) in Long Term Provision	115	194
Interest paid	-8,171	-4,321
<b>Net cash used in financing activities</b>	<b>338</b>	<b>14,417</b>
<b>IV Net increase in cash and cash equivalents</b>	<b>5,326</b>	<b>-1,061</b>
Cash and cash equivalents at beginning of period	1,180	2,241
<b>Cash and cash equivalents at end of period</b>	<b>6,506</b>	<b>1,180</b>

The accompanying Notes (1 to 54) form an integral part of the financial statements

As per our report of even date attached

**O. C John** (DIN: 0918513)  
Managing Director

**E. Tojen** (DIN: 01562904)  
Wholetime Director

**Jilish George Kanippilly**  
Chief Financial Officer

Dated : 30 July 2022, Vypeen

For **A Mathew & Associates**  
Chartered Accountants, Regn No: 013144S

**C A Abraham Mathew**  
(ICAI M No: 201884)  
**UDIN: 22201884ANZWKS8039**

	31-03-2022	31-03-2021	
	(Rupees Thousand)		
<b>Note-1 Share Capital</b>			
<b>A. Authorised</b>			
4,00,00,000 Equity shares of Rs. 10 each	400,000	400,000	
(Previous Year 4,00,00,000 Equity shares of Rs. 10 each)	<u>400,000</u>	<u>400,000</u>	
<b>B. Issued, Subscribed and Fully Paid- Equity</b>			
Balance at the beginning of the period 3,73,86,932 Equity shares of Rs. 10/- each	373,869	356,989	
Add: Shares allotted during the year 26,13,068 equity shares	26,131	16,880	
Equity Share Capital as on 31.03.2022	<u>400,000</u>	<u>373,869</u>	
4,00,00,000 Equity shares of Rs. 10 each (Previous Year 3,73,86,932 Equity Shares of Rs 10 each)			
<b>Reconciliation of Equity Shares Outstanding at the beginning and end of reporting period</b>			
Opening No of Equity Shares	37,386,932	35,698,947	
No of Shares Issued during the year	26,13,068	1,687,985	
Closing No of Equity Shares	<u>40,000,000</u>	<u>3,73,86,932</u>	
<b>Number of Share Holders</b>			
Opening	923	931	
Changes during the year	(25)	(8)	
Closing Number of Share Holders( DMAT 179, Physical: 719)	<u>898</u>	<u>923</u>	
<b>Shares held by shareholders holding more than 5% shares</b>			
<b>Name of Shareholder</b>	<b>% of Share Holding</b>	<b>Current Year No of Shares</b>	<b>Previous Year No of Shares</b>
Mr. O C John	5.15	20,59,769	11,67,500
<b>Shares held by Promoters</b>		Current Year	Previous Year
Class of Shares: Fully Paid up Equity Shares		No of Shares	No of Shares
<b>Promoter Name</b>			
<b>1 O C John</b>			
No of Shares		2,059,769	1,167,500
Percentage of Shares to the Total Shares		5.15	3.12
Percentage Change During the Year		76.42	15.42
<b>2 Tojen E</b>			
No of Shares		664,800	664,800
Percentage of Shares to the Total Shares		1.66	1.78
Percentage Change During the Year		-	24.96
<b>3 Monson Augustine</b>			
No of Shares		798,200	748,200
Percentage of Shares to the Total Shares		1.99	2.00
Percentage Change During the Year		6.68	66.93
<b>Note -2 Reserves &amp; Surpluses</b>			
<b>Profit and Loss Account</b>			
Opening Balance		(10,731)	(40,132)
Add : Profit/Loss for the year		39,163	29,401
<b>Total Reserves &amp; Surplus</b>		<u>28,432</u>	<u>-10,731</u>

**Note -3 Long Term Borrowing- Secured( See note-29)**

<b>From Kerala State Industrial Development Corp LTD</b>	<b>16,000</b>	-
<b>Unsecured Long Term Loan from Directors (see note-34)</b>		
O C John Managing Director	-	20,000
Dr Raju C Varghese - Director	19,700	22,500
Shaji Joseph - Director	10,000	10,000
R Jeyaraman - Director	3,700	5,100
	<b>49,400</b>	<b>57,600</b>

**Note -4 Long Term Provisions**

Employees Gratuity	2,315	2,200
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**Note -5 Short Term Borrowings**
**a Secured From Kerala State Industrial Development Corp LTD**

Current Portion of Long Term Loan (see Note-29)	4,000	-
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**b From Others- Unsecured**

Deposit - Unsecured	69	69
KSFE Chitty- Guaranteed by Director (See Note-29)	3,747	5,136

**c Unsecured Short Term Loan from Directors (See Note-34)**

O C John Managing Director	-	10,500
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**Interest on Unsecured loan payable to Directors**

O C John Managing Director	506	1,393
Shaji Joseph Director	70	-
Dr Raju C Varghese - Director	655	728
R Jeyaraman - Director	189	165

<b>Total Short Term Borrowings</b>	<b>9,236</b>	<b>17,991</b>
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**Note -6 Trade Payables (See Note No 33)**
**For Purchase and Sub Contract Works**
**- Micro Small and Medium Enterprises**
**- Others**

Sub Contractors/Purchase of Materials	12,783	17,491
Creditors for Expenses	3,156	1,007

<b>Total</b>	<b>15,939</b>	<b>18,498</b>
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**Note- 7 Other Current Liabilities**

<b>a Advance from Customers</b>	380	507
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**b Other Amounts due to related parties**

Due to Directors	1,515	2,178
Directors Sitting Fees Payable	324	291
Due to Other Related Parties	350	811

**c Expenses Payable & Job Accruals**

Employee Salary and Benefits Payable	2,347	1,918
Auditors fees/Professional Charges payable	150	145
Job Cost Accruals	2,602	790

**d Statutory Liabilities & Provision for Income Tax**

Provision for Income Tax	8,415	4,056
Provident Fund Payable	144	1,922

ESI Payable	63	1,375
Professional Tax Payable	100	232
VAT Payable	97	99
TDS Payable	2,369	2,824
Duty and Cess Payable	-	-
<b>Total</b>	<b>18,856</b>	<b>17,148</b>
<b>Note -10 Long term Loans and Advances- Unsecured</b>		
a Advance for Capital items	1,220	438
b Other Loans & Advances- Loans to Employees	42	42
<b>Total</b>	<b>1,262</b>	<b>480</b>
<b>Note -11 Other Non Current Assets</b>		
a Retentions Not Due	84	84
b Security Deposits	3,322	2,351
c Term Deposits as margin for BG with Banks	29,761	21,209
d Interest Accrued on Term Deposits	491	374
e KSFE Chitty Deposit	1,600	-
<b>Total</b>	<b>35,258</b>	<b>24,018</b>
<b>Note -12 Inventories: (As taken, valued and certified by the management)</b>		
Raw Materials, stores and consumables	8,511	11,006
Work in Progress	3,523	-
<b>Total</b>	<b>12,034</b>	<b>11,006</b>
<b>Note -13 Trade Receivables (unsecured)</b>		
<b>(See Note-37)</b>		
Outstanding for a period exceeding six months	5,857	18,632
Less than Six Months	95,522	68,835
<b>Total</b>	101,379	87,467
<b>Less provision for Bad and Doubtful Debt</b>		<b>3,589</b>
<b>Balance Trade Receivables</b>	<b>101,379</b>	<b>83,878</b>
<b>Note -14 Cash &amp; Cash Equivalents</b>		
a Cash in Hand	148	43
b Balances with Banks		
i) In Current Accounts	6,358	1,137
<b>Total</b>	<b>6,506</b>	<b>1,180</b>
<b>Note -15 Short Term Loans &amp; Advances- Unsecured</b>		
a Supplier Advances	4,664	4,891
b Advances to employees	1,167	1,112
<b>Total</b>	<b>5,831</b>	<b>6,003</b>
<b>Note -16 Other Current Assets</b>		
Tax Deducted at Source	5,563	5,010
VAT Receivables/GST Input Credit	11,201	4,149
Others	15	15
<b>Total</b>	<b>16,779</b>	<b>9,174</b>

