



**TEBMA**  
SHIPYARDS LIMITED  
A Cochin Shipyards Company

# THE RESURGENCE

ANNUAL REPORT 2020-21

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### Disclaimer

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Shri Madhu S Nair**  
Chairman

**Shri Sureshababu N V**  
Non – Executive Director  
(upto April 30, 2021)

**Shri Bejoy Bhasker**  
Non – Executive Director

**Shri Jose V J**  
Non – Executive Director

## KEY MANAGERIAL PERSONNEL

**Shri Harikumar A**  
Chief Executive Officer (CEO)

**Shri Shibu John**  
Chief Financial Officer (CFO)

**Shri Aswin Sarma M**  
Company Secretary

## REGISTERED OFFICE

S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram, Tamil Nadu – 603 116

**CIN: U27209TN1984PLC010994**

## FACILITIES

Malpe, Karnataka  
Chengalpet, Tamil Nadu

## STATUTORY AUDITORS

M/s. Shabbir and Ganesh  
Chartered Accountants  
Balakrishna Towers, 1st Floor  
Kunjibettu 2nd Cross, Udipi Manipal Road  
Near Mandavi Gokul, Udupi – 576102

## SECRETARIAL AUDITORS

M/s. SEP & Associates  
Company Secretaries  
Building No. C.C 56/172  
K.C. Abraham Master Road  
Panampilly Nagar, Kochi – 682 036

## BANKERS

State Bank of India



# ABOUT US

## On September 15, 2020, TSL was acquired by Cochin Shipyard Limited through the statutory insolvency resolution process and since then TSL is a wholly owned subsidiary of Cochin Shipyard Limited.

Tebma Shipyards Limited (TSL) was incorporated as 'Tebma Engineering Private Limited' on July 09, 1984 as a private non-government company. Subsequently, the Company became public and changed the name to 'Tebma Shipyards Limited'. TSL has been a known name in the shipbuilding industry for its quality standards and commitment levels and has built a wide range of small and medium sized vessels from Tugs to large MPSVs and GTRVs for domestic and international

clients. TSL, besides being a leading shipbuilder, has also made significant contributions to the ship repair business in India.

TSL has been a key player in Indian shipbuilding industry in 2000s and has delivered more than 150 vessels since inception. TSL has two facilities; one in Malpe, Karnataka and the other in Chengalpet, Tamil Nadu. TSL facility at Malpe possesses a high end infrastructure which is considered as one of the best

in the country amongst medium sized shipyards, with an equally modern Steel Fabrication unit at Hangarkatta.

TSL, incorporated in 1984 as a consultancy company, later grew as a shipbuilder and became a key player in the offshore industry through the collaboration with Cochin Shipyard Limited (CSL) in 2004. Under this arrangement, TSL constructed 8 nos. of Platform Supply Vessels and 4 nos. of Anchor Handling Tugs at CSL, Kochi.

Due to the financial distress caused by the downturn of the shipping industry worldwide, the Company's multiple orders from domestic and international customers got cancelled, leading to defaults with the lenders. Since then the servicing of the financial facility became stressful and the business started losing pace. In September 2018, due to Company's inability to meet the financial obligations, TSL was admitted to Corporate Insolvency

Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). In compliance with the provisions of the statutory insolvency resolution process, Cochin Shipyard Limited (CSL), a premier public sector shipyard in India, acquired the Company and took over its management in September 2020, consequent to which the Company became a wholly owned subsidiary of CSL and a Government Company under the provisions of the Companies Act,

2013. The Company emerged victorious in these testing times and against all odds was brought back into life by CSL through the statutory insolvency resolution process.

Presently, TSL is a part of CSL Group and a dynamic management team with experienced workforce have been positioned by CSL for the revival of the yard and to commence the business operations afresh under the guidance and support of CSL.



# CHAIRMAN'S ADDRESS



## Dear shareholders,

It gives me immense pleasure to welcome you all to the 37th Annual General Meeting of Tebma Shipyards Limited (TSL).

The fiscal year 2020-21 was undoubtedly an unusual year; the pandemic affected everyone, with no exceptions. Nevertheless, it has been a landmark year for the Company. The Company had been sailing tough for the past several years and due to its inability to cope up with the financial obligations, in September 2018, the Company was admitted for Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). During the Insolvency Process, Cochin Shipyard Limited (CSL), a premier public sector shipyard in India, submitted its Resolution Plan for taking over the Company and in March 2020, the National Company Law Tribunal (NCLT), Chennai approved the said Resolution Plan. The COVID-19 pandemic and subsequent restrictions imposed by the Government/Local authorities decelerated the process of implementation of the Resolution Plan. However, in September 2020, CSL paid the resolution amount and took over TSL making TSL a wholly owned subsidiary of CSL and the new management took charge of the Company.



**TSL aspires to be the market leader in the small and medium vessels segment and envisions itself to the Hon'ble Prime Minister's ideas of 'AatmaNirbhar Bharat' and 'Make in India, Make for the World'.**



TSL had made a name of its own both in domestic as well as international markets and has built a wide range of small and medium sized vessels with its high end infrastructure facilities. However, due to the financial difficulties and consequent Insolvency Process, the Company's facilities had been non-operational for the past several years. As soon as the new management took over, the necessary activities for revamping the infrastructure facilities and mobilisation of requisite manpower was initiated for starting the business operations of the Company afresh. In spite of the adversities on account of the second wave of COVID-19 pandemic, the Company could manage to start its operations at the Hangakatta facility in July 2021. The Company's warehousing facility at Babuthotta has been made fully operational and the revamping activities at Malpe Harbour Complex is progressing.

During the year 2020-21, the facilities of the Company had been non-operational and hence the Company reported a loss of Rs. 136.04 lakhs. However, during the year, the Company has earned other income of Rs. 74.74 lakhs, majority from lease of tug owned by the Company.

TSL aspires to be the market leader in the small and medium vessels segment and envisions itself to the Hon'ble Prime

Minister's ideas of 'AatmaNirbhar Bharat' and 'Make in India, Make for the World'. One of the major business plans of TSL is to build technologically advanced deep sea fishing vessels to cater to the ever increasing needs of India's fisheries sector. The Company is also exploring the opportunity for building tugs and other specialized crafts and has won an order from CSL for building specialized vessels for the Kochi Water Metro Project. The Company is well poised to capitalize on the emerging opportunities and is expected to achieve the desired results with the necessary support of CSL, the holding company.

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

I take this opportunity to acknowledge the efforts and contributions of all concerned in providing a new life to TSL. I also wish to express my gratitude towards the Hon'ble Minister of Ports, Shipping and Waterways, the Secretary and other officials of the Ministry of Ports, Shipping and Waterways, the Directors and Senior Management of Cochin Shipyard Limited (CSL) and my fellow Board members for their valuable support and guidance. I also take this opportunity to acknowledge the dedication and commitment of the employees, who are the most valuable assets of the Company and expect their unwavering support to build a great organisation.

Thanking You

**Jai Hind**

**Madhu S Nair**

Chairman

DIN: 07376798

# OPERATIONAL CAPABILITY

TSL has two facilities; one in Malpe, Karnataka and the other in Chengalpet, Tamil Nadu.

## MALPE

### A Malpe Harbour Complex

- ▶ 55,000 sqm Facility for Hull erection and launching
- ▶ Capacity to construct up to 4 midsize vessels simultaneously in covered shed
- ▶ 165 m x 46 m covered shed with clear height of 30 m for construction of vessels
- ▶ 4,000 sqm of open bay for vessel construction
- ▶ Wet basin of 128 m x 35 m for outfit and commissioning
- ▶ Humidity Controlled Marine Coating Shop
- ▶ Equipped with a transfer bay and Winch assisted cradle system capable of launching the vessels of size 90 m x 20 m up to a launching weight of 3,500 T

### B Hangarkatta

- ▶ 25,000 sqm Facility for Steel preparation and block fabrication
- ▶ Capacity 1,200 T per month
- ▶ Plasma Cutting machines (2 nos.)
- ▶ 275 T and 375 T Bending machines
- ▶ Template cutting machine
- ▶ Covered shops with 13 cranes to handle the blocks up to 50 T

### C Babuthotta

4,000 sqm covered store and design centre

## CHENGALPET

Facility for manufacturing structural outfitting items, rudders, hydrophore units etc.

# BUSINESS SEGMENT



Tugs and Coastal vessels



Medium sized Auxiliary vessels for Defence



Midsize Commercial Fishing Vessels – For Middle East & European Markets



Specialised Vessels / Factory Vessels – For Europe



Small fishing vessels – on a ‘productised mode’ as ready-to-buy vessels for Indian Fishing Community



Engineering Fabrication Projects for Maritime Industry



# BOARD OF DIRECTORS



**Shri Madhu S Nair**  
Chairman

Shri Madhu S Nair is one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. Shri Madhu S Nair is the Chairman and Managing Director of Cochin Shipyard Limited (CSL) from January 01, 2016. He holds a Degree of Bachelor of Technology in Naval Architecture and Ship Building from Cochin University of Science and Technology, India and a Degree of Master in Engineering with specialisation in Naval Architecture and Ocean Engineering from Osaka University, Japan. He is trained in shipbuilding systems at IHI Shipyard at Kure, Japan and undergone JICA Specialized training at Overseas Vocational Training Centre (OVTA), Tokyo and Osaka International Centre, Osaka, Japan and did research in Joining & Welding Research Institute, during Masters in Engineering at Osaka University, Japan. He is a member of various Professional bodies including The Royal Institution of Naval Architects, UK (RINA), Institution of Naval Architects, India and is presently serving as the President of Indo Japan Chamber of Commerce Kerala (INJACK). He has more than 33 years of work experience across the Ship Building and Ship Repair industry. He is also the Chairman of Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL.



**Shri Sureshbabu N V**  
Non - Executive Director  
(upto April 30, 2021)

Shri Sureshbabu N V is one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. Shri Sureshbabu N V was the Director (Operations) of Cochin Shipyard Limited (CSL) from April 26, 2016 to April 30, 2021. He holds a degree of Bachelor of Engineering (Mechanical) from the University of Kerala and a Diploma in Management from Indira Gandhi National Open University. He has completed one year Group Training Course in Shipbuilding, Repairing and Maintenance conducted by Overseas Shipbuilding Cooperation Centre under International Cooperation Programme of the Government of Japan under Colombo Plan. He has also undergone a practical training course with shipyard in Sekaide, Japan of Kawasaki Heavy Industries Limited. Furthermore, he has completed supplementary course in Japanese language held at Overseas Shipbuilding Cooperation Centre. He has more than 36 years of work experience across various areas of the shipyard such as Ship Building, Materials and Ship Repair divisions. Shri Sureshbabu N V ceased to be Director of the Company on April 30, 2021 consequent to his retirement on superannuation from the post of Director (Operations) in CSL. He was also a Director in Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL, from its incorporation on October 23, 2017 till April 30, 2021.

# BOARD OF DIRECTORS



**Shri Bejoy Bhasker**  
Non - Executive Director

Shri Bejoy Bhasker is one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. He is the Director (Technical) of Cochin Shipyard Limited (CSL) from April 05, 2018. He holds a Degree of Bachelor of Technology (Mechanical) from the University of Kerala with First Rank and Gold Medal. He also holds a Degree of Master of Technology (Mechanical) from the Indian Institute of Technology, Madras. He has completed Advanced Diploma in Management from Indira Gandhi National Open University. He was awarded the "Manager of the Year" award in 2014 by Kerala Management Association. He has more than 33 years of work experience across areas such as Ship Design, Ship Building, Outfit and Ship Repair. He is also a Director in Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL.



**Shri Jose V J**  
Non - Executive Director

Shri Jose V J is one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. He is the Director (Finance) and Chief Financial Officer of Cochin Shipyard Limited (CSL) from August, 2019. He is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam. He has approximately 30 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also a Director in Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL.

# Directors' Report

Dear Shareholders,

- Your Directors have immense pleasure in presenting the Thirty Sixth Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2021 and the Report of the Statutory Auditors and the Comptroller and Auditor General of India (C&AG) thereon.

## Corporate Insolvency Resolution Process

- The National Company Law Tribunal, Chennai (NCLT) vide its Order dated September 25, 2018 initiated the Corporate Insolvency Resolution Process (CIRP) of the Company under the Insolvency and Bankruptcy Code, 2016 (IBC). Cochin Shipyard Limited (CSL) submitted the Resolution Plan for acquisition of the Company to the Committee of Creditors (CoC) in October 2019. The Committee of Creditors of the Company approved the said Resolution Plan and subsequently in December 2019, the same was filed with the NCLT, Chennai. The NCLT, Chennai vide its Order dated March 04, 2020, approved the said Resolution Plan and pursuant to the NCLT Order, a Monitoring Committee consisting of CSL Nominees, the Resolution Professional and the CoC Nominee was constituted for monitoring the implementation of the Resolution Plan and intermittent management of TSL from the date of NCLT Order till the payment of bid amount.
- However, due to the unprecedented outbreak of COVID-19 Pandemic and subsequent lockdown imposed by the Government Authorities, CSL approached the NCLT, Chennai to obtain suitable orders for exclusion of the period from March 15, 2020 to June 30, 2020 for payment of the bid amount under the Resolution Plan. The NCLT acceded to CSL's proposal and passed its Order on August 06, 2020 excluding the said period resulting in the revision of the last date for payment of the bid amount to September 17, 2020. In compliance with the NCLT Order, CSL paid the bid amount for takeover of the Company on September 15, 2020 consequent to which the Company became a wholly owned subsidiary of CSL and the new Board of Directors nominated by CSL took charge of the Company. Further, all claims/dues/liabilities of the Company got fully extinguished except to the extent mentioned in the approved Resolution Plan and the NCLT Order. With this the Corporate Insolvency Resolution Process of the Company came to a close.

## Brief background of Cochin Shipyard Limited (CSL)

- Cochin Shipyard Limited (CSL) is a Government of India enterprise (Category I Miniratna Company) under the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping) having its Registered Office at Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi – 682 015, Kerala, India. CSL was incorporated in the year 1972 as a fully owned Government Company and over the years have emerged as a forerunner in the Indian shipbuilding & ship repair industry and also a well-known player on the global shipbuilding front. CSL commenced the shipbuilding operations in 1975, ship repair in 1978, Marine Engineering Training in 1993 and Offshore upgradation in 1999. CSL can build ships up to 1,10,000 DWT and repair ships upto 1,25,000 DWT. CSL has many a feather on its cap like it has delivered two of India's largest double hull Aframax tankers each of 95,000 DWT, has built various types of vessels including Tankers, Bulk Carriers, Port Crafts, Passenger Vessels etc.
- CSL has built and repaired some of the largest ships in India and is presently building the prestigious Indigenous Aircraft Carrier for the Indian Navy. It is the only yard which has undertaken drydock repairs to India's Aircraft Carriers. Over the years, CSL has successfully responded to fluctuations in the shipbuilding requirements of the markets and have evolved from building bulk carriers to smaller and more technically sophisticated vessels such as Platform Supply Vessel (PSV) and Anchor Handling Tug Supply Vessels (AHTS). CSL has worked with several leading technology firms in the industry including Rolls Royce Marine (Norway), GTT (France), Vard Group (Norway) etc. CSL has exported 47 vessels to some of the most demanding clients in Norway, Netherlands, Cyprus, USA, Germany, Demark/Bahamas, Saudi Arabia and UAE, adding credibility in the international markets. CSL has also undertaken repairs of various types of vessels including upgradation of ships of the oil exploration industry as well as periodical maintenance, repairs and life extension of ships. CSL has, over the years, developed adequate capabilities to handle complex and sophisticated repair jobs. CSL is presently one of the best performing shipyards in India.

## Operations and Way Forward

- TSL has been a reputed shipyard in India with high end infrastructure & facilities that has built a wide range of small and medium sized vessels from Tugs to large MPSVs and GTRVs for domestic and international clients. TSL has two facilities; one in Malpe, Karnataka and the other in Chengalpet, Tamil Nadu. The facilities at Malpe is spread across three units as below:
  - Malpe Harbour Complex – Hull erection and launching;
  - Hangarkatta – Steel preparation and block fabrication; and
  - Babuthotta – Warehouse.
- Due to the financial difficulties and consequent statutory insolvency resolution process, TSL's facilities had been non-operational for the past several years. Post takeover by CSL in September 2020, the Company has set the ball rolling for revamping its infrastructure facilities at Malpe for commencing the operations. Out of the three facilities at Malpe, the revival of Babuthotta warehouse is completed and is operational. The revival of Hangarkatta unit is at the advanced stages, and is expected to be operational by July 2021. The revamping activities at Malpe Harbour Complex are also progressing. The transfer bays are made ready and restoration of main new building shop and surface treatment shop is progressing for completion by August 2021. The recruitment process for positioning the required manpower is underway and is expected to be completed soon.

