



**UDUPI COCHIN SHIPYARD LIMITED**  
(Formerly Tebma Shipyards Limited)



# Going Global

ANNUAL REPORT **2022-23**

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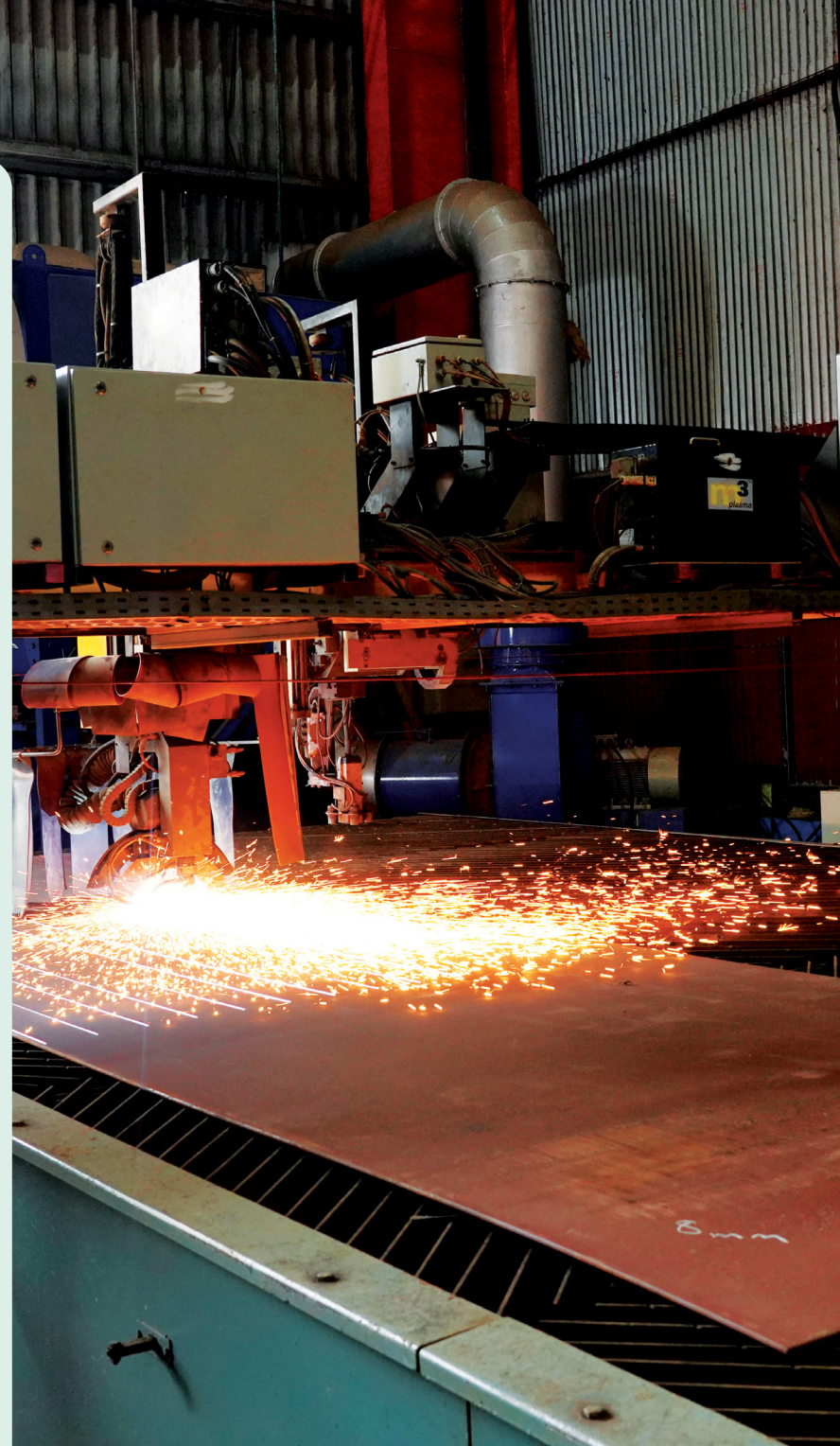
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### Notice



#### 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 Sankunny Nair**  
Chairman

**Shri Bejoy Bhasker**  
Non – Executive Director

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

**Shri Sreejith K Narayanan**  
Non – Executive Director

**Shri Neelakandhan A N**  
Non – Executive Director

**Shri Rajesh Gopalakrishnan**  
Non – Executive Director

## COMPANY SECRETARY

**Shri Aswin Sarma M**

## LEADERSHIP TEAM

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

**Shri Shankar Nataraj**  
Chief Financial Officer (CFO)

## KEY PERSONNEL

**Shri Ambalavanan M**  
DGM (Operations)

**Shri Ram Mohan Baliga K V**  
AGM (BD & Planning)

**Shri Billu C Rajan**  
AGM (Utilities, HSE & QC)

**Shri Sony Clement T M**  
AGM (Materials and Contract Cell)

**Shri L K Prabhakar**  
AGM (Hull, Outfitting & Painting)

## REGISTERED OFFICE

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

CIN: U27209TN1984GOI010994

## FACILITIES

Udupi, Karnataka  
Chengalpet, Tamil Nadu

## STATUTORY AUDITORS

M/s. Shabbir and Ganesh  
Chartered Accountants  
Balakrishna Towers, 1<sup>st</sup> Floor  
Kunjibettu 2<sup>nd</sup> Cross,  
Udupi Manipal Road  
Near Mandavi Gokul, Udupi – 576 102

## 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  
Union Bank of India



# Our Ethos



## Vision

- Emerge as one of the internationally preferred shipyards to construct world class tug boats, deep sea fishing vessels, offshore supply vessels and special purpose ships of up to 80 meters in length.
- Spearhead the transformation of Indian fishing fleet to engineered fishing boats, aimed at wholesome development of the fishermen of the country.
- Emerge as the market leader in aluminium hull construction in the country.
- To be admired for our achievements, respected for our ethics and trusted for our service excellence by our valued customers.



## Mission

- To build and repair tug boats, specialised fishing vessels and special purpose ships of up to 80 meters length to international standards and provide value added quality engineering services, sustain corporate growth in competitive environment and adopt & undertake practices towards becoming a responsible corporate citizen.



## Objectives

- To sustain and enhance shipbuilding and specialised engineering services through technology up-gradation and capacity augmentation.
- To continuously endeavour to expand/diversify activities of the Shipyard leveraging facilities of the Company in the states of Karnataka and Tamil Nadu.
- To work with the parent organisation Cochin Shipyard Limited, in carrying out research & development in existing and emerging technologies in shipbuilding processes.
- To move towards international benchmarking, benchmark with the best shipbuilding standards followed in India.
- To motivate employees through improved specific training programs.
- To adopt best practices for clean and safe environment.
- To adopt proactive approach to opportunities with aggressive bidding and secure orders to maximize capacity.

- To ensure positive customer-oriented initiatives.
- To be a responsible corporate citizen through CSR & sustainability projects and compliance to corporate governance principles.



# About Us

**Udupi Cochin Shipyard Limited (UCSL) has built a wide range of small and medium sized vessels from Tugs to large MPSVs and GTRVs for domestic and international clients and has been a known name in the shipbuilding industry for its quality standards and commitment levels.**

Udupi Cochin Shipyard Limited (UCSL) 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'.

In September 2018, due to Company's inability to meet the financial obligations, the Company 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. Subsequently, on April 22, 2022 the name of the Company was changed from Tebma Shipyards Limited to Udupi Cochin Shipyard Limited.

The Company has also been a key player in the offshore industry through the collaboration with Cochin Shipyard Limited (CSL) in 2004, under which the Company constructed 8 nos. of Platform Supply Vessels and 4 nos. of Anchor Handling Tugs at CSL, Kochi. The Company, besides being a leading shipbuilder, has also made significant contributions to the ship repair business in India. Since coming out of the IBC process in September 2020, the Company has secured various key domestic as well as international orders and is operating smoothly.

UCSL has two facilities; one in Udupi, Karnataka and the other in Chengalpet, Tamil Nadu. The Company's facility at Udupi possesses a high-end infrastructure including an equally modern Steel Fabrication unit which is considered as one of the best in the country amongst medium sized shipyards.

## Business Segment



# Chairman's Address



## Dear Shareholders,

It gives me immense pleasure to welcome you all to the 39<sup>th</sup> Annual General Meeting of Udupi Cochin Shipyard Limited (UCSL). At the outset I am very happy to note that the Company is going global and has recently bagged an order from M/s. Wilson Group, Norway, for construction of six New Generation Diesel Electric 3800 DWT General Cargo Vessels with an option for additional eight vessels. It is a significant achievement and I take this opportunity to congratulate the UCSSL/ CSL team who had worked relentlessly to secure the said order. I am hopeful that, with the execution of this contract, more orders would be coming in from the promising European shortsea vessel segment.

Coming out of the insolvency process and the aftermath of the Pandemic, the Company's performance was excellent during the financial year 2022-23. The Company bagged various key orders including two 70T Bollard Pull Tugs for Polestar Maritime Limited, Mumbai and has also achieved significant operational milestones viz., steel cutting and keel laying of two 62T Bollard Pull Tugs contracted for Ocean Sparkle Limited, steel cutting of two 70T Bollard Pull Tugs contracted for Polestar Maritime Limited etc. The Company has also completed delivery of various vessels to the satisfaction of the customers including seven Hybrid Electric Catamaran Hull Vessels to CSL for the Kochi Water Metro Project. The Company also set foot in the ship repair business by successfully completing the dry-docking and repairs of SBM of Mangalore Refinery and Petrochemicals Limited (MRPL), among others.

I am glad to announce that, the strong operational performance of the Company during the year 2022-23 resulted in

significantly improving the total income to ₹47.81 crores as against ₹10.08 crores for the previous year 2021-22. Consequently, the Company could narrow down its loss by 33% to ₹8.67 crores as against ₹12.94 crores for the previous year 2021-22. Further, during the year 2022-23, the Company also raised funds to the tune of ₹25 crores by way of equity capital from the holding company, CSL, primarily to meet the CAPEX/ Revival requirements.

I would also like to bring to the notice that the Company's name was changed to Udupi Cochin Shipyard Limited with effect from April 22, 2022, consequent to the inclusion of the Company to the Cochin Shipyard group. I am also happy to note that Cochin Shipyard Limited (CSL), the holding company, has identified projects under its CSR initiatives to be carried out in and around the Company's facilities at Udupi, reflecting CSL group's intention to contribute to the overall development of the local community in Udupi.

The Company strives to employ the right mix of people to ensure excellence in execution of the contracted work and to drive the Company towards growth. I am delighted to note that the Company's work force is capable of achieving the desired results in a time bound manner. It is also worth mentioning that during the year 2022-23, the Company maintained cordial industrial relations and also adhered to appropriate HSE practices which is a must in the current business scenario.

UCSSL has a strong order book position encompassing tugs, deep sea fishing boats, general cargo vessels etc. and is also actively looking for further orders. UCSSL aspires to be a market leader in the small and medium vessels segment by providing

quality vessels with international standards both for the domestic and international clients. The Company aims to contribute significantly in nation's economic prosperity by taking part in the Government of India's initiatives like 'AatmaNirbhar Bharat', 'Make in India, Make for World', 'Pradhan Mantri Matsya Sampada Yojana (PMMSY)' etc. As the world looks for sustainable solutions across the spectrum, the Company is well poised to cater to the clients requiring sustainable small and medium vessels. The recent order from M/s. Wilson Group, Norway is a testimony and a recognition of the capability of the Company to build green ships. The Company looks forward to execute the current orders in hand in a timely manner and keeps track of the ever changing business requirements in the maritime space to capitalise on the emerging opportunities wherever found feasible.

Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE) on July 08, 2014, the Company, which was in the process of revamping the infrastructure facilities for commencing its operations, had been exempt from the compliance with the Guidelines on Corporate Governance. The Guidelines have been made applicable from the financial year 2022-23 consequent to the operationalizing of its major facilities in Udupi. The Company is committed to adopt the best Corporate Governance practices wherever possible and complies with the applicable DPE Guidelines on Corporate Governance. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Ports, Shipping and Waterways as recommended

by the DPE in this regard. Further, 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 would like to gratefully acknowledge the support of the Hon'ble Minister of Ports, Shipping and Waterways, the Secretary and other officers of the Ministry of Ports, Shipping and Waterways, the Government of Karnataka, the Directors and Senior Management of Cochin Shipyard Limited (CSL) and my fellow Board members. I also take this opportunity to thank the most valuable assets of the Company, our employees and the Leadership Team viz., the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) for their dedication and commitment in driving the Company towards growth. I also place on record my sincere gratitude to all our business associates and expect their continued support for creating greater value together.

Thanking You

**Jai Hind**

**Madhu Sankunni Nair**

Chairman  
DIN: 07376798

# Board of Directors



**Shri Madhu Sankunny Nair**  
Chairman

Shri Madhu Sankunny 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 Sankunny 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 Specialised 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 the Fellow of The Royal Institution of Naval Architects, UK (RINA) and Fellow of Institution of Naval Architects, India and is presently serving as the President of Indo Japan Chamber of Commerce Kerala (INJACK). He has more than 35 years of work experience across the ship building and ship repair industry. As a recognition for his valuable contributions, he has been bestowed with several accolades; CUSAT Distinguished Alumni Award 2022, Samudra Manthan Prof K R Bhandarkar Award 2022, Rotary Icon 2023 Award, Pride of KMA Award, to name a few. He is also the Chairman of Hooghly Cochin Shipyard Limited (HCSL), the other wholly owned subsidiary of CSL.



**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 35 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 32 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.



**Shri Sreejith K Narayanan**  
Non – Executive Director

Shri Sreejith K Narayanan was inducted to the Board of UCSL with effect from May 03, 2022. He is the Director (Operations) of Cochin Shipyard Limited (CSL). He holds a degree in Bachelor of Technology (Mechanical) from Regional Engineering College, Calicut & Master of Business Administration from School of

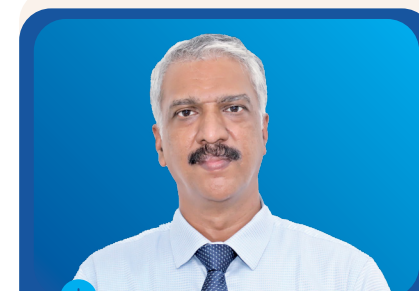
Management Studies, Cochin University of Science and Technology. He has more than 35 years of work experience in the area of ship building, ship design and ship repair.



**Shri Neelakandhan A N**  
Non – Executive Director

Shri Neelakandhan A N was inducted to the Board of UCSL with effect from May 03, 2022. He is the Chief General Manager (Planning & Project Management) of Cochin Shipyard Limited (CSL). He holds a Degree of Bachelor of Technology in Naval Architecture and Ship Building and a Degree of Master in Business Administration, both from Cochin University of Science and Technology (CUSAT). He had completed a training course in Shipbuilding-Outfitting of Ishikawajima Harima Heavy Industries

Overseas Vocational Training Association organized by the Japan International Cooperation Agency under International Cooperation Programme of Government of Japan. He has more than 35 years of work experience wherein he was involved in ship repair, ship building, ship design, project management, material procurement, infrastructure development, utilities & maintenance and planning.



**Shri Rajesh Gopalakrishnan**  
Non – Executive Director

Shri Rajesh Gopalakrishnan was inducted to the Board of UCSL with effect from May 03, 2022. He is the Chief General Manager (Ship Repair) of Cochin Shipyard Limited (CSL). He holds a Degree of Bachelor of Technology in Mechanical Engineering and a Degree of Master in Business Administration with specialisation in International Marketing. He has close to three decades

of experience in the field of ship building, ship repairs & conversion, covering the entire spectrum from business strategy, business build, estimation, contract management, procurement, planning, project management, invoicing, after sales & customer relations. He was also the first CEO of Hooghly Cochin Shipyard Limited, the other wholly owned subsidiary of CSL.

# Leadership Team



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

Shri Harikumar took charge as the Chief Executive Officer (CEO) of the Company on January 28, 2021. He is a graduate in Production Engineering and has over three decades of experience in ship building and ship repair operations and project management. He has worked with various leading shipyards, both in public sector as well as private sector and has made significant contributions. He is a fellow of Institution of Engineers (India) and Institute of Marine Engineers (India).



**Shri Shankar Nataraj**  
Chief Financial Officer (CFO)

Shri Shankar Nataraj took charge as the Chief Financial Officer (CFO) of the Company on November 25, 2022. He is a member of the Institute of Chartered Accountants of India and also holds a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata. He has approximately 32 years of work experience in the field of financial management, budgetary controls, costing, commercial and general management etc. spread across various private sector companies mainly in cement, pharmaceuticals and logistics sectors. He is also empanelled in the Independent Director's Databank of the Indian Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs (MCA), Government of India.

# Directors' Report

Dear Shareholders,

- Your Directors have immense pleasure in presenting the Thirty Eighth Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2023 and the Report of the Statutory Auditors and the Comptroller and Auditor General of India (C&AG) thereon.

