

18th ANNUAL REPORT 2020-2021

*Resurgence
Through Innovation*



TUG SRP BALSHIL ON SBSL SLIPWAY FOR MAJOR DRYDOCK REFIT



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. RajuVarghese C	Non-Executive Director
Sri. R. Jeyaraman	Non-Executive Director
Sri. Shaji Joseph	Non-Executive Director
Sri. Jroish G. Kanippilly	Additional Director
Sri. Vijith Vijayachandran	Additional 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

Company Secretary

Mr. Jofin John

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 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the Members of Sea Blue Shipyard Ltd. will be held on Wednesday, the 29 th day of September, 2021 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 2021, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date, Annexure and Schedules there to and the reports of the Auditors and the Board of Directors thereon.
2. To consider appointment of a director in place of Dr. Raju Varghese C, Non-Executive Director (DIN:02830301) who retires by rotation, and being eligible offers himself for re-appointment.
3. To consider appointment of a director in place of Mr. R Jeyaraman, Non-Executive Director (DIN:07283849) who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

4. **Regularization of Additional Director, Mr. Jroish George Kanippilly (DIN:03623843) as 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 Sections 152,161,164 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Jroish George Kanippilly (DIN: 03623843), who was appointed as an Additional Director (Category: Non-Executive Director) of the Company with effect from December 23,2020, by the Board and who holds office up to the date of this Annual General Meeting and has consented to act as Director of the Company and in respect of whom the Company has received a notice of candidature for the office of Director in writing under Section 160 of the Act, be and is hereby appointed as a Non-Executive Director of the Company, and he shall be liable to retire by rotation.”

5. **Ratification of the Appointment of Mr. Vijith Vijayachandran as an Independent 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 149,150,152,161,164 read with Schedule IV to the Companies Act,2013, and all other applicable provisions of the Companies Act,2013 and Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Vijith Vijayachandran (DIN : 08917126) who was appointed as an Additional Director(Category: Non-Executive & Independent) of the Company w.e.f 23rd March,2021 in terms of Section 161(1) of the Companies Act,2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice of candidature for the office of the Director in writing under Section 160 of the Act and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five(5) consecutive years with effect from 23rd March,2021 and he shall not be liable to retire by rotation.”

**For and on behalf of the Board of Directors
For Sea Blue Shipyard Limited**

**Sd/-
O. C. John
Chairman & Managing Director
DIN: 00918513**

Place : Vypin

Date: 28-08-2021



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 dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') 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 18th AGM of the Company is being held through VC/OAVM on Wednesday, September 29, 2021 at 11.00 a.m.
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. In line with the MCA Circular dated May 5, 2020 the Notice of the AGM along with the Annual Report 2021-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company. The Notice convening the 18th AGM has been uploaded on the website of the Company at www.seablueshipyard.com.
6. Members who have not yet registered their email addresses are requested to register the same with the Company email id at cs@seablueshipyard.com, at least ten days before the date of the AGM.
7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item Nos. 4 to 5 is annexed hereto and forms part of this notice.
8. 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 22-09-2021 to 29-09-2021 (both days inclusive).
9. 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 / client ID in all their correspondence, and (c) keep their copies of the Annual Report handy while attending the Annual General Meeting.
10. 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.
11. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 18th AGM, from their registered e-mail address, mentioning their name, folio number / client ID and mobile number, to reach the Company's e-mail address at cs@seablueshipyard.com at least 10 days before the Annual General Meeting to enable the Company to prepare suitable replies to such questions.
12. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to cs@seablueshipyard.com by mentioning their Folio Number / client ID Necessary arrangements will be made to inspect the documents through electronic mode.

13. The following Statutory Registers are open for inspection of members and other at the Registered Office of the Company as Prescribed in the respective Sections of the Companies Act,2013 as specified below:

- a) Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act,2013 shall be open for inspection on all working days during business hours, including date of Annual General Meeting.
- b) Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Companies Act, 2013 shall be open for inspection on all working days during business hours, including date of Annual General Meeting.

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

14. **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 e-mails 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.cs@seablueshipyard.com.
- b) 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 : **885 7989 6602**

Password : **SBSLAGM18**

Meeting link :

<https://us02web.zoom.us/j/88579896602?pwd=US9vMFIRMMmV5dm5xNlIXejZaYXlhZz09>

Date of AGM : **29th September, 2021**

Time : **11:00 AM**

- c) Members shall click on URL received by mail in their registered mail ID and shall key in the unique username and password disclosed in the mail.
- d) 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.
- e) Members are encouraged to join the Meeting through Laptop / iPad for better experience.
- f) Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- g) 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

Sd/-

O. C. John

Chairman & Managing Director

DIN: 00918513

Place : Vypin

Date: 28-08-2021

ANNEXURE TO NOTICE

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

Item No. 2&3

As per the requirement of Secretarial Standard 2, the following information relating to the directors retire by rotation who are being re-appointed, is furnished below:

Particulars	Information	Information
Name	Dr. Raju Varghese C (DIN: 02830301)	Sri. R Jeyaraman (DIN: 07283849)
Age	72 Years	49 Years
Qualification	MBBS, MD, FRCS	B.Tech
Experience	41 Years' experience in the Medical Profession	25 years' experience in oil and gas industry
Terms and Conditions of Appointment	As per Resolution No.02	As per Resolution No.03
Remuneration last Drawn	Nil	Nil
Date of first appointment on Board	17/08/2013	19/11/2016
Shareholding in Company	5,50,000 Shares	1,67,600 Shares
Relation with other Directors, Manager and other Key Managerial Personnel	Nil	Nil
Number of Board Meetings Attended	8	7
Other Directorships, Memberships/ Chairmanships of Committees of other Boards	1(Invest Inn Private Limited- Director)	Nil

ITEM No. 4

Mr. Jroish G Kanippilly, aged 45 years, residing at Kochi, holds MBA Finance from Madras University With 20 years' experience in Finance Management, Costing, Budgeting and Control. He was worked 15 years as a CFO of the largest Transport and Logistics Company in Trans Gazelle Sprl. D.R Congo, Africa.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Jroish George Kanippilly was appointed as an Additional Director of the Company, from 23rd December, 2020 through passing resolution at the 118th Board Meeting. Mr. Jroish George Kanippilly holds office of the director till the conclusion of of the ensuing Annual General Meeting.

Accordingly, in terms of requirements of the provisions of Companies Act,2013 approval of the members of the Company is required for regularization of Mr. Jroish George Kanippilly as Director of the Company.

Except Mr. Jroish George Kanippilly, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution.

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

ITEM No. 5

Mr. Vijith Vijayachandran, aged 51 years, residing at Kochi, a Naval Architect, Degree in Naval Architecture and Shipbuilding from CUSAT and holding Masters in Civil Engineering (Structure) from West Virginia University, Morgantown, USA and worked in Mazagon Dock Limited, Mumbai from 1992 to 1997. He joined with Industrial Research & Service, Kochi, a consulting firm of his family and he is the Director of VVC Industries Research and Services Private Limited.

Mr. Vijith Vijayachandran was appointed as an Additional Independent Director with effect from March 23,2021, in accordance with the provisions of Section 161 of the Companies Act,2013 read with Articles of Association. Pursuant to Section 161 of the Companies Act,2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company. The Board is of the view that the appointment of Mr. Vijith Vijayachandran on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No.5 for approval by the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mr. Vijith Vijayachandran himself, in any way concerned or interested, in the said resolution.

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

**For and on behalf of the Board of Directors
For Sea Blue Shipyard Limited**

**Sd/-
O. C. John
Chairman & Managing Director
DIN: 00918513**

Place : Vypin

Date: 28-08-2021

Directors' Report for the Financial Year 2020-2021

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report of your company along with the audited financial statements for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

(in Rs.)

Particulars	Year ended 31/03/2021	Year ended 31/03/2020
Gross Income	12,87,23,626	15,65,86,409
Profit / (Loss) before taxation	3,70,18,225	5,92,26,746
Current Tax	NIL	NIL
Deferred Tax Asset / (Liability)	76,16,915	1,34,78,280
Net Profit /(Loss)	2,94,01,310	4,57,48,466

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, 2021.

During the financial year 2020-21, your Company has achieved a revenue of Rs. 12.87cr as against Rs. 15.65cr reported last year and posted a net profit of Rs 2.94cr as against the profit of Rs. 4.57cr of previous year. Although the turnover and Profit After tax are lower in the year under report, the performance has to be evaluated in the background of lockdowns, strict Covid protocols, reducing the number of employees and the slow pace of orders by clients during the year. The Pandemic situation and related issues affected our business. Therefore the Company cannot maintain the levels both in terms of Turnover and Profitability with respect to the previous year.

B) Ship Repair

During the year, we have undertaken repair works of 18 vessels of different types for Indian Navy, KSINC, HSL, SCI, CSL, Cochin Port Trust etc. The Major project details are tabled below:

Sl.No.	Name of the Project	Category	Nature of Works
01	FACT Pragathiyan	KSINC Ernakulam	Dry Dock Repair Works
02	RV SS Kama	SCI	Dry Dock Repair
03	Tug Bahadur	Hindustan Shipyard Ltd	Guarantee Dry Dock Repair & Maintenance of STP
04	Tug Balshil	Naval Ship Repair Yard Kochi	DD and Allied Repairs

c) Land Mark Developments

During the year under review, perhaps the most important development is complete liquidation of Bank Loans in accordance with SBI OTS 2020 Scheme wherein the amount was paid up by the Company with the internal accruals, loans from Directors and Rights Issue proceeds. Our prompt action and timely compliance has saved around 35% of the principal and entire unaccounted interest. This has made the company a debt free company as far as Banks are concerned.

d) Future Outlook

Directors are happy to advise you that our major clients like Indian Navy and Indian Coast Guard are happy and confident to deal with us. We were awarded the refit and repairs of FB Pradayak, Kochi which is the largest vessel we were handled. Navy is now considering us for higher class of vessels and we are now in the process of strengthening revamping and extending our slipway to handle higher class of vessels. This will boost our reserves and profits in the coming years.