- TSL plans to develop the Chengalpet facility for manufacturing structural outfitting items, rudders, hydrophore units etc. and the activities in this regard will be initiated once the Malpe facility is up and running and the feasibility of Chengalpet facility is established.
- TSL mainly focuses on building fishing vessels (especially technologically advanced deep sea fishing vessels), tugs and specialized crafts of upto 80 M length which projects huge potential in domestic as well as international markets in the coming years. To begin with the Company will be building deep sea fishing vessels under the "Pradhan Mantri Matsya Sampada Yojana (PMMSY)", a promising scheme of the Government of India for developing the fisheries sector in India. TSL is putting in its best efforts to make ready the yard so as to ensure that the production of the said vessels commences as planned. However, the pace with which the activities are planned to commence operations and capitalise on the businesses opportunities may be adversely affected on account of the continuing COVID-19 Pandemic. TSL is also pursuing for orders for constructing fishing vessels and tugs.

## Financial Performance

- The Company being in the process of revamping the infrastructure facilities for commencing its operations has reported a loss of Rs. 136.04 lakhs for the year ended March 31, 2021 as against the book profit of Rs. 20971.05 lakhs for the previous year. Further, the Company has reported total income of Rs. 74.74 lakhs for the year ended March 31, 2021 as against Rs. 207.00 lakhs for the previous year.

## Financial Highlights

Sl. No.	Particulars	(Rs. in Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Total Income	74.74	207.00
(ii)	Profit/(Loss) Before Finance cost, Depreciation & Tax	(101.84)	(1309.71)
(iii)	Finance cost	(23.14)	(7.36)
(iv)	Depreciation & Amortisation expenses	(1284.46)	(1259.77)
(v)	Profit/(Loss) Before Tax	(1409.44)	(2576.84)
(vi)	Tax	(10.00)	-
(vii)	Exceptional Items	1263.40	23547.89
(viii)	Net Profit/(Loss)	(136.04)	20971.05
(ix)	Net-worth	13653.21	3455.23

## Share Capital

- The Authorised Share Capital of the Company is Rs. 215,00,00,000 (Rupees Two Hundred and Fifteen Crore Only) divided into 9,00,00,000 (Nine Crore Only) Equity Shares of Rs. 10 each and 12,50,00,000 (Twelve Crore Fifty Lakh Only) Preference shares of Rs. 10 each. The issued, subscribed and paid-up share capital of the Company is Rs. 65,00,00,000 (Rupees Sixty Five Crore Only) divided into 6,50,00,000 (Six Crore Fifty Lakh Only) Equity Shares of Rs. 10 each.

12. Prior to the takeover of the Company by Cochin Shipyard Limited (CSL) through the insolvency resolution process, the issued, subscribed and paid-up share capital of the Company was Rs. 202,36,15,050 (Rupees Two Hundred and Two Crore Thirty Six Lakh Fifteen Thousand and Fifty Only) divided into 7,73,61,505 (Seven Crore Seventy Three Lakh Sixty One Thousand Five Hundred and Five Only) Equity Shares of Rs. 10 each and 12,50,00,000 (Twelve Crore Fifty Lakh Only) 6.5% Compulsory Redeemable Preference Shares (CRPS) of Rs. 10 each. Pursuant to the NCLT Order and on payment of the bid amount by CSL on September 15, 2020, the entire issued share capital of the Company (equity and preference) together with dividend rights, voting rights and any other rights were cancelled and new shares worth Rs. 65 crores were issued to CSL. Consequent to the above, the Company became a wholly owned subsidiary of CSL.

### Dividend

13. No dividend is recommended as the Company is currently in the process of revamping the infrastructure facilities for commencing its operations and have no divisible profits.

### Transfer to Reserves

14. As the Company is yet to commence operations and has incurred a loss during the financial year 2020-21, the Company is unable to transfer any amount to the Reserves.

### Contribution to Exchequer

15. The total contribution made during the financial year 2020-21 by way of Goods and Services Tax (GST) and Income Tax (TDS) was approximately Rs. 14.31 lakhs.

### Manpower Status

16. As on March 31, 2021, the Company has 48 employees consisting of 17 executives, 8 supervisors and 23 workmen. The recruitment activities for positioning the requisite manpower was initiated in September 2020 and the initial set of employees were positioned during February–March 2021. The recruitment process for positioning the rest is going on and is expected to be completed soon. Apart from the above, employees of the holding company, Cochin Shipyard Limited (CSL), are also engaged on secondment basis for the smooth transition of the Company.

### Particulars of Employees and Related Disclosures

17. The Company being a wholly owned subsidiary of Cochin Shipyard Limited, a CPSE, is a Government Company as per

the provisions of the Companies Act, 2013. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, Government Companies are exempted from Section 197 of the Companies Act, 2013 and its rules thereof. Hence, details of remuneration of directors need not be included in the Board's report.

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

18. The Company is in the process of revamping the infrastructure facilities for commencing its operations and aims to adopt energy efficient measures wherever possible; technology absorption is also expected to be achieved on commencement of operations.

19. During the year 2020-21, there were no foreign exchange earnings and outgo.

### Risk Management

20. The Company has been revived through the statutory insolvency resolution process in September 2020 and is currently in the process of putting in place the necessary shipyard infrastructure for commencing operations. The Board of Directors closely monitors the progress of the Company's infrastructure revamping activities and also provides necessary guidance. The Company follows adequate risk management practices wherever necessary. Nevertheless, a Comprehensive Risk Management Policy will be framed and adopted on commencement of operations.

### Health, Safety & Environment (HSE)

21. The Company gives utmost importance to the Health and Safety of the work force and the Environment in which the work is being done. Towards this, the Company has commenced periodic HSE awareness programs for the work force and is in the process of implementing the best HSE practices in line with its holding company, CSL.

### Industrial Security

22. The physical security of the facilities of the Company at Maple and Hangarkatta is entrusted to Tring Detectives & Security Solutions Private Limited and that of Chengalpet facility is entrusted to Force 2 Securities. The Company is in the process of engaging a DGR Sponsored Security Agency for guarding its facilities.

### Board of Directors & Key Managerial Personnel

23. As on March 31, 2021, the Company had 4 directors, all of whom Non-Executive Directors and 3 Key Managerial Personnel viz., the CEO, CFO and the Company Secretary, the details of which are given below:

Sl. No.	Name	DIN	Designation
1.	Shri Madhu S Nair	07376798	Chairman
2.	Shri Sureshbabu N V*	07482491	Director
3.	Shri Bejoy Bhasker	08103825	Director
4.	Shri Jose V J	08444440	Director
5.	Shri Harikumar A	N.A.	Chief Executive Officer
6.	Shri Shibu John	N.A.	Chief Financial Officer
7.	Shri Aswin Sarma M	N.A.	Company Secretary

\*Shri Sureshbabu N V ceased to be Director with effect from May 01, 2021 consequent to his retirement on superannuation from the post of Director (Operations) in Cochin Shipyard Limited (CSL), the holding company.

24. Pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors were suspended since September 25, 2018 consequent to the commencement of the Company's Corporate Insolvency Resolution Process (CIRP) and the said powers shall vest with the Interim Resolution Professional/Resolution Professional during the CIRP.

25. On commencement of the CIRP, Shri N Kumar (Reg No: IBBI/IPA-001/IP-P00724/2017-18/11254) was appointed as the Interim Resolution Professional of the Company. In December 2018, Shri N Kumar was relieved and Shri Balakrishnan Venkatachalam (Reg No: IBBI/IPA-001/IP-P00229/2017-18/10458) was appointed as the Resolution Professional of the Company. Pursuant to the NCLT Order dated March 04, 2020 approving the Resolution Plan, a Monitoring Committee consisting of CSL Nominees, the Resolution Professional and the CoC Nominee was constituted for monitoring the implementation of the Resolution Plan and intermittent management of TSL from the date of NCLT Order till the payment of bid amount.

26. Consequent to the payment of the bid amount by CSL for takeover of the Company on September 15, 2020, the Monitoring Committee got dissolved, the then existing Directors and KMPs were removed and the new Board of Directors nominated by CSL were appointed. The reconstituted Board at its first meeting (post CIRP) held on October 21, 2020 designated a Chief Financial Officer (CFO) and a Company Secretary for the Company. Further, the reconstituted Board at its third meeting (post CIRP) held on November 17, 2020 also appointed a Chief Executive Officer (CEO) for the Company who joined on January 28, 2021.

27. Details of changes in Directors and Key Managerial Personnel (KMP) during the financial year 2020-21 are given below:

Sl. No.	Name	DIN	Designation	Date
<b>Appointment</b>				
1.	Shri Madhu S Nair	07376798	Chairman	September 15, 2020
2.	Shri Sureshbabu N V	07482491	Director	September 15, 2020
3.	Shri Bejoy Bhasker	08103825	Director	September 15, 2020
4.	Shri Jose V J	08444440	Director	September 15, 2020
5.	Shri Harikumar A	N.A.	Chief Executive Officer	January 28, 2021
6.	Shri Shibu John	N.A.	Chief Financial Officer	October 21, 2020
7.	Shri Aswin Sarma M	N.A.	Company Secretary	October 21, 2020
<b>Cessation</b>				
8.	Shri Vijay Kumar	00726561	Chairman	September 15, 2020
9.	Shri Madhavan Srinivasan	02994130	Director	September 15, 2020
10.	Shri P R Kannan	N.A.	Company Secretary	September 15, 2020

### Details of Board Meetings held during 2020-21 (w.e.f September 15, 2020)

28. The Board of Directors was reinstated with effect from September 15, 2020 consequent to the completion of the Company's insolvency resolution process. During the period from September 15, 2020 till March 31, 2021 (FY 2020-21), six Board Meetings have been held and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held and the attendance of Directors in the said meetings are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1.	October 21, 2020	4	4
2.	November 07, 2020	4	4
3.	November 17, 2020	4	4
4.	December 04, 2020	4	4
5.	December 15, 2020	4	4
6.	February 06, 2021	4	4

29. The attendance record of each director in the Board Meetings held during the financial year 2020-21 is given below:

Sl. No.	Name	DIN	No. of Board Meetings attended
1.	Shri Madhu S Nair	07376798	6/6
2.	Shri Sureshbabu N V	07482491	6/6
3.	Shri Bejoy Bhasker	08103825	6/6
4.	Shri Jose V J	08444440	6/6

### Committees of the Board

30. No Committees of the Board have been constituted during the financial year 2020-21.

### Evaluation of Board's Performance

31. The Company being a wholly owned subsidiary of Cochin Shipyard Limited, a CPSE, is a Government Company as per the provisions of the Companies Act, 2013. The Ministry of Corporate Affairs vide notification no. GSR 463(E) dated June 05, 2015 has exempted Government Companies from complying with certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology. Further, the said exemption notification also exempts the Government Companies from the provisions of Sub-Sections (2), (3) & (4) of Section 178 of the Companies Act, 2013 regarding appointment, performance evaluation and remuneration of Directors.

### Declaration by Independent Directors

32. The Company has no Independent Directors on the Board as of now. The Company being a wholly owned subsidiary, is not required to appoint Independent Directors pursuant to the provisions of Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

### Directors' Responsibility Statement

33. The Company was placed under Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) since September 25, 2018. Pursuant to the approved Resolution Plan and the NCLT Order, the new Board of Directors nominated by the Successful Resolution Applicant i.e., CSL was appointed with effect from September 15, 2020 consequent to the completion of the CIRP. In view of the fact that the Company was under CIRP and the facilities had become non-operational, the complete records/information could not be recovered. Further, the present Board/Management was also not been privy to the transactions/information/full access to the books of accounts of the Company and its operations during/prior to the CIRP period. Accordingly, the present Board/Management is not responsible or liable for any transactions prior to the date of takeover.

34. Subject to the above, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

### Internal Financial Controls

38. The Company follows robust policies and procedures closely in line with that of the holding company, CSL, to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures.

### Secretarial Standards of ICSI

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

### Statutory Auditors

40. M/s. Shabbir and Ganesh (Firm Registration No. 009033S), Chartered Accountants, Udupi were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2020-21.

### Statutory Auditors Report

41. M/s. Shabbir and Ganesh, Statutory Auditors have submitted their Report on the financial statements of the Company for the financial year ended March 31, 2021, on May 07, 2021, which forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Comments of C&AG

42. The Comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 forms part of the Annual Report.

### Secretarial Auditors

43. M/s. SEP & Associates (Firm Registration No. P2019KE075600), Practicing Company Secretaries, Kochi were appointed as the Secretarial Auditors of the Company to conduct the the Secretarial Audit under the Companies Act, 2013 for the financial year 2020-21.

### Contracts and Arrangements with Related Parties

35. During the financial year 2020-21, no Related Party Transactions have been entered into by the Company which attracted the provisions of Section 188 of the Companies Act, 2013. Further, your Directors draw attention to Note 37 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

### Corporate Governance

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

### Management Discussion and Analysis

37. The Management Discussion and Analysis Report for the year under review, as per the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by

### Secretarial Auditors Report

44. M/s. SEP & Associates, Secretarial Auditors have submitted their Report on April 28, 2021, which is placed at Annexure I to this Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Internal Auditors

45. M/s. AMNS & Associates (Firm Registration No. 018825S), Chartered Accountants, Kochi were appointed as the Internal Auditors of the Company to conduct the Internal Audit for the financial year 2020-21.

### Supplementary Audit

46. The Comptroller and Auditor General of India (C&AG) has entrusted the Supplementary Audit of the Company to The Principal Director of Commercial Audit, Indian Oil Bhavan, 139, Nungambakkam High Road, Chennai – 600 034. However, no audit objections on the financial statements of the Company for the year ended March 31, 2021 have been raised by the said office.

### Vigilance

47. There were no vigilance cases pending/disposed off during the financial year 2020-21.

### Right to Information Act, 2005

44. During the year under review, no requests were received by the Company under the Right to Information (RTI) Act, 2005.

### Annual Return

48. A copy of the Annual Return of the Company as per Section 92(3) of the Companies Act, 2013 is available at the Company's website at www.tebma.co.in.

### Maintenance of Cost Records

49. The maintenance of cost records as required under Section 148(1) of the Companies Act, 2013 is not applicable for the reporting period.

### Corporate Social Responsibility (CSR)

50. The Company being in the process of revamping the infrastructure facilities for commencing its operations is not in a position to undertake CSR activities. Further, the

Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR.

### Details of Subsidiaries, joint ventures or associate companies

51. The Company does not have any subsidiaries, joint ventures or associate companies.

### Details of frauds reported by Auditors under Section 143

52. Nil.

### Material changes and commitments

53. No material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year of the Company and the date of this Report.

### Particulars of loans, guarantees or investments

54. During the year under Report, the Company has not

- given any loan to any person or other body corporate;
- given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013.

### Details of change in nature of business

55. The Company has not yet started its business operations and is focusing on revamping the infrastructure to commence the business operations.

### Deposits

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

### Significant and Material orders

57. The National Company Law Tribunal, Chennai (NCLT) has passed Orders with respect to the Insolvency Resolution Process of the Company. No other significant and material orders were passed by the regulators or any courts or tribunals impacting the going concern status of the Company and affecting its operations.

### Other Disclosures

58. The Company is in the process of revamping the infrastructure facilities for commencing its operations and the required manpower is also being positioned. The Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 will be constituted once the Company commences the operations. Further, no cases have been filed / disposed off during the financial year 2020-21 under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under.

### Acknowledgement

59. The Board of Directors is extremely thankful for the continued patronage and support extended by the Hon'ble Minister of Ports, Shipping and Waterways, Cochin Shipyard Limited (CSL) and all officers of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping) and CSL. The Board would also like to express its grateful appreciation for the support and co-operation from various offices of the Government of India, Government of Karnataka, various local bodies, the Comptroller & Auditor General of India, Auditors, Legal Counsels, Consultants, Suppliers, Sub-contractors and Company's employees.

For and on behalf of the Board of Directors

**Madhu S Nair**

Chairman

DIN: 07376798

Place: Kochi

Date: May 07, 2021

# Annexure I

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**TEBMA SHIPYARDS LIMITED**  
S.No.377 Pazhamathur Village  
Pukathurai Post Madurantakam Taluk  
Kancheepuram TN 603116

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TEBMA SHIPYARDS LIMITED (CIN:U27209TN1984PLC010994)** (hereinafter called the "Company"). Secretarial Audit was conducted for the financial year ended on 31st March 2021 in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted online verification and examination of the books, papers, minute books, forms and returns filed and other records facilitated by the Company, due to Covid 19 and subsequent lockdown situation for issuing the report for the financial year ended on 31st March 2021, according to the provisions of;

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) As informed to us, the following other laws are specifically applicable to the Company:

- a) The Factories Act, 1948;
- b) The Environment (Protection) Act, 1986;
- c) The Water (Prevention and Control of Pollution) Act, 1974;
- d) The Air (Prevention and Control of Pollution) Act, 1981;
- e) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- f) The Electricity Act, 2003 and Central Electricity Regulations, 2010;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines, Standards, etc. mentioned above.