## Operations

- During the financial year 2022-23, the business activities of the Company took off and the Company bagged various key orders and also delivered various vessels to the satisfaction of the customers. During the year the Company bagged the following shipbuilding orders:
  - One Training Vessel for Directorate of Incubation and Vocational Training in Fisheries, Ramanathapuram, Tamil Nadu Dr. J. Jayalalithaa Fisheries University;
  - One Purse Seiner Deep Sea Fishing Boat for GKS Marine Exports Private Limited, Trivandrum;
  - Two 70T Bollard Pull Tugs for Polestar Maritime Limited, Mumbai; and
  - Five Tuna Longliner Cum Gillnetter Fishing Boats under the "Pradhan Mantri Matsya Sampada Yojana (PMMSY)" for the beneficiaries from the state of Kerala.
- During the reporting period the Company delivered a total of seven Hybrid Electric Aluminium Catamaran Hull Vessels for the Kochi Water Metro Project to Cochin Shipyard Limited (CSL) after successfully completing the fabrication, outfitting and machinery installation of the said vessels. The Company also delivered one Tuna Longliner Cum Gillnetter Fishing Boat under "PMMSY" to the beneficiary from the state of Andhra Pradesh and one training vessel to Directorate of Incubation and Vocational Training in Fisheries, Ramanathapuram, Tamil Nadu Dr. J. Jayalalithaa Fisheries University. Further, the Company also achieved significant milestones viz., steel cutting and keel laying of two 62T Bollard Pull Tugs contracted for Ocean Sparkle Limited, steel cutting of two 70T Bollard Pull Tugs contracted for Polestar Maritime Limited, successfully completing the dry-docking and repairs of SBM of Mangalore Refinery and Petrochemicals Limited (MRPL), afloat repairs of Tug 'Chandra Neptune' of Arc Offshore India Private Limited etc.
- The order book position of the Company as on March 31, 2023 is given below:
 

Order Description / Vessel Type	Nos.
Construction and delivery of 62T Bollard Pull Tug for Ocean Sparkle Limited	02
Purse Seiner Deep Sea Fishing Boat for GKS Marine Exports Private Limited	01
Construction and delivery of Tuna Longliner Cum Gillnetter Fishing Boats for the beneficiaries from Kerala under "PMMSY"	05
Construction and delivery of 70T Bollard Pull Tug for Polestar Maritime Limited	02
- Further, during the first quarter of FY 2023-24, the Company bagged an international order from M/s. Wilson Group, Norway, for design and construction of six New Generation Diesel Electric 3800 DWT General Cargo Vessels with an option for additional eight such vessels. Also, the Company received orders for 2 more Tuna Longliner Cum Gillnetter Fishing Boats under the "Pradhan Mantri Matsya Sampada Yojana (PMMSY)" for the beneficiaries from the state of Kerala and is firmly expecting further order for 3 more of such vessels. The Company is in the advanced stages of bagging orders for building a green-ready 5000 DWT Vessel, with a strong possibility of receiving orders for two other such vessels for a foreign client based in Europe.
- In April 2023, the Company signed the Protocol of Delivery for five Tuna Longliner Cum Gillnetter Fishing Boats under the "Pradhan Mantri Matsya Sampada Yojana (PMMSY)" for the beneficiaries from the state of Kerala and the Vessels were flagged off in May 2023.

## Financial Performance

- Riding on the strong shipbuilding orders, your Company reported a total income of ₹4780.96 lakhs for the year ended March 31, 2023 as against ₹1008.06 lakhs for the previous year. During FY 2022-23 the revenue from operations improved significantly to ₹3917.45 lakhs as against ₹641.98 lakhs for FY 2021-22. Due to the enhanced activities in FY 2022-23, the Company could narrow down its loss by 33% to ₹866.54 lakhs as against ₹1294.13 lakhs for FY 2021-22.

**Financial Highlights**

(₹ in Lakhs)

Sl. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i)	Total Income	4780.96	1008.06
(ii)	Profit/ (Loss) Before Finance cost, Depreciation & Tax	29.63	(128.83)
(iii)	Finance cost	95.49	53.45
(iv)	Depreciation & Amortisation expenses	1083.02	1322.03
(v)	Profit/ (Loss) Before Tax	(1148.88)	(1504.31)
(vi)	Tax	(282.34)	(485.33)
(vii)	Exceptional Items	-	(275.15)
(viii)	Net Profit/ (Loss)	(866.54)	(1294.13)
(ix)	Net-worth	14065.61	12431.53

**Share Capital**

8. As on March 31, 2023, the Authorised Share Capital of the Company is ₹215,00,00,000 (Rupees Two Hundred and Fifteen Crore Only) divided into 9,00,00,000 (Nine Crore Only) Equity Shares of ₹10 each and 12,50,00,000 (Twelve Crore Fifty Lakh Only) Preference shares of ₹10 each. The issued, subscribed and paid-up share capital of the Company is ₹90,00,00,000 (Rupees Ninety Crore Only) divided into 9,00,00,000 (Nine Crore Only) Equity Shares of ₹10 each. During the year the Company had issued 2,50,00,000 (Two Crore Fifty Lakh Only) Equity Shares of face value of ₹10 each fully paid up to Cochin Shipyard Limited (CSL) on right basis for cash at an issue price of ₹10 (Rupees Ten Only) per Equity Share aggregating to ₹25,00,00,000 (Rupees Twenty Five Crore Only).

**Debentures**

9. The Company has 1,00,000 (One Lakh Only) Unsecured Redeemable Non Convertible Debentures (Debentures) of face value of ₹1,000 (Rupees One Thousand Only) each outstanding as on March 31, 2023. The Debentures were issued in the month of November 2021 with a tenure of 84 months at a coupon rate of 6.00% per annum to CSL for an amount of ₹10,00,00,000 (Rupees Ten Crore Only). The Debentures are due for redemption in November 2028.

**Change of Name**

10. The name of the Company has been changed from 'Tebma Shipyards Limited' to 'Udupi Cochin Shipyard Limited' with effect from April 22, 2022 for relating the Company more appropriately to the holding company Cochin Shipyard Limited (CSL).

**Dividend**

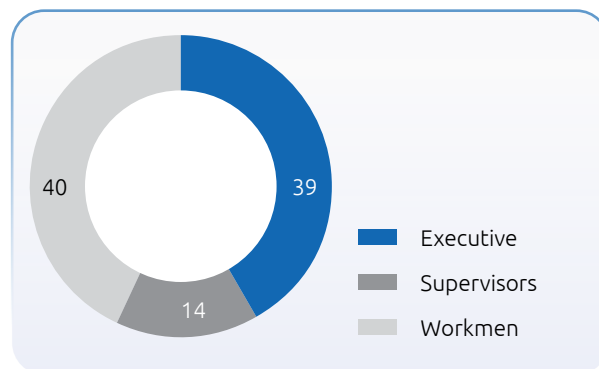
11. No dividend is recommended due to the non-availability of divisible profits.

**Transfer to Reserves**

12. As the Company has incurred a loss during the financial year 2022-23, the Company is unable to transfer any amount to the Reserves.

**Manpower Status**

13. As on March 31, 2023, the Company has 93 employees consisting of 39 executives, 14 supervisors and 40 workmen. The Company has also engaged 6 trainees under its apprenticeship programme. Apart from the above, employees of the holding company, Cochin Shipyard Limited (CSL), are also engaged on secondment basis.



## Industrial Relations

14. The Company maintained cordial industrial relations during the year and no manhours were lost on account of labour unrest or strike.

## Particulars of Employees and Related Disclosures

15. The Company being a wholly owned subsidiary of Cochin Shipyard Limited (CSL), 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.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

16. The Company believes in sustainable development and gives utmost priority to environment friendly and energy efficient measures in conducting the business. The Company also strives to adopt latest available technology in its business processes and operations, wherever found feasible. Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are placed at Annexure I.

## Risk Management

17. The Company has adopted a Comprehensive Risk Management Policy approved by the Board at its 14<sup>th</sup> Meeting (Post CIRP) held on July 13, 2022. The Policy aims

to put in place a comprehensive risk management system consisting of a defined process of risk management and methodology of identification, assessment, response, monitoring and reporting of risks. The policy provides the management and Board of Directors an assurance that key risks are being properly identified and effectively managed.

18. As per the Policy, the Board at the helm will review the risk management system in the Company. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The Company has also constituted Risk Management Steering Committee and functional Risk Management Committees to implement the Policy. The Committees and the Board of Directors periodically review the risk management process and Policy. The Company has also appointed a Chief Risk Officer (CRO) who shall be the coordinator for risk management activity for the entire Company.

## Health, Safety & Environment (HSE)

19. The Company gives utmost importance to the Health and Safety of the work force and the Environment in which the work is being done. The Company strives to set and maintain high standards for a positive health and safety culture across the organization. Towards this, the Company provides periodic HSE awareness programs for the work force and appropriate HSE training, wherever necessary. The Company has also appointed a Safety Officer for ensuring the safety of the work force. The HSE performance of the Company have been satisfactory during the reporting period.

## Board of Directors & Key Managerial Personnel

20. As on March 31, 2023, the Company had 6 directors, all of whom are 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 Sankunny Nair	07376798	Chairman
2.	Shri Bejoy Bhasker	08103825	Director
3.	Shri Jose V J	08444440	Director
4.	Shri Sreejith K Narayanan	09543968	Director
5.	Shri Neelakandhan A N	09578936	Director
6.	Shri Rajesh Gopalakrishnan	09576336	Director
7.	Shri Harikumar A	N.A.	Chief Executive Officer
8.	Shri Shankar Nataraj	N.A.	Chief Financial Officer
9.	Shri Aswin Sarma M	N.A.	Company Secretary

21. During the financial year 2022-23, Shri Sreejith K Narayanan (DIN: 09543968), Shri Neelakandhan A N (DIN: 09578936) and Shri Rajesh Gopalakrishnan (DIN: 09576336) were appointed on the Board of the Company as the nominees of CSL on May 03, 2022.
22. Shri Madhu Sankunni Nair (DIN: 07376798), whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company in the 38<sup>th</sup> Annual General Meeting held on September 19, 2022.
23. During the financial year 2022-23, Shri Shankar Nataraj was appointed as the Chief Financial Officer (CFO) of the Company in place of Shri Shibu John with effect from November 25, 2022.
24. There were no other changes in the Directors and Key Managerial Personnel (KMP) during the financial year 2022-23.

### Details of Board Meetings held during 2022-23

25. Six Board Meetings have been held during the financial year 2022-23 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.	May 03, 2022	3	3
2.	July 13, 2022	6	6
3.	August 04, 2022	6	6
4.	November 03, 2022	6	6
5.	November 24, 2022	6	6
6.	January 30, 2023	6	6

26. The attendance record of each director in the Board Meetings held during the financial year 2022-23 is given below:

Sl. No.	Name	DIN	No. of Board Meetings attended
1.	Shri Madhu Sankunni Nair	07376798	6/6
2.	Shri Bejoy Bhasker	08103825	6/6
3.	Shri Jose V J	08444440	6/6
4.	Shri Sreejith K Narayanan*	09543968	5/5
5.	Shri Neelakandhan A N*	09578936	5/5
6.	Shri Rajesh Gopalakrishnan*	09576336	5/5

\* Shri Sreejith K Narayanan (DIN: 09543968), Shri Neelakandhan A N (DIN: 09578936) and Shri Rajesh Gopalakrishnan (DIN: 09576336) were appointed on the Board of the Company as the nominees of CSL on May 03, 2022.

### Committees of the Board

27. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory Committees of the Board have been constituted during the financial year 2022-23. However, a one-time Committee of the Board consisting of Chairman and Shri Jose V J, Director was constituted to allot the equity shares and issue certificates thereon pursuant

to the rights issue of ₹25 crores. The Committee met on February 07, 2023 and all the members were present at the meeting.

### Evaluation of Board's Performance

28. The Company being a wholly owned subsidiary of Cochin Shipyard Limited (CSL), 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 the provisions of Section 134(3)(p) of the Companies Act, 2013 regarding statement on formal annual evaluation. 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

29. 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

30. Your Directors state that:
- (a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
  - (b) 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 2022-23 and of the loss of the Company for that period;
  - (c) 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;
  - (d) the Directors had prepared the annual accounts on a going concern basis; and
  - (e) 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.

### Contracts and Arrangements with Related Parties

31. The particulars of contracts/ arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is placed at Annexure II in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Except as stated therein, no related party transactions have been entered into by the Company during the financial year 2022-23, which attracted the provisions of Section 188 of the Companies Act, 2013. Further, your Directors draw attention to Note 43 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

### Corporate Governance

32. The report on Corporate Governance for the financial year 2022-23, prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

### Management Discussion and Analysis

33. 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 the DPE is presented in a separate section forming part of the Annual Report.

### Internal Financial Controls

34. The Company 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.

### Secretarial Standards of ICSI

35. 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

36. M/s. Shabbir and Ganesh (Firm Registration No. 009033S), Chartered Accountants, Udipi were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2022-23.

## Statutory Auditors Report

37. 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, 2023, on April 28, 2023, which was subsequently revised vide their Report dated July 13, 2023, pursuant to the observations of the C&AG and the said Report forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

## Supplementary Audit

38. 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.

## Comments of C&AG

39. 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

40. M/s. SEP & Associates (ICSI Unique Code: P2019KE075600), Practicing Company Secretaries, Kochi were appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit under the Companies Act, 2013 for the financial year 2022-23.

## Secretarial Auditors Report

41. M/s. SEP & Associates, Secretarial Auditors have submitted their Report on May 15, 2023, which is placed at Annexure III to this Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

## Internal Auditors

42. 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 2022-23.

## Status on Affirmative Action to Implement Presidential Directives on Reservations

43. The Company is complying with the Presidential directives and guidelines on reservation for Scheduled Caste (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC)/

Economically Weaker Sections (EWS) and Persons with Benchmark Disabilities (PwBD) issued by the Government of India from time to time.

## Vigilance

44. There were no vigilance cases pending/ disposed off during the financial year 2022-23.

## Right to Information Act, 2005

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

## Vigil Mechanism

46. The Company is not falling under the provisions of Section 177(9) of the Companies Act, 2013 and the rules thereof, which mandates establishment of a Vigil Mechanism. However, the Whistle Blower and Fraud Prevention Policy of Cochin Shipyard Limited (CSL), the holding company is applicable on the Company and acts as the Vigil Mechanism of UCSL. The said policy is available at the Company's website at [www.udupicsl.com](http://www.udupicsl.com).

## Annual Return

47. 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.udupicsl.com](http://www.udupicsl.com).

## Maintenance of Cost Records

48. 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)

49. The Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR. However, Cochin Shipyard Limited (CSL), the holding company, has identified certain projects under its CSR initiatives to be carried out in and around the Company's facilities at Udupi and is expected to be executed soon.

## Details of subsidiaries, joint ventures or associate companies

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

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

51. Nil.

### Material changes and commitments

52. 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

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

- (a) given any loan to any person or other body corporate;
- (b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- (c) 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

54. There has been no change in the nature of business of the Company during the year under review.

### Deposits

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

### Significant and Material orders

56. No 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.

### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- 57. During the financial year 2022-23, no cases have been filed/ disposed off under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under.
- 58. The Company has constituted an Internal Complaints Committee in accordance with the guidelines and norms prescribed by the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

### Acknowledgement

59. The Board places on record its deep appreciation for the co-operation and assistance 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 and CSL. The Board would also like to express its heartfelt gratitude for the support received 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 and Sub-contractors. The Board would also like to appreciate the hard work, dedication and commitment put in by all the employees, which is vital for the growth of the Company.

For and on behalf of the Board of Directors

Kochi  
July 27, 2023

**Madhu Sankunny Nair**  
Chairman  
DIN: 07376798

# Annexure I

## (A) Conservation of Energy

(i) Steps taken or impact on conservation of energy during the year 2022-23.	<p><b>Steps Taken</b></p> <p>In view of the fact that the Company had been focusing on reviving and operationalising the facilities, the Company has not made serious efforts in the areas of energy conservation. However, the Company would be taking all earnest efforts towards this once the operations are streamlined.</p> <p><b>Impact</b></p> <p>Nil</p>
(i) Steps taken for utilising alternate sources of energy.	Nil
(i) Capital investment on energy conservation equipments.	Nil

## (B) Technology Absorption

(i) Efforts made towards technology absorption.	<p>One of the major orders of the Company is the construction of Bollard Pull Tugs of various capacities and towards this the Company has procured Tug designs from Robert Allan Limited, Canada, the world's leading company for designing Tugs, Inland Vessels, Harbour Crafts and other Specialized Vessels. Further, the Company has opted for Made in India products, wherever possible, for the projects that are being undertaken at the Yard so as to reduce the import of stores/ spares/ equipments etc.</p>
(ii) Benefits derived like product improvement, cost reduction, product development or import substitutions.	<p>The Tug designs procured from one of the world's top companies in business is expected to largely aid the Company in developing a specialized product of its own to cater to the international as well as domestic Tug vessel market. This will also lead to increase in exports and decrease in imports as the buyers will have the option to buy high quality Made in India Tugs which would otherwise be bought from foreign shipyards. Further, opting for Made in India products, wherever possible, for the projects that are being undertaken at the Yard reduced the import of stores/ spares/ equipments etc.</p>
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) The details of technology imported	Basic Design for 62T and 70T Bollard Pull Tugs.
(b) The year of import	2022-23
(c) Whether the technology been fully absorbed	The absorption of Basic Design for 60T Bollard Pull Tug has been completed and the absorption of Basic Design for 70T Bollard Pull Tug is ongoing.
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	The absorption of Basic Design for 70T Bollard Pull Tug is in the final stages and is expected to be completed soon.
(iv) Expenditure incurred on Research and Development	Nil

**(C) Foreign Exchange Earnings and Outgo**

(₹ in Lakhs)

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
<b>Earnings in Foreign Exchange</b>		
From Shipbuilding	-	-
From Ship repair	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Expenditure in Foreign Exchange</b>		
Materials (CIF Value)	1122.93	13.96
Design & Documentation	296.30	-
Service Charge & Others	7.48	1.38
<b>Total</b>	<b>1426.71</b>	<b>15.34</b>

For and on behalf of the Board of Directors

**Madhu Sankunny Nair**

Chairman

DIN: 07376798

Kochi  
July 27, 2023

# Annexure II

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Cochin Shipyard Limited (CSL) Holding Company
(b)	Nature of contracts/ arrangements/ transactions	Implementation of ERP system of CSL 'SAP S/4HANA' at UCSL with the entire SAP implementation cost and license charges for the financial year
(c)	Duration of the contracts/ arrangements/ transactions	2022-23 only, aggregating to ₹44.14 lakhs, borne by CSL on behalf of UCSL.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	The arrangement is for the initial year only in view of the fact that UCSL is in a nascent stage of its operations and the cash outgo would negatively impact the Company's financial position. At the same time the implementation of SAP ERP System would benefit the CSL group as a whole considering the features offered by the System. Further, UCSL being a wholly owned subsidiary of CSL, the financials are to be given to CSL for consolidation on a quarterly/ half yearly/ yearly basis; and a uniform system would facilitate easy and convenient consolidation.
(f)	Date(s) of approval by the Board	April 28, 2023
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

### 2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements/ transactions	Nil
(c)	Duration of the contracts/ arrangements/ transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e)	Date(s) of approval by the Board, if any	Not Applicable
(f)	Amount paid as advances, if any	Not Applicable

For and on behalf of the Board of Directors

# Annexure III

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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,  
**Udupi Cochin Shipyard 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 **Udupi Cochin Shipyard Limited (CIN: U27209TN1984GOI010994)** (hereinafter called the "Company"). Secretarial Audit was conducted for the financial year ended on 31<sup>st</sup> March 2023 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023, 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.