**Note -17 Revenue from Operations**
**a. Income from Ship building, repairing and services**

Income From Engineering Works	188,015	120,785
Income Received From Wharfage	1,672	5,544
Consumables Supply	1,030	-
Yard Service Charges	83	911
Hire Charges Received	6	112
<b>Total</b>	<b>190,806</b>	<b>127,352</b>

**Note -18 Other income**

Interest income	770	584
Bank Guarantee Commission prior years refunded	1,174	-
Excess Tax Provision prior years written back	872	-
Forex Gain	28	-
Training fee Received	971	12
Others- Creditors written back	10	776
<b>Total</b>	<b>3,825</b>	<b>1,372</b>

**Note -19 Cost of material consumed**

Opening stock of Raw Material, stores and consumables	11,006	8,220
Add: Purchase of Raw Material, Consumables, Spares	33,524	30,097
<b>Total</b>	<b>44,530</b>	<b>38,317</b>
Less: Closing stock of Raw Material, consumables, spares	8,511	11,006
<b>Material Consumed</b>	<b>36,019</b>	<b>27,311</b>

**Note -20 Changes in Work in Progress**

Opening Stock of WIP	-	2,393
Closing Stock of WIP	3,523	-
<b>Total</b>	<b>-3,523</b>	<b>2,393</b>

**Note -21 Operating Expenses**

Service Charges	20,779	18,110
Fabrication Expenses	11,430	16,379
Electricity Charges	1,513	2,059
AMC/Yard Repair	37	-
Job Accruals on completed jobs	2,602	79
Freight & Transportation Charges	888	562
Loading & Unloading Charges	338	110
Testing & Inspection Charges	44	79
Hire Charges	334	37
Claims & Deductions	62	28
<b>Total</b>	<b>38,027</b>	<b>38,154</b>

**Note -22 Employee Benefits**

Wages & Labor	15,349	12,965
Salaries & allowances	11,886	8,690
Salary to Whole Time Directors	5,076	3,300
Staff Welfare/Project Staff Expenses	728	443
Gratuity	172	349

Contribution to PF	567	275
Contribution to ESI	375	263
Bonus	258	242
PF Administration Charges	102	62
Medical Expenses	19	38
Labour Welfare Fund	25	32
Other Allowances to Staff	33	9
<b>Total</b>	<b>34,590</b>	<b>26,668</b>

**Note -23 Financial Cost**

Bank Charges & Commission, Processing Charges	398	1,037
KSFE Chitty Expenses/Loss	301	-
Interest Expense	8,171	4,321
<b>Total</b>	<b>8,870</b>	<b>5,358</b>

**Note -24 Other Expenses**

Payments to the Auditor as		
(a) Auditor	150	120
(b) For Taxation Matters	68	60
Advertisement expenses	35	31
Business Promotional Expenses	42	200
Travelling & Conveyance Expense	2,271	990
Directors Sitting Fee	210	150
Fines, Late Fees, Interest on TDS/Tax Payment/GST	733	296
Fuel and Power	44	128
House Keeping expenses	126	113
Internal Audit Fees	94	31
Insurance & Legal Charges	130	189
Lodging Expenses	104	33
Meeting & Seminar Expenses	48	73
Miscellaneous & General Expenses	12	24
Mobile & Telephone Charges	75	42
Office Expenses	206	291
Postage & Courier	19	35
Printing & Stationary	238	220
Professional Charges	1,269	1,077
Repairs and Maintenance	259	263
Rates & Taxes, Licenses, Registrations, MCA filing fees	443	332
Rates & Taxes earlier years	16	719
Supplier Advances written off	2,696	-
Bad Debts written off	10,255	3,401
Provision for Bad Debts - Earlier provision written back	-3,589	175
Rent	771	511
Security Charges	290	325
Surveillance Audit Fee	18	18
Tender Expenses	4	20
Water Charges	4	11
<b>Total</b>	<b>17,041</b>	<b>9,878</b>



**Note-8 : Property, Plant and Equipment**

SL. No	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		Balance as on 01-04-2021	Additions 2021-2022	Deletions 2021-2022	Balance as on 31-03-2022	Upto 31.03.2021	For the year	On Assets Sold	As on 31-03-2022	As on 31-03-2021
1	Land	195,884			195,884			-	195,884	195,884
2	Building	25,31	19,098		21,629	1,716	87	-	19,826	815
3	Plant & Machinery	17,013	129,082		146,095	14,511	9,089	-	122,495	2,502
4	Furniture & Fittings	2,589	92		2,681	2,450	13	-	218	139
5	Office Equipment	2,890	452	3	3,339	2,720	79	-	540	170
6	Computer	2,180	380		2,560	2,107	41	-	412	73
7	Electrical Installations & Equipments	14,220	41		14,261	12,825	361	-	1,075	1,395
8	Vehicles	1,899			1,899	1,722	52	-	125	177
9	Ships - Boat	6,484	464		6,948	4,840	170	-	1,938	1,644
	<b>TOTAL</b>	<b>245,690</b>	<b>149,609</b>	<b>3</b>	<b>395,296</b>	<b>42,891</b>	<b>9,892</b>	<b>-</b>	<b>342,513</b>	<b>202,799</b>
	Previous Year	245,070	714	95	245,689	41,440	1,541	91	202,799	203,630

**Note-9, Capital Work in Progress**

SL. No	Particulars	Balance 01-04-2021	Additions	Capitalized 21-22	Balance 31/3/2022		31-03-2022	31-03-2021
1	Boat Jetty	6,696		6,696	0	-	-	6,696
2	Wharf	32,015	279	32,294	0	-	-	32,015
3	Slipway	70,787	2,941	73,728	0	-	-	70,787
4	New store building		3,027		3,027	-	3,027	0
5	Central Winch for Balloon Hauling		1,719		1,719	-	1,719	
6	Skid	3,428		3,428	0	-	-	3,428
7	Gantry Crane 60 Tonnes	7,677		7,677	0	-	-	7,677
8	Building Construction - Vypeen	13,428	5,670	19,098	0	-	-	13,428
9	Dry dock	111	0		111	-	111	111
	<b>Sub Total</b>	<b>134,142</b>	<b>13,636</b>	<b>142,921</b>	<b>4,857</b>	<b>-</b>	<b>4,857</b>	<b>134,142</b>
	Previous Year	133,621	520		134,142	-	134,142	133,621

## Notes on Accounts and Significant Accounting Policies attached to and forming part of the financial statements for the year ended 31.03.2022

25) **Corporate information:** Sea Blue Shipyard Limited is a Public Limited Company registered on 08 December 2003 with the Registrar of Companies Kerala, vide Corporate Identity Number: CIN: U35111KL2003PLC016677. The Company is engaged in the business of ship building and ship repairing activities.