Kochi is now being developed as Naval Hub, more vessels will be deployed in Kochi and similarly the calls of vessels in Kochi will increase the business for your company despite the share eroded by pandemic for a prolonged period. 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

As per third provision of Section 123(1) of Companies Act 2013 as amended vide Companies (Amendment) Act 2015, the Company is not eligible for declaration of dividend due to its accumulated losses, and unabsorbed depreciation despite posting and profit of Rs. 2.94cr during the financial year 2020-21.

RESERVES

During the year under review, the company has transferred Rs. 2.94 cr to reserves and surplus account.

CAPITAL STRUCTURE

As on 31 Mar 2021, the authorized share capital and paid up equity share capital of the Company are Rs. 40.00 Cr and Rs. 37.38 Cr respectively. During the year under review, there was an increase of Rs. 1,68,79,850/- in paid up share capital of the company by way of Rights Issue. The Company had allotted 16,87,985 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

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

Mr. Shaji Joseph and Mr. E V Ramachandran Nair are appointed as the Non-Executive Directors at the 17th Annual General Meeting held on 12th December, 2020 and they are liable to retire by rotation.

Mr. George Kanippilly resigned from the office of director of the Company with effect from 23rd December, 2020.

Mr. Jroish George Kanippilly was appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 with effect from 23rd December, 2020. The regularization of his appointment need to be considered in the ensuing Annual General Meeting.

Mr. Vijith Vijayachandran Appointed as an Additional Independent Director to the Board on 20th March, 2021 under Sections 149, 161, 150 and 152 read with Schedule IV to the Companies Act, 2013. The regularization of his appointment also need to be considered in the ensuing Annual General Meeting.

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 Annual General Meeting.

NUMBER OF BOARD MEETINGS:

During the Financial Year 2020-21, 8 [Eight] meetings of the Board of Directors of the Company were held. The meetings were held on 27.04.2020, 22.06.2020, 26.06.2020, 10.10.2020, 31.10.2020, 28.11.2020, 23.12.2020 and 20.03.2021 respectively.

The composition and category of the Directors alongwith their attendance at Board Meetings as on 31st March, 2021 are given below:

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

GENERAL MEETINGS

The 17th Annual General Meeting of the Company was held on 12th December, 2020. No Extraordinary Annual General Meeting held during the year under review.

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. 5,000 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

The details of Directors/ KMPs appointed or resigned during the year 2020-21 are as follows:

Mr. Shaji Joseph and Mr. E V Ramachandran Nair were appointed as the Non-Executive Directors at the 17th Annual General Meeting held on 12th December, 2020 and they are liable to retire by rotation, as per the turn.

Mr. George Kanippilly, Non-Executive Director resigned from the office of director of the Company with effect from 23rd December, 2020.

Mr. Jroish George Kanippilly was appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 with effect from 23rd December, 2020.

Mr. Vijith Vijayachandran was Appointed as an Additional Independent Director to the Board on 20th March, 2021 upto five (5) years under Sections 149, 161, 150 and 152 read with Schedule IV to the Companies Act, 2013.

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

DECLARATION BY INDEPENDENT DIRECTORS

Dr. P V Chandramohan and, Sri. Vijith Vare the Independent Directors of the Company during the financial year 2020-21. Dr. P V Chandramohan and Sri. Vijith V have furnished declaration(s) to the Board that he meet the criteria of 'independent director as provided in sub-section (6) of Section 149.

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, 43/2252A-1, First Floor, Kutty Sahib Building, SRM Road, Ernakulam- 682 018, the Statutory Auditors of the Company, hold office till the conclusion of the 19th Annual General Meeting. They have confirmed their eligibility to continue as the statutory auditor of the Company. The Notes on standalone 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 / Additional 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 22th June 2020 & 20th March 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 / Additional Independent Director	Member

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

TERMS OF REFERENCE TO THE AUDIT COMMITTEE

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors;
- (ii) review & monitor auditor's independence, performance and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

During the year 2020-21 under review, four meetings of the Audit Committee were held on 22.06.2020, 10.10.2020, 28.11.2020 and 20.03.2021.

The attendance of members at the Audit Committee Meetings as on 31st March, 2021 is given below:

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

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.

BOARD EVALUATION

Pursuant to Companies Act, 2013 a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Similarly, the evaluation of all the directors and the Board as a whole has to be conducted based on the criteria and framework adopted by the Board. The Independent Directors in the Nomination and Remuneration Committee meeting held on 22nd June 2020 reviewed the performance of non-independent directors and the Board as a whole.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act 2013 read with rule 12(1) of the Companies (Management & Administration) Rules 2014, the extracts of Annual Return in the prescribed form MGT-9 for the Financial Year 2021-21 has been enclosed with this report.

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 2021, 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.

EXPLANATION FOR AUDITOR'S QUALIFIED OPINION ARE GIVEN BELOW IN THE RESPECTIVE ORDER

1. In respect of statutory dues, we have fully provided for the liability. The interest and penalties for the delay have not been communicated or demanded by the respective department. We have been advised that in view of the pandemic situation and recession, the government is likely to declare relief measures and amnesty shortly. We hope to resolve this issue in this financial year and come out clean.
2. For obtaining confirmation of balance in respect of trade receivables, your company has made all efforts to obtain them and the matter is being followed for securing the payment. However, in view of the pandemic situation and skeleton functioning of the Government and PSU offices, we did not succeed in obtaining them. Nevertheless, relentless follow up is being made to regularize the position.
3. The Capital Work in Progress could not be completed and capitalized due to resources constraints. However during the current year, up gradation of slipway is under way. We hope to complete a good part of the CWIP during the current year and the remaining work by FY 2022-23.

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 as under:

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

Technology absorption: Not applicable

Foreign Exchange Earnings/ Outgo:

Earnings - Nil

Outgo - 1,00,59,169

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.

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, 2021 is Rs. 7,03,86,856.

Opening Balance		: Rs. 1,03,15,000/-
Received from	(i) Dr. Raju Varghese	: Rs. 1,25,00,000/-
	(ii) Shri. O C John	: Rs. 3,62,00,000/-
	(iii) Shri. Shaji Joseph	: Rs. 1,00,00,000/-
	(iv) Shri. R Jeyaraman	: Rs. 76,00,000/-
Repayment made to	(i) Dr. Raju Varghese C	: Rs. 0.00/-
	(ii) Shri. O C John	: Rs. 57,42,043/-
	(iii) Shri. Shaji Joseph	: Rs. 0.00/-
	(iv) Shri. R Jeyaraman	: Rs. 25,00,000/-
Interest Accrued	(i) Dr. Raju Varghese C	: Rs. 7,28,437/-
	(ii) Shri. O C John	: Rs. 14,35,349/-
	(iii) Shri. Shaji Joseph	: Rs. 0.00/-
	(iv) Shri. R Jeyaraman	: Rs.1,65,113/-
Net Balance Accrued		: Rs.7,03,86,856/- (Including 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: 04/08/2021



Form No. MGT 9 Extract of Annual Return

as on financial year ended on 31.03.2021

**Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

i	CIN	U35111KL2003PLC016677
ii	Registration Date	12-08-2003
iii	Name of the Company	SEA BLUE SHIPYARD LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	1/212, V. P. Road, Azheekal P.O, Vypin- 682508, Ernakulam, Kerala, India
vi	Whether listed company	Unlisted
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CDSL VENTURES LIMITED, RTA DIVISION, I-202 DECK LEVEL, TOWER NO.4, 2ND FLOOR, ABOVE BELAPUR RAILWAY STATION, BELAPUR, NAVI-MUMBAI-400614

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Sale of service (Repair works of Ships)	35119	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	19,91,700	19,91,700	5.58	25,80,500	0	25,80,500	6.90	1.32
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0	0
d) Bank/FI	0	0	0	0.00	0	0	0	0	0
e) Any other	0	0	0	0.00	0	0	0	0	0
SUB TOTAL: (A) (1)	0	19,91,700	19,91,700	5.58	25,80,500	0	25,80,500	6.90	1.32
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0	0
b) Other Individuals	0	0	0	0.00	0	0	0	0	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0
d) Banks/FI	0	0	0	0.00	0	0	0	0	0
e) Any other...	0	0	0	0.00	0	0	0	0	0
SUB TOTAL: (A) (2)	0	0	0	0.00	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	19,91,700	19,91,700	5.58	25,80,500	0	25,80,500	6.90	1.32
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0