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

- (i) 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; and
- g) Guidelines on Corporate Governance for Central Public Sector Enterprises, 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 period under review, the Company has issued 2,50,00,000 Equity Shares as Right Issue aggregating to a total amount of ₹25 crores.

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

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

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

Further we report that the Company has changed its name Tebma Shipyards Limited to **Udupi Cochin Shipyard Limited** upon the Approval of the Central Government on 22.04.2022 after approval of the members of the Company on 18.04.2022.

For **SEP & Associates**

Company Secretaries

(The Peer Review Certificate no. 2763/2022)

**CS Puzhankara Sivakumar**

Managing Partner

FCS: F3050, COP No. 2210

UDIN: F003050E000307893

Date: 15.05.2023

Place: Kochi

# Annexure A to the Secretarial Audit Report of Even Date

To  
The Members  
**Udupi Cochin Shipyard 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.

1. The compliance of the provisions of all laws, rules, regulations, standards applicable to **Udupi Cochin Shipyard 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.
2. 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.
3. 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.
4. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
5. 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.
6. 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 31<sup>st</sup> March 2023 but before issue of the Report.
7. 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  
(The Peer Review Certificate no. 2763/2022)

**CS Puzhankara Sivakumar**  
Managing Partner  
FCS: F3050, COP No. 2210  
UDIN: F003050E000307893

Date: 15.05.2023  
Place: Kochi

For and on behalf of the Board of Directors

Kochi  
July 27, 2023

**Madhu Sankunny Nair**  
Chairman  
DIN: 07376798

# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

1. Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited) ("UCSL"/ "Company"), a wholly owned subsidiary of Cochin Shipyard Limited (CSL), endeavors to integrate the corporate governance value system in all its activities. The management strives to put in place good corporate governance practices and aims to promote transparency, fairness, accountability and stakeholder engagement while conducting business. This report on Corporate Governance has been prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE).

## Board of Directors

2. As per the approval of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), Government of India, the Chairman and Managing Director (CMD) of CSL shall be the Chairman and the other directors on the Board will be nominated by the CMD, CSL from amongst the Whole-time Directors and officers of CSL not below the rank of General Manager, as Part Time Directors on ex-officio basis.
3. As on March 31, 2023, the Board of the Company consists of six non-executive directors. The Company has a non-executive Chairman. The composition of the Board as on March 31, 2023 is as follows:

Sl. No.	Name	DIN	Designation
1.	Shri Madhu Sankunny Nair	07376798	Non-Executive Chairman
2.	Shri Bejoy Bhasker	08103825	Non-Executive Director
3.	Shri Jose V J	08444440	Non-Executive Director
4.	Shri Sreejith K Narayanan	09543968	Non-Executive Director
5.	Shri Neelakandhan A N	09578936	Non-Executive Director
6.	Shri Rajesh Gopalakrishnan	09576336	Non-Executive Director

4. During the financial year 2022-23, Shri Sreejith K Narayanan (DIN: 09543968), Shri Neelakandhan A N (DIN: 09578936) and Shri Rajesh Gopalakrishnan (DIN: 09576336) were appointed on the Board of the Company as the nominees of CSL on May 03, 2022.
5. Shri Madhu Sankunny Nair (DIN: 07376798), whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company in the 38<sup>th</sup> Annual General Meeting held on September 19, 2022.
6. There were no other changes in the Directors during the financial year 2022-23.
7. The profile of the Directors who are on the Board of the Company as on the date of this report 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 the Directors as on March 31, 2023, are provided under the heading 'Directorships and Committee positions' below.
8. Disclosure of relationship between Directors inter-se: Nil

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

9. Six Board Meetings have been held during the financial year 2022-23 and the gap between two meetings did not exceed 120 days. The 38<sup>th</sup> AGM of the Company was held on September 19, 2022. The details of attendance of Directors at the said Board Meetings and AGM are given below:

Name of the Director	Board Meeting					AGM	
	2022					2023	Sep 19, 2022
	May 03	Jul 13	Aug 04	Nov 03	Nov 24	Jan 30	
Shri Madhu Sankunny Nair	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
Shri Sreejith K Narayanan*	N.A.	Yes	Yes	Yes	Yes	Yes	Yes
Shri Neelakandhan A N*	N.A.	Yes	Yes	Yes	Yes	Yes	Yes
Shri Rajesh Gopalakrishnan*	N.A.	Yes	Yes	Yes	Yes	Yes	Yes

\* Shri Sreejith K Narayanan (DIN: 09543968), Shri Neelakandhan A N (DIN: 09578936) and Shri Rajesh Gopalakrishnan (DIN: 09576336) were appointed on the Board of the Company as the nominees of CSL on May 03, 2022.

## Directorships and Committee positions

10. The total number of Directorships/ Chairmanships held by Directors and the positions of Membership/ Chairmanship on Committees including Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited), as on March 31, 2023, are given below:

Name of the Director	No. of Directorship		Board Committees	
	Chairman	Member	Chairman	Member
Shri Madhu Sankunny Nair	3	3	-	-
Shri Bejoy Bhasker	-	3	-	1
Shri Jose V J	-	3	-	1
Shri Sreejith K Narayanan	-	3	-	-
Shri Neelakandhan A N	-	1	-	-
Shri Rajesh Gopalakrishnan	-	1	-	-

- 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. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory Committees of the Board have been constituted during the financial year 2022-23. However, a one-time Committee of the Board consisting of Chairman and Shri Jose V J, Director was constituted to allot the equity shares and issue certificates thereon pursuant to the rights issue of ₹25 crores. The Committee met on February 07, 2023 and all the members were present at the meeting.

## General Body Meetings

12. The date, time and venue of the last three Annual General Meetings (AGM) are given below:

Year	Date & Time	Venue	Special Resolution passed
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
2020-21	September 15, 2021 at 11.20 hrs.	Not Applicable since the meeting was held through electronic mode	No
2021-22	September 19, 2022 at 10.30 hrs.	Not Applicable since the meeting was held through electronic mode	No

\* As no Annual General Meeting (AGM) of the Company for the financial year 2019-20 was convened by the erstwhile Management/ RP, the new Board of Directors convened the AGM for the said year 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.

13. Further, the Company has also conducted an Extra Ordinary General Meeting (EGM) during the financial year 2022-23, the details of which are given below:

Date & Time	Venue	Special Resolution passed
April 18, 2022 at 11.00 hrs.	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015	Yes*

\* Special Resolution for changing the name of the Company and consequential amendment in the Memorandum of Association, Articles of Association, Common Seal and other relevant documents/ papers of the Company, was passed in the said EGM.

14. The 39<sup>th</sup> AGM of the Company is scheduled to be held on September 19, 2023 at 11.15 hrs. at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

### Code of Conduct

15. The Board has prescribed a Code of Conduct ('Code') for all the Board Members and Senior Management of the Company as required under the DPE Guidelines on Corporate Governance. All Board Members and Senior Management Personnel have confirmed compliance with the Code for the financial year ended March 31, 2023. A declaration signed by the Chief Executive Officer of the Company in this regard is given below:

Pursuant to the Department of Public Enterprises (DPE) Guidelines on Corporate Governance, it is hereby declared that all the Board Members and Senior Management Personnel of Udupi Cochin Shipyard Limited (UCSL) (formerly known as Tebma Shipyards Limited) have affirmed compliance with the Code of Business Conduct and Ethics for Board Members and Senior Management for the financial year ended March 31, 2023.

(Sd/-)

**Harikumar A**  
Chief Executive Officer

## Remuneration to Directors

16. The Directors of the Company are the Functional Directors/ Chief General Managers of Cochin Shipyard Limited (CSL), the holding company, who are appointed as Non-Executive Directors on ex-officio basis. Accordingly, no remuneration including performance linked incentives are payable to the Directors. Further, there have been no pecuniary relationship or transactions between the Directors and the Company during the reporting period.

## Other Disclosures

### (i) Related Party Transactions

17. 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. However, the particulars of contracts/ arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is placed at Annexure II to the Directors Report. Further, related party disclosures as per Indian Accounting Standard (Ind AS) 24 is set out at Note 43 to the financial statements of the Company.

### (ii) Non-compliance by the Company

18. 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

19. The Company has an effective Whistle Blower Policy which provides the 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. The Whistle Blower and Fraud Prevention Policy adopted by Cochin Shipyard Limited (CSL), the holding company, is applicable on the Company and acts as the Whistle Blower Policy/ Vigil Mechanism of Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited). The said Policy has been hosted on the website of the Company at [www.udupicsl.com](http://www.udupicsl.com). During the period under report no personnel has been denied access to the Audit Committee of CSL.

(iv) Compliance with DPE Guidelines on Corporate Governance

20. The Company has complied with the conditions of Corporate Governance, wherever applicable, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India. A Certificate in this regard obtained from a Practising Company Secretary is placed at Annexure I.

(v) Details of Presidential Directives issued by Central Government and their compliance during the year and also in the last three years.

21. 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 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 2022-23 were 14.11% (11.78% PY) of the total expenses. The financial expenses stood at 1.61% (2.12% PY) of the total expenses in the year 2022-23.

(ix) Means of communication of results

22. 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.udupicsl.com](http://www.udupicsl.com). Further, the Annual Reports of the Company are also hosted on the website of CSL viz., [www.cochinshipyard.in](http://www.cochinshipyard.in).

(x) Audit Qualifications

23. 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 2022-23 does not contain any qualifications/ adverse remark.

(xi) Training of Board Members

24. The Directors of the Company are the Functional Directors/ Chief General Managers 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. CSL imparts training to the Directors/ Chief General Managers, wherever considered necessary.

**Address for Correspondence**

Udupi Cochin Shipyard Limited  
(formerly known as 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.udupicsl.com](http://www.udupicsl.com)

For and on behalf of the Board of Directors

Kochi  
July 27, 2023

**Madhu Sankunny Nair**

Chairman  
DIN: 07376798

## **CORPORATE GOVERNANCE CERTIFICATE**

(As stipulated in the guidelines on Corporate Governance for CPSES issued by the  
Department of Public Enterprises, Government of India)

To the members of  
**Udupi Cochin Shipyard Limited**

We have examined the compliance of conditions of Corporate Governance by Udupi Cochin Shipyard Limited (the Company) for the financial year ended 31.03.2023, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance, wherever applicable, as stipulated in the above-mentioned guidelines.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For **SEP & Associates**  
Company Secretaries  
(The Peer Review Certificate no. 2763/2022)

**CS Puzhankara Sivakumar**  
Managing Partner  
FCS: F3050, COP No. 2210  
UDIN: F003050E000307244

Date: 15.05.2023  
Place: Kochi

# 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 Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited) ("UCSL" 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", "UCSL", "Group" are with respect to Udupi Cochin Shipyard Limited (formerly known as Tebma Shipyards Limited) and its holding company.

## Shipbuilding Industry

### Global Shipbuilding Industry

3. In recent years, certainty has been in short supply in the global maritime industry. Shippers, producers, and carriers have all had to adapt to quickly shifting circumstances, ranging from the residual effects of COVID to geopolitical crisis. After the world economy took a knock as a result of the COVID pandemic, hopes were high that 2022 would mark a return to something resembling normalcy. This perspective was shattered early in the year when Russia and Ukraine became entangled in a massive conflict. Sanctions imposed on Russia, as well as challenges in trading with Ukraine, have changed some of the world's most important trade flows. One of the most significant effects on the global economy has been the massive rise in energy costs and the loss of a substantial proportion of European energy imports, which has impacted economies all over the world and reawakened the threat of severe inflation. The unexpected shocks to the global economy have disrupted global supply chains and lowered the productivity of the global shipping fleet. Some of the effects proved temporary, but changes to the energy system are likely to be long-lasting.
4. The shipbuilding industry has been consolidating capacity for more than a decade. A group of yards are beginning to show significantly better track records on attracting new orders. Around 80% of the vessels on order are built in a group of fewer yards having a combined share of global yard capacity of 63%. Strong contracting activity, distributed between relatively few shipyards, pushed newbuilding prices up sharply.
5. The drive towards a more sustainable future in shipping has been gaining momentum in recent years reflected not only in legislation but also in the carrier order books. The International Maritime Organisation (IMO) has introduced new regulations aimed at reducing the carbon intensity of all ships by 40% by 2030. This industry shift is also evident in order books for new vessels, with more sustainable dual-fuel ships accounting for an increasing proportion of new orders. The proportion of dual fuel ship orders is expected to continue to rise in 2023 and grow exponentially in the future as carriers look for more sustainable fuel sources.

## Indian Shipbuilding Industry

6. India has one of the most extensive coastlines in the world of around 7500 Kms. with 12 Major ports and 200+ Non-major ports facilitating sea-borne trade. Coastal and overseas cargo movement is effected through ocean-going vessels. In addition, small ships/crafts also ply on inland waterways and canals. Considering the extensive coastline coupled with a vast network of navigable waterways, economic development, market demand and human resource potential, India is well poised to significantly contribute to the shipbuilding sector.
7. Recognising the tremendous potential of the shipping industry, the Government of India has identified shipbuilding as one of the top ten critical areas for establishing the country as a global maritime leader, and has implemented a plethora of initiatives to strengthen domestic shipbuilding viz.,
  - (a) Financial Assistance Policy on Shipbuilding (2016);
  - (b) Grant of Infrastructure Status (2016);
  - (c) Atmanirbhar Bharat Policy (Revised in 2020);
  - (d) SOP for chartering/ procurement of tugs (2020); and
  - (e) Pradhan Mantri Matsya Sampada Yojna (2020).
8. Future of ship building is expected to be driven by green technology, autonomous vessels, cost-efficient technologies etc. India has significant opportunity to build scale in short sea vessel segment. The Government of India has proposed 30% financial support for the promotion of green shipping and also announced its plan to procure Tugs under the Green Tug Transition Programme. Detailed guidelines in this regard is expected soon.
9. Further, in line with the Atmanirbhar Bharat Policy of the Government of India and with the objective to achieve strategic independence in shipbuilding and development of niche technology, the defence projects are also entrusted to the Indian yards which gives fillip to the domestic shipbuilding as well as associated industries, including MSMEs.
10. India has set ambitious targets to position itself as a global maritime leader and a slew of measures have been put in place by the Government of India towards achieving this. However, to reach this goal more accelerated and co-ordinated efforts from all levels are required and the Company is eager to capitalise on the opportunities available in the sector.

## Ship Repair Industry

### India & the Global Ship Repair Industry

11. The global ship repair market is approx. USD 12 billion. Shipyards in China, Singapore, Bahrain, Dubai and Middle East account for a major share of this market. These locations have achieved a dominant position despite higher cost of ship repair services compared to other Asian countries, largely due to the availability of a skilled workforce and the latest technology which allows these shipyards to attract demand from other low-cost locations like India, Malaysia and Indonesia. The global market for ship repair and maintenance service is expected to witness significant growth, reaching a market value of USD 40 billion by 2030 supported by developments in the markets in South East Asia and India.
12. Though India's share in global ship repair is less than 1%, the country's location is favourable with 7 to 9% of the global trade passing within 300 NM of the coastline. Additionally, India is poised well to offer repair services to Indian Navy and the allies US Navy's 5<sup>th</sup> and 7<sup>th</sup> fleet in Indian Ocean & Arabian Sea. Further, India has substantial fleet of ships both in the commercial as well as defence sector.
13. The untapped potential in the Indian ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kinds of vessels. Other reasons of cost disadvantages include high cost of financing, lack of supply of ship spares in India and technology related issues increasing ship repair execution cycle time.
14. India has set ambitious plans for transforming itself into a ship repair hub, which requires setting up of world class infrastructure facilities, upskilling the workforce, enhancing yard capacity, developing ancillary industries, low-cost financing etc. Keeping the above in mind, the Government of India has put in place a number of measures viz., channelising domestic demand for Indian ship repairing leveraging Atmanirbhar Bharat PPP provisions and RoFR rules efficiently, development of ship repair clusters & floating drydocks, easy norms of free trade depots, setting up of Centers of Excellence (CoE) for ship repair in India etc.
15. The parent company, Cochin Shipyard Limited (CSL), is one of the leading players in the Indian ship repair market and has established ship repair units across the west and east coast of India at Kochi, Mumbai, Kolkata and A&N Islands. UCSL is largely focussed on ship building, but during the year 2022-23, the Company has also successfully undertaken repairs to a few vessels, demonstrating its capability in the segment. Given the enormous potential in the ship repair

market, the Company is willing to accept orders in this area and is confident that it can successfully complete ship repair projects with the guidance and support of Cochin Shipyard Limited (CSL), the industry leader in ship repair.

**Operations**

16. During the financial year 2022-23, the business activities of the Company took off and the Company bagged various key orders and also delivered various vessels to the satisfaction of the customers. During the year the Company bagged the following shipbuilding orders:

- One Training Vessel for Directorate of Incubation and Vocational Training in Fisheries, Ramanathapuram, Tamil Nadu Dr. J. Jayalalithaa Fisheries University;
- One Purse Seiner Deep Sea Fishing Boat for GKS Marine Exports Private Limited, Trivandrum;
- Two 70T Bollard Pull Tugs for Polestar Maritime Limited, Mumbai; and

- Five Tuna Longliner Cum Gillnetter Fishing Boats under the “Pradhan Mantri Matsya Sampada Yojana (PMMSY)” for the beneficiaries from the state of Kerala.