### 26) Significant Accounting Policies and Notes related thereto

- a) **Basis of accounting and preparation of financial statements:** The financial statements of the Company have been prepared in accordance with the mandatory Accounting Standards and the relevant presentation and disclosure requirement of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- b) **Use of estimates:** The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized.
- c) **Inventories and work in progress:** Inventory of raw materials, consumables and spares are valued at the lower of cost determined on weighted average basis or net realizable value after providing for obsolescence and other losses, where considered necessary on First in First Out Method. Cost includes all charges in bringing the goods to the point of sale. Work in progress is calculated as per the cost incurred over and above the cost proportionate to the revenue recognized.
- d) **Cash and cash equivalents:** Cash comprises cash on hand and balance with banks.
- e) **Property, Plant & Equipment & Depreciation: Property, Plant & Equipment** are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation on tangible assets has been provided under written down value method over the useful life of the assets estimated by the management which is in line with the rates prescribed in Schedule II to the Companies Act, 2013 except for certain items of plant and machinery for which useful life is estimated based on technical experts report. Depreciation for assets purchased/sold during the period is proportionately charged. No review of useful life has been made during the year. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain types of plant and machinery wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. The Identified components of Property Plant and Equipment's are depreciated over their useful lives. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-

been provided under written down value method with 5% residual value estimated Slipway, skid, wharf, jetty etc. are essential tools used by the Company for its operations for revenue generation and accordingly, management has decided to include the same under the head Plant and Machinery and to depreciate it over a period of 30 years under written down value method with 5% residual value. The estimation of remaining useful life and working condition has been done by technical experts and accordingly, the fairvalues of these assets are estimated at far above its book value.

During the financial year 2021-2022, company has spent an amount of Rs 52,58,794/- (Rupees Fifty Two Lakhs Fifty Eight Thousand Seven Hundred Ninety Four Only) towards acquiring new plant, machinery and equipment's such as Ship Launching Airbags which is included under the head Plant and Machinery.

### **The Capital Work in progress as on 31-03-2022**

During the year 2021-2022, Company has started the construction of a new store building and an amount of Rs 30,27,423/- (Rupees Thirty Lakhs Twenty Seven Thousand Four Hundred Twenty Three Only) has been spent towards building construction which is in progress and expected to be completed in 2022-2023 financial year. This amount is classified as Capital Work In progress. Company is constructing a Central Winch for balloon hauling up and an amount of Rs 17,18,810/- (Rupees Seventeen Lakhs Eighteen Thousand Eight Hundred Ten Only) has been spent towards the same and it's shown under capital work in progress as the work is not completed.

### **Capital Work In Progress Aging Schedule as on 31-03-2022 (Amount in Rupees Thousand) - Project in Progress**

Particulars	Amount Rs	< one year	1-2 years	2-3 years	>3 years
Dry Dock	111				111
Store Building	3,027	3,027			
Central Winch	1,719	1,719			
<b>Total</b>	<b>4,857</b>	<b>4,746</b>			<b>111</b>

### **Capital Work In Progress Aging Schedule as on 31-03-2021 (Amount in Rupees Thousand) Project in Progress**

Particulars	Amount Rs	< one year	1-2 years	2-3 years	>3 years
Dry Dock	111				111
Slipway	70,787	520			70,267
Wharf	32,015				32,015
Boat Jetty	6,696				6,696
Workshop	1,673				1,673
Building Yard	11,755				11,755
Gantry Crane	7,677				7,677
Skid	3,428				3,428
<b>Total</b>	<b>1,34,142</b>	<b>520</b>			<b>1,33,622</b>

current assets and the cost of assets not put to use and the assets for which the construction is not completed are disclosed under 'Capital work-in-progress'.

### **Capital Work in Progress and Capitalization**

Company had the following amounts under respective heads shown as Capital Work in Progress carried over since financial year 2013-2014 with additional expenditure incurred until 31-03-2021 as disclosed in the respective year-end financial statements and the capital expenditure additionally incurred in 2021-2022 on completing those works.

a) During the financial year 2021-2022, Company has spent an additional amount of Rs 56,70,776/- (Rupees Fifty Six Lakhs Seventy Thousand Seven Hundred Seventy Six) towards completion of the capital work in progress in respect of various building under construction and towards construction/renovation of Vypeen yard Building, work shop, existing office and buildings and construction of Residential Quarters for Client Accommodation. As the building works has been completed in March 2022, management has decided to capitalize the capital work in progress incurred till 30-03-2022 in respect of the completed buildings and accordingly, an amount of Rs 1,90,97,958/- (Rupees One Crore Ninety Lakhs Ninety Seven Thousand Nine Hundred Fifty Eight) has been capitalized under the head building including the opening Capital Work in Progress on completion of construction. Useful life of the Building is estimated as 30 years and depreciation is provided under written down value method with 5% residual value estimated. Apart from the above, during the year Company has spent an amount of Rs 30,27,423/- (Rupees Thirty Lakhs Twenty Seven Thousand Four Hundred Twenty Three Only) towards construction of New Store Building and it's still in progress, hence classified as Capital Work in Progress.

#### **b) Slipway and allied works**

Company has spent an amount of Rs 29,40,511/- (Rupees Twenty Nine Lakhs Forty Thousand Five Hundred and Eleven Only) towards completion of the slipway and allied works in addition to the Capital Work in Progress Balance as on 31-03-2021 Rs 7,07,87,340/- (Rupees Seven Crores Seven Lakhs Eighty Seven Thousand Three Hundred Forty Only). As the facility is used by the company for productive revenue generation since its commissioning on 30-09-2021, management has decided to capitalize the same under the head Plant and Machinery with a useful life of 30 years as per the technical experts survey and report about the slipway and depreciation has been provided under written down value method effective from 30-09-2021 with 5% residual value estimated

#### **c) Boat Jetty, Wharf, Skid & Gantry Crane**

Management has decided to Capitalize the Capital work in progress as mentioned under the head Boat Jetty, Wharf, Skid and Gantry Crane as on 31-03-2021 amounting to Rs 4,98,16,109/- (Rupees Four Crores Ninety Eight Lakhs Sixteen Thousand One Hundred and Nine Only) effective from 01-04-2021 as the same are commissioned and started using for productive revenue generation effective from the beginning of the year. Management has decided to capitalize the same under the head Plant and Machinery with a useful life of 30 years as per the technical experts survey report and depreciation has



### Other Disclosure's relating to Property Plant and Equipment

- Title deeds of the immovable properties are held in the name of the Company
- No Proceedings has been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.
- No Revaluation of Property, Plant and Equipment or Capital Work In Progress has been carried out during the financial year.