SUB TOTAL (B)(1):									
(2) Non Institutions									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	14,571	30,87,943	31,02,514	8.69	2,52,456	27,09,643	29,75,699	7.92	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,52,600	3,04,52,133	3,06,04,733	85.73	1,07,30,889	2,11,13,444	3,18,69,533	85.18	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	1,67,171	3,35,40,076	3,37,07,247	94.42	1,09,83,345	2,38,23,087	3,48,45,232	93.10	-1.32
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,67,171	3,35,40,076	3,37,07,247	94.42	1,09,83,345	2,38,23,087	3,48,45,232	93.10	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,67,171	3,55,31,776	3,56,98,947	100	1,35,63,845	2,38,23,087	3,73,86,932	100	

(Regrouping done)

V. SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginnings of the year			Shareholding at the end of the year			% change in holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	O. C. JOHN	10,11,500	2.83	NIL	11,67,500	3.12	NIL	0.29
2	TOJEN. E	5,32,000	1.49	NIL	6,64,800	1.78	NIL	0.29
3	CAPT. MONSON AUGUSTINE	4,48,200	1.26	NIL	7,48,200	2.00	NIL	0.75
	Total	19,91,700	5.58	NIL	25,80,500	6.90	NIL	1.32

VI. CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

	No. of Shares	% of total shares of the company
At the beginning of the year	19,91,700	5.58
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	
At the end of the year	25,80,500	6.90

VII. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	58,22,700	16.31		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Change in top 10 shareholders due to change in Directorship			
	At the end of the year (or on the date of separation, if separated during the year)	57,70,200	15.43		

VIII. Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. O C John	10,11,500	2.83	11,67,500	3.12
2	Mr. E Tojen	5,32,000	1.52	6,64,800	1.78
3	Mr. Jroish G Kanippilly	6,70,300	1.88	6,70,300	1.79
4	Mr. Shaji Joseph	5,02,000	1.41	5,02,000	1.34
5	Dr. Raju Varghese C	5,00,000	1.40	5,50,000	1.47
6	Dr. P V Chandramohan	0	0.00	0	0.00
7	Mr. Vijith Vijayachandran	0	0.00	0	0.00
8	Mr. E V Ramachanran Nair	2,500	0.01	12,500	0.03
9	Mr. R. Jeyaraman	67,600	0.19	67,600	0.18
10	Mr. Jilish G Kanippilly	5,99,700	1.68	5,99,700	1.60
11	Mr. Jofin John	0	0.00	0	0.00

IX. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Rs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	7,07,49,877.00	1,04,11,656.00	-	8,11,61,533.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,07,49,877.00	1,04,11,656.00	-	8,11,61,533.00
Change in Indebtedness during the financial year				
Additions	-	6,63,00,000.00	-	6,63,00,000.00
Reduction	7,07,49,877.00	86,11,656.00	-	7,93,61,533.00
Net Change	7,07,49,877.00	5,76,88,344.00	-	(1,30,61,533.00)
Indebtedness at the end of the financial year				
I) Principal Amount	-	6,81,00,000.00	-	6,81,00,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	6,81,00,000.00	-	6,81,00,000.00

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		O. C JOHN	E TOJEN		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	16,32,000.00	12,60,000.00	-	28,92,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission as % of profit	-	-	-	
	others - HRA	2,40,000.00	1,68,000.00	-	4,08,000.00
5	Others, please specify	-		-	
	Total (A)	18,72,000.00	14,28,000.00		33,00,000.00
	Ceiling as per the Act				

B. Remuneration to other directors: (As on 31.03.2021)

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Vijith V	Dr. P V Chandramohan				
1	Independent Directors						
	(a) Fee for attending board committee	5,000.00	25,000.00				30,000.00
	(b) Commission	-	-				
	(c) Others, please specify	-	-				
	Total (1)						
2	Other Non Executive Directors	Raju Varghese C	Shaji Joseph	Jroish G Kanippilly	R Jeyaraman	E V Ramachandran Nair	
	(a) Fee for attending	25,000.00	10,000.00	5,000.00	20,000.00	10,000.00	70,000.00
	(b) Commission		-	-	-	-	
	(c) Others, please specify	-	-	-	-	-	-
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration						1,00,000.00
	Overall Cieling as per the Act						

**C. Remuneration to key managerial personnel other than MD/MANAGER/WTD**

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		5,08,020.00	NIL	5,08,020.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	
2	Stock Option		-	-	
3	Sweat Equity		-	-	
4	Commission		-	-	
	as % of profit		-	-	
	others, specify		-	-	
5	Others, please specify		-	-	
	Total		5,08,020.00	NIL	5,08,020.00

X. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY: Default under sections 92 of the Companies Act, 2013 in relation to delay in holding Annual General Meetings in relation to the Company's financial year starting from 1st April 2016 to 31st March 2017					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Independent Auditor's Report

To The Members of Sea Blue Shipyard Limited

Report on the Audit of the Financial Statements

Qualified 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, 2021, 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, except for the matters described in the "Basis for Qualified Opinion" paragraph, 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, 2021, its Profit and Cash Flows for the year ended on that date.

Basis for Qualified Opinion

- 1) Material amounts relating to current and previous reporting periods are outstanding under Provision for Income Tax, Provident Fund and Employees State Insurance Payable and TDS Payable. No Provision for interest and penalty, if any, on such dues has been made in the accounts of the Company.
- 2) Confirmation of Balances has not been received in respect of Trade Receivables and there are long outstanding balances under Trade receivables as disclosed in Note 1, Item 13 of the Notes on Accounts. We have relied on management's representation that the provisions made by the management in respect of non-moving trade receivables are adequate as we are not able to ascertain the recoverability of these debts or whether the provision made by the Company is adequate.
- 3) Company has spent an amount of Rs 13,41,41,599/- towards capital work in progress until 31.3.2021, towards construction of slipway, skid, wharf etc. as provided in Note-11 to the Financial Statements. Most of the amounts spent towards capital work in progress are carried forward from financial 2013-2014 and management has explained that the works got delayed due to funds shortage, hence not capitalized or subjected to depreciation. Management has assessed that the capital work in progress is in good condition and there is no decline in value. We are not able to ascertain the current condition of the capital work in progress so as to ascertain whether the same is in good condition or in use or any impairment needed.
- 4) We are not able to quantify the effect of Qualification No 1 to No 3 on the Financial Statements, if any, at present.

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 Qualified 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.

Emphasis of Matter

As more specifically explained in Note 1 to the financial statements, the 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. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

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, 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) Except for the effect of matters described in the “Basis for Qualified Opinion” paragraph above, 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) Except for the effect of matters described in the “Basis for Qualified Opinion” paragraph above, 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, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 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 subject to our observations mentioned in the “Opinion” Paragraph of such report
- (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 its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (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;
 - a. The Company did not have any pending litigations which has an impact on its financial position in its financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure “B”**, a statement on the matters specified in paragraph 3 and 4 of the Order.

For A Mathew & Associates

Chartered Accountants
(Registration No.013144S)

Abraham Mathew

Proprietor
(Membership No. 201884)

43/2252A-1, SRM Road, Ernakulam-18,

Dated: 04 August 2021

UDIN: 21201884AAAAC16297

Annexure - A to the Auditors' Report

(Referred to in paragraph 1 (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 2021 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 2021, 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 subject to the following (a) Internal control system needs to be strengthened with respect to the recording of purchases of material and store, consumables on a timely manner and its issuance to various jobs as we have observed that the financial system and the stores are not fully integrated with proper inter face, thus resulting in delay in recording and reconciliation of issues (b) company may go for a suitable ERP solution covering all aspects of business including job costing and proper back up procedures must be introduced.

For A Mathew & Associates

Chartered Accountants
(Registration No.013144S)

Abraham Mathew

Proprietor
(Membership No. 201884)

43/2252A-1, SRM Road, Ernakulam-18,

Dated: 04 August 2021

UDIN: 21201884AAAACI6297

Annexure B to the Independent Auditors' 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)

We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, all the tangible property, plant and equipment were physically verified by the management during the year. As informed by the management, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) As informed to us, inventory has been physically verified by the management during the year at regular intervals. Inventory is based on valuation made and certified by the management. As informed by the management, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to companies, firms or Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, (iii) (a) (b) and (c) of the Companies (Auditors Report) Order, 2016 are not applicable to the company.
- (iv) Company has not granted any loans, guarantees and security
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3(v) of the order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- (vii) (a) Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Value Added Tax and other material statutory dues applicable with the appropriate authorities.
- (b) The details of arrears of undisputed statutory dues for a period of more than six months from the date they become payable as on 31 March 2021 are as follows,

Tax Deducted At Source	Rs 11,70,853/-
Income Tax Self-Assessment Tax Assessment Year 2016-2017:	Rs 40,56,308/-
Employees State Insurance:	Rs 13,48,367/-
Employees Provident Fund:	Rs 16,88,027/-
Professional Tax Employees:	Rs 2,32,009/-
Value Added Tax- State VAT:	Rs 98,809/-
- (c) According to the information and explanations given to us, there were no amounts payable in respect of Income Tax, Sales Tax, Service Tax, Value Added Tax, GST, Customs Duty, Excise Duty or cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and banks as all the outstanding bank liabilities has been settled during the year and the dues to banks, financial institution as on 31 March 2021 is Nil.



- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year
- (xi) In our opinion and according to the information and explanations give to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) In Our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable, for all 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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion, and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or person connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For A Mathew & Associates

Chartered Accountants
(Registration No.013144S)

Abraham Mathew

Proprietor
(Membership No. 201884)

43/2252A-1, SRM Road, Ernakulam-18,

Dated: 04 August 2021

UDIN: 21201884AAAACI6297

Balance Sheet as at 31 March 2021

Particulars	Notes	Current Year	Previous Year
		(Amount in Rupees)	
I. EQUITY AND LIABILITIES			
(1) SHARE HOLDER'S FUNDS			
(a) Share Capital	2	37,38,69,320	35,69,89,470
(b) Reserves and Surplus	3	(1,07,31,303)	(4,01,32,613)
(2) Share Application Money Pending Allotment		-	22,500
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	5,76,00,000	1,00,00,000
(b) Long-Term Provisions	5	21,99,584	20,05,185
(3) CURRENT LIABILITIES			
(a) Short-Term Borrowings	6	1,79,90,818	6,40,82,083
(b) Trade Payables	7	1,84,98,313	1,39,64,440
(c) Other Current Liabilities	8	1,30,92,001	3,00,52,613
(d) Short-Term Provisions	9	40,56,308	40,56,308
TOTAL		47,65,75,041	44,10,39,985
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment- Tangible Assets	10	20,27,98,552	20,36,30,264
(b) Capital work in progress	11	13,41,41,599	13,36,21,499
(c) Long-Term Loans and Advances	12	28,30,355	30,08,355
(d) Deferred Tax Asset Net		38,95,368	1,15,12,283
(e) Other Non Current Assets	13	2,16,67,590	46,41,196
(2) CURRENT ASSETS			
(a) Inventories	14	1,10,06,494	1,06,13,302
(b) Trade receivables	15	8,38,77,936	5,55,42,285
(c) Cash and Cash Equivalent	16	11,80,081	22,41,068
(d) Short Term Loans and Advances	17	60,02,781	68,40,972
(e) Other Current Assets	18	91,74,285	93,88,761
Total		47,65,75,041	44,10,39,985

Notes on Accounts & Significant Accounting policies

1

As per our report of even date attached

O. C John (DIN: 00918513)
Managing Director

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

E. Tojen (DIN: 01562904)
Wholetime Director

Abraham Mathew (M No: 201884)
Proprietor
UDIN: 21201884AAAACI6297

Jofin John
Company Secretary

Jilish George Kanippilly
Chief Financial Officer

Dated : 04 August 2021, Ernakulam

Profit and Loss Statement for the year ended 31st March 2021

Particulars	Notes	Current Year (Amount in Rupees)	Previous Year
I. Revenue from Operations	19	12,73,51,505	15,53,08,741
II. Other Income	20	13,72,121	12,77,668
III Total Revenue (I+II)		<u>12,87,23,626</u>	<u>15,65,86,409</u>
IV. Expenses:			
Cost of material consumed	21	2,73,10,599	3,22,30,270
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Work in Progress	22	23,93,341	-23,93,341
Employee Benefits	23	2,66,68,000	2,71,30,999
Financial costs	24	43,21,337	18,73,377
Depreciation and Amortization expense	10	15,41,283	17,79,299
Other expenses	25	49,068,298	4,14,57,856
	Total Expenses	<u>11,13,02,858</u>	<u>10,22,28,959</u>
V. Profit before exceptional and extraordinary items and tax (III- IV)		1,74,20,768	5,43,57,450
VI. Exceptional items - Income			
VII. Profit before Extraordinary Items and Tax (V- VI)		1,74,20,768	5,43,57,450
VIII. Extra Ordinary Item- Income	1	1,95,97,456	48,69,296
IX. Profit Before Tax (VII- VIII)		3,70,18,225	5,92,26,746
X. Tax expense:			
(1) Current Tax		0	0
(2) Deferred Tax		76,16,915	1,34,78,280
XI. Profit/(Loss) for the period from continuing operations (IX- X)		2,94,01,310	4,57,48,466
XII. Profit/Loss from Discontinuing Operations		0	0
XIII. Tax Expense of Discontinuing Operations		0	0
XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII- XIII)		0	0
XV. Profit/(Loss) for the period (XI + XIV)		2,94,01,310	4,57,48,466
XVI. Earning Per Share :			
(1) Basic		0.79	1.28
(2) Diluted		0.79	1.28

Notes on Accounts & Significant Accounting policies 1

O. C John (DIN: 00918513)
Managing Director

E. Tojen (DIN: 01562904)
Wholetime Director

Jofin John
Company Secretary

Jilish George Kanippilly
Chief Financial Officer

As per our report of even date attached

For **A Mathew & Associates**

Chartered Accountants, Regn No: 013144S

Abraham Mathew (M No: 201884)

Proprietor

UDIN: 21201884AAAACI6297

Dated : 04 August 2021, Ernakulam

Cash Flow Statement for the year ended 31 March 2021

	Current Year	Previous Year
I Cash flows from operating activities		
Net profit before taxation, and extraordinary item	1,74,20,768	5,43,57,450
Adjustments for :		
Depreciation	15,41,283	17,79,299
Interest income	-5,83,991	-6,55,843
Interest expense	43,21,337	18,73,377
Operating profit before working capital changes	2,26,99,397	5,73,54,283
Working Capital Changes		
(Increase) / Decrease in Trade Reivables	-2,83,34,914	-67,25,280
Decrease / (Increase) in Short Term Advances	8,38,191	70,33,901
Decrease / (Increase) in Other Current Assets	2,13,740	10,17,069
Decrease / (Increase) in inventories	-3,93,193	6,89,059
Increase / (Decrease) in Trade Creditors	45,33,873	-74,45,326
Increase / (Decrease) in Other Current Liabilities	-1,69,60,612	-2,25,62,846
Cash generated from operations	-1,74,03,518	2,93,60,860
Income taxes paid	0	0
Net cash from operating activities before extra ordinary Items	-1,74,03,518	2,93,60,860
Add: Extra Ordinary items (Refer Note 1-15)	1,95,97,456	48,69,296
Net cash from operating activities	21,93,938	3,42,30,156
II Cash flows from investing activities		
Purchase/Construction of Fixed Assets, CWIP	-12,29,670	-1,58,080
Interest received	5,83,991	6,55,843
Fixed Deposits with Long Term Tenure	-1,70,53,954	-21,63,688
Decrease / (Increase) in Other Non Current Assets	27,561	-29,960
Net cash from investing activities	-1,76,72,072	-16,95,885
III Cash flows from financing activities		
Proceeds from issuance of share capital	1,68,57,350	22,500
Proceeds from long-term borrowings	4,76,00,000	1,00,00,000
Proceeds from long-term loans and advances	1,78,000	1,55,180
Proceeds/(repayment) of short-term borrowings	-4,60,91,265	-4,27,65,857
Increase/(Decrease) in Long Term Provision	1,94,399	20,05,185
Interest paid	-43,21,337	18,73,377
Net cash used in financing activities	1,44,17,147	-3,24,56,369
IV Net increase in cash and cash equivalents	-10,60,987	77,902
Cash and cash equivalents at beginning of period	22,41,068	21,63,166
V Cash and cash equivalents at end of period	11,80,081	22,41,068

Notes on Accounts & Significant Accounting policies 1

O. C John (DIN: 00918513)
Managing Director

E. Tojen (DIN: 01562904)
Wholetime Director

Jofin John
Company Secretary

Jilish George Kanippilly
Chief Financial Officer

As per our report of even date attached

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

Abraham Mathew (M No: 201884)
Proprietor
UDIN: 21201884AAAACI6297

Dated : 04 August 2021, Ernakulam



Note-1: Notes on Accounts and Significant Accounting Policies attached to and forming part of the financial statements for the year ended 31.03.2021

- 1) **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.
- 2) **Significant Accounting Policies**
 - a) **Basis of accounting and preparation of financial statements:** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions 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) **Tangible Fixed Assets & Depreciation:** Fixed assets 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. Depreciation for assets purchased/sold during the period is proportionately charged. No review of useful life has been made during the year. Capital work in Progress as per Note 11 to the Balance Sheet is not capitalized as the assets under construction are not completed so as to use for productive revenue generation. Management is of the opinion that there is no impairment on such capital work in progress that needs to be provided.
 - f) **Revenue recognition:** Companies major business activity is ship building and repairing and service works. There is no sale of goods made during the year. 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. 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.

- 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 except for the provision made in respect of trade receivables as per Note-15 to the Balance Sheet.
- 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.
- 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. Leave Salary is accounted on accrual basis on the basis of Company's own computation. The accounting policy adopted by the Company effective 31.3.2020 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. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

3) **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 Forty Crores only) (Previous Year 4,00,00,000 equity shares each of Rs 10/- totaling to Rs 40,00,00,000/- (Rupees Forty Crores Only). Total issued, subscribed and paid up Capital as of 31.03.2021 is 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) (Previous Year : 3,56,98,947 equity shares each of Rs 10/ totaling to Rs 35,69,89,470/- (Rupees Thirty Five Crores Sixty Nine Lakhs Eighty Nine Thousand Four Hundred Seventy Only).

Share Issued During the Year.

During the reporting period 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 paripassu 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. (During the Previous reporting period, ie, financial year 2019-2020 Company has announced a rights issue and only Rs 22,500/- were collected which is shown as share application money pending allotment as on 31-03-2020 and refunded to the applicants during the year 2020-21). There are no shareholders holding more than 5% shares in the Company. All Share transfers during the year are as approved by the Board of Directors.

Dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders. 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-2.