17. During the reporting period the Company delivered a total of seven Hybrid Electric Aluminium Catamaran Hull Vessels for the Kochi Water Metro Project to Cochin Shipyard Limited (CSL) after successfully completing the fabrication, outfitting and machinery installation of the said vessels. The Company also delivered one Tuna Longliner Cum Gillnetter Fishing Boat under “PMMSY” to the beneficiary from the state of Andhra Pradesh and one training vessel to Directorate of Incubation and Vocational Training in Fisheries, Ramanathapuram, Tamil Nadu Dr. J. Jayalalithaa Fisheries University. Further, the Company also achieved significant milestones viz., steel cutting and keel laying of two 62T Bollard Pull Tugs contracted for Ocean Sparkle Limited, steel cutting of two 70T Bollard Pull Tugs contracted for Polestar Maritime Limited, successfully completing the dry-docking and repairs of SBM of Mangalore Refinery and Petrochemicals Limited (MRPL), afloat repairs of Tug ‘Chandra Neptune’ of Arc Offshore India Private Limited etc.

18. Riding on the strong shipbuilding orders, your Company reported a total income of ₹4780.96 lakhs for the year ended March 31, 2023 as against ₹1008.06 lakhs for the previous year. During FY 2022-23 the revenue from operations improved significantly to ₹3917.45 lakhs as against ₹641.98 lakhs for FY 2021-22. Due to the enhanced activities in FY 2022-23, the Company could narrow down its loss by 33% to ₹866.54 lakhs as against ₹1294.13 for FY 2021-22. The financial highlights for the reporting period are given below:

(₹ in Lakhs)

Sl. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i)	Total Income	4780.96	1008.06
(ii)	Profit/ (Loss) Before Finance cost, Depreciation & Tax	29.63	(128.83)
(iii)	Finance cost	95.49	53.45
(iv)	Depreciation & Amortisation expenses	1083.02	1322.03
(v)	Profit/ (Loss) Before Tax	(1148.88)	(1504.31)
(vi)	Tax	(282.34)	(485.33)
(vii)	Exceptional Items	-	(275.15)
(viii)	Net Profit/ (Loss)	(866.54)	(1294.13)
(ix)	Net-worth	14065.61	12431.53

**Proposed Dividend**

19. No dividend is recommended due to the non-availability of divisible profits.

## Segment wise/ product wise performance

20. The Company is primarily engaged in shipbuilding and also undertakes repairs of ships and other floating structures. The segment wise performance of the Company is given below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Segment Assets</b>		
Shipbuilding	11726.98	7742.24
Ship Repair	17.37	-
Others	10312.70	9382.06
<b>Total</b>	<b>22057.05</b>	<b>17124.30</b>
<b>Segment Liabilities</b>		
Shipbuilding	1029.01	741.68
Ship Repair	4.44	-
Others	6957.99	3951.09
<b>Total</b>	<b>7991.44</b>	<b>4692.77</b>
<b>Segment Revenue</b>		
Shipbuilding	3308.80	641.98
Ship Repair	608.65	-
Unallocated	863.51	366.08
<b>Total</b>	<b>4780.96</b>	<b>1008.06</b>
<b>Segment Result</b>		
Shipbuilding	(970.44)	27.40
Ship Repair	270.65	-
Unallocated	(449.09)	(1531.71)
<b>Total</b>	<b>(1148.88)</b>	<b>(1504.31)</b>

## SWOT

21. The Company 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. Further, the highly committed and dedicated work force capable of executing the assigned tasks as planned is one of the major strengths of the Company. UCSL 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 the Company significantly. The Company considers the stagnant growth of indigenous ancillary industries and consequent non-availability of major equipment/ raw materials as a major weakness in achieving the Company's objectives as planned.
22. Government's emphasis on developing shipbuilding industry and the emerging segments viz., technologically advanced fishing vessels, Tugs, Port crafts, small dredgers, cargo vessels, compact specialised crafts, green vessels, etc., is expected to provide abundant opportunity and the Company looks forward to tap such opportunities, wherever found feasible.

23. The major threats foreseen by the Company in achieving its objectives are rapidly changing technology, rising cost of labour, stringent government regulations on procurement, distress pricing policies of competitors etc.

## Risks and concerns

24. The risks for the Company stem from the inherent cyclical nature of the shipbuilding industry, which is also sensitive to the cyclical nature of the industries it serves such as the oil, natural gas, shipping, transportation and other trade-related industries. Building an orderbook is critical for the Company's growth and survival in an order-driven business like shipbuilding, where each vessel is custom-built. The availability of orders, its prompt bagging and timely execution is one of the major challenges in the shipbuilding industry. The Company relies on its suppliers for the timely delivery of raw materials such as steel, as well as other equipment and components such as pumps, propellers, engines etc. Shortages/ delay in the supply of raw materials may adversely affect the Company's business, financial condition and results of operations. The Company is also exposed to various operational risks viz., the breakdown, failure or sub-standard performance of

machinery, which may or may not result in fire/ explosions etc. Though the losses caused on such eventualities are covered under a standard fire and special perils policy, UCSL do not have insurance for business interruption. Any material operational disruptions may adversely affect the Company's ability to meet construction schedules and cause delays in the delivery of vessels to customers.

25. The facilities of the Company at Malpe Harbour Complex and Hangarkatta is set up in the land leased by the Government and in December 2022 the lease has been extended till March 03, 2050.

### Internal Control

26. The Company 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

27. As on March 31, 2023, the Company has 93 employees consisting of 39 executives, 14 supervisors and 40 workmen. The Company has also engaged 6 trainees under its apprenticeship programme. Apart from the above, employees of the holding company, Cochin Shipyard Limited (CSL), are also engaged on secondment basis. Further, the Company provides training to its work force in various fields as per the job requirements. During the reporting period the Company maintained cordial industrial relations.

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

28. The Company believes in sustainable development and gives utmost priority to environment friendly and energy efficient measures in conducting the business. The Company also strives to adopt latest available technology in its business processes and operations, wherever found feasible. In view of the fact that the Company had been focusing on reviving and operationalising the facilities, the Company has not made serious efforts in the areas of energy conservation/ technology absorption. Nevertheless, the Company would be taking all earnest efforts towards this once the operations are streamlined. It is also worth mentioning that, while considering the proposals for reviving and operationalising the facilities, the Company has given preference, wherever possible, to environment

protection and conservation, adopting new technologies and energy efficient measures.

29. Further, one of the major orders of the Company is the construction of Bollard Pull Tugs of various capacities and towards this the Company has procured Tug designs from Robert Allan Limited, Canada, the world's leading company for designing Tugs, Inland Vessels, Harbour Crafts and other Specialized Vessels. The Tug designs procured from one of the world's top companies in business is expected to largely aid the Company in developing a specialized product of its own to cater to the international as well as domestic Tug vessel market. This will also lead to increase in exports and decrease in imports as the buyers will have the option to buy high quality Made in India Tugs which would otherwise be bought from foreign shipyards. Further, the Company has opted for Made in India products, wherever possible, for the projects that are being undertaken at the Yard so as to reduce the import of stores/ spares/ equipments etc. These actions will help to conserve the country's forex reserves.
30. During the reporting period, the Company has incurred an amount of ₹1426.71 lakhs towards expenses in foreign currency. Further, no income in foreign currency have been earned during the reporting period.

### Corporate Social Responsibility

31. The Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR. However, Cochin Shipyard Limited (CSL), the holding company, has identified certain projects under its CSR initiatives to be carried out in and around the Company's facilities at Udupi and is expected to be executed soon.

### Cautionary statement

32. 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 Sankunny Nair**

Chairman

DIN: 07376798

Kochi

July 27, 2023

# Independent Auditors' Report

To  
The members of **UDUPI COCHIN SHIPYARD LIMITED**  
(Formerly TEBMA SHIPYARDS LIMITED)

## Revised Report on the Audit of Ind AS Financial Statements

Consequent upon Audit & observations of the Comptroller and Auditor General of India, the revised Audit report is placed below. It supersedes our earlier report dated April 28, 2023. The following changes effected in our report:

- a) Para 3. of the Emphasis of Matter has been deleted.
- b) Clause (vii)(b) of Annexure A (Referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of Independent Auditor's Report) has been replaced to include information on statutory dues that have not been deposited on account of any dispute.

This revised Audit Report has no impact on the reported figures in the Ind AS financial statements of the Company. This audit report supersedes the original audit report dated April 28, 2023. Our audit procedure subsequent to the date of original report is restricted solely to the amendments made in the Emphasis of Matter and in Clause (vii)(b) of Annexure A (Referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of Independent Auditor's Report).

### AUDITOR'S OPINION

We have audited the accompanying Ind AS financial statements of Udupi Cochin Shipyards Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 2023 and its loss (including Other Comprehensive Loss), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements 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 Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Emphasis of Matter

We draw attention to the following matters in the notes to the Ind AS financial statements

1. Note 4 - The value of Land at Kulpi (Kolkata- 230 cents) which has not been recognized in accounts due to pending verification & valuation of the same.
2. Note 15 and Note 25 – Amount receivable and payable to Committee of Creditors for which Balance confirmation is not available.

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:

Key audit matter	How our audit addressed the key audit matter
<p>As described in Note No. 3.14(a) of the financial statements, the Company recognises revenue from contracts with customers when it satisfies its performance obligations.</p> <p>There are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of transaction price and financial assistance allocation to the completed performance obligations and determining the timing of revenue recognition.</p> <p>The Company recognises revenue based on transaction price, which is the fair value of consideration received or receivable including financial assistance to be received. Revenue is recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (i.e., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.</p>	<p><b>Our key audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Assessing the Company's process to identify the impact of revenue accounting standard.</li> <li>• Testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ul style="list-style-type: none"> <li>➤ Evaluating the design of internal controls relating to implementation of the revenue accounting standard.</li> <li>➤ Selecting a sample of continuing contracts, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price and carrying out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls.</li> <li>➤ Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.</li> <li>➤ Selecting a sample of continuing and contracts and performing the following procedures: <ul style="list-style-type: none"> <li>• Reading, analysing and identifying the distinct performance obligations in these contracts.</li> <li>• Comparing these performance obligations with that identified and recorded by the Company.</li> <li>• Considering the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul> </li> </ul> </li> </ul>
<p>Refer to the accounting policies in "Note 3.18 to the Financial Statements: Significant Accounting Policies –Taxes on Income" and "Note 9 to the Financial Statements: Deferred Tax Assets(net)"</p> <p>Significant estimate and judgement involved in the recognition of deferred tax assets require a determination of future taxable income based on the Company's expectations. The assessment of realizability of deferred tax assets is based on a reasonable and supportable evidences and certainty test, depending on the composition of the deferred tax assets.</p>	<p><b>Our key audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation and operating effectiveness of management's key internal financial controls over the recognition of deferred tax assets.</li> <li>• Obtaining details of different components of deferred tax assets and details of estimates of taxable incomes for future periods as approved by the Board of Directors.</li> <li>• Obtaining confirmation where the future forecasts were approved in the meetings of the Board of Directors.</li> <li>• Evaluating the management assessment relating to the amendment in Income Tax Act and its consequential impact on items that qualify for recognition of deferred tax assets.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>Given the Company's recent financial performance, we identified recognition of deferred tax assets as a key audit matter because of the significant management judgement and assumptions involved in estimating the future taxable income based on the income forecasts approved by the Company's Board of Directors.</p>	<ul style="list-style-type: none"> <li>• Evaluating the management assessment for estimating availability of future taxable profits for determination of recognition of deferred tax assets.</li> <li>• Assessing the period over which the deferred tax assets would be recovered against future taxable income.</li> <li>• Evaluating the Company's actual performance vis-à-vis the budgets for the current and past years and discussed with management their basis and assumptions in respect of evidence to support that there will be sufficient taxable income to absorb the deferred tax asset.</li> </ul>

### 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.

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

### 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), changes in equity and cash flows 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 financial 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.
2. 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.
3. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - e. 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.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, 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.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 42.B to the Financial Statements.
  - ii. The Company has long-term contracts as at March 31, 2023 for which there were no material foreseeable losses. The Company does not have long term derivative contracts as at March 31, 2023.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49 (l) to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 49 (l) to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules 2014, as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has not declared any dividend during the year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For SHABBIR AND GANESH.**

Chartered Accountants  
Firm Regn. No. 009033S

**CA GANESH YERMAL**

Partner

Membership No. 207231

UDIN: 23207231BGRDCC3845

Place:- Udupi

Date:- 13/07/2023

# 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 on the IND AS financial statements of Udupi Cochin Shipyard Ltd (Formerly Tebma Shipyards Limited) for the year ended 31 March, 2023.

We are issuing this revised Annexure A to the Independent Auditors' Report by replacing Clause (vii) (b) herein. This report supersedes our earlier report dated April 28, 2023.

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets except the value of Land at Kulpi (Kolkata-230 cents) which has not been recognized in accounts due to pending verification & valuation of the same.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The physical verification of all the Property, Plant and Equipment 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date, except that the title deeds of Freehold Land stand in the name of erstwhile Tebma Shipyards Limited and Tebma Engineering Private Limited.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year in accordance with the inventory verification procedure adopted by the Management which in our opinion is reasonable having regard to the size of the Company and nature of its business and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of clause (iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- iv. 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. 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 maintenance of cost records as required under Section 148(1) of the Companies Act, 2013 is not applicable for the reporting period. Hence the question of our reporting under this clause does not arise.

vii. (a) The company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sl. No.	Name of the Statute	Nature of the Statutory Dues	Amount of dispute (In Lakhs)	Period to which the amount related	Forum where dispute is pending
1	Foreign Trade (Development & regulation ) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	89.25	2006-2007	Honourable High Court of Madras
2	Foreign Trade (Development & regulation ) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	106.12	2007-2008	Honourable High Court of Madras
3	Foreign Trade (Development & regulation ) Act, 1992	Penalty, Amount of Customs duty on which exemption availed, Interest	219.01	2006-2007	Honourable High Court of Madras
4	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	278.23	2006-2007	Honourable High Court of Madras
5	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	45.42	2006-2007	Honourable High Court of Madras
6	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	151.18	2006-2007	Honourable High Court of Madras
7	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	8.90	2006-2007	Honourable High Court of Madras
8	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	210.28	2006-2007	Honourable High Court of Madras
9	Foreign Trade (Development & regulation ) Act, 1992	Amount of Customs duty on which exemption availed, Interest	314.07	2006-2007	Honourable High Court of Madras
10	Kerala Tax on Entry of Goods into Local Areas act	Entry tax	0.45	2006-07	Supreme Court
11	Karnataka tax on Entry of Goods Act, 1979	Entry tax	48.48	2012-13	Karnataka Appellate Tribunal
12	Karnataka tax on Entry of Goods Act, 1979	Entry tax	4.92	2010-11	Karnataka Appellate Tribunal
13	Karnataka tax on Entry of Goods Act, 1979	Entry tax	23.05	2009-10	Karnataka Appellate Tribunal

Sl. No.	Name of the Statute	Nature of the Statutory Dues	Amount of dispute (In Lakhs)	Period to which the amount related	Forum where dispute is pending
14	Central excise Act	Central excise	72.57	2008-09	CESTAT , Bangalore
15	Finance Act 1994	Service Tax	99.54	2008-09	CESTAT , Bangalore
16	Central excise Act	Central excise tax matters under dispute	454.00	2009-10	CESTAT , Bangalore
17	West Bengal VAT ACT	VAT	72.72	2008-09	Commissioner of Commercial Tax West Bengal
18	Finance Act 1994	Service Tax	94.10	2008-09	CESTAT , Bangalore
19	Finance Act 1994	Service Tax	441.72	2008-09	CESTAT , Bangalore
20	Karnataka VAT	Karnataka VAT	11.91	Sep 2017- Dec 2017	Assistant Commissioner of Commercial taxes, LGSTO-280

Sl.No- 1 to 9 - Amount of Dispute includes interest computed from 01/04/2016 to 31/03/2023.

Note : With respect to amounts mentioned in Sl.No. 10 to 19, details are not available with the company. All these cases mentioned in the above table, pertains to the periods prior to the order of the Hon'ble NCLT approving the resolution plan and are not included in the Resolution Plan as no claims were submitted by the authorities concerned in response of the public notice issued by the Resolution Professional in terms of the regulations of IBC and who fall under the definition of operational creditors. However, as per the order of the Hon'ble NCLT dt. 04-03-2020, the Company has been directed to file applications for termination of the proceedings before the relevant authorities.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted on any loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not borrowed any term loans during the year and the outstanding term loans at the

beginning of the year were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as

prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of ₹66.24 lakhs during the financial year covered by our audit and ₹163.39 lakhs during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Further, the Company does not have any borrowings whose repayment fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 of the Companies Act, 2013 is not applicable for the reporting period. Hence the question of our reporting under this clause does not arise.
- xxi. As there are no subsidiary companies and the Audit Report is solely based on the standalone financial statement of the company, the question of our reporting under para 3 (xxi) clause does not arise.

**For SHABBIR AND GANESH.**

Chartered Accountants  
Firm Regn. No. 009033S

**CA GANESH YERMAL**

Partner

Membership No. 207231

UDIN: 23207231BGRDCC3845

Place:- Udupi  
Date:- 13/07/2023

# 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 Udupi Cochin Shipyard Ltd (Formerly Tebma Shipyards Limited) for the year ended 31 March, 2023**

## Directions under Section 143(5) of the Companies Act, 2013 for the year ended 31 March, 2023

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. 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 ₹602.39 Crores, 9.74% pay amounting to ₹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. Apart from this, there has not been any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company during the year.

- 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: 23207231BGRDCC3845

Place:- Udupi

Date:- 13/07/2023

# Annexure C to the Independent Auditors' Report

**The Annexure referred to in our Independent Auditors' Report to the members of Udupi Cochin Shipyard Limited (Formerly Tebma Shipyards Limited) on the audit of Ind AS financial statements for the year ended 31st March 2023**

## **Report on the Internal Financial Controls Over Financial Reporting 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 Udupi Cochin Shipyard Limited ("the Company") as of March 31, 2023 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, 2023, 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: 23207231BGRDCC3845

Place:- Udupi  
Date:- 13/07/2023

## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF UDUPI COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of Udupi Cochin Shipyard Limited for the year ended 31 March 2023 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(5) of the Act is 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 Revised Audit Report dated 13.07.2023 which supersedes their earlier Audit Report dated 28.04.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Udupi Cochin Shipyard Limited for the year ended 31 March 2023 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.