### We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in

advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### We further report that during the audit period, except as mentioned hereinafter, there were no instances of:

- i. Issuance of securities including Public/Right/Preferential issue of shares.
- ii. Redemption/Buy-back of securities.
- iii. Foreign technical collaborations.
- iv. Merger / amalgamation / reconstruction etc.

During the period under review, pursuant to NCLT order and the approved Resolution Plan under the Insolvency and Bankruptcy Code, 2016, the company has cancelled the existing shares (Equity and Preference) and issued 6,50,00,000 equity shares of Rs. 10/- each aggregating to Rs. 65,00,00,000/- to Cochin Shipyard Limited, the successful Resolution Applicant.

This report is to be read with Annexure A of even date and the same forms an integral part of this report.

### For SEP & Associates

Company Secretaries  
(ICSI Unique Code: P2019KE075600)  
UDIN: F003050C000202722

### CS Puzhankara Sivakumar

Date : 28.04.2021  
Place: Kochi

Managing Partner  
FCS: F3050, COP No. 2210

## ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To  
The Members  
**TEBMA SHIPYARDS LIMITED**  
S.No.377 Pazhamathur Village  
Pukathurai Post Madurantakam Taluk  
Kancheepuram TN 603116

Our Secretarial Audit Report of even date is to be read along with this letter.

- The compliance of the provisions of all laws, rules, regulations, standards applicable to Tebma Shipyards Limited (hereinafter called the "Company") is the responsibility of management of the Company. Our examination was limited to the verification of the records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
- Maintenance of the Secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to issue Secretarial Audit Report, based on the audit of the relevant record maintained and furnished to us by the Company, along with explanations where so required.
- During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial and other records, legal compliance mechanism and corporate conduct. We believe that the process and practices we followed provide a reasonable basis for our Secretarial Audit Report.
- The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
- We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2021 but before issue of the Report.
- We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

**For SEP & Associates**

Company Secretaries  
(ICSI Unique Code: P2019KE075600)  
UDIN: F003050C000202722

**CS Puzhankara Sivakumar**

Date : 28.04.2021  
Place: Kochi  
Managing Partner  
FCS: F3050, COP No. 2210

For and on behalf of the Board of Directors

Place: Kochi  
Date: May 07, 2021

**Madhu S Nair**  
Chairman  
DIN: 07376798

## Report on Corporate Governance

**Company's Philosophy on Corporate Governance**

- Tebma Shipyards Limited ("TSL/ Company"), now a wholly owned subsidiary of Cochin Shipyard Limited (CSL), endeavors to integrate the corporate governance value system in all its activities. The new management strives to put in place good corporate governance practices and aims to promote transparency, fairness, accountability and stakeholder engagement while conducting business. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on July 08, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance. However, the Company has prepared the report on Corporate Governance in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by DPE.

**Board of Directors**

- The National Company Law Tribunal, Chennai (NCLT) vide its Order dated September 25, 2018 initiated the Corporate Insolvency Resolution Process (CIRP) of the Company under the Insolvency and Bankruptcy Code, 2016 (IBC). Pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors were suspended since September 25, 2018 consequent to the commencement of the Company's Corporate Insolvency Resolution Process (CIRP) and the said powers shall vest with the Interim Resolution Professional/Resolution Professional during the CIRP.

- As on March 31, 2021, the Board of the Company consists of four non-executive directors. The Company has a non-executive Chairman. The composition of the Board as on March 31, 2021 is as follows:

Sl. No.	Name	DIN	Category of Directorship
1.	Shri Madhu S Nair	07376798	Non-Executive Chairman
2.	Shri Sureshbabu N V*	07482491	Non-Executive Director
3.	Shri Bejoy Bhasker	08103825	Non-Executive Director
4.	Shri Jose V J	08444440	Non-Executive Director

\* Shri Sureshbabu N V ceased to be Director with effect from May 01, 2021 consequent to his retirement on superannuation from the post of Director (Operations) in Cochin Shipyard Limited (CSL), the holding company.

- On commencement of the CIRP, Shri N Kumar (Reg No: IBBI/IPA-001/IP-P00724/2017-18/11254) was appointed as the Interim Resolution Professional of the Company. In December 2018, Shri N Kumar was relieved and Shri Balakrishnan Venkatachalam (Reg No: IBBI/IPA-001/IP-P00229/2017-18/10458) was appointed as the Resolution Professional of the Company. During the Resolution Process, Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), Government of India, submitted its Resolution Plan for acquiring TSL and the NCLT, Chennai vide its Order dated March 04, 2020 approved the said Resolution Plan. Pursuant to the NCLT Order, a Monitoring Committee consisting of CSL Nominees, the Resolution Professional and the CoC Nominee was constituted for monitoring the implementation of the Resolution Plan and intermittent management of TSL from the date of NCLT Order till the payment of bid amount.

- Consequent to the payment of the bid amount by CSL for takeover of the Company on September 15, 2020, the Monitoring Committee got dissolved, the then existing Directors and KMPs were removed and the new Board of Directors nominated by CSL were appointed. Further, with effect from September 15, 2020 TSL became a wholly owned subsidiary of CSL. As per the approval of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), the Chairman shall be the Chairman and Managing Director (CMD) of CSL and the CMD, CSL shall nominate three Functional Directors of CSL on the Board of TSL as Part Time Directors.

6. Disclosure of relationship between Directors inter-se: Nil
7. Details of changes in Directors during the financial year 2020-21 are given below:

Sl. No.	Name	DIN	Category of Directorship	Date
<b>Appointment</b>				
1.	Shri Madhu S Nair	07376798	Non-Executive Chairman	September 15, 2020
2.	Shri Sureshbabu N V	07482491	Non-Executive Director	September 15, 2020
3.	Shri Bejoy Bhasker	08103825	Non-Executive Director	September 15, 2020
4.	Shri Jose V J	08444440	Non-Executive Director	September 15, 2020
<b>Cessation</b>				
5.	Shri Vijay Kumar	00726561	Non-Executive Chairman	September 15, 2020
6.	Shri Madhavan Srinivasan	02994130	Independent Director	September 15, 2020

8. The profile of the Directors who are on the Board of the Company as on March 31, 2021 including the nature of their expertise in specific functional areas is given in the first part of the Annual Report. The details of directorships and committee positions held by these Directors are provided under the heading 'Directorships and Committee positions' below.

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

9. The Board of Directors was reinstated with effect from September 15, 2020 consequent to the completion of the Company's insolvency resolution process. During the period from September 15, 2020 till March 31, 2021 (FY 2020-21), six Board Meetings have been held and the gap between two meetings did not exceed 120 days. The 36th AGM of the Company was held on December 17, 2020. The details of attendance of Directors at the said Board Meetings and AGM are given below:

Name of the Director	Board Meeting						AGM
	2020			2021			Dec 17, 2020
	Oct 21	Nov 07	Nov 17	Dec 04	Dec 15	Feb 06	
Shri Madhu S Nair	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sureshbabu N V	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Bejoy Bhasker	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Jose V J	Yes	Yes	Yes	Yes	Yes	Yes	Yes

#### Directorships and Committee positions

10. The total number of Directorship(s)/Chairmanship(s) held by Directors and the positions of Membership/Chairmanship on Committees including Tebma Shipyards Limited, as on March 31, 2021, are given below:

Name of the Director	No. of Directorship		Board Committees	
	Chairman	Member	Chairman	Member
Shri Madhu S Nair	3	3	-	-
Shri Sureshbabu N V	-	3	-	-
Shri Bejoy Bhasker	-	3	-	-
Shri Jose V J	-	3	-	-

- The Directorships held by Directors as mentioned above does not include Alternate Directorships and Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.
- Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies and Government Companies have been considered.

#### Board Committees

11. No sub committees of the Board have been constituted as on March 31, 2021. The Company is in the process of revamping the infrastructure facilities for commencing its operations. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on July 08, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance.

#### General Body Meetings

12. As no Annual General Meetings (AGM) of the Company for the financial years 2017-18, 2018-19 and 2019-20 were convened by the erstwhile Management/RP, the new Board of Directors convened the AGMs for the said years on December 17, 2020 in order to regularize the pending Companies Act compliances of the Company prior to the takeover by CSL, to the extent possible, the details of which are given below:

Year	Date & Time	Venue	Special Resolution passed
2017-18	December 17, 2020 at 10.30 hrs.	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015	No
2018-19	December 17, 2020 at 10.40 hrs.	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015	No
2019-20	December 17, 2020 at 10.50 hrs.	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015	No

13. The 37th AGM of the Company is scheduled to be held on September 15, 2021 at 11.20 hrs. at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

#### Other Disclosures

- (i) Related Party Transactions

14. During the year under review, the Company has not entered into any materially significant related party transactions that had or may have conflict with the interests of the Company at large.

- (ii) Non-compliance by the Company

15. There were no cases of non-compliance by the Company and no penalties/strictures were imposed on the Company by any statutory authority on any matter related to any guidelines issued by Government, during the period since the completion of the insolvency resolution process of the Company.

- (iii) Whistle Blower Policy

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

- (iv) Compliance with DPE Guidelines on Corporate Governance
17. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on July 08, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance.
- (v) Details of Presidential Directives issued by Central Government and their compliance during the year and also in the last three years.
18. The Company became a wholly owned subsidiary of Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), Government of India in September 2020 through the statutory insolvency resolution process. The Company is currently in the process of putting in place the necessary shipyard infrastructure for commencing operations. The Company has been complying with the Presidential Directives issued by Central Government with respect to the Public Sector Undertakings (PSU), wherever applicable.
- (vi) Items of expenditure debited in books of accounts, which are not for the purposes of the business.
- NIL
- (vii) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- NIL
- (viii) The administrative and office expenses of the Company for the year 2020-21 were 7.07% (8.30% PY) of the total expenses. The financial expenses stood at 1.55% (0.26% PY) of the total expenses in the year 2020-21.
- (ix) Means of communication of results
19. The Company revived through the statutory insolvency resolution process in September 2020 is in the process of

revamping the infrastructure facilities for commencing its operations. As the Company's shares are not listed in any of the stock exchanges, there is no statutory requirement for publishing the quarterly/half yearly/ annual results. However, the consolidated financial results (quarterly/half yearly/annual) of Cochin Shipyard Limited (CSL), the holding company which takes into account the financial results of the Company as well is published as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Annual Reports and the official news releases of the Company are placed at the Company's website at [www.tebma.co.in](http://www.tebma.co.in).

- (x) Audit Qualifications
20. The Report submitted by the Statutory Auditors, M/s. Shabbir and Ganesh, with respect to the financial statements of the Company for the financial year 2020-21 does not contain any adverse remark.
- (xi) Training of Board Members
21. The Directors of the Company are the Functional Directors of Cochin Shipyard Limited (CSL), the holding company and also have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. Presently, the Company is focusing on putting in place the required shipyard infrastructure facilities to commence the operations and in the course of time the Board members will be provided training wherever considered necessary.

#### Address for Correspondence

Tebma Shipyards Limited  
S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram – 603 116.  
e-mail: [secretary.tsl@cochinshipyard.in](mailto:secretary.tsl@cochinshipyard.in)  
Website: [www.tebma.co.in](http://www.tebma.co.in)

For and on behalf of the Board of Directors

Place: Kochi  
Date: May 07, 2021

**Madhu S Nair**  
Chairman  
DIN: 07376798

# Management Discussion and Analysis Report

## Forward looking statements

1. Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally. The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards specified under Section 133 of the Act. The management of Tebma Shipyards Limited ("TSL" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.
2. The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Tebma", "TSL", "Group" are with respect to Tebma Shipyards Limited and its holding company.
3. Further, the Company was placed under Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) since September 25, 2018. During the Resolution Process, Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), Government of India, submitted its Resolution Plan for acquiring TSL and the NCLT, Chennai vide its Order dated March 04, 2020 approved the said Resolution Plan.

Consequently, the Resolution Plan implementation process was initiated and a Monitoring Committee consisting of CSL Nominees, the Resolution Professional and the CoC Nominee was constituted for monitoring the implementation of the Resolution Plan and intermittent management of TSL from the date of NCLT Order till the payment of bid amount. On September 15, 2020, CSL paid the bid amount for takeover of the Company consequent to which the Company became a wholly owned subsidiary of CSL and the new Board of Directors nominated by CSL took charge of the Company. Further, all claims/dues/liabilities of the Company got fully extinguished except to the extent mentioned in the approved Resolution Plan and the NCLT Order. With this the Resolution Process of the Company came to a close.

4. In view of the fact that the Company was under CIRP and the facilities had become non-operational, the complete records/information could not be recovered. Further, the present Board/Management was also not been privy to the transactions/information/full access to the books of accounts of the Company and its operations during/prior to the CIRP period. Accordingly, the present Board/Management is not responsible or liable for any transactions prior to the date of takeover.

## Global Shipbuilding Industry

5. As per reports, the Global Shipbuilding industry is expected to decline this year as well mainly due to the COVID-19 outbreak that has led to restrictive containment measures involving social distancing, remote working, and the closure of industries and other commercial activities resulting in operational challenges. Further, stringent environmental regulations are expected to hinder the growth of the ship building market. This is because of the pollution derived from maritime shipping activities that affect air and water quality, and marine and estuarine biodiversity.
6. It is further reported that the global shipbuilding market is expected to recover in 2023. According to the United Nations Conference on Trade and Development (UNCTAD), international seaborne trade volume is projected to expand at an average annual growth rate of 3.5% during 2019-2024. In view of the fact that the transfer of goods through seas is the most cost effective alternative, the rising demands for goods across the globe is expected to contribute to the growth of the ship building market.

## Indian Shipbuilding Industry

7. As per the Maritime India Vision (MIV) 2030 document, the country's maritime sector plays a crucial role in its overall trade and growth, with 95% of the country's trade volume and 65% of the trade value being undertaken through maritime transport. Globally, India ranks 2nd in ship recycling and 21st in ship building with less than 1% global share. MIV 2030 has identified domestic demand channelization for ship building; development of common platforms for ancillary and marine design ecosystem; creation of ship repair clusters; and, promoting waste to wealth through increased scrap usage in Steel industry as key interventions to enhance the country's market share. Further, cargo and passenger movement through Inland Waterways also projects significant growth potential considering the fact that they are highly economical and an eco-friendly mode of transport. The country's Ocean, Coastal and River Cruise Sector is also expected to grow over the next decade. It is also worth noting that presently, deep sea fishing community experiences lack of availability of technologically advanced vessels which also poses great potential and market visibility for technologically advanced and sophisticated fishing vessels. Government's Policies like Blue Revolution and Pradhan Mantri Matsya Sampada Yojana (PMMSY) aimed at giving a boost to the fisheries industry in the country is expected to spur demand for this sector.

## Operations

8. TSL, the facilities of which became non-operational for the past several years was taken over by Cochin Shipyard Limited (CSL) in September 2020 through the statutory insolvency resolution process and since then TSL is a wholly owned subsidiary of CSL. TSL has two facilities; one in Malpe, Karnataka and the other in Chengalpet, Tamil Nadu. The facilities at Malpe is spread across three units as below:

- Malpe Harbour Complex – Hull erection and launching;
- Hangarkatta – Steel preparation and block fabrication; and
- Babuthotta – Warehouse.

9. Presently, the Company is in the process of revamping the infrastructure facilities at Malpe for commencing its operations. Out of the three facilities at Malpe, the revival of Babuthotta warehouse is completed and is operational. The revival of Hangarkatta unit is at the advanced stages, and is expected to be operational by July 2021. The revamping activities at Malpe Harbour Complex are also progressing. The transfer bays are made ready and restoration of main new building shop and surface treatment shop is progressing for completion by August 2021. The recruitment process for positioning the required manpower is underway and is expected to be completed soon.

10. TSL plans to develop the Chengalpet facility for manufacturing structural outfitting items, rudders, hydrophore units etc. and the activities in this regard will be initiated once the Malpe facility is up and running and the feasibility of Chengalpet facility is established.

11. TSL mainly focuses on building fishing vessels (especially technologically advanced deep sea fishing vessels), tugs and specialized crafts of upto 80 M length which projects huge potential in domestic as well as international markets in the coming years. To begin with the Company will be building deep sea fishing vessels under the "Pradhan Mantri Matsya Sampada Yojana (PMMSY)", a promising scheme of the Government of India for developing the fisheries sector in India. TSL is putting in its best efforts to make ready the yard so as to ensure that the production of the said vessels commences as planned. However, the pace with which the activities are planned to commence operations and capitalise on the businesses opportunities may be adversely affected on account of the continuing COVID-19 Pandemic. TSL is also pursuing for orders for constructing fishing vessels and tugs.