- 4) Previous Year figures were regrouped wherever it becomes necessary to suit the current year outlay.
- 5) **The Company** has the following long term and short term debts as per Note - 4 and Note-6 of the financials

Long Term debts: Term Loan from Banks – Secured: Nil as on 31-03-2021. (Previous Reporting Period: (1) Current Maturity of State Bank of India (A/C No 67261967802), Term loan of Rs. 250 Lacs limit as per agreement with the bank dated 27/01/2014 with outstanding balance of Rs 67,20,077/- as on 31.03.2020 classified under current liabilities as of 31.3.2020 as the entire loan was due for overdue for payment) (2) Federal Bank Limited (A/c No: 11836900006812), Term loan Limit of Rs 62 lakhs with balance outstanding in the account as of 31.3.2020 Rs 4, 27,902/- classified as current liability as the outstanding balance was overdue for payment).

Long Term Borrowing from Directors: During the reporting period Company has taken unsecured long term loan from directors carrying interest @ 14 % p.a. and the amount of such loan outstanding at the end of the year 31.03.2021 is Rs 5,76,00,000/- (Rupees Five Crores Seventy Six Lakhs Only) (Previous Year: Rs 1,00,00,000/- Rupees One Crore Only) as detailed in Note-4 of the Financial Statements. These loans were taken to settle the loan amounts with State Bank of India under One Time Settlement and to meet the capital work in progress additions.

Short Term Borrowings- Secured From Banks: Nil as on 31-03-2021(Previous Reporting Period: State Bank of India Cash Credit Account Numbers 67128946615, 67210522125 and stand by line of credit account number 67380637844 with total outstanding balance of Rs 6,36,03,005/- (as on 31.03.2020 excluding interest on the accounts since the date of NPA i.e., 04-07-2017). These facilities were secured by charge over the entire current assets of the company, personnel guarantees of 5 directors of the company and three non-directors and equitable mortgage of 112.57 ares of immovable landed properties belonging to the company at Ernakulam and 1,211.04 ares of landed property belonging to directors/non directors)

During the reporting period, Company has entered into a one-time settlement agreement(OTS) with State Bank of India on 23-10-2020 and accordingly Sate Bank of India has waived off the interest on the loan amounts since the date of NPA 04-07-2017, which was not accounted by the company in the books of accounts as management was expecting a waiver. Further, as per the OTS, Sate Bank of India has waived off an amount of Rs 1,95,97,456/- from the principal portion of the loan amounts and this has been accounted as extra ordinary income as disclosed in the Profit and Loss Statement. Company has received no dues certificate from State Bank of India dated 04 January 2021 confirming no liabilities to the bank. Mortgages created on the company assets has been cancelled, satisfaction of charge filed and all the properties original documents deposited with the bank is released.

Total Interest accrued on the loan amounts since the date of NPA, i.e. 04-07-2017 till the date of settlement was not accounted by the company and accordingly, its waiver will not affect the financial position or the net profit of the Company. As the bank has not provided the details of such interest amounts that is waived off, it's not disclosed in the notes but management estimate the benefit of such waiver is approximately Rs 5.35 Crores including the NPA period interest until 31.03.2020 amounting to Rs 4,24,22,383/- estimated and reported by the management in the notes on accounts during 2019-2020.

Short Term Borrowings- Unsecured

From Directors: Unsecured loan from directors outstanding as of 31.03.2021 is Rs 1,05,00,000/- (Previous Year Rs 96,656/- as of 31.03.2020). These loans were taken to settle the dues to State Bank of India under One Time Settlement offer and to meet the short term working capital needs of the Company and are repayable on demand. The said loans are taken with the approval of the board of directors and the interest paid @ 14% per annum is not prejudicial to the interest of the Company considering the financial situation of the Company. Total Interest Paid to directors during the year on the long term and the short term loan together is Rs 42,18,963/- (Previous year Rs 11, 02,689/-). Further companies has credits due to directors and related parties amounting to Rs 31,80,363/- at the end of the year (Previous Year Rs 47,76,737/-)on account of re imbursement of expenses, sitting fees and short term advances.

KSFE Chitty: During the year 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 13 installments amounting to Rs 17,34,380/- until 31.03.2021. 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 gain until 31.03.2021 amounting to Rs 54,991/- (Rupees Fifty Four Thousand Nine Hundred Ninety One Only) is included in other income.

6) Contingent Liabilities (To the Extent Not Provided For):

- a) **Bank Guarantee Non Fund Based Facility with Banks:** Nil as the facility has been closed pursuant to the One Time Settlement with State Bank of India. At present Company is taking Bank Guarantees for the business needs by depositing 100% margin through lien marked term deposits with the Bank. Accordingly, Company has taken bank guarantee from State Bank of India for Rs 2, 12, 08,732/- against term deposit for equal amount as disclosed in Note No-12 of the Balance Sheet. (Previous Reporting Period: Company enjoys a bank guarantee facility limit of Rs 10.00 Crores (Rupees Ten Crores Only) from State Bank of India and the bankers have issued bank guarantee on behalf of the company for Rs2, 49, 48,987/-at the end of the year and is secured by extension of charges as mentioned for other facilities as above and personal guarantee of directors and some of the shareholders and lien on term deposits for Rs 45, 29,163/-)
- b). **Letter of Credit: Nil as the facility has been closed pursuant to the One Time Settlement with State Bank of India. (Previous Reporting Period:** Company has a letter of credit facility with a limit of Rs 3.00 Crores (Rupees Three Crores) from State Bank of India and there are no letter of credits outstanding at the end of the year. The letter of credit limit is secured by landed properties of the company, and personal guarantee of directors and shareholders)

7) The Company's operations during the year predominantly relate to sale of products, ship building and 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.

8) Balance with Banks: in Current Accounts Rs 11, 37,433/- (Previous year Rs 20,01,409/-). Term deposits including accrued interest amounting to Rs2,15,83,117/- (Previous Year Rs45,29,163/-) held as margin against the bank guarantee facilities with lien marked is classified under other non-current assets.

9) Balance of Debtors, creditors, loans, advance to suppliers, employees and VAT receivable, GST input credit represents the actual realizable/payable amount and are subject to confirmation

10) Disclosures under Accounting Standards

a) Construction Contracts - Accounting Standard-7

The job which is in progress for which the revenue recognition is accounted based on the percentage completion is disclosed as under in accordance with Accounting Standard-7. Revenue excludes sales tax, value added tax and GST. The stages of completion have been determined based on percentage of expenses incurred at the end of the year to the estimated cost of completion. The stage of completion has been determined as percentage of expenses Incurred at the end of the year to the estimated cost of completion. During the year under report, 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. Total cost incurred on the job until 31.03.2021 is Rs 5,57,44,336/- and the profit recognized on the job is Rs 2,63,88,451/

As all the other jobs in executions were completed at the end of the year and billed completely to the customers, there was no revenue recognition to be disclosed for the year in respect of contracting jobs other than the NSRY job disclosed as above.

b) Employees Retirement and other benefits: 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

- Employer's Contribution to Provident Fund Rs 2,74,764/- (Previous Year Rs 4,24,678/-)
- Employer's Contribution to ESI : Rs 2,63,412/- (Previous Year: Rs 3,06,431/-)
- 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 31,563/- (Previous Year Rs 41,680/-)
- Medical Expenses paid Rs 37,766/- (Previous Year Rs 8,165/-)

c) Gratuity: The Company has a defined gratuity plan. Gratuity is computed as 15 days salary for every completed year of service or part thereof in excess of six months and is payable on retirement/ termination/resignation. The benefits vests on the employee after completion of five years of service. The gratuity liability has not been externally funded. Company makes the provision of gratuity in the books of accounts on accrual basis. Net Accrued liability as of 31.03.2021 is Rs 21,99,584/- (Previous Year Rs 20,05,185/- and current service cost adjusted for interest cost and actuarial loss at Rs 3,49,129/-(Previous Year: Rs 2,33,022/-). Since the entire amount of plan obligation is unfunded, the change in fair value of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year are not given. Gratuity Charges to the Profit and Loss Account during the year Rs 3,49,129/- (Previous Year: 20,05,185/- including prior years charged in 19-20 financial year). Gratuity Settled during the year 2020-21 Rs 1,54,730/-

d) 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.

1) Key Managerial Personnel & Remuneration paid during the year

- Mr. O C John- Managing Director, Remuneration: Rs 16,32,000/-, Rent Allowance : Rs 2,40,000/- (Previous Year remuneration: Rs 9,60,000/-, Rent Allowance: Nil)
- Mr. E Tojen – Whole Time Director, Remuneration: Rs 12,60,000/ (Previous Year Rs 7,20,000/-) & House Rent Allowance Rs 1,68,000/- (Previous Year Rs 1,50,500/-)
- Mr. Jilish George Kanippilly - Chief Financial Officer: Nil (Previous Year Nil)
- Jofin John- Company Secretary Rs 5,08,020/- (Previous Period Rs 1,73,226/-)

Remuneration to the Managing Director and the Whole time Directors has been increased during the year with effect from 01.04.2020 by the board of directors at its meeting held on 26.06.2020. 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.