In view of the revision made in the financial statements by management, as indicated in Note No. 42.B of the financial statements, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under Section 143(6)(b) of the Act.

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

Place: Chennai  
Date: 27 July 2023

**(S. Velliangiri)**  
Principal Director of Commercial Audit

# Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	8,464.05	8,700.50
(b) Capital work-in-progress	5	1,280.39	470.45
(c) Other Intangible assets	6	7.82	14.35
(d) Financial assets			
Other Financial assets	7	16.27	8.89
(e) Income tax assets (net)	8	61.26	30.40
(f) Deferred tax assets (net)	9	4,757.57	4,474.85
<b>Total Non-Current assets</b>		<b>14,587.36</b>	<b>13,699.44</b>
<b>Current assets</b>			
(a) Inventories	10	2,095.86	992.21
(b) Financial Assets			
(i) Trade receivables	11	331.57	97.51
(ii) Cash and cash equivalents	12	932.85	1,580.51
(iii) Bank balances other than (ii) above	13	1,388.48	100.88
(iv) Other Financial assets	14	20.79	4.53
(c) Other current assets	15	2,700.14	635.63
<b>Total Current assets</b>		<b>7,469.69</b>	<b>3,411.27</b>
Assets held for Sale	16	-	13.59
<b>Total Assets</b>		<b>22,057.05</b>	<b>17,124.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity :</b>			
(a) Equity Share capital	17	9,000.00	6,500.00
(b) Other equity	18	5,065.61	5,931.53
<b>Total Equity</b>		<b>14,065.61</b>	<b>12,431.53</b>
<b>Liabilities :</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	1,500.00	1,500.00
(ia) Lease liabilities	20	584.13	61.90
(b) Provisions	21	23.97	8.03
<b>Total Non-Current Liabilities</b>		<b>2,108.10</b>	<b>1,569.93</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(ia) Lease liabilities	22	56.57	14.96
(ib) From Banks	23	705.00	-
(ii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	24	725.19	373.22
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		307.45	64.19
(iii) Other financial liabilities	25	1,776.46	1,449.64
(b) Other current liabilities	26	1,493.23	209.76
(c) Provisions	27	819.44	1,011.07
<b>Total Current Liabilities</b>		<b>5,883.34</b>	<b>3,122.84</b>
<b>Total Equity and Liabilities</b>		<b>22,057.05</b>	<b>17,124.30</b>

Corporate overview and Significant Accounting Policies

1-3

Notes to the Financial Statements

4-52

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

Udupi. Date: July 13, 2023

### SHANKAR NATARAJ

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 Y

Partner

Membership No.: 207231

UDIN: 23207231BGRDCC3845

Udupi. Date: July 13, 2023

# Statement of Profit and Loss

For the Year ended March 31, 2023

(₹ in Lakhs)

Sl No	Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	<b>Income</b>			
I	Revenue from Operations	28	3917.45	641.98
II	Other Income	29	863.51	366.08
III	<b>Total Income (I+II)</b>		<b>4780.96</b>	<b>1008.06</b>
	<b>Expenses</b>			
	Cost of materials consumed	30	1739.01	389.73
	Changes in Inventories of Work-in-Progress	31	(143.74)	(352.31)
	Sub contract and other direct expenses	32	1639.78	332.83
	Employee Benefits Expense	33	679.48	451.72
	Finance costs	34	95.49	53.45
	Depreciation and Amortisation Expense	35	1083.02	1322.03
	Other expenses	36	836.80	296.03
	Provision for anticipated losses and expenditure	37	-	18.89
	<b>Total expenses (IV)</b>		<b>5929.84</b>	<b>2512.37</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(1148.88)</b>	<b>(1504.31)</b>
VI	<b>Exceptional Items</b>	38	-	275.15
VII	<b>Profit/(Loss) before Tax (V-VI)</b>		<b>(1148.88)</b>	<b>(1779.46)</b>
VIII	<b>Tax expense</b>			
	(1) Current tax	8	0.38	-
	(2) Deferred tax		(282.72)	(485.33)
IX	<b>Profit/(Loss) for the period/year(VII-VIII)</b>		<b>(866.54)</b>	<b>(1294.13)</b>
X	<b>Other comprehensive income</b>			
	A) Items that will not be reclassified to profit or loss		-	-
	B) Items that will be reclassified to profit or loss		0.62	-
	<b>Other comprehensive income for the year</b>		<b>0.62</b>	<b>-</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>(865.92)</b>	<b>(1294.13)</b>
XII	<b>Paid up equity share capital (Face value - ₹10 each)</b>		<b>9000.00</b>	<b>6500.00</b>
	Earnings per equity share of ₹10 each	39		
	(1) Basic (₹)		(1.26)	(1.99)
	(2) Diluted (₹)		(1.26)	(1.99)
			Annualised	Annualised

Corporate overview and Significant Accounting Policies 1-3  
 Notes to the Financial Statements 4-52  
 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  
 Udupi. Date: July 13, 2023

### SHANKAR NATARAJ

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 Y

Partner  
 Membership No.: 207231  
 UDIN: 23207231BGRDCC3845  
 Udupi. Date: July 13, 2023

# Statement of Changes in Equity

for the year ended March 31, 2023

## A. Share Capital

(₹ in Lakhs)

As at April 01, 2022	Changes in equity share capital during the year	As at March 31, 2023
6,500.00	2,500.00	9,000.00

(₹ in Lakhs)

As at April 01, 2021	Changes in equity share capital during the year	As at March 31, 2022
6,500.00	-	6,500.00

## B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01,2022</b>	7,361.70	(1,430.17)	5,931.53
Profit for the year	-	(866.54)	(866.54)
Other comprehensive income for the year	-	0.62	0.62
<b>Balance as at March 31,2023</b>	<b>7,361.70</b>	<b>(2,296.09)</b>	<b>5,065.61</b>

(₹ in Lakhs)

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01,2021</b>	7,289.25	(136.04)	7,153.21
Add : Hangarkatta land accounted at fair value	72.45	-	72.45
Profit for the year	-	(1,294.13)	(1,294.13)
<b>Balance as at March 31,2022</b>	<b>7,361.70</b>	<b>(1,430.17)</b>	<b>5,931.53</b>

Corporate overview and Significant Accounting Policies

1-3

Notes to the Financial Statements

4-52

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

Udupi. Date: July 13, 2023

#### SHANKAR NATARAJ

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 Y

Partner

Membership No.: 207231

UDIN: 23207231BGRDCC3845

Udupi. Date: July 13, 2023

# Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) before tax	(1,148.88)	(1,779.46)
Adjustments:		
Depreciation and amortisation expenses	1,083.02	1,322.03
Loss on sale / Write off of property plant & equipment	4.23	454.51
Finance costs	92.32	46.93
Interest income from Bank deposits	(68.53)	(75.68)
Loss on Lease Modification	28.29	-
Net (gain) /loss on foreign currency transactions	1.49	(0.36)
<b>Operating cash flow before working capital changes</b>	<b>(8.06)</b>	<b>(32.03)</b>
Movements in working capital :		
(Increase) / decrease in inventories	(1,103.65)	(804.01)
(Increase) / decrease in trade, other receivables and assets	(2,336.81)	(660.01)
Increase / (decrease) in trade and other payables	2,735.45	450.67
	<b>(713.07)</b>	<b>(1,045.38)</b>
Income taxes paid (Net of Refunds)	(0.38)	-
<b>Net cash flows from operating activities (A)</b>	<b>(713.45)</b>	<b>(1,045.38)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(102.28)	(466.67)
(Increase) / decrease in capital work In progress	(786.36)	(365.55)
Sale of "Asset held for sale"	9.36	-
(Increase) / decrease in Term deposits	(1,287.60)	(100.07)
Interest received on Fixed deposits	52.27	71.82
<b>Net cash flows from investing activities (B)</b>	<b>(2,114.61)</b>	<b>(860.47)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	-	-
Net gain /loss on foreign currency transactions	(1.49)	0.36
Borrowing of Debt	-	1,000.00
Proceeds for Rights issue	2,500.00	-
Finance costs	(115.91)	(27.50)
Repayment of lease liability	(202.20)	(13.49)
<b>Net cash flows from financing activities (C)</b>	<b>2,180.40</b>	<b>959.37</b>

# Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>D. Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(647.66)</b>	<b>(946.48)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,580.51</b>	<b>2,526.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>932.85</b>	<b>1,580.51</b>
<b>Components of cash and cash equivalents (refer note 12)</b>		
Cash on hand	-	-
Balances with banks		
- in current accounts	932.85	1,580.51
<b>Total cash and cash equivalents</b>	<b>932.85</b>	<b>1,580.51</b>

Corporate overview and Significant Accounting Policies 1-3

Notes to the Financial Statements 4-52

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

Udupi. Date: July 13, 2023

### SHANKAR NATARAJ

Chief Financial Officer

### HARIKUMAR A

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Director

DIN-08444440

### MADHU S NAIR

Chairman

DIN-07376798

## For M/s. Shabbir and Ganesh

Chartered Accountants

Firm Regn. No.: 009033S

### CA. GANESH Y

Partner

Membership No.: 207231

UDIN: 23207231BGRDCC3845

Udupi. Date: July 13, 2023

# Notes to Financial Statements

for the year ended March 31, 2023

## 1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Corporate information

Udupi Cochin Shipyard Limited (UCSL), 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. UCSL was incorporated as 'Tebma Engineering Private Limited', became public as 'Tebma Engineering Limited' and subsequently the name was changed to 'Tebma Shipyards Limited'. In September 2020, the Company was taken over by Cochin Shipyard Limited (CSL), a CPSE under the administrative control of the Ministry of Ports, Shipping & Waterways, Government of India, through the statutory insolvency resolution process. Consequently, on April 22, 2022, the name of the Company was changed to 'Udupi Cochin Shipyard Limited'.

The Registered Office of the Company is situated at S.No.377, Pazhamathur Village, Pukathurai Post, Madurantakam Taluk, Kancheepuram – 603 116. UCSL has two yards; One in Malpe – Karnataka and the other one in Chengalpet – Tamil Nadu. It has a major fabrication unit in Hangarkatta (about 20 km from the Malpe yard). The Company has been known for its quality standards and commitment levels in the shipbuilding industry.

The Companies Accounts that are approved by the Board at its meeting held on 28-04-2023 have been revised in the light of observations made by the Comptroller and Auditor General of India. The financial statements are approved for issue by the Company's Board of Directors on 13-07-2023.

## 2. Basis of preparation and presentation of Financial Statements

### 2.1 Functional & Presentation Currency

The financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest lakhs (rounded off to two decimals) as permitted by Schedule III of the Act except when otherwise indicated.

### 2.2 Statement of Ind AS compliance

These financial statements have been prepared in accordance with the 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 as amended from time to time and other Accounting Principles generally accepted in India.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 "Statement of Cash Flows". The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.3. Basis of Measurement

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.

#### Current/ Non-Current Classification

**An Asset/ liability is classified as current if it satisfies any of the following conditions:**

- i. the asset/ liability is expected to be realized/ settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/ liability is held primarily for the purpose of trading;

# Notes to Financial Statements

for the year ended March 31, 2023

- iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/ non-current classification of assets and liabilities, the company has ascertained its normal operating cycle of different business activities as follows:

- (i) In case of ship building and ship repair, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of delivery of the vessel.
- (ii) In the case of other business activities, normal operating cycle is 12 months.

## 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the 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 judgment. 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.

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

### 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.

# Notes to Financial Statements

for the year ended March 31, 2023

## Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Company. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall in the provision made earlier, additional provisions are made.

## 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.

## Recoverability of advances / receivables

The Company makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and expenses on account of provision for doubtful debts in the period in which such estimate has been changed. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

## 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 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.

## Liquidated Damages

Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

## Revenue Recognition

The Company exercises significant judgement in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers. Provision for estimated losses if any, on the uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date. Claims for liquidated damages against the Company are recognized based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

## 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.

# Notes to Financial Statements

for the year ended March 31, 2023

## 3 Significant Accounting Policies

### 3.1 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.

### 3.2 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.

### 3.3 Intangible Assets

**Design development:** Cost incurred on Design Development which are not directly chargeable on a product are capitalized as Intangible Asset and amortised on a straight-line basis over a period of five years.

**Software:** Cost of software which is not an integral part of the related hardware acquired for internal use is capitalised as intangible asset and amortised on a straight-line basis over a period of three years.

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

## 3.4 Leases

### 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 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.

### Right of Use Assets

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. 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.

### Lease Liabilities

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

# Notes to Financial Statements

for the year ended March 31, 2023

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.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

### 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").

### 3.5 Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset as prescribed in part C of Schedule II to the Companies Act, 2013 except to the extent described below:

- Right Of Use assets/Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of its useful life of

the Right Of Use asset/ Assets on leased premises or the end of the lease term.

- Depreciation on each item of an standalone asset costing less than ₹5000 is depreciated at 100% in the year of capitalization

Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and upto the date of such deletions. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% of original cost is considered for all category of assets. 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
Electrical Installation/ Fittings	10 years
Vehicles	8-10 years
Data Processing Equipments	3-6 years

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.

Capital Work in Progress are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

# Notes to Financial Statements

for the year ended March 31, 2023

## 3.6 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.

## 3.7 Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable. Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to disposal and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss

## 3.8 Inventories

- (a) Raw materials, components, stores and spares, loose tools are valued at weighted average cost method or net realisable value whichever is lower. However materials and other supplies held for use in the production /services are not written down below cost if the finished products/supply of services in which they will be incorporated are expected to be sold at or above cost. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit are valued at lower of cost and net realisable value.
- (b) Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.
- (c) Work In Progress (WIP) and Finished goods, have been valued at lower of cost and net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion, a proportion of manufacturing overheads

based on the normal operating capacity and other costs incurred in bringing them to their respective present location and condition. Cost of steel plates, profiles, equipments and other raw materials and stores and spares at Weighted Average Method. Cost of Work-inProgress and Finished Goods is determined on Absorption Costing Method.

## 3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

### Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

### Financial Assets

#### Initial recognition and measurement

All Financial Assets other than trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

#### Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in three categories:

- Financial assets at amortised cost;
- Financial assets at Fair Value through other comprehensive income (FVTOCI);
- Financial assets at Fair Value through statement of profit and loss (FVTPL);

# Notes to Financial Statements

for the year ended March 31, 2023

## Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Financial assets at Fair Value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

## Financial assets at Fair Value through statement of profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

## Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due. The Company assesses at each Balance Sheet date whether a financial asset or a Company of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the company uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

Impairment loss allowance (or reversal) that is required to be recognised at the reporting date is recognised as an impairment loss or gain in the Statement of Profit & Loss Account.

## Financial Liabilities

### Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate. All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss

The Company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at Fair Value through statement of profit and loss (FVTPL);
- Financial liabilities at amortised cost;
- Financial Guarantee Contracts;

### Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

# Notes to Financial Statements

for the year ended March 31, 2023

## Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

## De-recognition of Financial Instruments

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.10 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.

## 3.11 Contract Assets

Where the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset. A contract asset is Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. Contract assets are reviewed for impairment in accordance with Ind AS 109.

## 3.12 Contract Liabilities

Where the Company receives consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

## 3.13 Provisions, Contingent Liabilities and Contingent assets

### Provisions

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.

Provision towards guarantee claims in respect of ships/ small crafts delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies

# Notes to Financial Statements

for the year ended March 31, 2023

covering the guarantee period on case to case basis, wherever required.

## Contingent Liabilities and Contingent assets

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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset but discloses its existence in the financial statements where an inflow of economic benefits is probable.

## 3.14 Revenue Recognition

### a) Revenue from Operations

Revenue from Ship Building / Ship repair contracts with customers is measured based on the transaction price, which is fair value of the consideration received or receivable and this includes financial assistance to be received. Revenue is recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (i.e. resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.

Other Operating Revenue is recognized at the point of time when the company satisfies performance obligations by transferring promised goods and services to the customer.

In circumstances, where the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation,

the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Where current estimates of total contract costs and revenue indicate a loss, provision is made for the entire loss, irrespective of the amount of work done.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Where the goods or services added are not distinct, adjustment to revenue is made on a cumulative catch up basis. Where the goods or services added are distinct, and such additional goods or services are priced at standalone selling prices, the contract modification is accounted for as a separate contract; whereas if the modification is not priced at standalone selling price, the same is accounted as a termination of the existing contract and creation of a new contract.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Company estimates the net amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same.

### b) Other Income

#### i) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss

# Notes to Financial Statements

for the year ended March 31, 2023

concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is accounted as revenue from operations in the manner specified in para (a)

## ii) Liquidated damages and interest on advances

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis

## iii) Accounting for insurance claims

### (a) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statements in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

### (b) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the financial statements on

settlement of the claims by way of receipt of the amount from the Insurance Company.

In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the insurance company.

## (iv) Interest Income

In case of fixed deposits, interest is accounted when it accrues to the Company by applying interest rate as applicable to each fixed deposit.

(v) **Scrap income** with respect to Ship building and Ship Repair are treated as Operating income and other than that is considered as Other income.

(vi) **Charter hire charges** income is accounted on time period basis

(vii) **Other items** are recognized on accrual basis.

## 3.15 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.

### Post-employment benefit plans

#### Defined benefit plans

##### Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability or asset recognised in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

# Notes to Financial Statements

for the year ended March 31, 2023

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

## Other employee benefits

### Compensated absences

The Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

### 3.16 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. Capitalization of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit

and Loss during such extended periods. 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

### 3.17 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.

### 3.18 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.

# Notes to Financial Statements

for the year ended March 31, 2023

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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.

## 3.19 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.

## 3.20 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chairman.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Ship repair .