f) **Revenue recognition:**

Companies major business activity is ship building and repairing and service works. All the repairing and service jobs are supported by contracts and agreed work schedule and payment terms. Revenue in respect of contract/service jobs are recognized on percentage completion basis based on the work obligations and the stages of completion. In respect of service jobs which are substantially completed and no progress invoices submitted at the end of the year as certifications carried out in subsequent year, proportionate revenue has been recognized based on the stages of completion and corresponding cost incurred and the cost to incur as estimated by the management. Other income is recognized on accrual basis. Income from repair of ships is recognized based on agreed stages of completion when proportionate performance of each ship repair activity is reaching substantial completion as per contract. The proportionate performance is measured by technical evaluation of the percentage of physical completion of each job. Revenue is recognized in proportion to the cost incurred to the estimated cost of completion after taking into consideration all possible contingencies with reference to the realizable value of work done. Revenue excludes sales tax, value added tax and GST. During the year under report, Company has recognized an amount of Rs 3,11,59,177/- (Rupees Three Crores Eleven Lakhs Fifty Nine Thousand One Hundred Seventy Seven Only) as income in respect of a Job named Normal Refit of FC Neelam for NSRY undertaken for a total contract value of Rs 6,23,26,582/- including variations based on measurement of which an amount of Rs 3,11,67,405/- is accepted by client and the balance Rs 3,11,59,177/- is under approval by the client. The job is substantially completed and the company has recognized the balance Rs 3, 11, 59,177/- (Rupees Three Crores Eleven Lakhs Fifty Nine Thousand One Hundred Seventy Seven Only) as revenue on 31-03-2022 and the corresponding invoice has been submitted subsequent to the year end. Expenses incurred on the said job subsequent to year end amounting to Rs 26,02,357/- (Rupees Twenty Six lakhs Two Thousand Three Hundred Fifty Seven Only) has been booked as expenses under the head Job accruals on completed jobs as on 31-03-2022. (Previous Year 2020-21: Income Recognized on % Completion basis: company has undertaken a job titled DD and Allied repairs of SRTP Balshil for Naval Ship repair Yard (NSRY) for a contract value of 8,21,32,787/- plus GST @ 18%. The job has been completed during the year 2020-21 itself and company has submitted invoice for Rs 5, 24, 83,399 plus GST until 31.03.2021 and balance Rs 2,96,49,388/- is submitted in the year 2021-22 even though the job was substantially completed in 2020-21 itself. Accordingly Rs 2,96,49,388 has been booked as revenue as on 31.03.2021 as the job was completed against all cost incurred and booked in 2020-21 itself.)

g) **Impairment of assets:**

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. No impairment loss is recognized during the Financial Year

- h) **Provisions, Contingent Liabilities and Contingent Assets:** The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for contingent liability is made when there is a possible obligation that may but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.
- i) **Leases:** Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the statement of profit and loss account on straight line basis.
- j) **Operating Cycle:**  
Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.
- k) **Non-Current Investments** are valued at cost. Provision for diminution in value is made only if such decline is other than temporary in the opinion of the managements. There are no such investments held by the company.
- l) **Borrowing Costs:** in respect of company's borrowings has been recognized as an expense in the period in which they are incurred on accrual basis
- m) **Foreign Exchange Transactions:** Transactions in foreign currency is booked as per the rates on the transaction date and the differences on realization during the year are accounted under exchange gain or loss. Export receivables/payable at the end of the reporting period is reported at the closing rate. (a) Earnings in Foreign Currency during the year including GST: US Dollar 62,627/- (Equivalent Indian Rupees Rs 46,78,319/- (Previous year Nil) (b) Import of raw materials and expenditure in Foreign Currency during the year: Singapore Dollar 32,342 equivalent Indian Rupees Rs 18,94,261/- (Previous Year: GBP 1,01,655/- (Equivalent Indian Rs 1,00,06,662/- & US Dollar 712/- (Equivalent Indian Rs 52,507/-).
- n) **Employee Retirement benefits:** Gratuity liability under the payment of Gratuity Act is computed as 15 days salary , for every completed year of service or part thereof in excess of six months and its payable on retirement/termination/resignation. The accounting policy adopted by the Company is to account for the liability under the payment of Gratuity Act on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. All employee benefits payable within twelve months of rendering services are classified as short term employee benefits. The disclosures as per Accounting Standard -15 are as follows; (Amount in Rupees)
- Employer's Contribution to Provident Fund Rs 5,66,654/- ( Previous Year Rs 2,74,764/-)
  - Employer's Contribution to ESI : Rs 3,74,504/- ( Previous Year: Rs 2,63,412/-)
  - Leave Encashment: Accounted on cash basis. No Payments made during the year. No provision has been made for outstanding obligation if any

- Employer's Contribution to Labour Welfare Fund: Rs 25,000/- (Previous Year Rs 31,563/-)
- Medical Expenses paid Rs 19,431/- (Previous Year Rs 37,766/-)
- **Gratuity:** The gratuity liability is not externally funded. Company makes the provision of gratuity in the books of accounts on accrual basis. Net Accrued liability as of 31.03.2022 is Rs 23, 15,007/- (Previous Year Rs 21, 99,584/- and current service cost adjusted for interest cost and actuarial loss at Rs 1,72,365/- (Previous Year: Rs 3, 49,129/-). Gratuity Charges to the Profit and Loss Account during the year Rs 1, 72,365/-(Previous Year: 3,49,129/-). Gratuity Settled during the year 2021-22 Rs 56,942/- (Previous Year Rs 1, 54,730/-)

27) **Rights attached to equity shares:** The Company has issued only one class of equity shares having a face value of Rs 10 each per share. All the equity shares carry equal rights and obligations including for dividend and with respect to voting. Authorized Capital of the company is 4,00,00,000 equity shares of Rs 10 each totaling to Rs 40,00,00,000 (Rupees Fourty Crores only) ( Previous Year 4,00,00,000 equity shares each of Rs 10/- totaling to Rs 40,00,00,000/- (Rupees Fourty Crores Only). Total issued, subscribed and paid up Capital as of 31.03.2022 is 4,00,00,000 equity shares each of Rs 10/ totaling to Rs 40,00,00,000/- (Rupees Fourty Crores Only) ( Previous Year : 3,73,86,932 equity shares each of Rs 10/ totaling to Rs 37,38,69,320/- (Rupees Thirty Seven Crores Thirty Eight Lakhs Sixty Nine Thousand Three Hundred Twenty Only)).

#### **Share Issued During the Year**

During the reporting period Company has made a rights issue of shares to the eligible members in proportion to their existing holding and accordingly company has allotted 26, 13,068 equity shares of the Company ranking pari passu with the existing equity shares of the Company to 16 shareholders against receipt of 100 % of the amount for the shares Rs2,61,30,680/- as approved by the board of directors vide the meeting of the directors dated 11-02-2022. The money raised through the rights issue has been utilized for Capital expenditure and working Capital Needs. (Previous Year: Company has made a rights issue of shares offering 43,01,053 equity shares each of Rs 10/ (Rupees Ten Only) to the eligible members in proportion to their existing holding and accordingly company has allotted 16,87,985 equity shares of the Company ranking pari passu with the existing equity shares of the Company to 19 shareholders against receipt of 100 % of the amount for the shares Rs 1,68,79,850/- as approved by the board of directors vide the meeting of the directors dated 23 December 2020. The money raised through the rights issue has been completely utilized for the one time settlement of outstanding loan with State Bank of India.)

There is only one shareholder in the Company holding more than 5% shares in the Company as disclosed in Note-1 to the financial statement. All Share transfers during the year are as approved by the Board of Directors.

Company has not declared or paid any dividend relating to the previous reporting period during the current year. No Interim dividend has been paid during the year.