2) Related Party Transactions

a) **Unsecured Loan from Directors:** During the financial year, company has taken unsecured long term and short term loans from the following directors, carrying interest @ 14 percentage per annum as approved by the board of directors and the total interest paid during the year to directors is Rs 42,18,963/- (Previous Year Rs11,02,689/-). These loans were taken to close the borrowings from State Bank of India under one time settlement and to meet the working capital needs of the Company and Capex Program. Total amount of unsecured long term and short term loans outstanding from directors at the end of the year together with interest, if any payable, as on 31.03.2021 is Rs 7,03,86,856/- (Previous Year Rs 1,04,11,656/-) and the details of loans from each of the directors are as follows

- i) **Mr. O C John - Managing Director:** During the year company has taken unsecured loan for an amount of Rs 3,62,00,000/- (Rupees Three Crores Sixty Two Lakhs Only) carrying interest @ 14.00% p.a. and total interest paid to him during the year is Rs15,51,729/- (Previous Year : Nil) . Loan amount outstanding at the end of the year is , long term loan Rs 2,00,00,000/-; Short Term Loan Rs 1,05,00,000/- and Interest Payable Rs 13,93,306/- (Previous Year short term loan : Rs 96,656/-, Interest Payable Nil).
- ii) **Dr Raju Varghese - Non Executive Director:** During the year company has taken long term unsecured loan for an amount of Rs1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) carrying interest @ 14.00% p.a. and total interest paid/payable to him during the year is Rs 19,46,815/- (Previous Year Rs 10,78,755/-). Loan amount outstanding at the end of the year is Rs 2,25,00,000/- and Interest Payable Rs 7,28,437/- (Previous Year Rs 1,00,00,000/- loan amount and Rs 3,15,000/- interest payable).
- iii) **Mr Shaji Joseph - Non Executive Director:** During the year company has taken long term unsecured loan for an amount of Rs 1,00,00,000/- (Rupees One Crore Only) carrying interest @ 14.00% p.a. and total interest paid to him during the year is Rs 3,46,003/- (Previous Year Nil). Loan amount outstanding at the end of the year is Rs 1,00,00,000/- (Previous Year Nil)
- iv) **Mr R Jeyaraman - Non Executive Director:** During the year company has taken long term unsecured loan for an amount of Rs76,00,000/- (Rupees Seventy Six Lakhs Only) carrying interest @ 14.00% p.a. and total interest paid to him during the year is Rs3,74,416/- (Previous Year Rs 23,934/-). Loan amount outstanding at the end of the year is Rs 51,00,000/-and Interest Payable Rs 1,65,113/- (Previous Year Nil)

b) Sums due to directors, key managerial personnel and other related parties on account of money advanced to the company and towards re imbursement of expenses outstanding at the end of the year

O C John, Managing Director	Rs 8,69,530/- (Previous Year Rs 6,86,263/-)
E Tojen, Whole Time Director	Rs 9,11,545/- (Previous Year Rs 24,59,365/-)
Mr George Kanippilly, Ex Non-Executive Director	Rs 2,44,581/- (Previous Year: Rs 2,44,581/-)
Mr. Jilish George Kanippilly, CFO	Rs 3,96,864/- (Previous Year: Rs 4,16,864/-)

Roseline Kanippilly	Rs 3,50,013/- (Previous Year Rs 3,50,013/-)
Roshny Jilish	Rs 2,17,081/- (Previous Year Rs 2,17,081/-)
Jrosih Kanippilly	Nil (Previous Year Rs 2,11,821/-)

c) Sitting Fees to directors during the year 2020-21

1) O C John - Managing Director	Nil (Previous Year: Nil)
2) E Tojen - Whole Time Director	Nil (Previous Year: Nil)
3) Raju Varghese - Non executive Director	Rs 25,000/- (Previous Year Rs 30,000/-)
4) George Kanippilly - Non Executive Director	Rs 20,000/- (Previous Year Rs 30,000/-)
5) Chandra Mohan P V - Independent Director	Rs 25,000/- (Previous Year Rs 20,000/-)
6) Sadasivan Dileepkumar - Non Executive Director	Rs 15,000/- (Previous Year Rs 10,000/-)
7) Omer Moyin Kutty - Non Executive Director	Rs 15,000/- (Previous Year Rs 25,000/-)
8) R Jeyaraman - Non Executive Director	Rs 20,000/- (Previous Year Rs 20,000/-)
9) E V Ramachandran Nair	Rs 10,000/- (Previous Year Nil)
10) Shaji Joseph	Rs 10,000/- (Previous Year Nil)
11) Jroish J Kanippilly	Rs 5,000/- (Previous Year Nil)
12) Vijith Vijaya Chandran	Rs 5,000/- (Previous Year Nil)

d) 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

Basic and Diluted earnings per share	Current Year	Previous Year
Face value of Equity shares	Rs 10/- each	Rs 10/- each
Net Profit for the Year	2,94,01,310	4,57,48,466
No. of Equity Shares Issued	3,73,86,932	3,56,98,947
Earnings Per share	0.79	1.28

e) 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 decide to opt for taxation at reduced rate of 22% under Section 115BAA of the Income Tax Act, 1961 based on expert tax advise obtained in this regard 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.

	Current Year	Previous Year
Deferred Tax Asset Opening Balance	1,15,12,283/-	2,49,90,563/-
Components of Deferred Tax year end		
Timing Difference Depreciation (A)	29,28,739/-	30,38,311/-
Timing Difference Disallowances (A)	1,18,09,065/-	1,21,08,881/-
Carried forward Loss (A)	7,38,431/-	3,05,90,921/-
Total	1,54,76,235/-	4,57,38,113/-
Deferred Tax Asset	38,95,368/-	1,15,12,283/-
Deferred Tax Expense (Income)	76,16,915/-	1,34,78,280/-

- 11)** The company has not received any intimation from “Suppliers” regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said Act have not been given.
- 12)** Import of raw materials and expenditure in Foreign Currency during the year: GBP 1,01,655/- (Equivalent Indian Rs 1,00,06,662/- & US Dollar 712/- (equivalent Indian Rs 52,507/-) (Previous Year Nil). There are no other foreign exchange earnings or outgo during the year.
- 13) Trade Receivables, Write Off and Provision:**

Bad Debts Written Off : Rs 34, 00,815/-: (Previous Year Rs 79, 56,507/-)

During the year, management has decided to write off an amount of Rs 34,00,815/- (Rupees Thirty Four Lakhs Eight Hundred and Fifteen Only) 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, discounts and are not collectible.

Seguro Foundation and Infrastructure:	Rs 21,80,448/-
Hydrographic Survey Wing – Port Dept	Rs 9,20,980/-
MIR Projects and Consultants	Rs 68,250/-
Finess Shipping Line Private Limited	Rs 62,881/-
KSEB Idukki	Rs 44,991/-
V S Marine Services	Rs 37,781/-
RKEC Projects Private Limited	Rs 25,697/-
Sushama & Co	Rs 15,442/-
Lotus International Limited	Rs 14,978/-
Elegant Engineering	Rs 14,289/-
Great Offshore Limited	Rs 12,600/-
Bosch Rexroth	Rs 2,478/-

Provision made for Bad Debts: During the year Management has decided to make a provision of Rs 1,75,248/- (Rupees One Lakh Seventy Five Thousand Two Hundred Forty Eight Only)

relating to the non-moving receivables. Company has an amount of Rs 1,02,54,522/- due from various customers which is older than 3 to four years. Company is making all efforts to collect this money and on a prudent basis, management has decided to make a further provision of Rs 1,75,248/- as provision for bad debt as disclosed in Note-15 & 25 of the financial statements in addition to the existing provision of Rs 34,13,834/- already available against no moving debts from previous years thus making the total provision for bad debts against non-moving debts to Rs 35,89,083/-.

An amount of Rs 64,42,978/- 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 10,00,000/- has been collected subsequent to year end in 2021-2022. Balance amount of Rs 54,42,978/- 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.

- 14) The board of director's is of the opinion that the assets other than fixed assets and capital work in progress have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Capital work in Progress Rs 13,41,41,599/- as per Note 11 to the Balance Sheet is not capitalized as the assets under construction are not completed so as to use for productive revenue generation. As the current state of such capital Work in Progress is evaluated by technical experts and management that it's in good condition and estimated as 85% completed and no impairment is needed to be done on such capital work in progress.
- 15) Extra Ordinary Income: During the year 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)
- 16) 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. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated at the date of approval of the financial results. 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 major part the carried forward losses.
- 17) 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 un favorable decision which has an impact on the financial position or operations of the Company

- 18) 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/- including interest in addition to the tax deducted at source for which credit of Rs 15,51,509/- available and utilized. An amount of Rs 40,56,308/- provision for income tax relating to the said assessment year is available in the books of accounts as disclosed in Note-9 to the Balance Sheet and the excess provision, if any, shall be adjusted in the books on completion of the assessment based on the return filed.
- 19) 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/- 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.