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

## 3.21 Statement of cash flows

Statement of Cash Flows are reported prepared and presented 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. The 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

## 3.22 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements and also as per Guidance note on Ind AS III.

## 3.23 Foreign currency transactions

### Transactions & Balances:

Foreign exchange transactions are recorded in functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) at the end of reporting period are re-measured at the exchange rate prevailing on that date. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the

# Notes to Financial Statements

for the year ended March 31, 2023

exchange rate prevailing on the date of the transaction. Any gains or losses in income or expense on account of exchange differences either at the time of translation or settlement are recognised in the statement of Profit and Loss.

### 3.24 Excluded Financial Asset

Pursuant to resolution plan and NCLT Order dated 4th March 2020, the following assets/matters of Erstwhile Tebma shipyards mentioned below are identified as excluded financial asset based on information provided by the COC or Resolution Professional

- 1) VAT refund;
- 2) Insurance claim for damages to Tug lodged with an insurance company;
- 3) Insurance claim for theft and burglary with an insurance company;
- 4) Trade receivables from Indian Navy; and
- 5) 50% (fifty percent) of the amount of subsidy claim (ie., Shipbuilding Finance Assistance/subsidy) from Government of India.

These items will be accounted on realization basis.

### 3.25 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to

time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of this amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from change in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes :- This amendment has narrowed the scope of the initial recognition of exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment in annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its financial statements.

# Notes to Financial Statements

For the year ended March 31, 2023

## Note 4 : Property, Plant and Equipment

Particulars	Gross carrying amount			Depreciation			Net Carrying amount	
	As at April 01, 2022	Additions/ (Deletions)	Disposal/ adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year (withdrawal)	As at March 31, 2023	As at March 31, 2022
<b>Tangible assets</b>								
Land - freehold	2,680.32	-	-	2,680.32	-	-	2,680.32	2,680.32
Building	2,153.99	15.33	-	2,169.32	370.82	88.77	1,709.73	1,783.17
Plant and machinery	4,175.38	54.36	-	4,229.74	1,320.81	487.72	2,421.21	2,854.57
Office equipments	24.41	10.97	-	35.38	4.83	4.93	25.62	19.58
Furniture and fittings	18.02	8.92	-	26.94	8.16	0.88	17.90	9.86
Computers	44.37	11.96	-	56.33	7.89	13.27	35.17	36.48
Electrical Installation	27.57	-	-	27.57	0.15	2.60	24.82	27.42
Electrical Fittings	19.58	0.43	-	20.01	1.82	1.88	16.31	17.76
Vehicles	7.33	-	-	7.33	2.08	1.37	3.88	5.25
<b>Sub Total</b>	<b>9,150.97</b>	<b>101.97</b>	<b>-</b>	<b>9,252.94</b>	<b>1,716.56</b>	<b>601.42</b>	<b>6,934.96</b>	<b>7,434.41</b>
<b>Assets held on Leased Premises</b>								
Building	1,809.64	-	-	1,809.64	1,024.69	281.54	503.41	784.95
Slipway	1,117.99	-	-	1,117.99	681.05	169.69	267.25	436.94
Right of Use Assets (IND AS 116)	95.90	766.04	95.90	766.04	51.70	25.95	758.43	44.20
<b>Sub Total</b>	<b>3,023.53</b>	<b>766.04</b>	<b>95.90</b>	<b>3,693.67</b>	<b>1,757.44</b>	<b>477.18</b>	<b>1,529.09</b>	<b>1,266.09</b>
<b>Total</b>	<b>12,174.50</b>	<b>868.01</b>	<b>95.90</b>	<b>12,946.61</b>	<b>3,474.00</b>	<b>1,078.60</b>	<b>8,464.05</b>	<b>8,700.50</b>

Particulars	Gross carrying amount			Depreciation			Net Carrying amount	
	As at April 01, 2021	Additions/ (Deletions)	Disposal/ adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year (withdrawal)	As at March 31, 2022	As at March 31, 2021
<b>Tangible assets</b>								
Land - freehold	2,607.87	72.45	72.45	2,680.32	-	-	2,680.32	2,607.87
Building	2,062.96	99.13	99.13	2,153.99	188.30	190.53	1,783.17	1,874.66
Plant and machinery	4,679.23	266.54	266.54	4,175.38	1,089.78	566.45	2,854.57	3,589.45

# Notes to Financial Statements

for the year ended March 31, 2023

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

Particulars	Gross carrying amount				Depreciation			Net Carrying amount		
	As at April 01, 2021	Additions/ (Deletions)	Disposal/ adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	Adjustment/ (withdrawal)	As at March 31, 2022	As at March 31, 2021	
Office equipments	40.82	3.01	3.01	24.41	8.21	6.85	10.23	4.83	19.58	32.61
Furniture and fittings	27.93	-	-	18.02	10.37	4.98	7.19	8.16	9.86	17.56
Computers	18.06	43.57	43.57	44.37	10.80	8.09	11.00	7.89	36.48	7.26
Electrical Installation	-	27.57	27.57	27.57	-	0.15	-	0.15	27.42	-
Electrical Fittings	14.21	5.37	5.37	19.58	0.08	1.74	-	1.82	17.76	14.13
Vehicles	7.33	-	-	7.33	0.69	1.39	-	2.08	5.25	6.64
<b>Sub Total</b>	<b>9,458.41</b>	<b>517.64</b>	<b>517.64</b>	<b>9,150.97</b>	<b>1,308.23</b>	<b>780.18</b>	<b>371.85</b>	<b>1,716.56</b>	<b>7,434.41</b>	<b>8,150.18</b>
<b>Assets held on</b>										
<b>Leased Premises</b>										
Building	1,830.40	-	-	1,809.64	749.03	281.53	5.87	1,024.69	784.95	1,081.37
Slipway	1,108.00	9.99	9.99	1,117.99	453.40	227.65	-	681.05	436.94	654.60
Right of Use Assets (IND AS 116)	95.90	-	-	95.90	25.85	25.85	-	51.70	44.20	70.05
<b>Sub Total</b>	<b>3,034.30</b>	<b>9.99</b>	<b>9.99</b>	<b>3,023.53</b>	<b>1,228.28</b>	<b>535.03</b>	<b>5.87</b>	<b>1,757.44</b>	<b>1,266.09</b>	<b>1,806.02</b>
<b>Total</b>	<b>12,492.71</b>	<b>527.63</b>	<b>527.63</b>	<b>12,174.50</b>	<b>2,536.51</b>	<b>1,315.21</b>	<b>377.72</b>	<b>3,474.00</b>	<b>8,700.50</b>	<b>9,956.20</b>

UCSL and Karnataka Maritime Board have signed the Lease Agreement for the Leasehold land at Malpe & Hangarkatta on 23.12.2022, for a period of 30 years w.e.f 04.3.2020, i.e, the date of NCLT order approving the take over of M/s Udupi Cochin Shipyard Limited (Erstwhile M/s TEBMA Shipyards Ltd) by M/s Cochin Shipyard Ltd. Modification to lease agreement has necessitated the reassessment of ROU assets and lease liabilities as per IND AS 116 and also the extension of useful life of assets located on lease hold land. Towards this, company made a total payment of ₹325.50 lakhs to Karnataka Maritime board (KMB) during FY 2022-23 which consists of payment towards security deposit, lease dues, penalty and interests to the KMB against the dues. Resulting changes has been incorporated in FY 2022-23 figures

78.05 cents of land at Hangarkatta had been valued at ₹72.45 lakhs and same been recognized in General reserve in FY 21-22. The value of Land at Kulpi (Kolkata- 230 cents) have not been recognized in accounts due to pending verification of geographical area & valuation of the same

Land belonging to the company continue to be in the name of erstwhile "Tebma Shipyards Ltd" and/or "Tebma Engineering Pvt Ltd" in the land records. Company has already initiated action to change the title deed in the name of "Udupi Cochin Shipyard Limited"

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.

The Company had elected to consider the fair value of the assets as on the transition date as the deemed cost of assets at the time of transition.

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 5 : Capital work -in -progress

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Plant and machinery, Buildings and Civil works	989.74	470.45
Capital yard items	290.65	-
<b>Total</b>	<b>1,280.39</b>	<b>470.45</b>

## CWIP Ageing schedule as on 31.03.2023

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	809.94	456.32	14.13	-	1,280.39
Projects temporarily suspended	-	-	-	-	-

None of the projects under work in progress are overdue in respect of budgeted time and cost and hence overdue CWIP schedule not applicable.

## CWIP Ageing schedule as on 31.03.2022

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	456.32	14.13	-	-	470.45
Projects temporarily suspended	-	-	-	-	-

## Note 6 : Other Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying amount			Amortisation				Net Carrying amount		
	As at April 01, 2022	Additions/ (Deletions)	Disposal/ adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Adjustment/ (withdrawal)	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Software	11.49	0.31	-	11.80	1.29	2.69	-	3.98	7.82	10.20
Right to Use - land	16.68	-	16.68	-	12.53	1.73	14.26	-	-	4.15
<b>Total</b>	<b>28.17</b>	<b>0.31</b>	<b>16.68</b>	<b>11.80</b>	<b>13.82</b>	<b>4.42</b>	<b>14.26</b>	<b>3.98</b>	<b>7.82</b>	<b>14.35</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 6 : Other Intangible assets (Contd..)

(₹ in Lakhs)

Particulars	Gross carrying amount			Amortisation			Net Carrying amount			
	As at April 01, 2021	Additions/ (Deletions)	Disposal/ adjustments during the year	As at March 31, 2022	As at April 01, 2021	For the year	Adjustment/ (withdrawal)	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	-	11.49	-	11.49	-	1.29	-	1.29	10.20	-
Right to Use - land	16.68	-	-	16.68	7.72	4.81	-	12.53	4.15	8.96
<b>Total</b>	<b>16.68</b>	<b>11.49</b>	<b>-</b>	<b>28.17</b>	<b>7.72</b>	<b>6.10</b>	<b>-</b>	<b>13.82</b>	<b>14.35</b>	<b>8.96</b>

The Right to 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.

## Note 7 : Other Financial Asset - Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good:		
Security deposits	16.27	8.89
<b>Total</b>	<b>16.27</b>	<b>8.89</b>

## Note 8 : Income tax assets / liability (net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non current tax assets</b>		
Income Tax Assets	61.26	30.40
<b>Total</b>	<b>61.26</b>	<b>30.40</b>

The company is not accounting the TDS amount uploaded in Form 26AS on those deposits which are not taken as fixed deposits in the books of UCSL due to lein mark before NCLT order.

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current tax:</b>		
Current income tax charge	-	-
Adjustment in respect of prior years	0.38	-
<b>Total (A)</b>	<b>0.38</b>	<b>-</b>
<b>Deferred tax:</b>		
In respect of current year	(282.72)	(485.33)
<b>Total (B)</b>	<b>(282.72)</b>	<b>(485.33)</b>
<b>Income tax expense recognised in the Statement of Profit and Loss (A+B)</b>	<b>(282.34)</b>	<b>(485.33)</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 9 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	376.73	489.22
Deferred tax assets	(5,134.30)	(4,964.07)
<b>Total</b>	<b>(4,757.57)</b>	<b>(4,474.85)</b>

### Deferred tax liabilities/(assets) in relation to 2022-23

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Closing Balance
Provisions	(264.97)	51.47	(213.50)
Property, plant and equipment	489.22	(143.10)	346.12
Carry forward losses	(4,690.60)	(230.20)	(4,920.80)
Others	(8.50)	39.11	30.61
<b>Total</b>	<b>(4,474.85)</b>	<b>(282.72)</b>	<b>(4,757.57)</b>

### Deferred tax liabilities/(assets) in relation to 2021-22

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Closing Balance
Provisions	(314.80)	49.83	(264.97)
Property, plant and equipment	814.56	(325.34)	489.22
Carry forward losses	(4,492.42)	(198.18)	(4,690.60)
Others	3.14	(11.64)	(8.50)
<b>Total</b>	<b>(3,989.52)</b>	<b>(485.33)</b>	<b>(4,474.85)</b>

As at March 31, 2023, the company has assessed recognition of deferred tax assets by assessing availability of sufficient future taxable profits, based on financial projections & order book position, which have been approved by the Management, to absorb the deferred tax asset.

## Note 10 : Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	1,618.70	3,286.63
Work in Progress	496.05	352.31
Less: Provision for inventory	(18.89)	(2,646.73)
<b>Total</b>	<b>2,095.86</b>	<b>992.21</b>

Entire stock of inventories are hypothecated towards availing cash credit facility from the bank.

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 11 : Trade Receivables-Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - Unsecured	331.57	97.51
<b>Total</b>	<b>331.57</b>	<b>97.51</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.

Full provision is made for all trade receivables considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable. Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities/courts.

### Trade Receivables ageing schedule as on 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	331.53	0.04	-	-	-	331.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>						<b>331.57</b>

### Trade Receivables ageing schedule as on 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	97.51	-	-	-	-	97.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>						<b>97.51</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 12 : Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balance with Banks		
In current account	27.90	27.90
Fixed deposits		
Term deposits with original maturity of less than three months	904.95	904.95
<b>Total</b>	<b>932.85</b>	<b>932.85</b>

Pursuant to resolution plan submitted by the M/s Cochin Shipyard Limited for takeover of Udupi Cochin Shipyard Limited (Erstwhile Tebma shipyards), 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 erstwhile M/s Tebma Shipyards Limited, stands released, discharged in terms of the resolution plan. Consequently the Bank guarantees stands discharged and margin money shall be released to M/s Udupi Cochin Shipyard Limited. However, the margin monies (aggregating approx. ₹351.12 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 UCSSL. Therefore, on a prudent basis, the company will recognize the Fixed deposits, Interest income and TDS portion of interest income only in the period in which the banks actually release the margin money deposits.

## Note 13 : Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien Marked Term deposits with original maturity of more than three months*	511.84	-
Lien Marked Term deposits with original maturity of less than three months*	-	100.00
Term Deposits with banks with original maturity more than 3 months and less than 12 months	876.64	0.88
<b>Total</b>	<b>1,388.48</b>	<b>100.88</b>

\*Out of ₹511.84 lakhs disclosed as Deposits with banks with maturity more than three months, ₹500 lakhs represents lien marked deposits in favour of Union Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company. Balance ₹11.84 lakhs represents lien marked deposit in favour of Executive Engineer(M) Maritime Board, Gujarat towards submission of quotation for fabrication of patrolling boats

Previous year deposits with banks with maturity less than three months, ₹100 lakhs represents lien marked deposits in favour of State Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company

Term Deposit with original maturity more than 3 months and less than 12 months includes term deposit of ₹0.89 lakhs with ICICI Bank for which deposit receipt is not available as it was placed by erstwhile M/s Tebma Shipyards Ltd.

## Note 14 : Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on fixed deposits	20.79	4.53
<b>Total</b>	<b>20.79</b>	<b>4.53</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 15 : Other Current Assets

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance paid to suppliers and others	1,322.09	2.08
Contract Assets	196.69	260.85
Miscellaneous deposits	0.03	-
Prepaid expenditure	65.04	3.46
Other Receivables	31.95	54.32
Input Tax Credit on GST	1,084.34	314.92
<b>Total</b>	<b>2,700.14</b>	<b>635.63</b>

Other receivables represents the amount to be recovered from Committee of Creditors (CoC) for the costs incurred for maintenance of excluded ships. Said sum consisted of funds utilized from the CIRP account kept by the resolution professional as well as funds used from the company's account. Amounts spent from the CIRP account of ₹22.37 lakhs were transferred to Provisions for Expenses/Contingencies during the year. The company raised has debit note for recovery of balance amount to CoC but has not yet received the payment. No Balance confirmation is available from Committee of Creditors.

## Note 16 : Assets held for Sale

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Asset held for Sale	-	13.59
<b>Total</b>	<b>-</b>	<b>13.59</b>

On physical verification of the assets of the company undertaken by management during Q4 2021-22, it was found that various assets of the company aggregating to ₹468.10 lakhs were in a dilapidated condition or has become obsolete due to shutdown of the operations of the yard and passage of time. As these assets are beyond economic repairs and occupying considerable space, it was proposed to dispose off these assets at the earliest, which was considered appropriate for optimum utilization of the available Yard space to ensure smooth business operations. These class of assets subject to disposal has been regrouped as Assets held for sale and has been retained in books at its net realizable value less cost to disposal. The difference between the WDV and the NRV of the assets has been charged to P&L as exceptional items. During the FY 22-23, these assets held for sale has been disposed for the sale consideration of ₹9.36 lakhs and loss on sale of assets amounting to ₹4.23 lakhs recognised in the profit and loss account

## Note 17 : Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity shares of ₹10/- each	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
<b>Issued, Subscribed and Fully paid up</b>				
Equity shares of ₹10 each fully paid up	9,00,00,000	9,000.00	6,50,00,000	6,500.00
<b>Total</b>	<b>9,00,00,000</b>	<b>9,000.00</b>	<b>6,50,00,000</b>	<b>6,500.00</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 17 : Equity Share Capital (Contd..)