Board of Directors has declared dividend for the year ended March 31, 2022 at the rate of 5% per share each of face value Rs 10/- (Rupees Ten Only) on the amount paid up on the equity capital of the company subject to the approval of the shareholders at the ensuing Annual General Meeting.

As per records of the Company, including its register of shareholders/members and other

declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. Reconciliation of outstanding shares at the beginning of the year to the closing of the year is given in Note-1.

- 28) Previous Year figures were regrouped wherever it becomes necessary to suit the current year outlay.
- 29) **The Company** has borrowed secured long term and unsecured short term debts as per Note - 3 and Note - 5 of the financials and as detailed below **(Amount in Rupees)**

**Secured Long Term Borrowing:** From Kerala State Industrial Development Corporation Limited. During the financial year 2021-22, Company has availed a working capital term loan of Rs 2,00,00,000.00( Rupees Two Crores Only) from Kerala State Industrial Development Corporation Limited(KSIDC) repayable in 30 monthly installments commencing from October 2022. The Loan is secured by first charge on 37.86 Ares of land at RE/ SY NO. 289/15,289/16 at Puthuvype Village, Ernakulam, owned and in the name of the Company. The interest rate shall be within the range of 8.75% to 10.75% as per agreement and the benefit to MSME announced as per Govt. order Rt. No. 666/2021 /1D dated 30.06.2021 shall be applicable making the present effective interest rate at 5% after interest subvention form Govt. The loan has been disbursed by KSIDC on 30-03-2022 and utilized for paying the unsecured loan taken from directors carrying interest @14% p.a

**Unsecured Long Term and Short-Term Borrowing from Directors:** The details of unsecured long term and short-term borrowing made by the Company from directors during the year and the repayment details of such loan together with interest @ 14% p.a. is detailed in Note-3, Note-5 and in Note -34(b)under related party disclosures below.

**KSFE Chitty:** (1) During the year 2020-21 Company has joined a KSFE Chitty # 79/2020/A/1 with total sala of Rs 1,00,00,000/(Rupees One Crore, 50 installments of Rs 2,00,000/- each) and paid total 23 installments amounting to Rs 34,23,218/- until 31.03.2022. Company took the chit in auction in December 2020 for Rs 69, 39,774/- which was used for One Time Settlement of State Bank of India. The chitty loss until 31.03.2022 amounting to Rs 3, 00,883/- (Rupees Three Hundred Thousand Eight Hundred Eighty-Three Only) is included under finance charges. (Previous Year Chitty Gain Rs 54,991/-). This chitty liability is secured by creating mortgage on personal property belonging to Mr. Jroish G Kanippilli, Non-Executive Director of the Company (2) during the year 2021-2022, in March 2022 Company has joined four Chitties of KSFE each of Rs 2.00 Crores Sala with 50 Months each chit and deposited Rs 16,00,000/- towards these chits which is classified under other non-current assets.

Company has closed all the credit facilities with SBI in the financial year 2020-2021 as per a one-time settlement offer received from SBI but there are wrong contents and errors in the CIBIL report which Company has taken up with matter with State Bank of India and complained to The Banking Ombudsman vide complaint number CMS 6879/2021-22 and SBI vide their reply LHO/CS/790/2021-22 dated 11-01-2022 to The Banking Ombudsman confirmed that the status of all the closed loan account of the Company with SBI is shown as 'Not a Suit Filed Case, Closed by Payment, Not a willful Defaulter. Company is following up the matter with CIBIL to rectify the error of showing closed loan accounts in the report.

The Company was not required to file quarterly returns /statements of current assets with banks or financial institutions as there are no working capital loans that require such submissions.

- 30) Contingent Liabilities (To the Extent Not Provided For):Bank Guarantees issued by Banks( Amount in Rupees):** Company has taken Bank Guarantees from State Bank of India for 2,59,03,033/- and Rs 38,58,302/- from South Indian Bank for issuing to various Customers as per the terms of the Contract and these guarantees are with 100% margin through lien marked term deposits as disclosed in Note-



No 11 of the Balance Sheet (Previous Year: State Bank of India for Rs 2,12,08,732/- against term deposit for equal amount). South Indian Bank has created Charge on the fixed deposit with lien and filed the same with MCA.

- 31) The Company's operations during the year predominantly** relate to ship repair and services. Other activities which are not related to the main business do not individually constitute 10% or more of the total revenues or results or assets of the Company. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed
- 32) Balance with Banks: (Amount in Rupees):** Current Accounts Rs 63,57,844/- (Previous year Rs 11,37,433/-). Term deposits including accrued interest amounting to Rs 3,02,52,097/- (Previous Year Rs 2,15,83,117/-) held as margin against the bank guarantee facilities with lien marked is classified under other non-current assets.
- 33)** Balance of creditors represents the actual amount payable to the suppliers of goods and services and is subject to confirmation. The management has initiated the process of identifying enterprises which have provided goods and services to the company qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

**Trade Payables Ageing Schedule as on 31-03-2022: Outstanding for following period from due date of payment**

(Amount in Rupees Thousand)

Particulars	Unbilled	< One Year	1-2 years	2-3 years	>3 years	Total
(i) MSME						
(ii) Others	Nil	14,926	94	85	8,34	1,59,39
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues -Others	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>14,926</b>	<b>94</b>	<b>85</b>	<b>8,34</b>	<b>1,59,39</b>

**Trade Payables Ageing Schedule as on 31-03-2021: Outstanding for following period from due date of payment**

Particulars	Unbilled	< One Year	1-2 years	2-3 years	>3 years	Total
(i) MSME						
(ii) Others	Nil	17,565	85	270	578	18,498
(iii) Disputed dues - MSME	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues -Others	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>17,565</b>	<b>85</b>	<b>270</b>	<b>578</b>	<b>18,498</b>

- 34) Related Party Disclosures – Accounting Standard 18:** Transactions with the related parties are entered into at arm's length price and as approved by the board of directors and are in compliance with the provisions of Companies Act, 2013. Details of the Key Managerial personnel, non-executive directors, independent directors and other related parties with whom the company has entered into transactions during the year or carried forward from earlier year are as follows

**a) Key Managerial Personnel & Remuneration paid during the year (Amount in Rupees Thousand)**

Name of the KMP	Designation	Total Remuneration 2021-2022	Total Remuneration 2020-2021
Mr. O C John	Managing Director	3,342	1,872
Mr. E Tojen	Whole Time Director	1,734	1,428
Mr. Jilish George Kanippilly	CFO	0	0
Jofin John	Company Secretary	596	508
<b>Total</b>		<b>5,672</b>	<b>3,808</b>

Remuneration to the Managing Director and the Whole time Directors has been increased during the year with effect from 01.04.2021 by the board of directors at its meeting held on 11-02-2022 and accordingly the remuneration is calculated as a performance incentive, i.e. as a percentage of net profit derived under Section 198 read with Section 196 and 197 of the Companies Act, 2013. The remuneration paid/provided is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and is within the limits as prescribed under the Act and the changes in the method of calculating remuneration as approved by the board is subject to approval/ratification by the members at the ensuing annual general meeting.