As per our report of even date attached

O. C John- DIN: 00918513
Managing Director

For A Mathew & Associates
Chartered Accountants (Firm Regn: 013144S)

E. Tojen-DIN: 01562904
Whole-time Director
04 August 2021, Ernakulam-18

CA Abraham Mathew
ICAI M No: 201884
04 August 2021, Ernakulam-18
UDIN:21201884AAAAC16297

Jofin John
Company Secretary

Jilish George Kanippilly
Chief Financial Officer

Dated: 04 August 2021, Ernakulam

		Current Year	Previous Year
		(Amount in Rupees)	
Note-2	Share Capital		
	A. Authorised		
	4,00,00,000 Equity shares of Rs. 10 each	40,00,00,000	40,00,00,000
	(Previous Year 4,00,00,000 Equity shares of Rs. 10 each)	40,00,00,000	40,00,00,000
	B. Issued, Subscribed and Fully Paid- Equity		
	Balance at the beginning of the period 3,56,98,947 Equity shares of Rs. 10/- each	35,69,89,470	35,69,89,470
	Add: Shares allotted during the year 16,87,985 equity shares	1,68,79,850	Nil
	Equity Share Capital as on 31.03.2021	37,38,69,320	35,69,89,470
	3,73,86,932 Equity shares of Rs. 10 each(Previous Year 3,56,98,947 Equity Shares of Rs 10 each)		
	Reconciliation of Equity Shares Outstanding at the beginning and end of reporting period		
	Opening No of Equity Shares	3,56,98,947	3,56,98,947
	No of Shares Issued during the year	16,87,985	Nil
	Closing No of Equity Shares	3,73,86,932	3,56,98,947
	Number of Share Holders		
	Opening	931	932
	Changes during the year	(8)	(1)
	Closing Number of Share Holders(DMAT 122, Physical: 801)	923	931
	Shares held by shareholders holding more than 5% shares		
	None of the share holders are holding more than 5% of the the total shares issued		
Note -3	Reserves & Surpluses		
	i Debenture Redemption Reserve		
	Opening Balance	-	20,10,000
	Add : Transfer from Surplus	-	-
	Transfer to Surplus	-	(20,10,000)
	Sub total	-	-
	ii Surplus: Profit and Loss Account		
	Opening Balance	(4,01,32,613)	(8,78,91,079)
	Add : Profit/Loss for the year	2,94,01,310	4,57,48,466
	Less : Transferred to debenture redemption reserve	-	-
	Add: Transferred from debenture redemption reserve	-	20,10,000
	Sub total	-1,07,31,303	-4,01,32,613
	Total Reserves & Surplus	-1,07,31,303	-4,01,32,613
Note -4	Long Term Borrowing- Unsecured from Directors		
	O C John Managing Director	2,00,00,000	-
	Dr Raju C Varghese- Director	2,25,00,000	1,00,00,000
	Shaji Joseph- Director	1,00,00,000	-
	R jeyaraman- Director	51,00,000	-
	Sub total	5,76,00,000	1,00,00,000
Note -5	Long Term Provisions		
	Employees Gratuity	21,99,584	20,05,185
Note -6	Short Term Borrowings		
	Loans Repayable on demand (refer Note-1)		

a From Banks- Secured		
State Bank of India Cash credit/overdraft	-	6,36,01,898
b From Others- Unsecured		
Deposit- Unsecured	68,529	68,529
KSFE Chitty- Guaranteed by Director	51,35,433	-
Unsecured Loan from Directors		
O C John Managing Director	1,05,00,000	96,656
Interest on Unsecured loan payable to Directors		
O C John Managing Director	13,93,306	-
Dr Raju C Varghese- Director	7,28,437	3,15,000
R jeyaraman- Director	1,65,113	-
Total Short Term Borrowings	1,79,90,818	6,40,82,083
Note -7 Trade Payables		
Sub Contractors	1,60,65,619	16,94,605
Purchase Creditors	15,75,116	1,12,30,490
Other Trade Payables	8,57,577	10,39,345
Total	1,84,98,313	1,39,64,440
Note- 8 Other Current Liabilities		
a. Current Maturity of Long Term Debt		
SBI Term Loan 250 Lakhs# 67261967802	-	67,20,077
Term Loan Federal Bank 62 Lakhs# 11836900006812	-	4,27,902
b. Advance from Customers	5,07,290	9,07,290
c. Other Amounts due to related parties		
Due to Directors	21,77,939	35,62,492
Directors Sitting Fees Payable	1,90,750	1,90,750
Due to Other Related Parties	8,11,674	10,23,495
d. Expenses Payable	29,51,949	69,07,828
e. Statutory Liabilities	64,52,399	1,03,12,780
Total	1,30,92,001	3,00,52,613
Note-9 Short Term Provisions		
Provision for Income Tax AY 2016-17	40,56,308	40,56,308
Total	40,56,308	40,56,308
Note -12 Long term Loans and Advances- Unsecured		
a Capital Advances for Land	4,38,000	4,38,000
b Security Deposits	23,50,527	24,32,027
c Other Loans & Advances- Loans to Employees	41,828	1,38,328
Total	28,30,355	30,08,355
Note -13 Other Non Current Assets		
Retentions Not Due	84,473	1,12,033
Term Deposits as margin for BG with Banks	2,12,08,732	41,87,558
Interest Accrued on Term Deposits	3,74,385	3,41,605
Total	2,16,67,590	46,41,196

Note -14 Inventories: (As taken, valued and certified by the management)

Raw Materials, stores and consumables	1,10,06,494	82,19,960
Work in Progress	-	23,93,341
Total	1,10,06,494	1,06,13,302

Note -15 Trade Receivables (unsecured considered good)

Outstanding for a period exceeding six months	3,35,21,304	2,49,52,200
Less than Six Months	5,39,45,714	3,40,03,919
Total	8,74,67,018	5,89,56,119
Less provision for Bad and Doubtful Debt	35,89,083	34,13,834
Balance Trade Receivables	8,38,77,936	5,55,42,285

Note -16 Cash & Cash Equivalents

a Cash in Hand	42,647	2,39,659
b Balances with Banks		
i) In Current Accounts	11,37,433	20,01,409
Total	11,80,081	22,41,068

Note -17 Short Term Loans & Advances- Unsecured

a Supplier Advances	48,91,171	57,70,899
b Advances to employees	11,11,610	10,70,073
Total	60,02,781	68,40,972

Note -18 Other Current Assets

Tax Deducted at Source	50,09,858	40,41,763
VAT Receivables/GST Input Credit	41,49,527	53,32,099
Others	14,900	14,900
Total	91,74,285	93,88,761

Note -19 Revenue from Operations

Income from Ship building, repairing and services

Income From Engineering Works	12,07,85,154	15,35,04,548
Income Received From Wharfage	55,44,039	18,04,193
Yard Service Charges	9,10,972	-
Hire Charges Received	1,11,340	-
Total	12,73,51,505	15,53,08,741

Note -20 Other income

Other Direct Income- consumables supply	-	82,500
Interest income	5,83,991	6,55,843
Training fee Received	11,765	2,67,100
Others	7,76,365	2,72,225
Total	13,72,121	12,77,668

Note -21 Cost of material consumed

Opening stock of Raw Material, stores and consumables	82,19,960	1,13,02,361
Add: Purchase of Raw Material, Consumables, Spares	3,00,97,133	2,91,47,869
Total	3,83,17,093	4,04,50,230
Less: Closing stock of Raw Material, consumables, spares	1,10,06,494	82,19,960
Material Consumed	2,73,10,599	3,22,30,270

Note -22 Changes in Work in Progress

Opening Stock of WIP	23,93,341	-
Closing Stock of WIP	-	23,93,341
Total	23,93,341	-23,93,341

Note -23 Employee Benefits

Wages & Labor	1,29,64,990	1,35,00,628
Salaries & allowances	86,89,993	82,85,377
Salary to Whole Time Directors	28,92,000	16,80,000
Staff Welfare/Project Staff Expenses	4,43,243	4,32,142
House Rent Allowance Whole Time Directors	4,08,000	1,50,500
Gratuity	3,49,129	20,05,185
Contribution to PF	2,74,764	4,24,678
Contribution to ESI	2,63,412	3,06,431
Bonus	2,41,586	3,05,450
PF Administration Charges	62,365	32,811
Medical Expenses	37,766	8,165
Labour Welfare Fund	31,563	41,680
Other Allowances to Staff	9,190	1,08,451
Total	2,66,68,000	2,72,81,499

Note -23 Financial Cost

Interest Expense	43,21,337	18,73,377
Total	43,21,337	18,73,377

Note -24 Other Expenses
Job Related Expenses

Service Charges	1,81,09,723	63,05,961
Fabrication Expenses	1,63,78,993	94,43,758
Electricity Charges	20,59,443	15,55,715
Job Accruals on completed jobs	7,89,566	13,79,674
Freight & Transportation Charges	5,61,822	4,86,375
Loading & Unloading Charges	1,10,104	2,47,085
Testing & Inspection Charges	79,500	1,41,452
Hire Charges	36,505	6,92,280
Claims & Deductions	27,927	1,04,344

Other Selling and Administration Expenses

Advertisement expenses	31,115	14,965
AMC Charges	0	12,000
Auditor's Fee - for audit	1,20,000	1,00,000
- for Income Tax and GST matters	60,000	35,000
Bank Charges & Guarantee Commission	10,36,870	17,99,096
Business Promotional Expenses	2,00,000	12,070
Travelling & Conveyance Expense	9,89,660	17,23,280
Directors Sitting Fee	1,50,000	1,35,000
Fines and Late Fees	2,95,903	3,32,494
Fuel and Power	1,28,434	4,48,093
House Keeping expenses	1,12,949	1,13,922

Internal Audit Fees	31,250	0
Insurance & Legal Charges	1,89,358	4,53,908
Lodging Expenses	32,861	58,117
Meeting & Seminar Expenses	72,534	1,60,885
Miscellaneous Expenses	23,465	37,506
Mobile & Telephone Charges	42,468	59,848
Office Expenses	2,90,707	2,15,380
Postage & Courier	34,709	42,935
Printing & Stationary	2,20,399	1,67,673
Professional Charges	10,77,350	11,77,250
Repairs and Maintenance	2,62,821	4,21,731
Rates & Taxes, Licenses & filing fees	3,32,215	5,70,875
Rates & Taxes earlier years	7,19,233	7,41,222
Bad Debts written off	34,00,815	79,56,507
Provision for Bad Debts	1,75,248	34,13,834
Rent	5,10,900	4,94,783
Security Charges	3,24,569	3,31,100
Surveillance Audit Fee	18,000	52,000
Tender Expenses	20,052	8,875
Water Charges	10,831	10,860
Total	<u>4,90,68,298</u>	<u>4,14,57,856</u>