### 17.1 Reconciliation of number of shares and amounts

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	6,50,00,000	6,500.00	6,50,00,000	6,500.00
Add : Shares issued during the year (Right issue of shares)	2,50,00,000	2,500.00	-	-
Less : Shares cancelled during the year	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>9,00,00,000</b>	<b>9,000.00</b>	<b>6,50,00,000</b>	<b>6,500.00</b>

Shares issued to M/s Cochin Shipyard Limited by way of Rights issue

### 17.2 Details of shares held by Holding company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited	9,00,00,000	100%	6,50,00,000	100%
<b>Total</b>	<b>9,00,00,000</b>	<b>100%</b>	<b>6,50,00,000</b>	<b>100%</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited	9,00,00,000	100%	6,50,00,000	100%

### 17.4 Shares held by promoters at the end of the year

Promoter name	No. of shares held at the end of the year	% of total shares	No. of shares held at the beginning of the Year	Change during the year	% Change during the year
Cochin Shipyard Limited	9,00,00,000	100%	6,50,00,000	2,50,00,000	38.46%

## Note 18 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	7,361.70	7,361.70
Retained Earnings	(2,296.09)	(1,430.17)
<b>Total</b>	<b>5,065.61</b>	<b>5,931.53</b>

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

Retained earnings represent the amount of accumulated earnings of the Company

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 19 : Borrowings - Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Redeemable Non Convertible debentures issued to Holding company @ 6%	1,000.00	1,000.00
Loan from Holding Company @5.5% p.a	500.00	500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>

- a) Redeemable Non Convertible debentures issued for ₹1000 lakhs:- In order to meet the revival and general corporate requirements of company, 1 lakh NCDs of face value ₹1000 each have been issued by UCSL to CSL, through private placement. The coupon rate is 6% and the interest needs to be paid on yearly basis. NCDs are redeemable at par at the end of 84 months i.e; on 26th November 2028.
- b) Loan of ₹500 lakhs:- In order to meet the expenses arising during operational phase of company, Holding company Cochin Shipyard Limited infused ₹500 lakhs as unsecured loan carrying an interest rate of 5.5% p.a on 18.09.2020. 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 disbursement.

## Note 20 : Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities under Ind AS 116	584.13	61.90
<b>Total</b>	<b>584.13</b>	<b>61.90</b>

## Note 21 : Provisions - Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits - Gratuity	19.38	8.03
Provision for employee benefits - Compensated Absence	4.59	-
<b>Total</b>	<b>23.97</b>	<b>8.03</b>

## Note 22 : Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities under Ind AS 116	56.57	14.96
<b>Total</b>	<b>56.57</b>	<b>14.96</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 23 : Borrowings- From Banks

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Loans repayable on demand from banks	705.00	-
<b>Total</b>	<b>705.00</b>	<b>-</b>

Company has availed Cash Credit facility (Sanction limit of ₹3500 lakhs) from Union Bank of India at the interest rate of 9.4% / annum. Credit facility is secured by hypothecation of current assets including inventory and receivables of the Company. Terms of Repayment: Running account repayable on demand subject to annual review/ renewal.

## Note 24 : Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables (Unsecured)		
Total outstanding dues of Micro enterprises and Small Enterprises	725.19	373.22
Total outstanding dues of creditors other than micro enterprises and small enterprises.	307.45	64.19
<b>Total</b>	<b>1,032.64</b>	<b>437.41</b>

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	725.19	373.22
Interest on above Principal	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;	Nil	Nil
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
The amount of interest accrued and remaining unpaid at the end of each accounting year	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

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 24 : Trade Payables (Contd..)

### Trade Payables ageing schedule FY 2022-23

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	725.19	-	-	-	725.19
(ii) Others	306.91	0.54	-	-	307.45
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>					<b>1032.64</b>

### Trade Payables ageing schedule FY 2021-22

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	373.22	-	-	-	373.22
(ii) Others	64.19	-	-	-	64.19
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>					<b>437.41</b>

## Note 25 : Other Financial Liabilities - Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	31.86	31.86
Security and other deposits	203.17	74.04
Others Payables	1,541.43	1,343.74
<b>Total</b>	<b>1,776.46</b>	<b>1,449.64</b>

Other payables includes ₹1253.84 lakhs payable to Committee of Creditors i.e; Subsidy received from Ministry under Ship Building Subsidy Scheme. No Balance confirmation is available from Committee of Creditors.

## Note 26 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from customers - Ship Building/Ship Repair / Engineering works	81.60	58.55
Statutory dues	283.28	68.45
Contract Liability for Ship Building/Ship Repair / Engineering works	1,128.35	82.76
<b>Total</b>	<b>1,493.23</b>	<b>209.76</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 27 : Provisions - Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee benefits</b>		
Gratuity	0.41	0.03
Compensated Absence	0.11	-
<b>Total</b>	<b>0.52</b>	<b>0.03</b>
<b>Other Provisions</b>		
Expenditure/ Contingencies	818.92	1,011.04
<b>Total</b>	<b>819.44</b>	<b>1,011.07</b>

In order to meet the contingent expenditure to operationalise the facility as per the resolution plan, a provision for contingency of ₹1250 lakhs has been provided in books as on 31/3/2020. During the year, we have adjusted an amount of ₹212.59 lakhs and the balance has been reviewed and retained.

### 27.1 Details of movement of provisions

(₹ in Lakhs)

Particulars	As at April 01, 2022	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2023
Provision for employee benefits- Gratuity	0.03	0.03	-	-	0.41
Compensated absences	-	-	-	-	0.11
Provision for expenditure / contingencies	1,011.04	1,011.04	212.59	-	818.92

(₹ in Lakhs)

Particulars	As at April 01, 2021	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2022
Provision for employee benefits- Gratuity	-	0.03	-	-	0.03
Provision for expenditure / contingencies	1,210.78	1.80	201.54	-	1,011.04

## Note 28 : Revenue from operations

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Sale of products</b>		
Ship building:		
Vessels	2,550.73	67.34
Engineering works	758.07	574.64
	<b>3,308.80</b>	<b>641.98</b>
<b>Sale of services</b>		
Ship repairs	608.65	-
	<b>608.65</b>	<b>-</b>
<b>Total</b>	<b>3,917.45</b>	<b>641.98</b>

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

# Notes to Financial Statements

For the year ended March 31, 2023

## Note 29 : Other Income

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Income from sale of scrap and stores	574.65	161.34
Interest Income from Bank Deposits	68.53	75.68
Interest from others	2.17	-
Miscellaneous Income	36.34	1.76
Provision no longer required / Liabilities written back	181.82	51.40
Income from Charter Hire	-	75.90
<b>Total</b>	<b>863.51</b>	<b>366.08</b>

The company is not accounting the Interest amount uploaded in Form 26AS on those deposits which are not taken as fixed deposits in the books of UCSL due to lein marked before NCLT order.

Pursuant to the order of Madras High Court dismissing appeal filed by VOC Port Trust against the arbitral award, an amount of ₹181.82 lakhs has been received by the company and same has been accounted as other income under the head "Proviison no longer required / Liabilities written back" during the FY 2022-23.

## Note 30 : Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Raw Materials</b>		
Steel	852.89	294.33
Pipe	46.33	0.14
Paint	103.34	3.90
Bought out components	736.45	91.36
<b>Total</b>	<b>1,739.01</b>	<b>389.73</b>

## Note 31 : Changes in Inventories of Work-in-Progress

(Other than those which are recognised as income on percentage / proportionate completion method)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Work -in-progress at cost:</b>		
At the beginning of the year	(352.31)	-
Less: at the end of the year	(496.05)	(352.31)
<b>Total</b>	<b>(143.74)</b>	<b>(352.31)</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 32 : Sub Contract and Other Direct Expenses

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sub contract and off loaded jobs	1,239.68	313.47
Hull insurance	3.09	-
Direct expenses	397.01	19.36
<b>Total</b>	<b>1,639.78</b>	<b>332.83</b>

## Note 33 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, wages, bonus/exgratia and allowances	593.89	402.82
Contribution to Provident Fund and Family Pension Fund	24.08	12.56
Gratuity	12.35	8.06
Staff welfare expenses	49.16	28.28
<b>Total</b>	<b>679.48</b>	<b>451.72</b>

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of earned leave and half pay compensated absences for employees amounting to ₹4.70 lakhs (previous year Nil)

Employee benefit expenses includes ₹73.96 lakhs being secondment services availed from holding company (previous year ₹61.45 lakhs)

### Defined Benefit Plan-Compensated Absences

The principal assumptions used for the purpose of actuarial valuation were as follows:-

Particulars	For the Year ended March 31, 2023
Discount Rate (p.a)	7.30%
Rate of increase in compensation levels	3.00%
Withdrawal rate	1.00%

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023
Service Cost:	
Current Service Cost	3.67
Past Service Cost	1.03
Net Interest expense	-
Acturil (Gain) / Loss recognised during the period	-
Expenses recognised in the statement of profit or loss	<b>4.70</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 33 : Employee Benefits Expense (Contd..)

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023
Present Value of Defined Benefit Obligation at end of the year	4.70
Less: Fair Value of Plan Assets at the end of the year	-
<b>Net Liabilities /(Assets) recognized in the Balance Sheet</b>	<b>4.70</b>

### Type of Employee Benefit

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023
Current component of PVO	0.11
Non Current component of PVO	4.59
<b>Total PVO</b>	<b>4.70</b>

Movements in present value of the defined benefit obligation are as follows:-

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023
Defined Benefit Obligation at beginning of the year	-
Current Service Cost	3.67
Past Service Cost	1.03
Current Interest Cost	-
Actuarial (Gain)/ Loss	-
Benefits paid	-
Defined Benefit Obligation at end of the year	<b>4.70</b>

Movements in the fair value of the plan assets are as follows:-

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023
Fair Value of Plan Assets at the beginning of the year	-
Expected Return on Plan Assets	-
Actuarial (Gain)/ Loss	-
Contributions from the employer	-
Benefits paid	-
Fair Value of the Assets at the end of the year	-

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 33 : Employee Benefits Expense (Contd..)

### Expected Contributions in Following Years [mid-year cash flows]

(₹ in Lakhs)

Year	For the Year ended March 31, 2023
Year 1	NA
Year 2	NA
Year 3	NA
Year 4	NA
Year 5	NA
6 Years and Above	NA

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

(₹ in Lakhs)

Year	For the Year ended March 31, 2023
Year 1	-
Year 2	1.69
Year 3	-
Year 4	0.77
Year 5	-
6 Years and Above	2.24

### Sensitivity Analysis

(₹ in Lakhs)

Year	For the Year ended March 31, 2023
A. Discount Rate + 100 BP	8.30%
Defined Benefit Obligation [PVO]	4.31
Variation	-8.25%
B. Discount Rate - 100 BP	6.30%
Defined Benefit Obligation [PVO]	5.16
Variation	9.92%
C. Salary Escalation Rate + 100 BP	4.00%
Defined Benefit Obligation [PVO]	5.16
Variation	9.74%
D. Salary Escalation Rate - 100 BP	2.00%
Defined Benefit Obligation [PVO]	4.32
Variation	-8.19%

BP denotes "Basis Points"

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 33 : Employee Benefits Expense (Contd..)

### Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:-

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Discount Rate (p.a)	7.30%	6.20%
Rate of increase in compensation levels	3.00%	3.00%
Expected Rate of Return on Asset	0.00%	0.00%

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
		(₹ in Lakhs)
Service Cost:		
Current Service Cost	11.85	8.06
Past Service Cost	-	-
Net Interest expense	0.50	-
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>12.35</b>	<b>8.06</b>
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	(0.62)	-
Difference between Actual Return and Interest income on Plan assets (gain)/loss	-	-
<b>Components of defined benefit costs recognised in Other Comprehensive Income</b>	<b>(0.62)</b>	<b>-</b>

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
		(₹ in Lakhs)
Present Value of Defined Benefit Obligation at end of the year	19.79	8.06
Less: Fair Value of Plan Assets at the end of the year	-	-
<b>Net Liabilities /(Assets) recognized in the Balance Sheet</b>	<b>19.79</b>	<b>8.06</b>

Movements in present value of the defined benefit obligation are as follows:-

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
		(₹ in Lakhs)
Defined Benefit Obligation at beginning of the year	8.06	-
Current Service Cost	11.85	8.06
Current Interest Cost	0.50	-
Past Service Cost	-	-
Actuarial (Gain)/ Loss	(0.62)	-
Benefits paid	-	-
Defined Benefit Obligation at end of the year	<b>19.79</b>	<b>8.06</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 33 : Employee Benefits Expense (Contd..)

Movements in the fair value of the plan assets are as follows:-

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	-	-
Benefits paid	-	-
Fair Value of the Assets at the end of the year	-	-

### Expected Contributions in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
6 years and Above	NA	NA

"NA " denoted " Not Available"

### Expected Benefit Payments in Following Years [mid-year cash flows]

Year	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Year 1	0.30	-
Year 2	2.82	-
Year 3	13.57	-
Year 4	1.49	1.11
Year 5	-	6.95
6 years and Above	1.61	-

### Sensitivity Analysis

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Discount Rate + 100 BP	8.30%	7.20%
Defined Benefit Obligation [PVO]	19.70	7.73
Variation	-3.60%	-4.09%
B. Discount Rate - 100 BP	6.30%	5.20%
Defined Benefit Obligation [PVO]	20.58	8.40
Variation	4.05%	4.30%

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 33 : Employee Benefits Expense (Contd..)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	20.51	8.37
Variation	3.68%	3.89%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	19.13	7.75
Variation	-3.31%	-3.78%

BP denotes "Basis Points"

## Note 34 : Finance Costs

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on Cash credit	28.40	-
Interest on Lease liability	3.18	6.52
Interest on Loan from CSL	27.50	27.50
Interest on Non convertible debentures	36.41	19.43
<b>Total</b>	<b>95.49</b>	<b>53.45</b>

## Note 35 : Depreciation and Amortisation Expense

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation on property, plant and equipments	1,052.65	1,315.20
Depreciation on Right to use asset	25.95	4.81
Amortisation of other intangible asset	4.42	1.29
<b>Total</b>	<b>1,083.02</b>	<b>1,321.31</b>
Add : Loss on revaluation of tools	-	0.72
<b>Total</b>	<b>1,083.02</b>	<b>1,322.03</b>

## Note 36 : Other Expenses

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Yard Maintenance and other expenses	176.96	0.22
Consumption of spares	0.26	0.03
Rates and taxes	9.68	9.25
Power and fuel	184.26	117.51
Water Charges	5.34	2.74

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 36 : Other Expenses (Contd..)

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Repairs and maintenance:		
Yard Maintenance		
- Plant and machinery	21.96	10.99
- Others	80.81	51.50
Maintenance dredging	1.97	0.20
Transport and stores handling	9.92	-
Travelling and conveyance expenses	16.38	8.78
Printing and stationery	9.50	6.68
Postage, telephone and telex	0.53	0.50
Advertisement	13.36	0.25
Lease rent	-	1.67
Legal and professional charges	43.43	2.06
Hire charges	5.71	5.49
Insurance	22.99	13.80
Security expenses	90.83	38.64
Auditors remuneration	3.00	3.00
Auditors remuneration for other services	1.55	2.40
Fee for statutory compliances	1.32	1.02
Business Development expenses	14.54	4.84
Bank charges	19.93	0.84
Net loss /(gain) on foreign currency transactions	1.49	(0.36)
Penalty Payment	38.89	-
Loss on Lease Modification	32.08	-
Provision created for contingency liability		-
Loss on sale/write off of property, plant and equipments	4.23	-
Miscellaneous Expenses	25.88	13.98
<b>Total</b>	<b>836.80</b>	<b>296.03</b>

Persuant to extension of lease agreement, ROU and lease liabilities in the books of accounts stood as at 23.12.2022 (the date of Lease Modification) were remeasured and loss on lease modification amounting to ₹32.08 lakhs charged off to Profit and Loss account.

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

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
For Audit Fees	3.00	3.00
For Limited Review/other services	1.55	2.40
<b>Total</b>	<b>4.55</b>	<b>5.40</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 37 : Provision for Anticipated Losses and Expenditure

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Provision for:		
Non moving / perpetual inventory verification	-	18.89
<b>Total</b>	<b>-</b>	<b>18.89</b>

## Note 38 : Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of Excluded ship Y 123 held on behalf of CoC	3,850.00	-
Less: Sale proceeds directly collected by/ passed on to CoC as per NCLT order	(3,850.00)	-
Provision for Inventory written back /(Provision for inventory)		
Write off of property, plant and equipments	-	454.51
Provision for Subsidy Receivable written back / (Provision for subsidy receivable)	-	(179.36)
<b>Total</b>	<b>-</b>	<b>275.15</b>

Persuant to NCLT Order, Tripartite agreement was entered into among UCSSL, Committee of Creditors & HAL Offshore limited, for effecting transfer of title of excluded ship bearing Hull No. Y 123. In accordance with the agreement, Tax invoice was raised by company for the consideration of ₹3850 lakhs which was collected directly by CoC. GST portion amounting to ₹192.50 lakhs (5% on sale consideration) collected by company from the transferee to facilitate GST remittance has been remitted to Govt treasury.

## Note 39 : Earnings per Equity Share

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit after tax (₹ in lakhs)	(866.54)	(1,294.13)
Number of Equity Shares	90000000	65000000
Basic and Diluted Earnings Per Share (EPS) (in ₹)	(1.26)	(1.99)
Face value per equity (in ₹)	10.00	10.00

## Note 40 : Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

### Disclosures of Disaggregated revenue as per INDAS 115

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Revenue from Contracts with customers</b>		
<b>A. Revenue from goods or services transferred over time</b>		
<b>(i) Sale of products</b>		
Ship building:		
Vessels	2,550.73	67.34
<b>(ii) Sale of services</b>		
Engineering works	758.07	574.64
Ship Repairs	608.65	-
<b>Total</b>	<b>3,917.45</b>	<b>641.98</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 40 : Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers" (Contd..)

### Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹19184.01 lakhs and will be recognised as revenue in subsequent years.