**b) Unsecured Long Term and Short Term Loan from Directors and Interest Payments to Directors.**

During the financial year, company has taken unsecured long term and short term loans from the following directors, carrying interest @ 14% per annum as approved by the board of directors and the total of such loan together with the loan balance carried over from the previous reporting period and the interest payments are as follows. Company has obtained declaration from the directors to the effect that such loans are from their own funds and not out of borrowed funds.

Unsecured Loan from Directors	Balance 01.04.2021	Received in 2021-22	Repayment 2021-22	Balance 31-3-2022
<b>Long Term Loan</b>				
O C John Managing Director	20,000		20,000	0
Dr Raju C Varghese - Non Exe Director	22,500		2,800	19,700
Shaji Joseph - Non Exe Director	10,000			10,000
R Jeyaram - Non Exe Director	5,100		1,400	3,700
<b>Short Term Loan</b>				
O C John Managing Director	10,500	37,760	48,260	0
Dr Raju C Varghese - Non Exe Director		7,200	7,200	0
Shaji Joseph - Non Exe Director		75,000	75,000	0
R Jeyaram - Non Exe Director		10,761	10,761	0
<b>Total</b>	<b>68,100</b>	<b>63,221</b>	<b>97,921</b>	<b>33,400</b>

<b>Interest on Unsecured Loan - Directors</b>	Payable 01.04.2021	Interest for 2021-2022	Interest paid 21-22	Interest Payable 31.03.2022
O C John Managing Director	1,393	2,741	3,628	506
Dr Raju C Varghese - Non Exe Director	728	2,961	3,034	655
Shaji Joseph - Non Exe Director	165	898	874	189
R Jeyaram - Non Exe Director	0	1,565	1,495	70
<b>Total</b>	<b>2,286</b>	<b>8,165</b>	<b>9,031</b>	<b>1,420</b>

**c) Sitting Fees to Directors (Amount in Rupees Thousand)**

<b>Name of Director</b>	<b>Designation</b>	<b>Sitting Fees 21-22</b>	<b>Sitting Fees 20-21</b>
Mr. O C John	Managing Director	0	0
Mr. E Tojen	Whole Time Director	0	0
Dr Raju Varghese	Non-executive Director	30	25
George Kanippilly	Non-Executive Director	0	20
Chandra Mohan P V	Independent Director	30	25
Sadasivan Dilip	Non-Executive Director	0	15
Omer Moyin Kutty	Non-Executive Director	0	15
Jeyaraman	Non-Executive Director	30	20
E V Ramachandran Nair	Non-Executive Director	30	10
Shaji Joseph	Non-Executive Director	30	10
Jroish J Kanippilly	Non-Executive Director	30	5
Vijith Vijaya Chandran	Independent Director	30	5
	<b>Total</b>	<b>210</b>	<b>150</b>

**d) Sums payable to directors, key managerial personnel and other related parties on account of Remuneration, Re Imbursement of Expenses and short term advances (Amount in Rupees Thousand)**

<b>Name</b>	<b>Designation</b>	<b>Balance 31-03-2022</b>	<b>Balance 31-03-2021</b>
Mr. O C John	Managing Director	206	869
Mr. E Tojen	Whole Time Director	1,112	912
Mr. George Kanippilly	Non-Executive Director	0	245
Mr. Jilish George Kanippilly	CFO	197	397
Roseline Kanippilly	Relative of Director	350	350
Roshny Jilish	Relative of Director	0	217
Sitting Fees Payable	Directors	324	290
	<b>Total</b>	<b>2,189</b>	<b>3,280</b>

**35. Earnings Per Share – Accounting Standard -20:** Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the number of equity shares outstanding at the end of the year

<b>Basic and Diluted earnings per share</b>	<b>Current Year</b>	<b>Previous Year</b>
Face value of Equity shares	Rs 10/- each	Rs 10/- each
Net Profit for the Year	3, 91, 63,460	2, 94, 01,310
No. of Equity Shares Issued	4, 00, 00,000	3, 73, 86,932
Earnings Per share	0.98	0.79

**36. Accounting for Taxes on Income Accounting Standard-22:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Company has decided to opt for taxation at reduced rate of 22% under Section 115BAA of the Income Tax Act, 1961 effective assessment year 2020-2021 and accordingly no provision has been created for Minimum Alternate Tax (MAT). Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

	<b>Current Year</b>	<b>Previous Year</b>
Deferred Tax Asset Opening Balance	3,896	11,512
<b>Components of Deferred Tax year end</b>		
Timing Difference Depreciation (L) A	(8,902)	2,929
Timing Difference Disallowances (L) A	Nil	11,809
Carried forward Loss (A)	Nil	738
<b>Total</b>	<b>(8,902)</b>	<b>15,476</b>
Deferred Tax Asset (L)	(2,241)	3,896
Deferred Tax Expense (Income)	6,137	7,617

**37) Trade Receivables, Write Off and Provision:** Amount in Rupees Thousand

**Bad Debts Written Off:** 10,255/-: (Previous Year 3,401/-)

During the year, management has decided to write off an amount of 10,255/- (Rupees One Crore Two Lakhs Fifty Five Thousand) due from the following customers, outstanding in the books for many years, to the profit and loss account as the said amounts are on account of short certifications, claims, quality rejections, disputes and are not recoverable. There was 35% provision made in earlier years of the total bad debts written off as above amounting to 3,589/- (Rupees Thirty Five Lakhs Eighty Nine Thousand) and balance amount of 6,665/- (Sixty Six Lakhs Sixty Five Thousand) has been charged to the profit and loss account. These amounts are written off as in the opinion of the management is not recoverable

Kerala Electrical & Allied Engineering Co. Ltd	2,123
Cochin Shipyard Ltd Sales A/c	1,933

Soma Enterprises Ltd.	1,818
Meka Dredging Co. Pvt Ltd	1,553
Godrej & Boyce MFG Co Ltd	842
Soma Enterprises H O	341
Irrigation Department, Kakkanad	266
Seaways Shipping & Logistics Ltd	195
Western India Shipyard Ltd	168
Lots Shipping Ltd	151
Marine Engineering and Trade Services	139
KEI-RSOS Maritime Limited	130
KSR Marine Services	116
Goa Shipyard	109
Ksinco	108
Golden Globe Hotels P Ltd	101
Lakshadweep Development Corpn.	84
Seaport Shipping P Ltd	78
<b>Total</b>	<b>10,255</b>

An amount of Rs 6,443/- (Rupees Sixty Four Lakhs Forty Three Thousand) is due from FACT as on 31-03-2021 for Ammonia Barge Construction carried out during the period 2014-2018 and an amount of Rs 1,000/- (Rupees Ten Lakhs) has been collected in 2021-2022. Balance amount of Rs 5,443/- (Rupees Fifty Four Lakhs Forty Three Thousand) is the amount under dispute on account of delay in execution of job and GST charged on part of jobs completed after GST introduction in July 2017 refuted by FACT. Management is negotiating with FACT for recovery of this amount and hence no provision has been made against the amount due from FACT.

Debtors include an amount of Rs 2,163/- (Rupees Twenty One Lakhs Sixty Three Thousand) due from Irrigation Department Kerala, the bank guarantee/security deposit provided to the department for Improvement of Thottappally Spillway Project invoked by them due to cancellation of the job which is under dispute and management is confident of securing the said amount back as the job is re-tendered and a favorable court order is obtained.

The Balance of trade receivables are subject to confirmation.