12. The Company being in the process of revamping the infrastructure facilities for commencing its operations has reported a loss of Rs. 136.04 lakhs for the year ended March 31, 2021 as against the book profit of Rs. 20971.05 lakhs for the previous year. Further, the Company has reported total income of Rs. 74.74 lakhs for the year ended March 31, 2021 as against Rs. 207.00 lakhs for the previous year.

## Proposed Dividend

13. No dividend is recommended as the Company is currently in the process of revamping the infrastructure facilities for commencing its operations and have no divisible profits.

## Segment wise/ product wise performance

14. The Company is in the process of revamping the infrastructure facilities and has not commenced its operations.

## SWOT

15. TSL has high end infrastructure & facilities that has built a wide range of small and medium sized vessels from Tugs to large MPSVs and GTRVs for domestic and international clients. TSL being a wholly owned subsidiary of CSL, one of the premier shipyards in India, the expertise and experience of CSL in building and repairing various kinds of vessels will add on to the capabilities of TSL significantly. At present, the Company foresees a good opportunity in the emerging fishing vessels segment in India and is expected to channelize its resources for capitalising the opportunity to the fullest.

16. TSL is in the process of revamping the infrastructure facilities and faces operational difficulties from various fronts, which the Company expects to overcome through stakeholder engagement. Further, the continuing COVID-19 Pandemic is also posing threats to the Company in carrying out the planned activities for commencing operations.

## Risks and concerns

17. The Company strives to put in place the required shipyard infrastructure at its Malpe facility to cater to the needs of the fishing vessels and small watercraft segments. Delay in timely completion of revamping activities and failure to commence operations as planned due to the uncertainty posed by COVID-19 Pandemic would be the major risk at the moment for the Company. The Company follows all the protocols laid down by the local/government authorities for mitigating the risks associated with the Pandemic. Further, as the Company has been taken over through the statutory insolvency resolution process, which is in a very nascent stage in India, the Company is experiencing significant difficulties in regularising the takeover with various statutory authorities and also with other stakeholders including the vendors. All possible efforts are being made to ensure that the operations are not affected due to the said difficulties.

## Internal Control

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

## Human Resource Development and Industrial Relations

19. The Company is in the process of developing the necessary human resources and putting in place a suitable

organisation structure. The recruitment activities for positioning the requisite manpower was initiated in September 2020 and the initial set of employees were positioned during February–March 2021. The recruitment process for positioning the rest is going on and is expected to be completed soon. Apart from the above, employees of the Holding Company, Cochin Shipyard Limited (CSL), are also engaged on secondment basis for the smooth transition of the Company.

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

20. The Company is in the process of revamping shipyard infrastructure facilities and has given preference in adopting energy efficient measures; technology absorption would be achieved on commencement of operations. The Company has not incurred any expenses in foreign currency during the year 2020-21.

## Corporate Social Responsibility

21. Since the Company is in the process of reviving and operationalising the facilities at Malpe no attempt has been taken for Corporate Social Responsibility. In due course efforts will be ensured towards the Corporate Social Responsibility aspects of the organisation.

## Cautionary statement

22. Statement in this 'Management Discussion and Analysis Report' describing the objectives, expectations, assumptions or predictions of the Company may be forward looking statements within the meaning of applicable rules and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.

For and on behalf of the Board of Directors

**Madhu S Nair**

Chairman

DIN: 07376798

Place: Kochi

Date: May 07, 2021

# INDEPENDENT AUDITORS' REPORT

To  
The members of  
**TEBMA SHIPYARDS LIMITED**

## Report on the Audit of Ind AS Financial Statements

### AUDITOR'S OPINION

We have audited the accompanying Ind AS financial statements of Tebma Shipyards Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the Ind AS Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and its loss (including Other Comprehensive Loss), its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies

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

### Emphasis of Matter

We draw attention to Note 41 to the Ind AS financial Statements, as regards the management's evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter

### 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.

We have determined the matters described below to be the key audit matters to be communicated in our report:



## Financial Statements

### Key audit matter

#### Application of new Accounting Standards (refer note 2.2 to the financial statements)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2020 in terms of the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The transition date balance sheet as on April 1, 2019 and the comparative financial statements for the year ended March 31, 2020 included in these Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated

### How our audit addressed the key audit matter

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.
- Verified the basis and calculations of the material adjustments viz. fair valuation of PPE, application of expected credit loss model and lease accounting.

to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter

**Accounting treatment for the effects of the Resolution Plan**

Refer Note 42 to the financial statements for the details regarding the resolution plan implemented in the company pursuant to a Corporate insolvency resolution process concluded during the year under Insolvency and Bankruptcy Code, 2016.

Pursuant to the Resolution plan approved on March 04, 2020, the company had derecognised during FY 2019-20, the liabilities to financial creditors, operational creditors other than employees and Operational Creditors-Employees and workmen.

However, due to the unprecedented outbreak of COVID-19 Pandemic and subsequent lockdown imposed by the Government Authorities, the NCLT extended the time limit for payment of the bid amount. Accordingly, the bid amount was paid on September 15, 2020 and the takeover by the new management was effective from that date.

Comprehending the provisions of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of derecognition of Equity and Preference Share capital, required significant judgment and estimates, including consideration of accounting principles to be applied for presentation of difference between Resolution plan amount and extinguishment of existing Equity and Preference Share capital and Share premium amount.

Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users' understanding of the financial statements as a whole and materiality thereof.

The Company has elected to treat fair value as deemed cost for Property, Plant and Equipment. The fair value adjustment made to Property, Plant and Equipment amounted to ₹ 4250.80 Lakhs to the carrying value reported under the Previous GAAP as on 01-04-2019.

The Company had made full provision for available inventory of Raw materials and components as on 31/03/2020 and the same are now valued at Rs.188.92 lakhs as on 31/03/2021 as per Independent Valuer's Valuation.

We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the financial statements:

- Reviewed management's process for review and implementation of the Resolution Plan.
- Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.
- Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents and computations on a test check basis.
- Verified the underlying documents supporting the receipt and payment of funds as per the Resolution Plan.
- Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.
- Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.
- Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

Obtained And evaluated the Valuation Report of Management appointed Expert for the purpose of testing the key assumptions and valuation methodologies used to determine the fair value amount by engaging Valuation Specialists.

Obtained And evaluated the Valuation Report of Management appointed Expert for the purpose of testing the key assumptions and valuation methodologies used to determine the Recoverable amount by engaging Valuation Specialists.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors responsible for the matters stated in Section 134(5) the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as

a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility 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 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 scepticism 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 responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS 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 disclosure 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.

### Other Matter

The comparative financial information of the Company for the year ended 31st March, 2020 and the transition date opening balance sheet as at 1st April, 2019 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and audited as follows:-

- Opening balance sheet as at 1st April, 2019 audited by a predecessor auditor (D Rangaswamy & Co.FRN:003073S)

whose report for the year ended 31st March, 2019 dated 07 November 2020 expressed an **Disclaimer of Opinion** on those financial statements,

- Financial information of the Company for the year ended 31st March, 2020 audited by a predecessor auditor (D Rangaswamy & Co.FRN:003073S) whose report for the year ended 31st March, 2020 dated 07 November 2020 expressed an **Disclaimer of Opinion** on those financial statements.

These comparative financial information of the Company for the year ended 31st March, 2020 and the transition date opening balance sheet as at 1st April, 2019 included in these Ind AS financial statements were adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- Based on the verification of Records of the Company and based on the information and explanations given to us, we give in **Annexure B** a report on the Directions and Sub-Directions issued by the Comptroller and Auditor General of India in terms of Sec 143(5) of the Companies Act, 2013.
- As required by Section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

- In view of the exemption given vide notification no. G.S.R 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company
- 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 C**".
- 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, we offer no comments as the Company is exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 36 to the Financial Statements.
- The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHABBIR AND GANESH**  
Chartered Accountants  
Firm Regn. No. 009033S

**CA GANESH YERMAL**  
Partner

Place: Udupi  
Date: 07.05.2021

Membership No. 207231  
UDIN: 21207231AAAANKH7119

## Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b. According to the information and explanations given to us, physical verification of major portion of fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of title deeds provided to us, we report that, the title deeds of all immovable properties of land and buildings which are freehold are held in the name of the Company as at balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right of Use Assets in the Ind AS financial statements, the lease agreements are in the name of the Company. The Hangarkatta yard lease has expired in 2019.
- ii. The inventory have been physically verified by the management during the year in accordance with the inventory verification procedure adopted by the Management. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanation given to us, Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b), (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee or provided any security to the parties covered under Section 185. The Company has not given any loan or made any investment covered under Section 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order does not arise.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not issued any order specifying the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013; hence the question of our reporting under this clause does not arise.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income-Tax, Goods and Service Tax, duty of Customs, professional Tax and other material statutory dues applicable to it to the appropriate authorities.
- b. As mentioned in Note 36 to the financial statements, pursuant to the implementation of the Resolution Plan, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- viii. On March 04, 2020, the National Company Law Tribunal ("NCLT") had approved the terms of the Resolution Plan submitted by Cochin Shipyard Ltd, pursuant to which debts owed by the company as on the date of commencement of CIRP process have been fully settled through. Accordingly, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank during the year. The Company did not have any outstanding dues to Government or debenture holders during the year.
- ix. According to the information and explanations given to us and based on records examined by us we are of the opinion that the moneys raised during the year by way of term loans by the Company pursuant to the terms of the Approved Resolution Plan were applied for the purpose for

which it was raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In view of exemption given vide notification no. G.S.R.463(E) dated June 5,2015, issued by the Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company transactions with related party for the period under reporting are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, 'Related Party Disclosures' specified under Section 133 of the Act.
- xiv. During the year, the company has made preferential allotment/private placement of shares as per the terms of

the approved resolution plan. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act. Further, in our, opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/private placement of fully/ partly convertible debentures.

- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **SHABBIR AND GANESH**

Chartered Accountants  
Firm Regn. No. 0090335

**CA GANESH YERMAL**

Partner

Membership No. 207231

UDIN: 21207231AAAANKH7119

Place: Udupi

Date: 07.05.2021

## Annexure B to the Independent Auditors' Report

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements of our Independent Auditors report of even date on the IND AS financial statements of Tebma Shipyards Ltd for the year ended 31 March, 2021

### Directions under Section 143(5) of the Companies Act, 2013 for the year ended 31 March, 2021

We give below our report on the matters referred therein:

#### A. General Directions

- a) **Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.** In our opinion, the company has a system in place to process all the accounting transactions through IT system except inventory management. Based on the information and explanations given to us, and based on procedures performed by us, we are of the opinion that the company has an adequate internal control system to prevent and detect processing of accounting transactions outside the IT system. As per information provided to us, there has been no such instance reported during the year.
- b) **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).**

The Company was subject to Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016 and the Resolution Plan was approved by NCLT-Division Bench-I, Chennai on March 04, 2020 as per which out of the total admitted debt of the lender banks aggregating to Rs.602.39 Crores, 9.74% pay amounting to

Rs.58.65 Crores was approved and paid to lenders during September 2020. The financial effect for write back of liabilities was given in FY 2019-20. As per the Resolution plan the financial creditors are also eligible for the proceeds of Excluded Ships and Excluded Financial Assets.

- c) **Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

In our opinion, and based on the information and explanations given to us, the funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per their terms and conditions.

#### B. Sub Directions

No Sub Directions were issued for the period under audit.

For **SHABBIR AND GANESH**  
Chartered Accountants  
Firm Regn. No. 009033S

**CA GANESH YERMAL**  
Partner  
Membership No. 207231  
UDIN: 21207231AAAANKH7119

Place: Udipi  
Date: 07.05.2021

## Annexure C to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Tebma Shipyards Limited on the audit of Ind AS financial statements for the year ended 31st March 2021

### 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 Tebma Shipyards Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (The "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over

financial reporting were operating effectively as at March 31, 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 ICAI

For **SHABBIR AND GANESH**  
Chartered Accountants  
Firm Regn. No. 009033S

**CA GANESH YERMAL**  
Partner  
Membership No. 207231  
UDIN: 21207231AAAACH7119

Place: Udupi  
Date: 07.05.2021

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TEBMA SHIPYARDS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Tebma Shipyards Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07.05.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Tebma Shipyards Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**(R. AMBALAVANAN)**  
Director General of Commercial Audit, Chennai

Place: Chennai  
Date: 26.07.2021

# Balance Sheet

As at March 31, 2021

(Rs. in Lakhs)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	4	9,956.20	10,877.15	12,133.37
(b) Capital work-in-progress	5	103.61	-	-
(c) Intangible assets	6	8.96	13.13	16.68
(d) Financial assets				
(i) Investments	7	-	-	1.32
(ii) Other Financial Assets	8	-	-	37.78
(e) Income tax assets (net)	9	11.95	350.68	481.30
(f) Deferred tax assets (net)	10	3,989.52	-	-
(g) Other non-current assets	11	-	-	5,582.86
<b>Total Non-Current assets</b>		<b>14,070.24</b>	<b>11,240.96</b>	<b>18,253.31</b>
<b>Current assets</b>				
(a) Inventories	12	188.92	-	2,816.76
(b) Financial Assets				
(i) Trade receivables	13	6.52	-	495.08
(ii) Cash and cash equivalents	14	2,526.99	87.29	53.95
(iii) Bank balances other than (ii) above	15	0.81	0.81	365.64
(iv) Other Financial assets	16	0.67	1.59	18,132.90
(c) Other current assets	17	93.94	13.41	691.48
<b>Total Current assets</b>		<b>2,817.85</b>	<b>103.10</b>	<b>22,555.81</b>
<b>Total Assets</b>		<b>16,888.09</b>	<b>11,344.06</b>	<b>40,809.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	18	6,500.00	20,236.15	20,236.15
(b) Other equity	19	7,153.21	(16,780.92)	(37,751.97)
<b>Total Equity</b>		<b>13,653.21</b>	<b>3,455.23</b>	<b>(17,515.82)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	500.00	-	10,197.43
(ii) Other financial liabilities	21	75.39	-	1,915.00
<b>Total Non-Current Liabilities</b>		<b>575.39</b>	<b>-</b>	<b>12,112.43</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	22	-	5,965.00	39,728.16
(ii) Trade payables				
Total outstanding dues of Micro Enterprises and Small Enterprises	23	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.83	90.49	799.12
(iii) Other financial liabilities	24	1,440.74	195.14	4,144.97
(b) Other current liabilities	25	7.14	388.20	1,401.18
(c) Provisions	26	1,210.78	1,250.00	139.08
<b>Total Current Liabilities</b>		<b>2,659.49</b>	<b>7,888.83</b>	<b>46,212.51</b>
<b>Total Equity and Liabilities</b>		<b>16,888.09</b>	<b>11,344.06</b>	<b>40,809.12</b>

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The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

<b>ASWIN SARMA M</b> Company Secretary M. No. A41969 Kochi, dated May 07, 2021	<b>SHIBU JOHN</b> Chief Financial Officer	<b>HARIKUMAR A</b> Chief Executive Officer	<b>JOSE V J</b> Director DIN - 08444440	<b>MADHU S NAIR</b> Chairman DIN - 07376798
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For **M/s Shabbir and Ganesh**Chartered Accountants  
Firm Regn. No.: 009033S**CA GANESH YERMAL**Partner  
Membership No.: 207231  
UDIN: 21207231AAAAKH7119  
Udupi, Date: 07 May 2021

# Statement of Profit and Loss

For the year ended March 31, 2021

(Rs in lakhs)

Sl No	Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>I</b>	<b>Income</b>			
	Revenue from Operations	27	-	116.38
	Other Income	28	74.74	90.62
	<b>Total Income</b>		<b>74.74</b>	<b>207.00</b>
<b>II</b>	<b>Expenses</b>			
	Employee Benefits Expense	29	71.60	35.56
	Finance costs	30	23.14	7.36
	Depreciation and Amortisation Expense	31	1284.46	1259.77
	Other expenses	32	104.98	1481.15
	<b>Total expenses</b>		<b>1484.18</b>	<b>2783.84</b>
<b>III</b>	<b>Profit/ (Loss) before exceptional items and tax (I-II)</b>		<b>(1409.44)</b>	<b>(2576.84)</b>
<b>IV</b>	<b>Exceptional Items</b>	33	<b>1263.40</b>	<b>23547.89</b>
<b>V</b>	<b>Profit/ (Loss) before Tax (III-IV)</b>		<b>(146.04)</b>	<b>20971.05</b>
<b>VI</b>	<b>Tax expense</b>			
	(1) Current tax	10	-	-
	(2) Deferred tax		(10.00)	-
<b>VII</b>	<b>Profit/(Loss) for the period/year(V-VI)</b>		<b>(136.04)</b>	<b>20971.05</b>
<b>VIII</b>	<b>Other comprehensive income</b>			
	A) Items that will be reclassified to profit or loss		-	-
	B) Items that will not be reclassified to profit or loss		-	-
	<b>Other comprehensive income for the period/year</b>		-	-
<b>IX</b>	<b>Total Comprehensive Income for the period/year (VII-VIII)</b>		<b>(136.04)</b>	<b>20971.05</b>
<b>X</b>	<b>Paid up equity share capital (Face value - Rs 10 each)</b>		<b>6500.00</b>	<b>7736.15</b>
	<b>Earnings per equity share of Rs 10 each</b>	34		
	(1) Basic (Rs)		(0.21)	27.11
	(2) Diluted (Rs)		(0.21)	27.11
			Annualised	Annualised