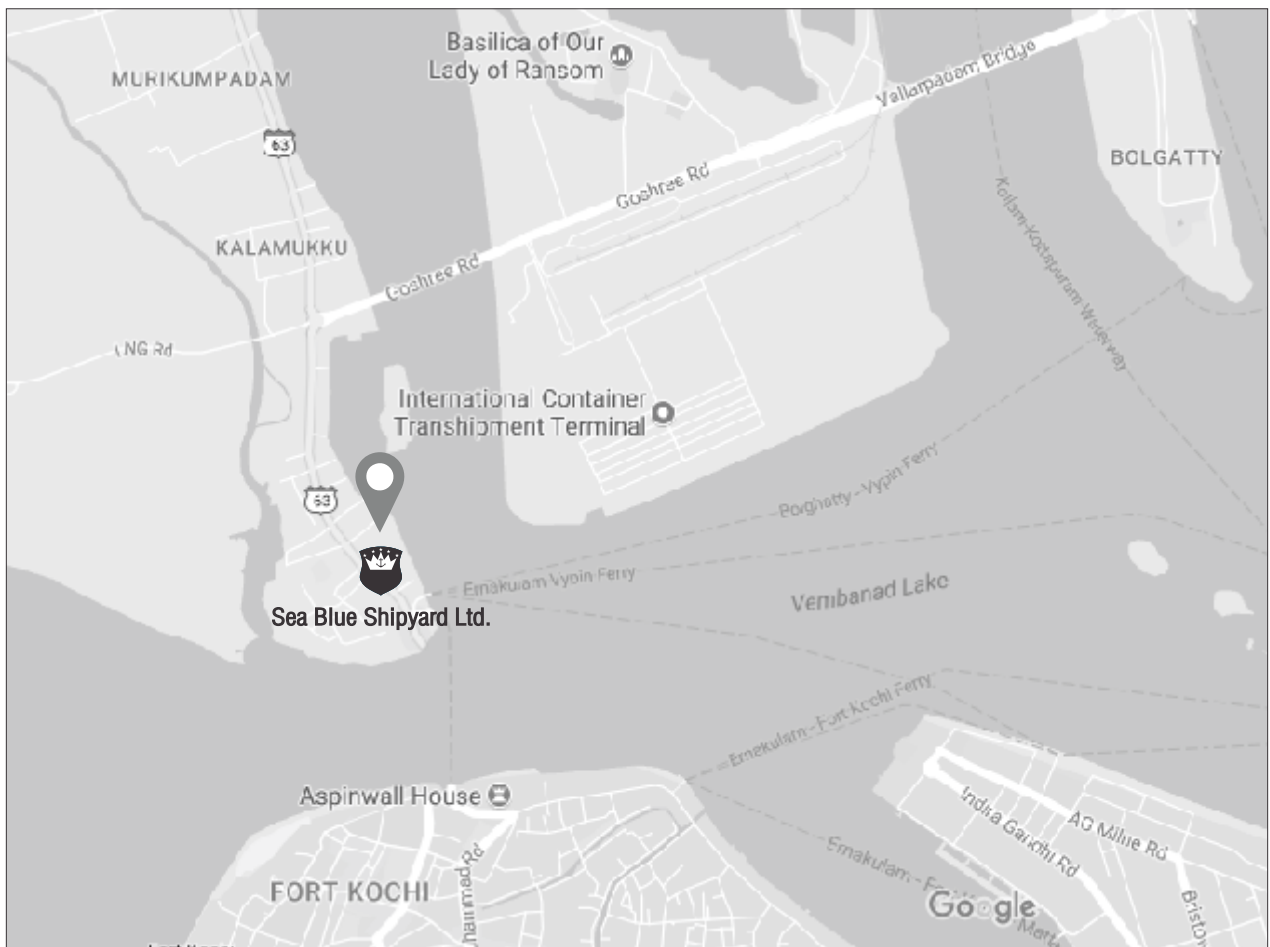
**Note-10 : Property, Plant and Equipments as on 31.03.2021**

SL. No	Particulars	GROSS BLOCK			Accumulated Depreciation				NET BLOCK	
		Balance as on 01-04-2020	Additions	Deletions	Balance as on 31-03-2021	Upto 31.03.2020	For the year	On Assets Sold	As on 31-03-2021	As on 31-03-2020
1	Land	19,58,83,951			19,58,83,951			-	19,58,83,951	19,58,83,951
2	Building	25,30,617			25,30,617	16,29,956	85,590	-	8,15,072	9,00,662
3	Plant & Machinery	1,70,13,070			1,70,13,070	1,39,18,162	5,92,840	-	25,02,068	30,94,908
4	Furniture & Fittings	25,88,677			25,88,677	24,15,646	34,350	-	1,38,680	1,73,030
5	Office Equipment	28,46,954	43,208		28,90,162	26,04,062	1,16,095	-	1,70,005	2,42,893
6	Computer & Accessories	21,10,256	69,974		21,80,230	20,61,750	45,389	-	73,091	48,507
7	Electrical Installations & Equipments	1,37,58,480	4,61,156		1,42,19,636	1,23,95,012	4,29,691	-	13,94,933	13,63,468
8	Vehicles	18,54,167	1,40,000	95,340	18,98,827	17,61,418	51,572	90,573	1,76,409	92,749
9	Ships - Boat	64,83,854			64,83,854	46,53,758	1,85,755	-	16,44,341	18,30,096
	TOTAL	24,50,70,028	7,14,337	95,340	24,56,89,025	4,14,39,764	15,41,283	90,573	20,27,98,552	20,36,30,264
	Previous Year	24,49,11,948	1,58,080	-	24,50,70,028	3,96,60,465	17,79,299	-	20,36,30,264	20,52,51,483

Note-11, Capital Work in Progress as on 31 March 2021

SL. No	Particulars	01.04.2020	Addition	Deletion	31-03-2021	31-03-2021	31-03-2020
1	Boat Jetty	66,95,512			66,95,512	-	66,95,512
2	Wharf	3,20,15,173			3,20,15,173	-	3,20,15,173
3	Slipway	7,07,87,340	5,20,100		7,02,67,240	-	7,02,67,240
4	Workshop	16,72,625			16,72,625	-	16,72,625
5	Skid	34,28,005			34,28,005	-	34,28,005
6	Gantry Crane 60 Tonnes	76,77,419			76,77,419	-	76,77,419
7	Building Construction - Vypeen Yard	1,17,54,557			1,17,54,557	-	1,17,54,557
8	Dry dock	1,10,968			1,10,968	-	1,10,968
	Sub Total	13,36,21,499	5,20,100		13,41,41,599	-	13,36,21,499
	Previous Year	13,36,21,499			13,36,21,499	-	13,36,21,499

ROUTE MAP



CONTACT INFORMATION

REGISTERED OFFICE & YARD

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

Tel: 91484 2503636

Fax: 91484 2502536

E-mail: tech@seablueshipyard.com

Website: www.seablueshipyard.com



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

CUT HERE



CUT HERE



CUT HERE



CONTACT INFORMATION

REGISTERED OFFICE & YARD

1/212, V. P. Road,
Azheekal P.O, Vypin
Kochi- 682 508
Tel: 91484 2503636
Fax: 91484 2502536
E-mail: tech@seablueshipyard.com
Website: www.seablueshipyard.com

Form No. MGT-12

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **Sea Blue Shipyard Limited**
Registered Office: 1/212, V.P Road, Azheekal P.O, Vypin, Kochi - 682508
CIN: U35111KL2003PLC016677

BALLOT PAPER

Sl.No.	Particulars	Details
1	Name of the first named Shareholder (In Block Letters)	
2	Postal Address	
3	Registered Email address with the Company	
4	DP ID (Applicable only to Dematerialized Shareholders of SBSL)	
5	Registered Folio No (Physical Shares) / Client ID (dematerialized shares of SBSL)	
6	Class of Share	Equity Shares of Rs. 10/- each

I hereby exercise my vote at the 18th Annual General Meeting of the Company, to be held on Wednesday, the 29th September, 2021 at 11.00 A.M in respect of Ordinary Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

Sl.No.	Item No.	No.of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To consider and adopt the Audited Balance Sheet as at 31st March, 2021, 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	Re-Appointment of Dr. Raju Varghese C, who retires by rotation, and being eligible offers himself for re-appointment.			
3	Re-Appointment of Mr. R. Jeyaraman, who retires by rotation, and being eligible offers himself for re-appointment.			
4	Regularization of Additional Director, Mr. Jroish George Kanippilly as Non-Executive Director of the Company			
5	Ratification of the Appointment of Mr. Vijith Vijayachandran as an Independent Director of the Company			

Place:

Date:

Signature of the Shareholder*

(*as per Company records)



Sea Blue Shipyard Ltd.

An ISO 9001 : 2015 Certified Shipyard

Regd. Office & Yard:

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

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Belmira Plaza,
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Email: goa@seablueshipyard.com