**Trade Receivables Ageing Schedule as on 31-03-2022: Outstanding for following period from due date of payment-** Amount in Rupees Thousand

Particulars	Unbilled	< 6 months	6 Months to 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed Trade Receivables - Considered good	31,567	61,793	3	4	Nil	406	93,773
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Undisputed Trade Receivables - Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed Trade Receivables - Considered Good	Nil	2,163	Nil	Nil	Nil	Nil	2,163
(v) Disputed Trade Receivables - which have significant increase in credit risk	Nil	Nil	Nil	Nil	5,443	Nil	5,443
(vi) Disputed Trade Receivables - Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>31,567</b>	<b>63,956</b>	<b>3</b>	<b>4</b>	<b>5,443</b>	<b>406</b>	<b>1,01,379</b>

**Trade Receivables Ageing Schedule as on 31-03-2021: Outstanding for following period from due date of payment-** Amount in Rupees Thousand

Particulars	Unbilled	< 6 months	6 Months to 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed Trade Receivables - Considered good	29,649	39,186	470	1,465	Nil	Nil	70,770
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Undisputed Trade Receivables - Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed Trade Receivables - Considered Good	Nil	Nil	Nil	1,000	Nil	Nil	1,000
(v) Disputed Trade Receivables - which have significant increase in credit risk	Nil	Nil	Nil	5,443	Nil	10,254	15,697
(vi) Disputed Trade Receivables - Credit Impaired	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>29,649</b>	<b>39,186</b>	<b>470</b>	<b>7,908</b>	<b>Nil</b>	<b>10,254</b>	<b>87,467</b>

- 38.** During the year Company has written off the following advances amounting to 2,696/-(Rupees Twenty Six Lakhs Ninety Six Thousand) given to suppliers, which are outstanding for settlement in the books for many years due to suppliers not giving invoices for the work done due to disputes on work, contract termination due to non-payment in time etc.

**(Amount in Rupees Thousand)**

M A Residency	1,400
Preetha Engineering	747
Sun Engineering	200
K M Habib	125
Naval Tech Marine	100
Rathees Kumar	74
K Alavi	50

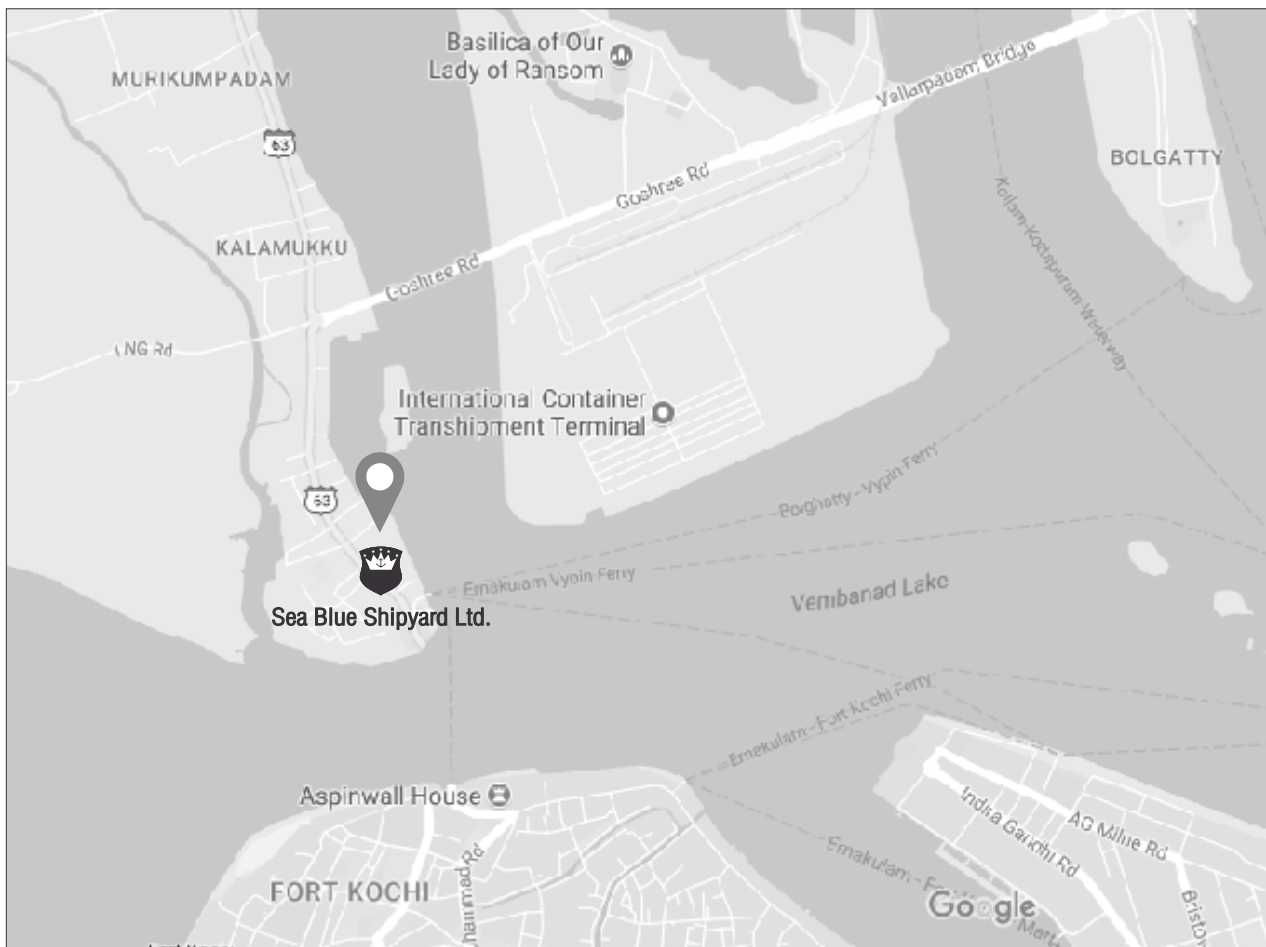
- 39.** Extra Ordinary Income: During the year 2021-2022: Nil ( During the previous reporting period 2020-2021: Company has made an extra ordinary income of Rs 1,95,97,456/- ( Rupees One Crore Ninety Five Lakhs Ninety Seven Thousand Four Hundred Fifty Six Only) being the savings made on the amount due to State Bank of India pursuant to the One Time Settlement of outstanding loan amounts due to them (Previous Reporting Period: extra ordinary income of Rs 48,69,296/- which represents (a) Service Tax Liability written back Rs 43,37,896/- pursuant to Company opting for settlement of Service Tax dues under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019, and accordingly Company has got 50% of the total service tax due of Rs 86,75,793/- waived off (b) debenture interest amounting to Rs 5,31,400/- relating to periods prior to 31.03.2019 waived off by debenture holders as a part of settlement reached with the debenture holders) These amounts are distinctive from ordinary business activities and are not expected to re occur hence classified under extra-ordinary item in the statement of profit and loss)
- 40.** Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant, and equipment, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. There has been no significant impact on the operations and financial position of the company on account of the outbreak of COVID-19 pandemic and consequential lock-down restrictions imposed by the Government. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business. The financial statements are prepared on going concern basis and the Company has turn around its operations and made substantial, profits in the last two years to wipe off the accumulated losses.
- 41.** Some of the shareholders of the Company filed a petition under Section 244(1) of the Companies Act, 2013 read with Section 241 and 242 of Companies Act, 2013 and Rule 83A of National Company Law Tribunal Rules, 2016 regarding Oppression and Mismanagement before National Company Law Tribunal in November 2019 and National Company Law Tribunal passed an order in October 2020, dismissed the petition as it has no merits and hence not maintainable. The aggrieved shareholders filed appeal challenging the order before the National Company Law Appellate Tribunal and the case is pending for hearing. Management, as per the expert legal advice received on the matter based on the facts of the matters, is not expecting any unfavorable decision which has an impact on the financial position or operations of the Company
- 42.** Company has received a notice Under Section 148 of the Income Tax Act, 1961 from ACIT, Corporate Circle 2(1), Kochi on 27.03.2021 on income escaping assessment due to non-filing of income tax return for the assessment year 2016-2017. In response to the said notice, Company has filed return