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For and on behalf of Board of Directors

<b>ASWIN SARMA M</b> Company Secretary M. No. A41969 Kochi, dated May 07, 2021	<b>SHIBU JOHN</b> Chief Financial Officer	<b>HARIKUMAR A</b> Chief Executive Officer	<b>JOSE V J</b> Director DIN - 08444440	<b>MADHU S NAIR</b> Chairman DIN - 07376798
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For **M/s Shabbir and Ganesh**Chartered Accountants  
Firm Regn. No.: 009033S**CA GANESH YERMAL**Partner  
Membership No.: 207231  
UDIN: 21207231AAAAKH7119  
Udupi, Date: 07 May 2021

# Statement of Cash Flow

For the year ended March 31, 2021

Particulars	(Rs in lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	(146.04)	20,971.05
Adjustments:		
Depreciation and amortisation	1,284.46	1,259.77
Interest expense	14.69	-
Interest income	(6.26)	(21.59)
<b>Operating cash flow before working capital changes</b>	<b>1,146.85</b>	<b>22,209.23</b>
Movements in working capital:		
(Increase) / decrease in inventories	(188.92)	2,816.76
(Increase) / decrease in trade, other receivables and assets	(87.73)	25,057.05
Increase / (decrease) in trade and other payables	735.66	(6,475.53)
	<b>1,605.86</b>	<b>43,607.51</b>
Income taxes paid (Net of Refunds)	-	-
<b>Net cash flows from operating activities (A)</b>	<b>1,605.86</b>	<b>43,607.51</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(68.61)	-
(Increase) / decrease in capital work In progress	(103.61)	-
Interest received	6.26	21.59
<b>Net cash flows from investing activities (B)</b>	<b>(165.96)</b>	<b>21.59</b>
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	(5,965.00)	(43,960.59)
Receipt of Loan from Holding company	500.00	-
Issue of Capital	6,500.00	-
Interest Expense	(14.69)	-
Repayment of lease liability	(20.51)	-
<b>Net cash flows from financing activities (C)</b>	<b>999.80</b>	<b>(43,960.59)</b>
<b>D. Net increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>2,439.70</b>	<b>(331.49)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>87.29</b>	<b>418.78</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,526.99</b>	<b>87.29</b>
<b>Components of cash and cash equivalents (refer note 14)</b>		
Cash on hand	-	-
Balances with banks		
- in current accounts	2,526.99	87.29
<b>Total cash and cash equivalents</b>	<b>2,526.99</b>	<b>87.29</b>

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For and on behalf of Board of Directors

<b>ASWIN SARMA M</b> Company Secretary M. No. A41969 Kochi, dated May 07, 2021	<b>SHIBU JOHN</b> Chief Financial Officer	<b>HARIKUMAR A</b> Chief Executive Officer	<b>JOSE V J</b> Director DIN - 08444440	<b>MADHU S NAIR</b> Chairman DIN - 07376798
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For **M/s Shabbir and Ganesh**  
Chartered Accountants  
Firm Regn. No.: 009033S

**CA GANESH YERMAL**  
Partner  
Membership No.: 207231  
UDIN: 21207231AAAAKH7119  
Udupi, Date: 07 May 2021

# Statement of Changes in Equity

For the year ended March 31, 2021

## A. Share Capital

(Rs in lakhs)		
As at April 01, 2020	Changes in equity share capital during the year	As at March 31, 2021
20,236.15	-13,736.15	6,500.00

(Rs in lakhs)		
As at April 01, 2019	Changes in equity share capital during the year	As at March 31, 2020
20,236.15	0.00	20,236.15

## B. Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2020</b>	<b>12,194.71</b>	<b>228.33</b>	<b>(29,203.96)</b>	<b>(16,780.92)</b>
Adjustment on account of cancellation of capital	(12,194.71)	12,194.71	-	-
Cancellation of Share capital	-	20,236.15	-	20,236.15
Add :Fair valuation made to Thenkasi land and Vehicles	-	194.83	-	194.83
Add: Opening DTA	-	-	3,979.52	3,979.52
Less : Cancellation of MAT credit and Provision created against TDS receivable	-	-	(340.33)	(340.33)
Transfer from retained earnings to General reserve	-	(25,564.77)	25,564.77	-
Profit for the year	-	-	(136.04)	(136.04)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>7,289.25</b>	<b>(136.04)</b>	<b>7,153.21</b>

**B. Other Equity (Contd..)**

(Rs in lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2019</b>	<b>12,194.71</b>	<b>228.33</b>	<b>(54,425.81)</b>	<b>(42,002.77)</b>
Transition adjustments	-	-	4,250.80	4,250.80
Profit for the year	-	-	20,971.05	20,971.05
<b>Balance as at March 31, 2020</b>	<b>12,194.71</b>	<b>228.33</b>	<b>(29,203.96)</b>	<b>(16,780.92)</b>

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The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

**ASWIN SARMA M**

Company Secretary

M. No. A41969

Kochi, dated May 07, 2021

**SHIBU JOHN**

Chief Financial Officer

**HARIKUMAR A**

Chief Executive Officer

**JOSE V J**

Director

DIN - 08444440

**MADHU S NAIR**

Chairman

DIN - 07376798

For **M/s Shabbir and Ganesh**

Chartered Accountants

Firm Regn. No.: 009033S

**CA GANESH YERMAL**

Partner

Membership No.: 207231

UDIN: 21207231AAAAKH7119

Udupi, Date: 07 May 2021

# Notes to the Financial Statements

For the year ended March 31, 2021

## 1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Corporate information

Tebma Shipyards Limited (TSL), a company engaged in manufacturing and repair of commercial ships for domestic and international clients and warships for Indian Navy, was founded on July 09, 1984. TSL was incorporated as 'Tebma Engineering Private Limited', became public as 'Tebma Engineering Limited' and subsequently the name was changed to 'Tebma Shipyards Limited'. The Registered Office of the Company is situated at S.No.377, Pazhamathur Village, Pukathurai Post, Madurantakam Taluk, Kancheepuram – 603 116. TSL has two yards; One in Malpe – Karnataka and the other one in Chengalpet – Tamil Nadu. It has a major fabrication unit in Hangarkatta (about 2 km from the Malpe yard). TSL has been a known name in the shipbuilding industry for its quality standards and commitment levels. TSL experienced financial difficulties due to the cancellation of Orders and in 2010, the Company entered into a Capital Debt Restructuring Agreement with the Consortium of bankers and Master Restructuring Agreement (MRA) was signed in April 2011. Further, consequent to the Company's failure in honouring its financial commitments, one of the operational creditors filed an insolvency petition under the Insolvency and Bankruptcy Code, 2016 against the Company in 2018. The National Company Law Tribunal (NCLT), Chennai vide its Order dated September 25, 2018 allowed the petition and the Company was placed under the Corporate Insolvency Resolution Process (herein after referred to as "Resolution Process").

During the Resolution Process, Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping & Waterways, Government of India, submitted its Resolution Plan for acquiring TSL and the NCLT, Chennai vide its Order dated March 04, 2020 approved the said Resolution Plan. Consequently, the Resolution Plan implementation process was initiated and a Monitoring Committee consisting of CSL Nominees, the Resolution Professional and the CoC Nominee was constituted for monitoring the implementation of the Resolution Plan and intermittent management of TSL from the date of NCLT Order till the payment of bid amount. On September 15, 2020, CSL paid the bid amount for takeover of the Company consequent to which the Company became

a wholly owned subsidiary of CSL and the new Board of Directors nominated by CSL took charge of the Company. Further, all claims/dues/liabilities of the Company got fully extinguished except to the extent mentioned in the approved Resolution Plan and the NCLT Order. With this the Resolution Process of the Company came to a close.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 07, 2021.

## 2. Significant Accounting Policies

### 2.1 Functional & Presentation Currency

The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

### 2.2 Statement of Ind AS compliance

The Financial Statements up to and for the year ended March 31, 2020 were prepared in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first Financial Statements prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, Ind AS 101, First-time Adoption with the Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided as transition reconciliation in note 3.

### 2.3 Basis of preparation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, PPE and RoU Assets which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# Notes to the Financial Statements

For the year ended March 31, 2021

## 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## 2.5 Critical Accounting estimates and judgements:

The application of significant accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the financial statements have been disclosed below:

### Useful lives of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant its capitalisation and which component of the asset may be capitalised. Reassessment of life may result in change in depreciation expense in future periods.

### Valuation of deferred tax assets / liabilities

The Company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgements are involved in determining the elements of deferred tax items.

### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification

of a lease requires significant judgement. The Company uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

### Impairment of unquoted investments

The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### Recognition and measurement of provisions

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

### Contingencies and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent

# Notes to the Financial Statements

For the year ended March 31, 2021

with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### Provision for inventories

Management reviews the inventory ageing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether a provision is required to be made in the financial statements for any obsolete and slow-moving items and that adequate provision for obsolete and slow-moving inventories has been made in the financial statements.

### Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

## 2.6 Property , Plant and Equipment (PPE)

Property, Plant and Equipments are stated at cost less accumulated depreciation (other than free hold land which are stated at cost) and impairment losses, if any. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including non refundable duties and taxes net of any trade discounts and rebates. The cost of PPE also includes interest on borrowings (borrowing cost directly attributable to acquisition, construction or production of qualifying assets) upto initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items are material and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

## 2.7 Capital work in progress and intangible assets under development:

Capital work in progress and intangible assets under development are property, plant and equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

## 2.8 Intangible Assets

Right to use: Up-front fee paid for securing right to use of land and other facility is capitalized as intangible asset and amortised on a straight line basis over the period of lease for which the right has been obtained.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.9 Leases

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Company has adopted the same using modified retrospective transition method, where at the date of initial application, the lease liability is measured at the present value of remaining lease payments. Accordingly, the comparatives have not been retrospectively adjusted

### As a Lessee:

The Company's leased asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset

# Notes to the Financial Statements

For the year ended March 31, 2021

for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a lease liability and a corresponding right-of-use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis or another systematic basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and RoU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## As a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease. The difference between the amount recognised as lease rental income and actual cashflows payable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

## 2.10 Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain/loss arising on derecognition of the asset is included in the Statement of profit and loss when the asset is derecognised. Fully depreciated assets still in use are retained in financial Statements at residual value. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain types of buildings and equipments wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Buildings	3-60 years
Plant and equipment	5-15 years
Furniture and fixtures	8-10 years
Office equipment	3-10 years
Data Processing Equipments	3-6 years

Leasehold land is amortised over the period of lease. Leasehold improvements including certain buildings, and slipway are depreciated over the lower of remaining estimated useful lives and the lease period.

## 2.11 Impairment of Assets

The Company assesses the impairment of assets with reference to each cash generating unit, at each Balance Sheet date. If events or changes in circumstances based on internal and external factors indicate that the carrying value may not be recoverable in full, the loss on account and the recoverable amount, is accounted for accordingly. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

# Notes to the Financial Statements

For the year ended March 31, 2021

## 2.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase and costs incurred in bringing the inventories to their present location and condition. Inventory of raw materials and components for ship building projects are valued based on Weighted Average Method.

## 2.13 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 2.14 Provisions, Contingent Liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the

Company treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Company does not expect them to have a materially adverse impact on our financial position or profitability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised

## 2.15 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

**Provident fund:** Contributions to provident fund (a defined contribution plan) are made to the Regional Provident Fund Commissioner and are charged to the profit and loss account. The Company has no further obligations for future provident fund benefits other than its monthly contributions. **Gratuity:** This is a defined benefit plan. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognized immediately in the profit and loss account as income or expense. **Compensated Absences:** Provision for leave entitlement is made on the basis of an actuarial valuation carried by an independent actuary as at the balance sheet date. Actuarial gains or losses are taken to the Profit & Loss Account and are not deferred.

## 2.16 Borrowing cost

General and specific borrowing costs directly attributable to acquisition/ construction or production of qualifying assets (net of income earned on temporary deployment of funds) are capitalized as part of cost of such assets upto the date when such assets are ready for the intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

# Notes to the Financial Statements

For the year ended March 31, 2021

## 2.17 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Company, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

## 2.18 Taxes on Income

### Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

### Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## 2.19 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

## 2.20 Statement of cash flows

Cash Flows are reported using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. Cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet

## 2.21 Recent accounting pronouncements - Standards issued but not yet effective

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 3 : Reconciliation of Equity as previously reported as per previous GAAP to Ind AS

### (i) Reconciliation of total other equity

Description	(Rs in lakhs)	
	As at 31.03.2020	As at 01.04.2019
Equity as per Previous GAAP	(20,937.52)	(42,002.77)
<b>Re-measurements on transition to Ind AS</b>		
(1) Property, plant and equipment	4,156.60	4,250.80
<b>Equity as per Ind AS</b>	<b>(16,780.92)</b>	<b>(37,751.97)</b>

### (ii) Reconciliation of total comprehensive income

Description	(Rs in lakhs)	
	As at 31.03.2020	
<b>Net Profit as per Previous GAAP</b>		<b>21,065.25</b>
<b>Re-measurements on transition to Ind AS</b>		
(1) Property, plant and equipment		(94.20)
<b>Net Profit as per Ind AS</b>		<b>20,971.05</b>
<b>Total comprehensive income/(loss) as per Ind AS</b>		<b>20,971.05</b>

### Notes to reconciliation of total equity and total comprehensive income:

#### a. Property, plant and equipment:

On transition to Ind AS, the Company has treated fair value as deemed cost for property, plant and equipment resulting in an uplift in carrying value as compared to the Previous GAAP. The consequential impact of additional depreciation on fair value uplift is recognised in the statement of profit and loss.

### (iii) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at March 31, 2020 and April 1, 2019

Particulars	April 1, 2019			Remarks
	As per IndAS	As per Previous GAAP	Increase / (Decrease)	
<b>Assets:</b>				
Property, plant and equipment	12,133.37	7,899.25	4,234.12	A. The Company has elected to treat fair value as deemed cost for property, plant and equipment. The fair value adjustment made to property, plant and equipment amounted to ₹ 4250.80 Lakhs to the carrying value reported under the Previous GAAP.
Intangible Assets	16.68	-	16.68	B. Right of use assets have been reclassified from property, plant and equipment to Separate line item under IndAS

# Notes to the Financial Statements

For the year ended March 31, 2021

## (iii) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at March 31, 2020 and April 1, 2019 (Contd..)

(Rs in lakhs)

Particulars	April 1, 2019			Remarks
	As per IndAS	As per Previous GAAP	Increase / (Decrease)	
Other non current financial assets	37.78	-	37.78	C. Security Deposits considered amounting to Rs.37.78 Lakhs have been reclassified from other non-current assets to other non current financial assets being financial in nature under IndAS
Income tax assets	481.30	-	481.30	D. Tax Deducted at Source, Advance Tax and MAT paid considered amounting to Rs.481.30 Lakhs have been reclassified from other non-current assets to a separate line item "income tax assets" under IndAS
Other non-current assets	5,582.86	652.37	4,930.48	Refer Point C and D and in addition to these, Balance with Government authorities have been regrouped to other current asset amounting to Rs.133.29 Lakhs and Subsidy receivables were regrouped to Other non current asset from Other current asset
Other current financial assets	18,132.90	-	18,132.90	E. Other Deposits considered amounting to Rs.94.81 lakhs, unbilled revenue amounting to Rs.18018.78 Lakhs, Interest accrued on fixed deposits amounting to Rs. 19.30 Lakhs, have been reclassified from other current assets to other current financial assets being financial in nature under IndAS
Short term loans and advances	-	558.19	(558.19)	F. Advance paid to suppliers have been reclassified to Other current assets
Other current assets	691.48	23,715.75	(23,024.27)	Refer Point E & F, in addition to these, Balance with Government authorities have been regrouped to other current asset amounting to Rs.133.29 Lakhs and Subsidy receivables were regrouped to Other non current asset from Other current asset
<b>Liabilities:</b>				
Other non current financial Liabilities	1,915.00	-	1,915.00	G. Amount received from India Advantage Fund amounting to Rs.1915 Lakhs, have been reclassified from other long term liabilities to other non current financial liabilities being financial in nature under IndAS
Other long term liabilities	-	1,915.00	(1,915.00)	Refer Point G

# Notes to the Financial Statements

For the year ended March 31, 2021

## (iii) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at March 31, 2020 and April 1, 2019 (Contd..)

(Rs in lakhs)

Particulars	April 1, 2019			Remarks
	As per IndAS	As per Previous GAAP	Increase / (Decrease)	
Trade payables	799.12	817.32	(18.20)	H. Employee related liabilities amounting to Rs. 21.86 Lakhs have been regrouped from trade payables to current financial liabilities and Rs. 3.66 Lakhs of other creditors from current liabilities to trade payables
Other current financial liabilities	4,144.95	-	4,144.95	I. Employee related liabilities considered amounting to Rs.213.35 Lakhs, Accrual for expenses amounting to Rs.3810.76 Lakhs, Interest accrued but not due on borrowings amounting to Rs. 33.19 Lakhs, Retention from contractors amounting to Rs. 87.65 Lakhs have been reclassified from other current liabilities to other current financial liabilities being financial in nature under IndAS
Provisions	139.08	50.39	88.69	J. Provision for Gratuity amounting to Rs. 85.63 Lakhs and leave encashment amounting to Rs. 3.06 Lakhs have been reclassified from other current liabilities to Provision
Other current liabilities	1,401.17	5,616.63	(4,215.46)	Refer Point H, I, and J

(Rs in lakhs)

Particulars	March 31, 2020			Remarks
	As per IndAS	As per Previous GAAP	Increase / (Decrease)	
<b>Assets:</b>				
Property, plant and equipment	10,877.15	6,733.68	4,143.47	A. The Company has elected to treat fair value as deemed cost for property, plant and equipment. The fair value adjustment made to property, plant and equipment amounted to ₹ 4250.80 Lakhs to the carrying value reported under the Previous GAAP.
Intangible Assets	13.13	-	13.13	B. Right of use assets have been reclassified from property, plant and equipment to Separate line item under IndAS

# Notes to the Financial Statements

For the year ended March 31, 2021

## (iii) Reconciliation of material items of balance sheet as per IND AS with previous GAAP as at March 31, 2020 and April 1, 2019 (Contd..)

(Rs in lakhs)

Particulars	March 31, 2020			Remarks
	As per IndAS	As per Previous GAAP	Increase / (Decrease)	
Income tax assets	350.68	-	350.68	C. Tax Deducted at Source, Advance Tax and MAT paid considered amounting to Rs.350.68 lakhs have been reclassified from other non-current assets to a separate line item "income tax assets" under IndAS
Other non-current assets	-	352.46	(352.46)	Refer Point C and Balance with Government authorities have been regrouped to other current asset amounting to Rs.1.78 Lakhs
Other current financial assets	1.59	-	1.59	D. Other Deposits considered has been reclassified from other current assets to other current financial assets being financial in nature under IndAS amounting to Rs.1.59 Lakhs and, Balance with Government authorities have been regrouped to other current asset amounting to Rs.1.78 Lakhs
Other current assets	13.42	13.22	0.20	
<b>Liabilities:</b>				
Trade payables	90.49	38.63	51.86	E. Operational creditors other than employees to the extent not written off amounting to Rs. 51.86 Lakhs has been reclassified from other current liabilities to trade payables
Other current financial liabilities	195.14	-	195.14	F. Employee related liabilities considered amounting to Rs.195.14 Lakhs has been reclassified from other current liabilities to other current financial liabilities being financial in nature under IndAS
Other current liabilities	388.20	635.20	(247.00)	Refer Point E and F above

## Notes to the Financial Statements

For the year ended March 31, 2021

### Note 4 : Property, Plant and Equipment

Particulars	Gross carrying amount			Depreciation			Net Carrying amount		
	As at 01.04.2020	Additions/ (Deletions)	Disposal/ adjustments during the year	As at 31.03.2021	For the year	Adjustment/ (withdrawal)	As at 31.03.2021	As at 31.03.2020	As at 31.03.2020
<b>Tangible assets</b>									
Land - freehold	2,420.37	187.50	-	2,607.87	-	-	2,607.87	2,420.37	2,420.37
Building	2,060.41	2.55	-	2,062.96	94.02	-	188.30	1,874.66	1,966.13
Plant and machinery	4,657.45	21.78	-	4,679.23	544.53	-	1,089.78	3,589.45	4,112.20
Office equipments	19.42	21.40	-	40.82	4.40	-	8.21	32.61	15.62
Furniture and fittings	20.06	7.87	-	27.93	5.19	-	10.37	17.56	14.88
Computers	17.26	0.80	-	18.06	5.14	-	10.80	7.26	11.59
Electrical Fittings	-	14.21	-	14.21	0.08	-	0.08	14.13	-
Vehicles	-	7.33	-	7.33	0.69	-	0.69	6.64	-
<b>Sub Total</b>	<b>9,194.97</b>	<b>263.44</b>	<b>-</b>	<b>9,458.41</b>	<b>654.05</b>	<b>-</b>	<b>1,308.23</b>	<b>8,150.18</b>	<b>8,540.79</b>
<b>Assets held on Leased Premises</b>									
Building	1,830.40	-	-	1,830.40	374.00	-	749.03	1,081.37	1,455.37
Slipway	1,108.00	-	-	1,108.00	226.39	-	453.40	654.60	880.99
Right of Use Assets (IND AS 116)	-	95.90	-	95.90	25.85	-	25.85	70.05	-
<b>Sub Total</b>	<b>2,938.40</b>	<b>95.90</b>	<b>-</b>	<b>3,034.30</b>	<b>626.24</b>	<b>-</b>	<b>1,228.28</b>	<b>1,806.02</b>	<b>2,336.36</b>
<b>Total</b>	<b>12,133.37</b>	<b>359.34</b>	<b>-</b>	<b>12,492.71</b>	<b>1,280.29</b>	<b>-</b>	<b>2,536.51</b>	<b>9,956.20</b>	<b>10,877.15</b>
<b>Particulars</b>	<b>Gross carrying amount</b>			<b>Depreciation</b>			<b>Net Carrying amount</b>		
	As at 01.04.2019	Additions/ (Deletions)	Disposal/ adjustments during the year	As at 31.03.2020	For the year	Adjustment/ (withdrawal)	As at 31.03.2020	As at 31.03.2019	As at 31.03.2019
<b>Tangible assets</b>									
Land - freehold	2,420.37	-	-	2,420.37	-	-	-	2,420.37	2,420.37
Building	2,060.41	-	-	2,060.41	94.28	-	94.28	1,966.13	2,060.41
Plant and machinery	4,657.45	-	-	4,657.45	545.25	-	545.25	4,112.20	4,657.45
Office equipments	19.42	-	-	19.42	3.81	-	3.81	15.61	19.42
Furniture and fittings	20.06	-	-	20.06	5.18	-	5.18	14.88	20.06
Computers	17.26	-	-	17.26	5.66	-	5.66	11.60	17.26
<b>Sub Total</b>	<b>9,194.97</b>	<b>-</b>	<b>-</b>	<b>9,194.97</b>	<b>654.18</b>	<b>-</b>	<b>654.18</b>	<b>8,540.79</b>	<b>9,194.97</b>
<b>Assets held on Leased Premises</b>									
Building	1,830.40	-	-	1,830.40	375.03	-	375.03	1,455.37	1,830.40
Slipway	1,108.00	-	-	1,108.00	227.01	-	227.01	880.99	1,108.00
Right of Use Assets (IND AS 116)	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>2,938.40</b>	<b>-</b>	<b>-</b>	<b>2,938.40</b>	<b>602.04</b>	<b>-</b>	<b>602.04</b>	<b>2,336.36</b>	<b>2,938.40</b>
<b>Total</b>	<b>12,133.37</b>	<b>-</b>	<b>-</b>	<b>12,133.37</b>	<b>1,256.22</b>	<b>-</b>	<b>1,256.22</b>	<b>10,877.15</b>	<b>12,133.37</b>

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 4 : Property, Plant and Equipment (Contd..)

The Company has elected to treat fair value as deemed cost for Property, Plant and Equipment. The fair value adjustment made to Property, Plant and Equipment amounted to ₹ 4250.80 Lakhs to the carrying value reported under the Previous GAAP.

Revaluation of assets was carried out as part of take over dated 15th September 2020. All categories of assets were revalued and life was assessed by technical experts. This life has been taken as a base for arriving at the remaining useful life for providing depreciation for these assets

TSL has entered into agreements with Kundapura Port & Govt of Karnataka for lands taken on lease at Malpe and Hangarkatta. The lease agreement for Malpe will expire in 2023, while the lease period for Hangarkatta land has already expired in 2019. Discussions are currently underway with the Government of Karnataka to renew the lease licenses. Meanwhile Company paid during the year an amount of Rs. 20.51 Lakhs towards Malpe lease rent and Rs 1.86 lakhs towards Hangarkatta Lease rent. Ind AS 116 is applied only for Malpe leasehold land.

Assets which cannot be detached and transported for alternate use ("Non Removable Assets") constructed on leasehold land at Malpe yard are amortized/ depreciated over the lower of the period of lease and useful life of those assets. Also the value of Land at Kulpi (Kolkata- 2.31 cents) and 0.78 cents of land at Hangarkatta have not been recognized in accounts due to pending verification & valuation of the same.

## Note 5 : Capital work-in-progress

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Plant and machinery, Buildings and Civil works	103.61	-	-
<b>Total</b>	<b>103.61</b>	-	-

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 6 : Other Intangible assets

Particulars	Gross carrying amount			Disposal/ adjustments during the year	As at 31.03.2021	Amortisation		Net Carrying amount	
	As at 01.04.2020	Additions/ (Deletions)	As at 31.03.2020			For the year	Adjustment/ (withdrawal)	As at 31.03.2021	As at 31.03.2020
Right of Use - land	16.68	-	16.68	-	16.68	3.55	4.17	7.72	8.96
<b>Total</b>	<b>16.68</b>	<b>-</b>	<b>16.68</b>	<b>-</b>	<b>16.68</b>	<b>3.55</b>	<b>4.17</b>	<b>7.72</b>	<b>8.96</b>

Particulars	Gross carrying amount			Disposal/ adjustments during the year	As at 31.03.2020	Amortisation		Net Carrying amount	
	As at 01.04.2019	Additions/ (Deletions)	As at 01.04.2019			For the year	Adjustment/ (withdrawal)	As at 31.03.2020	As at 31.03.2019
Right of use - Land	16.68	-	16.68	-	16.68	-	3.55	3.55	13.13
<b>Total</b>	<b>16.68</b>	<b>-</b>	<b>16.68</b>	<b>-</b>	<b>16.68</b>	<b>-</b>	<b>3.55</b>	<b>3.55</b>	<b>13.13</b>

The Right of use of land shown under Intangible Assets represents the upfront fee paid to Port Officer Kundapura towards using Malpe leasehold land, which is amortised over the lease period.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 7 : Investments - Non Current

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Quoted (Fully Paid up)</b>			
<b>Investment in equity instruments</b>			
<b>a) At Fair Value Through Other Comprehensive Income</b>			
Andhra Bank Limited	-	-	0.46
NIL (previous year:NIL, preceeding previous year : 4600) equity shares of Rs.10 each fully paid up			
Syndicate Bank Limited	-	-	0.86
NIL (previous year:NIL, preceeding previous year : 1728) equity shares of Rs.10 each fully paid up			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.32</b>

## Note 8 : Other Financial Assets - Non Current

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Security Deposits	-	-	37.78
<b>Total</b>	<b>-</b>	<b>-</b>	<b>37.78</b>

## Note 9 : Income tax assets / liability (net)

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Non current tax assets</b>			
Income Tax Assets	11.95	350.68	481.30
<b>Total</b>	<b>11.95</b>	<b>350.68</b>	<b>481.30</b>

## Income tax recognised in the Statement of profit and loss

Particulars	(Rs. in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
Current tax:		
Current income tax charge	0.00	0.00
Adjustment in respect of prior years	-	-
<b>Total (A)</b>	<b>0.00</b>	<b>0.00</b>
Deferred tax:		
In respect of current year	(10.00)	-
<b>Total (B)</b>	<b>(10.00)</b>	<b>-</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>(10.00)</b>	<b>0.00</b>

# Notes to the Financial Statements

For the year ended March 31, 2021

## The income tax expense for the year can be reconciled to the accounting profit as follows:-

Particulars	(Rs. in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
Profit before tax	(146.04)	20971.05
Income tax expense calculated at respective applicable rates	(37.97)	5452.47
Effect of expenses that are not deductible in determining taxable profit	336.16	652.54
Effect of expenses that are allowable in determining taxable profit	(164.83)	(1,823.36)
Set off of carried forward business losses	(133.35)	(4,281.65)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Adjustments for changes in estimates of deferred tax assets	(10.00)	-
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>(10.00)</b>	<b>0.00</b>

## Note 10 : Deferred tax assets (net)

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Deferred tax liabilities	817.69	-	-
Deferred tax assets	(4,807.21)	-	-
<b>Total</b>	<b>(3,989.52)</b>	<b>-</b>	<b>-</b>

## Deferred tax liabilities/(assets) in relation to 2020-21

Particulars	(Rs. in Lakhs)		
	Opening Balance recognised in Retained Earnings	Recognised in Statement of Profit and Loss	Closing Balance
Provisions	(325.00)	10.20	(314.80)
Property, plant and equipment	971.29	(156.73)	814.56
Intangible assets	-	-	-
Carry forward losses	(4,625.81)	133.39	(4,492.42)
Others	-	3.15	3.15
<b>Total</b>	<b>(3,979.52)</b>	<b>(10.00)</b>	<b>(3,989.52)</b>

As at March 31, 2021, the company has assessed recognition of deferred tax assets by assessing availability of sufficient future taxable profits, based on financial projections which have been approved by the Management, to absorb the deferred tax asset.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 11: Other non-current assets

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Unsecured, considered good			
Subsidy Receivable	179.36	2,791.43	5,582.86
Less : Provision for Subsidy receivable	(179.36)	(2,791.43)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,582.86</b>

The subsidy amount receivable is calculated as per the Ship Building Subsidy Scheme issued by the Ministry of Ports, Shipping and Waterways, Government of India vide Press Note (2003).

As per the resolution plan approved by the Hon'ble NCLT vide Order dated March 04, 2020, 50% of the subsidy receivable under the Ship Building Subsidy Scheme issued by the Ministry of Ports, Shipping & Waterways (MoPSW), Government of India belongs to the Committee of Creditors (CoC) of TSL. During the year, TSL received Rs. 2148.96 lakhs against the subsidy claim from MoPSW. Hence, 50% of the subsidy so received amounting to Rs. 1074.48 lakhs is payable to CoC. The provision amount stands revised based on actuals

## Note 12 : Inventories

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Raw Materials and components	2,816.76	2,816.76	2,816.76
Less: Provision for inventory	(2,627.84)	(2,816.76)	-
<b>Total</b>	<b>188.92</b>	<b>-</b>	<b>2,816.76</b>

Based on stock verification by independent valuer Rs.188.92 lakhs of inventories have been identified as usable and accordingly the provision has been reversed to the extent during current year 2020-21.

## Note 13 : Trade Receivables-Current

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Trade Receivables considered good - Unsecured	6.52	-	495.08
<b>Total</b>	<b>6.52</b>	<b>-</b>	<b>495.08</b>

Trade receivables are non-interest bearing and receivable in normal operating cycle. Since the Trade receivables are due for less than one year, no expected credit loss allowance is made under Ind AS 109.

## Note 14 : Cash and Cash equivalents

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Cash on hand	-	-	-
Balance with Banks			
In current account	276.65	87.29	53.95
Fixed deposits			
Term deposits with original maturity of less than three months	2,250.34	-	-
<b>Total</b>	<b>2,526.99</b>	<b>87.29</b>	<b>53.95</b>

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 14 : Cash and Cash equivalents (Contd..)

Pursuant to resolution plan submitted by the Cochin Shipyard Limited, for Tebma Shipyards Limited the bid amounts have been paid to the banks under the approved resolution plan and all security charges, encumbrances, created or suffered to exist in relation to credit facilities extended to TEBMA, stands released, discharged in terms of the resolution plan. Consequently the Bank guarantees stands discharged and margin money shall be released to Tebma Shipyards Limited. However, the margin monies (aggregating approx. Rs 351.115 lakhs) have not yet been actually released by the banks to the Company as they hold the same as lien for the Bank Guarantees issued by them earlier which has been disputed by the TSL. Therefore, on a prudent basis, the company will recognize the Fixed deposits, in the period in which the banks actually release the margin money deposits.