of Income for the said assessment year on 28.05.2021 and paid self-assessment tax of Rs 5, 89,990/- (Rupees Five Lakhs Eighty Nine Thousand Nine Hundred Ninety Only) including interest during financial year 21-22 in addition to the tax deducted at source for which credit of Rs 15,51,509/ (Rupees Fifteen Lakhs Fifty One Thousand Five Hundred Nine Only)-was available and utilized. An amount of Rs 40,56,308/- (Rupees Forty Lakhs Fifty Six Thousand Three Hundred and Eight) provision for income tax relating to the said assessment year was available in the books of accounts as on 31-03-2021 and the assessment has been completed in 21-22 itself and Company is in receipt of assessment order with additional demand of Rs 1,23,270/- (Rupees One Hundred Twenty Three Thousand Two Hundred Seventy Only). Accordingly an amount of Rs 33,43,048/- (Rupees Thirty Three Lakhs Forty Three Thousand and Forty Eight) excess provision is available in the books of accounts relating to the financial year 2015-2016. During the year 21-22, Income Tax –TDS Department (ACIT-TDS) has attached the receivables of the Company amounting to Rs 24,71,634/- (Twenty Four Lakhs Seventy One Thousand Six Hundred Thirty Four Only) due from M/s Kerala Shipping & Inland Navigation Corp vide the department letter dated 15-11-2021 instructing them to remit the amount directly to the department in respect of the late payment fees, interest relating to delay in paying the TDS amounts for the various financial years from 2011-12 to 2019-2020. Accordingly, KSINC has directly remitted an amount of Rs 24,71,634/- (Twenty Four Lakhs Seventy One Thousand Six Hundred Thirty Four Only) to the Income Tax Department and the same has been appropriated by the department against late fees and interest. As this tax payment is relating to earlier years including financial year 2015-2016, Management has decided to set off the said payment against the excess provision available in the books and balance Rs 8,71,414/- (Rupees Eight Lakhs Seventy One Thousand Four Hundred Fourteen Only) is written back to the Profit and Loss Account.

43. Due to fund shortages, statutory liabilities towards income tax, TDS, Provident Fund, GST, and ESI etc. were due and outstanding for various years and Company has paid off all such liabilities in the financial year 2021-2022 together with interest and late fees. Statutory liabilities as on 31-03-2022 is the current provisions and payables relating to financial year 2021-2022 except VAT payable Rs 97,442 relating to financial year 2016-2017.
44. Company is in receipt of income tax assessment order dated 23.03.2021 under Section 143(3) of the Income Tax Act, 1961 relating to the assessment year 2018-2019 on completion of the scrutiny assessment from National E Assessment Center with a disallowance of Rs 29,79,534/- (Rupees twenty Nine Lakhs Seventy Nine Thousand Five Hundred Thirty Four Only) citing difference on tax deducted at source by customers and gross revenue reported by them and the Company has challenged the said order through appeal filed on 19.04.2021 which is pending with Income Tax Authorities. As the management is confident of winning the appeal based on expert legal advice received, no provision has been made in the accounts towards additional liability if any or in the deferred tax calculation and there were no demand made by the department against the said disallowance.
45. Company has not entered into any transaction with struck off companies under Section 248 or 560 of the Companies Act, 2013.
46. No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
47. The Company has complied with the no. of layers prescribed u/s 2(87) read with the applicable Rules and there are no subsidiary companies.
48. There is no Scheme of Arrangements that has been approved in terms of Section 230 to 237 of the Companies Act, 2013



## ROUTE MAP



49. The company has not advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
50. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
51. The company is not covered under section 135 of the Companies Act, 2013 relating to CSR.
52. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year
53. Company has not made any loans or advances to the promoters, directors, KMPs and other related parties

**54. Financial Ratios**

Sl No	Ratio	31-03-2022	31-03-2021
1	Current Ratio ( Current Assets/Current Liabilities)	3.24	2.07
2	Debt Equity Ratio ( Long Term Debt/(Shareholders Equity)	0.12	0.16
3	Debt Service Coverage Ratio(NP after tax +int+ depn)/ (Repayment, int+ Principal)	1.27	0.51
4	Return on Equity( Net Profit/Equity)- Percentage	9.14	8.10
5	Inventory Turnover Ratio(Net Sales/Average Inventory)	16.56	11.78
6	Trade Receivable Turnover Ratio(Net Sales/Average Receivables)	2.06	1.83
7	Trade Payable Turnover Ratio(Net Purchases/Average Trade Payable)	4.34	4.23
8	Net Capital Turnover Ratio( Sales/Capital Employed)- Percentage	0.42	0.34
9	Net Profit Ratio( Net Profit/Sales)- Percentage	20.53	23.09
10	Return on Capital Employed( Net Profit after Tax + Int)/ (Equity+ Long Term Debt)- Percentage	9.82	8.02
11	Return on Investment( Net Profit after taxes/Shareholders Equity) %	9.14	8.10

As per our report of even date attached

**O. C John** (DIN: 0918513)  
Managing Director

**E. Tojen** (DIN: 01562904)  
Wholetime Director

**Jilish George Kanippilly**  
Chief Financial Officer

**For A Mathew & Associates**  
Chartered Accountants, Regn No: 013144S

**C A Abraham Mathew**  
(ICAI M No: 201884)  
**UDIN: 22201884ANZWKS8039**

Dated : 30-07- 2022, Vypeen



**FORMAT FOR REGISTERING E-MAIL ID, ADDRESS & TELEPHONE NO: (For all shareholders)**

Folio No : \_\_\_\_\_

Name of the sole/first holder : \_\_\_\_\_

Name of the Joint holders if any : \_\_\_\_\_

Postal Address with Pin code &  
Mobile or landline No : \_\_\_\_\_

E Mail address : \_\_\_\_\_

Date & Signature : \_\_\_\_\_

**Note:** All the above particulars shall mandatorily be filled.

Shareholders are requested to intimate the company as and when there is any change in the E-mail ID

**CONTACT INFORMATION**

**REGISTERED OFFICE & YARD**

1/212, V. P. Road,  
Azheekal P.O, Vypin  
Kochi- 682 508

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E-mail: [tech@seablueshipyard.com](mailto:tech@seablueshipyard.com)

Website: [www.seablueshipyard.com](http://www.seablueshipyard.com)



## Sea Blue Shipyard Ltd.

An ISO 9001 : 2015 Certified Shipyard

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