## Note 15 : Bank balances other than cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Term Deposits with banks with original maturity more than 3 months and less than 12 months	0.81	0.81	365.64
<b>Total</b>	<b>0.81</b>	<b>0.81</b>	<b>365.64</b>

## Note 16 : Other Financial Assets - Current

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Interest accrued on fixed deposits	0.67	-	19.30
Unbilled revenue	-	-	18,018.79
Deposit - Others	-	1.59	94.81
<b>Total</b>	<b>0.67</b>	<b>1.59</b>	<b>18,132.90</b>

## Note 17 : Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Advance paid to suppliers and others	-	-	558.19
Advances other than capital advances			
Other advances	13.84	-	-
Balance with government authorities	-	1.78	133.29
Miscellaneous deposits	1.42	-	-
Prepaid expenditure	25.39	-	-
Other Receivables	24.17	11.63	-
Input Tax Credit on GST	29.12	-	-
<b>Total</b>	<b>93.94</b>	<b>13.41</b>	<b>691.48</b>

Other receivables represents the amount to be recovered from Committee of Creditors (CoC) on account of expenses incurred towards the excluded ships from the CIRP Account operated by Resolution Professional currently.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 18 : Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020		As at 01.04.2019	
	Number	Rs in lakhs	Number	Rs in lakhs	Number	Rs in lakhs
<b>Authorised</b>						
Equity shares of ₹ 10/- each	9,00,00,000	9,000.00	9,00,00,000	9,000.00	9,00,00,000	9,000.00
Preference shares of ₹ 10/- each	12,50,00,000	12,500.00	12,50,00,000	12,500.00	12,50,00,000	12,500.00
<b>Issued, Subscribed and Fully paid up</b>						
Equity shares of ₹ 10 each fully paid up	6,50,00,000	6,500.00	7,73,61,505	7,736.15	7,73,61,505	7,736.15
6.5% Compulsorily Redeemable Preference shares (CRPS) of Rs. 10/- each fully paid up.	-	-	12,50,00,000	12,500.00	12,50,00,000	12,500.00
<b>Total</b>	<b>6,50,00,000</b>	<b>6,500.00</b>	<b>20,23,61,505</b>	<b>20,236.15</b>	<b>20,23,61,505</b>	<b>20,236.15</b>

### 18.1 Reconciliation of number of shares and amounts

Particulars	As at 31.03.2021		As at 31.03.2020		As at 01.04.2019	
	Number	Rs in lakhs	Number	Rs in lakhs	Number	Rs in lakhs
Equity Shares outstanding at the beginning of the year	7,73,61,505	7,736.15	7,73,61,505	7,736.15	7,73,61,505	7,736.15
Add : shares issued during the year	6,50,00,000	6,500.00	-	-	-	-
Less : Shares cancelled during the year	7,73,61,505	7,736.15	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>6,50,00,000</b>	<b>6,500.00</b>	<b>7,73,61,505</b>	<b>7,736.15</b>	<b>7,73,61,505</b>	<b>7,736.15</b>

Particulars	As at 31.03.2021		As at 31.03.2020		As at 01.04.2019	
	Number	Rs in lakhs	Number	Rs in lakhs	Number	Rs in lakhs
Preference Shares outstanding at the beginning of the year	12,50,00,000	12,500.00	12,50,00,000	12,500.00	12,50,00,000	12,500.00
Add : shares issued during the year	-	-	-	-	-	-
Less : Shares cancelled during the year	12,50,00,000	12,500.00	-	-	-	-
<b>Preference Shares outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>12,50,00,000</b>	<b>12,500.00</b>	<b>12,50,00,000</b>	<b>12,500.00</b>

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹10 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The preference shares were on transition to Ind-AS have been considered as equity in view of the voting rights having been triggered on the shares in the past, until these were cancelled in the current year in accordance with the resolution plan approved by honorable NCLT.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 18 : Equity Share Capital (Contd..)

### 18.2 Details of shares held by Holding company

Particulars	As at 31.03.2021		As at 31.03.2020		As at 01.04.2019	
	Number of Shares held	% of holding	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited	6,50,00,000	100%	-	-	-	-
<b>Total</b>	<b>6,50,00,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Particulars	As at 31.03.2021		As at 31.03.2020		As at 01.04.2019	
	Number of Shares held	% of holding	Number of Shares held	% of holding	Number of Shares held	% of holding
1. Cochin Shipyard Limited	6,50,00,000	100%	-	-	-	-
2. Nirupam Energy Projects Private Limited	-	-	4,16,09,323	53.79%	4,16,09,323	53.79%
3. India Advantage Fund - VI	-	-	3,42,52,636	44.28%	3,42,52,636	44.28%

## Note 19 : Other Equity

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Securities Premium	-	12,194.71	12,194.71
General Reserve	7,289.25	228.33	228.33
Fair Value adjustment - on account of IndAS transition	-	4,250.80	4,250.80
Retained Earnings	(136.04)	(33,454.76)	(54,425.81)
	<b>7,153.21</b>	<b>(16,780.92)</b>	<b>(37,751.97)</b>

The National Company Law Tribunal (NCLT), Chennai on March 04, 2020, approved the Resolution Plan submitted by Cochin Shipyard Limited (CSL) for acquisition of Tebma Shipyards Limited (TSL) which was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). In compliance with the NCLT Order, CSL paid the bid amount for takeover of TSL on September 15, 2020 with effect from which date TSL has become a wholly owned subsidiary of CSL. Accordingly, the issuance of shares to CSL, cancellation of the existing shares in TSL, the settlement of liabilities and assets which are acquired at their fair values, in accordance with the resolution plan, have been given adjusted against the accumulated losses / reserves and the net effect thereof has been credited to general reserve.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 20 : Borrowings - Non Current

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Term Loans	-	-	3,650.33
Working Capital facility from banks	-	-	6,547.10
<b>Unsecured</b>			
Loan from Holding Company @5.5% p.a (Unsecured)	500.00	-	-
<b>Total</b>	<b>500.00</b>	<b>-</b>	<b>10,197.43</b>

In order to meet the expenses arising during operational phase of TSL, Holding company Cochin Shipyard Limited infused Rs 500 lakhs as unsecured loan carrying an interest rate of 5.5% p.a. The principal amount to be repaid at the end of 5 years from the date of disbursement i.e; on 17th September 2025. Interest repayments to be made on yearly basis from the date of each disbursement.

## Note 21 : Other Financial liabilities - Non Current

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Amount Received From India Advantage Fund - VI	-	-	1,915.00
Lease Liabilities - Ind AS 116	75.39	-	-
<b>Total</b>	<b>75.39</b>	<b>-</b>	<b>1,915.00</b>

## Note 22 : Borrowings- Current

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Inter Corporate Loan	-	-	400.00
Cash credit	-	5,965.00	39,328.16
<b>Total</b>	<b>-</b>	<b>5,965.00</b>	<b>39,728.16</b>

Based on the approved resolution plan dated 4th March 2020, the resolution plan amount payable to operational creditors, financial creditors and CIRP costs is Rs.6500 Lakhs as full and final settlement and in discharge of all claims in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). Accordingly, all liabilities in the books of accounts as at 15th September 2020 (the date of change of control) when the resolution amount of Rs.6500 Lakhs was infused by CSL into TSL, were adjusted to the amounts payable as per the resolution plan. These balance amounts reflected in these liability accounts have been written back.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 23 : Trade Payables

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Trade payables (Unsecured)			
Total outstanding dues of Micro enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	0.83	90.49	799.12
<b>Total</b>	<b>0.83</b>	<b>90.49</b>	<b>799.12</b>

The company has not received any intimations under The Micro, Small and Medium Enterprises Development Act, 2006. The status under the Micro, Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

Particulars	(Rs. in Lakhs)		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Amount remaining unpaid to supplier at the end of each accounting year;			
Principal	Nil	Nil	Nil
Interest on above Principal	Nil	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act, 2006;	Nil	Nil	Nil

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 24 : Other Financial Liabilities - Current

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Interest accrued but not due on borrowings	13.59	-	33.19
Employee related liabilities	-	195.14	213.35
Payable as per NCLT Order*	217.78	-	-
Liability due to insurance receipt towards excluded financial asset**	65.19	-	-
Lease liabilities - IND AS 116	8.44	-	-
Others Payables	1,135.74	-	3,898.43
<b>Total</b>	<b>1,440.74</b>	<b>195.14</b>	<b>4,144.97</b>

\*Cochin Shipyard Limited transferred the bid amount of Rs 6500 Lakhs to CIRP Account on 15/09/2020. TSL's SBI current A/c 38167291907 has been designated as CIRP account and same has been managed by the Resolution Professional. As per the Approved Resolution plan, Resolution professional settled the dues of CoC banks and Operational creditors (both employees and non employees) from the Bid amount received and balance lying in this account majorly represents unsettled CIRP costs incurred by RP during the period when the company was under IBC code 2016. The same will be squared up on receipt of further information from the Resolution Professional.

\*\*Represents the Claims received for Excluded Ships from New India Insurance company which is payable to CoC members.

Other payables includes Rs 1074.48 lakhs payable to CoC i.e; 50% of the Subsidy received during the year from Ministry under Ship Building Subsidy Scheme.

## Note 25 : Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Advance received from customers	-	0.20	1,385.92
Statutory dues	7.14	-	15.26
Expenses related to CIRP	-	388.00	-
<b>Total</b>	<b>7.14</b>	<b>388.20</b>	<b>1,401.18</b>

## Note 26 : Provisions - Current

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Provision for Employee benefits</b>			
Gratuity	-	-	85.63
Leave encashment	-	-	30.04
	-	-	<b>115.67</b>
<b>Other Provisions</b>			
Warranty	-	-	23.41
Expenditure/ Contingencies	1,210.78	1,250.00	-
	<b>1,210.78</b>	<b>1,250.00</b>	<b>23.41</b>
<b>Total</b>	<b>1,210.78</b>	<b>1,250.00</b>	<b>139.08</b>

In order to meet the contingent expenditure to operationalise the facility as per the resolution plan, a provision for contingency of Rs 1250 lakhs has been provided in books as on 31/3/2020. During the year, we have adjusted an amount of Rs. 39.22 lakhs and the balance has been reviewed and retained. The implementation of the resolution plan and revival of the facility is still underway and further expenses are expected during 2021-22.

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 27 : Revenue from operations

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Other operating revenue</b>		
Ship Building Operations Income	-	116.38
<b>Total</b>	<b>-</b>	<b>116.38</b>

## Note 28 : Other Income

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Income from Bank Deposits	6.26	21.59
Miscellaneous Income	-	15.68
Income from Charter Hire	68.48	53.35
<b>Total</b>	<b>74.74</b>	<b>90.62</b>

## Note 29 : Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, wages, bonus/exgratia and allowances	66.81	35.56
Contribution to Provident Fund and Family Pension Fund	1.84	-
Staff welfare expenses	2.95	-
<b>Total</b>	<b>71.60</b>	<b>35.56</b>

As per statutory requirement the company makes contribution towards Provident fund, the employer and employee contribution towards PF is remitted to Employee Provident Fund Organisation. As reported by Actuarial Valuer, no provision for gratuity has been considered in the books as average past service of the employees on roll are less than 6 months. Liability starts accruing only after completing a minimum of 6 months of service.

## Note 30 : Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest on Loan	14.69	-
Interest on Lease liability	8.45	-
Bank Guarantee charges	-	7.36
<b>Total</b>	<b>23.14</b>	<b>7.36</b>

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 31 : Depreciation and Amortisation Expense

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation on property, plant and equipments	1,280.29	1,256.22
Depreciation on Right of use asset	4.17	3.55
<b>Total</b>	<b>1,284.46</b>	<b>1,259.77</b>

## Note 32 : Other Expenses

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
Rates and taxes	4.73	8.01
Power and fuel	12.07	4.35
Rent	-	6.14
Repairs and maintenance:		
Yard Maintenance	-	21.59
- Others	23.75	56.56
Travelling and conveyance expenses	3.55	-
Advertisement	-	0.66
Lease rent	2.00	-
Legal and professional charges	18.11	73.85
Insurance	0.16	12.90
Security expenses	20.72	30.58
Auditors remuneration	3.00	9.00
Auditors remuneration for other services	3.15	-
Fee for statutory compliances	2.72	-
Bank charges	4.13	1.79
Provision created for contingency liability	-	1,250.00
Miscellaneous Expenses	6.89	5.71
<b>Total</b>	<b>104.98</b>	<b>1,481.15</b>

## Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
For Audit Fees	3.00	9.00
For Limited Review/other services	3.15	-
<b>Total</b>	<b>6.15</b>	<b>9.00</b>

## Note 33 : Exceptional Items

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
Assets Written Off	-	(1,459.38)
Liabilities Written Back	-	30,615.46
Provision for Inventory written back / (Provision for inventory)	188.92	(2,816.76)
Provision for Subsidy Receivable written back / (Provision for subsidy receivable)	1,074.48	(2,791.43)
<b>Total</b>	<b>1,263.40</b>	<b>23,547.89</b>

# Notes to the Financial Statements

For the year ended March 31, 2021

## Note 34 : Earnings per Equity Share

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit after tax (₹ in lakhs)	(136.04)	20,971.05
Number of Equity Shares	65000000	77361505
Basic and Diluted Earnings Per Share (EPS) ( in ₹ )	(0.21)	27.11
Face value per equity ( in ₹ )	10.00	10.00

## Note 35: Additional Disclosures under Ind AS 116-"Leases"

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Company has adopted the same using modified retrospective transition method. Accordingly, the comparatives have not been retrospectively adjusted. This has resulted in recognition of RoU assets of Rs 95.90 Lakhs, lease liability of Rs 75.39 Lakhs, additional finance cost of Rs.8.44 Lakhs, additional depreciation of Rs 25.85 Lakhs, for the year ended March 31, 2021.

Total Cash outflow for leases for the year ended March 31, 2021 including outflow for short term and low value leases is Rs 22.37 lakhs

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows

Particulars	(Rs. in Lakhs)	
	Year ended 31.03.2021	
Less than one year		40.59
One to two years		55.90
<b>Total</b>		<b>96.49</b>

## 36. CONTINGENCIES AND COMMITMENTS

### (I) Statutory Cases

For the period after Resolution Plan Approval - Nil

For the period prior to the Resolution Plan Approval – The Company has been receiving various notices from various statutory authorities such as Income tax, Customs, Karnataka VAT, Provident Fund, ESI etc. In line with the NCLT order dated March 04, 2020 approving the resolution plan, all these liabilities stand extinguished and the recent decision of the Supreme Court in other matters also upholds such extinguishment of all past period liabilities. Accordingly, the company is in the process of responding to all these notices appropriately on these lines.

(ii) In terms of the resolution plan approved by the Hon'ble NCLT vide Order dated March 04, 2020, Cochin Shipyard Limited (CSL), the successful resolution applicant, paid the bid amount of Rs. 6500 Lakhs on September 15, 2020 as full and final settlement to all stakeholders including the CIRP Costs. The Company is in the process of updating the Register of Charges maintained with the Ministry of Corporate Affairs (MCA) to give effect to the statutory insolvency resolution process

# Notes to the Financial Statements

For the year ended March 31, 2021

## 37. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship
	2020-21
Shri Madhu S Nair Chairman	Key Managerial Personnel
Shri Suresh Babu N V Director	Key Managerial Personnel
Shri Bejoy Bhasker Director	Key Managerial Personnel
Shri Jose V J Director	Key Managerial Personnel
Shri Harikumar A Chief Executive Officer	Key Managerial Personnel
Shri Shibu John Chief Financial Officer	Key Managerial Personnel
Shri Aswin Sarma M Company Secretary	Key Managerial Personnel
Cochin Shipyard Limited (Principal place of Business: Cochin)	Holding Company
Hoogly Cochin Shipyard Limited (Principal place of Business: Kolkata)	Fellow Subsidiary Company

### Nature of transaction - Remuneration to Key Managerial Person\*

Particulars	(Rs. in Lakhs)
	As at 31.03.2021
Short term benefit	5.78
Post employment Benefit	0.00
<b>Total</b>	<b>5.78</b>

### Nature of transaction - Loans/advances

Name of Related Party	Opening Balance as on 01.04.2020	Loans/advances Taken during 2020-21	Repayment	(Rs. in Lakhs)	
				Balance as on 31.03.2021	Interest accrued as on 31.03.2021
MADHU S NAIR	Nil	Nil	Nil	Nil	Nil
SURESH BABU N V	Nil	Nil	Nil	Nil	Nil
BEJOY BHASKER	Nil	Nil	Nil	Nil	Nil
JOSE V J	Nil	Nil	Nil	Nil	Nil
HARIKUMAR A	Nil	Nil	Nil	Nil	Nil
SHIBU JOHN	Nil	Nil	Nil	Nil	Nil
ASWIN SARMA M	Nil	Nil	Nil	Nil	Nil

# Notes to the Financial Statements

For the year ended March 31, 2021

## 37. Related Party disclosure as per Ind AS 24 (Contd..)

### Nature of transaction - Transaction with Related parties

Particulars	(Rs. in Lakhs)
	As at 31.03.2021
Secondment to subsidiary - Cochin Shipyard Ltd.	13.05
Loan from subsidiary - Cochin Shipyard Ltd.	500.00
Interest on Loan from Holding Company @5.5%	14.69

### Shares held by Nominees in TSL on behalf of CSL

	(Rs. in Lakhs)
	As at 31.03.2021 No of Shares
MADHU S NAIR, Chairman	10
SURESH BABU N V, Director	10
BEJOY BHASKER, Director	10
JOSE V J, Director	10
SHIBU JOHN, CFO	10
ASWIN SARMA M, Company Secretary	10

## 38. FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

# Notes to the Financial Statements

For the year ended March 31, 2021

## 38. FINANCIAL INSTRUMENTS (Contd..)

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at 31.03.2021	As at 31.03.2020	
Financial Assets			
Non Current			
Current			
(i) Trade Receivables	6.52	-	Level II
(ii) Cash & Cash equivalents	2,526.99	87.29	Level II
(iii) Bank Balances other than (ii)	0.81	0.81	Level II
(iv) Loans	-	-	Level II
(v) Others	0.67	1.59	Level II
<b>Total Financial Assets</b>	<b>2,534.99</b>	<b>89.70</b>	
Financial Liabilities			
Non Current			
(i) Borrowings	500.00	-	Level II
(ii) Other financial liabilities	75.39	-	Level II
Current			
(i) Trade Payables	0.83	90.49	Level II
(ii) Other financial liabilities	1,440.74	195.14	Level II
<b>Total Financial Liabilities</b>	<b>2,016.96</b>	<b>285.63</b>	

### Note:

- Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
- The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

# Notes to the Financial Statements

For the year ended March 31, 2021

## 38. FINANCIAL INSTRUMENTS (Contd..)

### Financial Instruments by category

(Rs. in Lakhs)

Particulars	31.03.2021			31.03.2020		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Trade receivables	-	-	6.52	-	-	0.00
Cash & Cash equivalents	-	-	2,526.99	-	-	87.29
Bank Balances	-	-	0.81	-	-	0.81
Other Financial Assets	-	-	0.67	-	-	1.59
<b>Total Financial Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>2,534.99</b>	<b>0.00</b>	<b>0.00</b>	<b>89.69</b>
<b>Financial liabilities</b>						
Borrowings	-	-	500.00	-	-	5,965.00
Trade payables	-	-	0.83	-	-	90.49
Other financial liabilities	-	-	1,516.13	-	-	195.14
<b>Total Financial Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>2,016.96</b>	<b>0.00</b>	<b>0.00</b>	<b>6,250.63</b>

## 39. Segment Reporting

Segment reporting is not applicable since the company has not yet started operation after takeover.

## 40. Capital Management

The company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

(Rs. in Lakhs)

Particulars	As at 31.03.2021
Long term borrowings	500.00
Net Debt	500.00
Equity Share Capital	6500.00
Other equity	7153.21
Total Equity	13653.22
Gearing Ratio	3.66%

# Notes to the Financial Statements

For the year ended March 31, 2021

**41.** The COVID-19 pandemic, also known as the coronavirus pandemic, is a continuing global pandemic of coronavirus disease 2019 (COVID-19). The pandemic had an impact worldwide on the state of economy and commerce due to the severe social disruptions. It continues to be a matter of major concern for all the business organizations. The impacts of the COVID-19 pandemic continues to unfold while the countries world over are fighting to contain the pandemic. The vaccines gives the world a ray of hope but vaccinating the entire population is a real challenge. The Lockdowns announced by the Central and State Governments to contain the spread of Covid- 19 has affected the revival of the yard to a certain extent. Although, the Company continues to make effort to revive the facility and make it operational, the pandemic is a challenge in that direction. However, every effort is being made by TSL to revive the operational preparedness.

**42.** The National Company Law Tribunal, Chennai (NCLT) vide its Order dated September 25, 2018 initiated the Corporate Insolvency Resolution Process (CIRP) of Tebma Shipyards Limited (TSL) under the Insolvency and Bankruptcy Code, 2016 (IBC). Cochin Shipyard Limited (CSL) submitted the Resolution Plan for acquisition of TSL to the Committee of Creditors (CoC) in October 2019. The Committee of Creditors of TSL, after deliberations, approved the said Resolution Plan and subsequently in December 2019, the same was filed with the NCLT, Chennai. The NCLT, Chennai on March 04, 2020, approved the Resolution Plan and CSL initiated the process for implementation of the Resolution Plan. However, due to the unprecedented outbreak of COVID-19 Pandemic and subsequent lockdown imposed by the Government Authorities, the implementation of the Resolution Plan got delayed which resulted in revising the last date of payment of bid amount to September 17, 2020

Accordingly, keeping in view the Order dated March 04 2020:

- i. On September 15, 2020 ("Effective Date"), Cochin Shipyard Limited ("CSL"), deposited Rs.6500.00 lakhs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
- ii. The reconstituted Board of Directors in its meeting held on October 21, 2020, approved allotment of 6,50,00,000 fully paid equity shares of Rs.10 each to Cochin Shipyard Ltd., aggregating to Rs.6500.00 lakhs representing 100% of the equity share capital of the Company.
- iii. Out of the amount received from CSL Rs 5865.00 lakhs was paid to financial creditors (including Dissenting Financial Creditors), Rs. 388.00 lakhs for CIRP expenses, Rs.195.00 lakhs to Operational creditors, employees and workmen and Rs.52.00 lakhs to Operational creditors other than Workmen and employees as full and final settlement and discharge of all Claims.
- iv. Pursuant to this order, all the liabilities have been extinguished and the extinguished Equity share capital - Rs.7736.15 lakhs, Preference Share capital - Rs.12500.00 lakhs, Securities premium Reserve Rs.12,194.71 lakhs and retained earnings Rs. 25,564.77 lakhs has been transferred to General reserve.
- v. Gain arising out of extinguishment of financial liabilities have been recognised as exceptional gain of Rs.30,615.46 Lakhs during the previous year 2019-20.
- vi. As per the approved Resolution plan, recoveries pertaining to certain excluded assets are shown as liabilities and claims receivable on account of expenses incurred towards excluded assets are shown as assets and included in Note 24 and Note 17 respectively.

# Notes to the Financial Statements

For the year ended March 31, 2021

## 43. Figures in brackets denote negative figures.

Corporate overview and Significant Accounting Policies	1 - 2
Explanation of transition to Ind AS	3
Notes to the Financial Statements	4 - 43

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

### ASWIN SARMA M

Company Secretary

M. No. A41969

Kochi, dated May 07, 2021

### SHIBU JOHN

Chief Financial Officer

### HARIKUMAR A

Chief Executive Officer

### JOSE V J

Director

DIN - 08444440

### MADHU S NAIR

Chairman

DIN - 07376798

### For M/s Shabbir and Ganesh

Chartered Accountants

Firm Regn. No.: 009033S

### CA GANESH YERMAL

Partner

Membership No.: 207231

UDIN: 21207231AAAAKH7119

Udupi, Date: 07 May 2021

# NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of Tebma Shipyards Limited will be held at 11.20 hrs. on Wednesday, September 15, 2021 at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682015, to transact the following businesses:

## Ordinary Business

1. To consider and adopt the audited financial statements as on 31st March 2021, and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Jose V J (DIN: 08444440), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2021-22.

By the Order of the Board of Directors  
For Tebma Shipyards Limited

**Aswin Sarma M**  
Company Secretary  
M. No. A41969

Kochi  
September 07, 2021

## Notes:

1. A member who is entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. The instrument appointing the proxy should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A Proxy Form (MGT-11) is annexed to this Notice.
2. A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or shareholder.
3. Members, Proxies and Authorized Representatives are requested to bring the duly filled attendance slip enclosed herewith along with their copy of Annual Report, to attend the Meeting. Corporate members intending to send their Authorized Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney or any other instrument authorizing their representative(s) to attend and vote on its behalf at the Meeting.
4. The registers maintained under the Companies Act, 2013 (post CIRP) and all documents referred to in the Notice are available for inspection by members at the Meeting.
5. The route map to the venue of the Meeting is enclosed with this notice.
6. This Meeting is proposed to be held outside the local limits of the Registered Office at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015, at a shorter notice. The request, pursuant to Section 96 and 101 of the Companies Act, 2013, for consenting to conduct the Meeting outside the local limits of the Registered Office at a shorter notice is enclosed along with this Notice and the Meeting will be held only if the consent is received from all the Members entitled to vote at the Meeting.
7. The brief details of the Director, who is seeking re-appointment, are annexed to this Notice as per the requirements of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

By the Order of the Board of Directors  
For Tebma Shipyards Limited

**Aswin Sarma M**  
Company Secretary  
M. No. A41969

Kochi  
September 07, 2021

## Registered Office

S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram – 603 116  
CIN: U27209TN1984PLC010994  
e-mail: secretary.tsl@cochinshipyard.in

## FORM NO. MGT-11

### Proxy form

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

Venue of the Meeting : CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

Day, Date and Time : Wednesday, September 15, 2021 at 11.20 hrs.

Name of Member(s)	
Registered Address	
E-mail Id	
Ledger Folio No.	

I/We, being the member(s) of Tebma Shipyards Limited holding \_\_\_\_\_ shares, hereby appoint:  
1.

Name:	
Address:	
E-mail Id:	
Signature:	

or failing him/her  
2.

Name:	
Address:	
E-mail Id:	
Signature:	

or failing him/her  
3.

Name:	
Address:	
E-mail Id:	
Signature:	

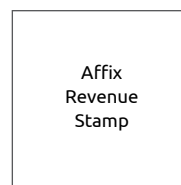
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37TH ANNUAL GENERAL MEETING of members of the Company, to be held on Wednesday the 15th day of September, 2021 at 11.20 hrs. at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	To consider and adopt the audited financial statements as on 31st March 2021, and the Reports of the Board of Directors and Auditors' thereon.		
2.	To appoint a Director in place of Shri Jose V J (DIN: 08444440), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2021-22.		

Signed this ..... day of..... 2021

Signature of Shareholder

Signature of Proxy holder(s)



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

## ATTENDANCE SLIP

Venue of the Meeting : CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

Day, Date and Time : Wednesday, September 15, 2021 at 11.20 hrs.

**Please Fill Attendance Slip and Hand it Over at the Entrance of the Meeting Venue**

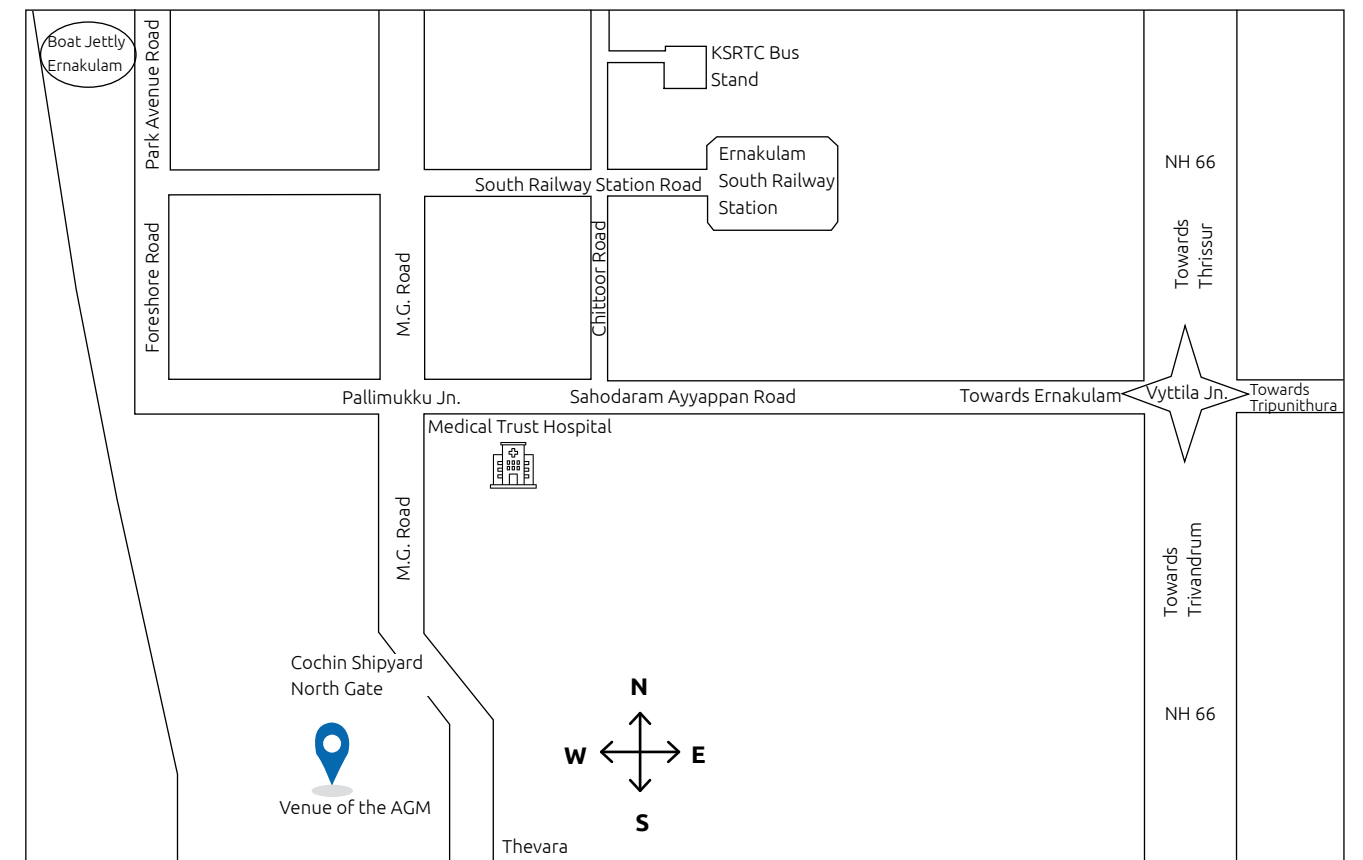
Name of the Shareholder(s)	
Registered Address	
E-mail Id	
Ledger Folio No.	
No. of shares held	

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

I hereby record my presence at the 37TH ANNUAL GENERAL MEETING of the Company on Wednesday the 15th day of September, 2021 at 11.20 hrs. at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

Signature of the shareholder or proxy

## ROUTE MAP TO THE VENUE OF THE MEETING



## CONSENT OF SHAREHOLDER

[Pursuant to Section 96 and 101 of the Companies Act, 2013]

To  
The Board of Directors  
Tebma Shipyards Limited  
S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram – 603 116

I, \_\_\_\_\_, son of \_\_\_\_\_, resident of \_\_\_\_\_, holding \_\_\_\_\_ equity shares of Rs. 10 each in the Company, hereby give consent, pursuant to Section 96 and 101 of the Companies Act, 2013, to hold the 37th Annual General Meeting (AGM) of the Company on September 15, 2021 outside the local limits of the Registered Office at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015 at a shorter notice.

Place:

Date:

Signature:

Name:

## DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THIS MEETING

[Pursuant to the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)]

<b>Name of the Director</b>	Shri Jose V J
<b>DIN</b>	08444440
<b>Age &amp; Date of Birth</b>	54 & February 04, 1967
<b>Qualifications</b>	Shri Jose V J is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam.
<b>Experience</b>	Shri Jose V J is the Director (Finance) and Chief Financial Officer of Cochin Shipyard Limited (CSL), the Holding Company. He has approximately 30 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also a Director in Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL.
<b>Terms and conditions of re-appointment</b>	Shri Jose V J was appointed as one of the directors nominated by CSL pursuant to the takeover of the Company in September 2020 through the statutory insolvency resolution process. Approval of the members is sought for continuation of office of directorship of Shri Jose V J till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of the Companies Act, 2013.
<b>Details of remuneration sought to be paid on re-appointment and last drawn (FY 2020-21)</b>	Nil
<b>Date of first appointment on the Board</b>	September 15, 2020
<b>No. of shares held in the Company</b>	10 (Shares are held on behalf of CSL)
<b>Relationship with other Directors and Key Managerial Personnel</b>	Nil
<b>No. of Board Meetings attended during the Financial Year 2020-21</b>	6/6
<b>Directorships in other Public Limited Companies (excluding foreign companies, private companies &amp; Section 8 companies)</b>	(1) Cochin Shipyard Limited (2) Hooghly Cochin Shipyard Limited
<b>Membership/ Chairmanship of Committees in other Public Limited Companies</b>	Nil Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee have been considered.