### Reconciliation of contracted price with revenue during the year

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Opening contracted price of orders</b>	1,264.13	-
Add:		
Fresh orders/change orders received (net)	19,529.75	1,371.96
Increase due to additional consideration including Shipbuilding Financial assistance	2,771.34	70.39
Increase due to exchange rate movements (net)	-	-
Less:		
Other deductions including variations, change orders etc.	-	-
Orders completed during the year	2,049.14	178.22
<b>Closing contracted price of orders</b>	<b>21,516.08</b>	<b>1,264.13</b>
Total Revenue recognised during the year:	3,917.45	641.98
Less: Revenue out of orders completed during the year	1,585.38	178.22
Revenue out of orders under execution at the end of the year (I)	2,332.07	463.76
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	-	-
Decrease due to exchange rate movements (net) (III)	-	-
Balance revenue to be recognised in future viz. Order book (IV)	19,184.01	800.37
<b>Closing contracted price of orders (I+II+III+IV)</b>	<b>21,516.08</b>	<b>1,264.13</b>

## Note 41 : Additional Disclosures under Ind AS 116-"Leases"

Total Cash outflow for leases for the year ended March 31, 2023 including outflow for short term and low value leases is ₹202.20 lakhs (PY:- ₹15.16 lakhs)

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Less than one year	56.57	61.02
One to Five years	237.81	21.98
More than Five years	1,610.33	-
<b>Total</b>	<b>1,904.71</b>	<b>83.00</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 42 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	Brief Description of the nature and obligation
<b>A CONTINGENT LIABILITY AFTER TAKE OVER (To the extent not provided for)</b>			
<b>a Guarantees</b>			
<b>i</b> Letters of Credit	4,040.30	-	Represent guarantees issued by various banks on behalf of the Company to its overseas suppliers.
<b>ii</b> Bank Guarantees	3,898.81	56.00	Bank guarantees represent guarantees issued by various banks on behalf of the Company to its customers
The company has been sanctioned Fund based and Non Fund based limits of ₹9100 lakhs as against the security of hypothication of current assets including inventory and trade receivables of the company.			
<b>B CONTINGENT LIABILITIES RELATED TO ERSTWHILE TEBMA PERIOD</b>			
<b>i. Tax Matters</b>			
<b>Director General of Foreign Trade (DGFT)</b>			
- Where the Company is in appeal (Writ petition pending before Honourable High court of Madras)	414.38	-	- Company has filed Writ petition against impugned orders by DGFT imposing penalty, customs duty and Interest under Foreign Trade Act issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 Interim Stay Order granted on 03 August 2022 until further orders.
- Where the Company is in appeal (Writ petition pending before Honourable High court of Madras)	694.00	-	- Show cause notices issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 by DGFT. Interim Stay Order granted on 03 August 2022 until further orders.

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 42 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	Brief Description of the nature and obligation
- Where the Company is in appeal (Writ petition pending before Honourable High court of Karnataka)	-	-	- Show cause notices issued alleging that there was failure to achieve positive net foreign exchange(NFE) of ₹918.90 lakhs in respect of the years 2011-12 to 2015-16 and also a failure to file the Annual Progress Report (APR) in respect of the Malpe EOU for the years 2016-17 onwards resulting in non-fulfilment amounted to a contravention of the FTP and thereby rendered the Petitioner liable to imposition of penalty under Sec. 11(2) of the FT (D&R) Act. The Hon'ble High court has granted an interim stay of all proceedings pursuant to the show cause notice vide order date 15 Dec 2021. The Respondents have filed their counter affidavit in the matter and the matter is posted for filing of rejoinder by the Petitioners.
- Where the Department has served Show cause notices	314.07	-	- Show cause notices issued to explain the reasons as to why Petitioner's name should not be placed under Denied Entity List refusing issuance of further licences/ authorizations and other export benefits in terms of Section 9(2) of the Foreign Trade (Development and Regulation) Act, 1992 by DGFT. UCSL representative has attended personal hearing and submitted reply. Order awaited
<b>Others</b>			
<b>Pursuant to supplementary audit by the office of the C&amp;AG under section 143(6)(b) of the Companies Act, 2013, the financial statements approved by Board of Directors on 28 Apr 2023 were revised. Certain corrections as pointed out by the office of the C&amp;AG were incorporated in these financial statements. The impact of the revision as incorporated in these financial statements, are given below:-</b>			
Entry Tax	76.90	76.90	All these cases pertain to the periods prior to the order of the Hon'ble NCLT approving the resolution plan and are not included in the Resolution Plan as no claims were submitted by the authorities concerned in response of the public notice issued by the Resolution Professional in terms of the regulations of IBC and who fall under the definition of operational creditors. However, as per the order of the Hon'ble NCLT dt. 04-03-2020, the Company has been directed to file applications for termination of the proceedings before the relevant authorities.

# Notes to Financial Statements

for the year ended March 31, 2023

## Note 42 : CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	Brief Description of the nature and obligation
Central / State Excise / Service Tax / Customs / Goods and service tax	1,234.65	1,234.65	
Karnataka VAT	11.91	11.91	Order no ZD2900223010218S dtd 20/2/23 for Wrong claim of ITC for the period Sep to Dec 2017. All these cases pertain to the periods prior to the order of the Hon'ble NCLT approving the resolution plan and are not included in the Resolution Plan as no claims were submitted by the authorities concerned in response of the public notice issued by the Resolution Professional in terms of the regulations of IBC and who fall under the definition of operational creditors. However, as per the order of the Hon'ble NCLT dt. 04-03-2020, the Company has been directed to file applications for termination of the proceedings before the relevant authorities. Company replied to the authorities accordingly.
<b>There is no impact on the profit of the Company due to the above changes.</b>			
<b>ii) Money Suits</b>			
Plaintiff: Lokenath Enterprises	31.96	28.03	For recovery of ₹21,83,714 together with interest @ 18% per annum from September 2020 till the date of realization, for the services performed by him from 2016 till CIRP Period for which payments were not made by Resolution professional Interlocutory Applications filed to set aside Exparte Order. At present adjourned to 14 July 2023 for hearing on IA's. Case open before Hon'ble Additional District and Sessions Court Chengalpettu (Tamil Nadu)"
Plaintiff: Cochin Port trust	246.97	231.22	Port had filed a civil suit on 28/03/2014 before the Honourable Sub Court at kochi to recover an amount of ₹105 lakhs with interest @ 15% p.a, which was incurred by CopT to rectify the manufacturing defects noticed on the tugs supplied by company. Matter pending before court for arbitration.
<b>C CONTINGENT ASSETS</b>			
Pursuant to Order dated 13.07.2021 passed by Honourable High court of Madras in OP365/14 for the award dated 12.12.2013 and 04.02.2014 in the arbitration proceedings between M/s Tebma Shipyards Ltd and M/s Tuticorin Port trust Ltd (Present V.O. Chidambaranar Port Authority), ₹181.94 crores were settled by the VOCPT in Dec 2022 and Company is yet to receive the interest portion for the period from 04.02.2014 to 15.12.2022 which amounts to ₹432.13 lakhs			

# Notes to Financial Statements

for the year ended March 31, 2023

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

Related Party	Nature of Relationship	Nature of Relationship
	2022-23	2021-22
Shri Madhu S Nair Chairman	Key Managerial Personnel	Key Managerial Personnel
Shri Suresh Babu N V Director (Upto April 30, 2021)	-	Key Managerial Personnel (Till April 30, 2021)
Shri Bejoy Bhasker Director	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J Director	Key Managerial Personnel	Key Managerial Personnel
Shri Sreejith K Narayanan Director	Key Managerial Personnel (w.e.f May 03, 2022)	-
Shri Neelakandhan A N Director	Key Managerial Personnel (w.e.f May 03, 2022)	-
Shri Rajesh Gopalakrishnan Director	Key Managerial Personnel (w.e.f May 03, 2022)	-
Shri Harikumar A Chief Executive Officer	Key Managerial Personnel	Key Managerial Personnel
Shri Shibu John Chief Financial Officer	Key Managerial Personnel (Till November 24, 2022)	Key Managerial Personnel
Shri Shankar Nataraj Chief Financial Officer	Key Managerial Personnel (w.e.f. November 25, 2022)	-
Shri Aswin Sarma M Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Cochin Shipyard Limited (Principal place of Business: Cochin)	Holding Company	Holding Company
Hoogly Cochin Shipyard Limited (Principal place of Business: Kolkata)	Fellow Subsidiary Company	Fellow Subsidiary Company

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

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Short term benefit	43.85	32.56
Post employment Benefit -Gratuity	1.09	0.58
<b>Total</b>	<b>44.94</b>	<b>33.14</b>

### Outstanding Balance with Holding Company

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Receivables	331.54	35.56
Payables	17.94	35.18
NCD	1,000.00	1,000.00
Loan	500.00	500.00

# Notes to Financial Statements

for the year ended March 31, 2023

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

### Nature of transaction - Transaction with Related parties

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Secondment to subsidiary by Cochin Shipyard Ltd (incl. GST)	87.28	72.51
Redeemable non convertible debentures issued to Cochin Shipyard Ltd	-	1,000.00
Interest on Loan	27.50	27.50
Interest on NCD	60.00	20.71
Revenue on Engineering works	758.07	574.64
Revenue from Ship Repair	584.02	-
Allotment of Equity shares to holding Company	2,500.00	-
Liaisoning Charges charged to Holding Company	4.96	-

CSL's ERP system, 'SAP S/4HANA' has been extended to the Company with the entire SAP implementation cost and licenses charges for the financial year 2022-23, aggregating to ₹44.14 lakhs, borne by the holding company on behalf of UCSL. Further license fees and other charges from FY 2023-24 will be reimbursed to CSL by UCSL.

All the Transaction with holding company were made on terms equivalent to those that prevailed in arm's length transactions

Shares held by Nominees in UCSL on behalf of CSL	As at	As at
	March 31, 2023	March 31, 2022
MADHU S NAIR, Chairman	10	10
BEJOY BHASKER, Director	10	10
JOSE V J, Director	10	10
HARIKUMAR A, Chief Executive Officer	10	10
SHIBU JOHN, Ex-Chief Finance Officer	10	10
ASWIN SARMA M, Company Secretary	10	10

## 44. 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 Financial Statements

for the year ended March 31, 2023

## 44. FINANCIAL INSTRUMENTS (Contd..)

(₹ in Lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2023	As at March 31, 2022	
Financial Assets			
Non Current			
Others	16.27	8.89	Level II
Current			
(i) Trade Receivables	331.57	97.51	Level II
(ii) Cash & Cash equivalents	932.85	1,580.51	Level II
(iii) Bank Balances other than (ii)	1,388.48	100.88	Level II
(iv) Loans	-	-	Level II
(v) Others	20.79	4.53	Level II
<b>Total Financial Assets</b>	<b>2,689.96</b>	<b>1,792.32</b>	
Financial Liabilities			
Non Current			
(i) Borrowings	1,500.00	1,500.00	Level II
(ii) Other financial liabilities	584.13	61.90	Level II
Current			
(i) Borrowings	705.00	-	Level II
(ii) Trade Payables	1,032.64	437.41	Level II
(iii) Lease Liabilities	56.57	14.96	Level II
(iii) Other financial liabilities	1,776.46	1,449.64	Level II
<b>Total Financial Liabilities</b>	<b>5,654.81</b>	<b>3,463.91</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

### Financial Instruments by category

(₹ in Lakhs)

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Trade receivables	-	-	331.57	-	-	97.51
Cash & Cash equivalents	-	-	932.85	-	-	1,580.51
Bank Balances	-	-	1,388.48	-	-	100.88
Other Financial Assets	-	-	37.06	-	-	13.42
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>2,689.96</b>	<b>-</b>	<b>-</b>	<b>1,792.32</b>

# Notes to Financial Statements

for the year ended March 31, 2023

## 44. FINANCIAL INSTRUMENTS (Contd..)

(₹ in Lakhs)

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial liabilities</b>						
Borrowings	-	-	2,205.00	-	-	1,500.00
Trade payables	-	-	1,032.64	-	-	437.41
Other financial liabilities	-	-	2,417.17	-	-	1,526.50
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>5,654.81</b>	<b>-</b>	<b>-</b>	<b>3,463.91</b>

## 45. Financial Risk Management Policy

### Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

### Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations of Non Convertible Debenture(NCD) and loan from holding company with fixed rate as disclosed in Note 19. With the current profile of long term fixed rate borrowing, the company is not sensitive to interest rate fluctuations

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). As on 31.03.2023, company does not have any financial assets / liabilities denominated in foreign currency.

### Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of steel, being the primary raw material inputs. The Company aims to sell the finished products based on firm contract which is negotiated after due consideration of the expected raw material prices.

# Notes to Financial Statements

for the year ended March 31, 2023

## 45. Financial Risk Management Policy (Contd..)

Therefore, the Company plans its purchases closely to optimise the price. Further since the products are of a specific nature which does not entail competition and is heterogeneous in nature due to its specification, the company's exposure to commodity risk is minimal.

### Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from an inability to sell a financial asset quickly at a rate close to its fair value. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, and infusion of equity fund whenever necessary which together with the available cash and cash equivalents provides liquidity in the short-term and long-term and manages the liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities as depicted below:

(₹ in Lakhs)

Particulars	As on March 31, 2023		
	<1 Year	1-3 years	>3 years
<b>Financial Asset</b>			
Trade receivables	331.57		
Cash & Cash equivalents	932.85		
Bank Balances	1,388.48		
Other Financial Assets	37.06		
<b>Total Financial Asset</b>	<b>2,689.96</b>	<b>-</b>	<b>-</b>
<b>Financial Liability</b>			
Borrowings		500.00	1000.00
Lease Liability			584.13
Other Financial Liabilities			
Borrowings	705.00		
Lease Liability	56.57		
Trade payables	1032.10	0.54	
Other financial liabilities	1776.46		
<b>Total Financial Liability</b>	<b>3,570.13</b>	<b>500.54</b>	<b>1,584.13</b>

### Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company's maximum exposure to the credit risk for the components of balance sheet as on 31.03.2023 is carrying amount mentioned in Note no 11.

# Notes to Financial Statements

for the year ended March 31, 2023

## 46. Segment Reporting

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Segment Assets</b>		
Ship building	11,726.98	7,742.24
Ship repair	17.37	-
Others	10,312.70	9,382.06
<b>Total</b>	<b>22,057.05</b>	<b>17,124.30</b>
<b>Segment Liability</b>		
Ship building	1,029.01	741.68
Ship repair	4.44	-
Others	6,957.99	3,951.09
<b>Total</b>	<b>7,991.44</b>	<b>4,692.77</b>
<b>Segment Revenue</b>		
Ship building	3,308.80	641.98
Ship repair	608.65	-
Unallocated	863.51	366.08
<b>Total</b>	<b>4,780.96</b>	<b>1,008.06</b>
<b>Segment Result</b>		
Ship building	(970.44)	27.40
Ship repair	270.65	-
Unallocated	(449.09)	(1,531.71)
<b>Total</b>	<b>(1,148.88)</b>	<b>(1,504.31)</b>

## 47. 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).

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current borrowings	1500.00	1500.00
Net Debt	1500.00	1500.00
Equity Share Capital	9000.00	6500.00
Other equity	5065.61	5931.53
Total Equity	14065.61	12431.53
Gearing Ratio	10.66%	12.07%

# Notes to Financial Statements

for the year ended March 31, 2023

## 48. Ratios

Ratio	Numerator	Denominator	2022-23	2021-22	% Variance	Remark if changes more than 25%
Current Ratio	Current Assets	Current Liabilities	1.27	1.10	15%	-
Debt – Equity Ratio	Total Debt	Shareholder's Equity	0.11	0.12	-12%	-
Debt Service Coverage Ratio	Profit before exceptional items+ Depreciation+ Finance cost+Borrowing cost capitalised-Interest on Lease Liability	Debt Service	0.52	(2.51)	121%	Company's PBT has improved as compared to last year
Return on Equity (ROE)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	NA	NA	NA	Negative profit for the period
Inventory Turnover Ratio	Cost of goods sold OR sales	Average Inventory	2.54	1.09	133%	Company made fully operational during the period
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	0.08	0.15	-44%	Increase in credit sale during the period
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	7.26	4.65	56%	Company made fully operational during the period
Net capital turnover ratio	Net Sales	Working Capital	2.47	2.23	11%	-
Net profit ratio	Net Profit	Net Sales	(0.22)	(2.02)	89%	Company's PAT has improved as compared to last year
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	NA	NA	NA	Negative profit for the period
Return on investment	PAT	Sum invested	NA	NA	NA	Negative profit for the period

## 49. Other Statutory Information

- The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right to use assets in the financial statements, the lease agreements are in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.
- The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

# Notes to Financial Statements

for the year ended March 31, 2023

## 49. Other Statutory Information (Contd..)

- d) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- e) Registration, Modification and Satisfaction of charges, where ever applicable, relating to the year under review, had been filed with the Registrar of Companies, within the prescribed time.
- f) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- g) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts
- h) The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.
- i) The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- j) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.
- k) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- l) The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.
- m) The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable

# Notes to Financial Statements

for the year ended March 31, 2023

**50.** Excluded ship bearing Hull No. Y 159, held by the Company on behalf of Financial creditors (Committee of Creditors) of Erstwhile Tebma Shipyards Ltd, remains unsold as on reporting date. However, discussions/negotiations with prospective buyer are in final stage.

**51.** Previous years figures have been regrouped and classified wherever necessary to conform to the current year presentation.

**52.** Figures in brackets denote negative figures.

## For and on behalf of Board of Directors

**ASWIN SARMA M**

Company Secretary  
M. No. A41969  
Udupi. Date: July 13, 2023

**SHANKAR NATARAJ**

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 Y**

Partner  
Membership No.: 207231  
UDIN: 23207231BGRDCC3845  
Udupi. Date: July 13, 2023

# Notice

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of Udupi Cochin Shipyard Limited will be held at 11.15 hrs. on Tuesday, September 19, 2023 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 March 31, 2023, and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Bejoy Bhasker (DIN: 08103825), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. 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.
4. 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 2023-24.

By the Order of the Board of Directors  
**For Udupi Cochin Shipyard Limited**

Kochi  
September 08, 2023

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

**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 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 Directors, who are 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 (ICS).

By the Order of the Board of Directors  
**For Udupi Cochin Shipyard Limited**

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

Kochi  
September 08, 2023

**Registered Office**

S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram – 603 116  
CIN: U27209TN1984GOI010994  
e-mail: [secretary.tsl@cochinshipyard.in](mailto: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 :** Tuesday, September 19, 2023 at 11.15 hrs.

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

I/ We, being the member(s) of Udupi Cochin Shipyard 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 39TH ANNUAL GENERAL MEETING of members of the Company, to be held on Tuesday, the 19<sup>th</sup> day of September, 2023 at 11.15 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 March 31, 2023, and the Reports of the Board of Directors and Auditors’ thereon.		
2.	To appoint a Director in place of Shri Bejoy Bhasker (DIN: 08103825), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	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.		
4.	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 2023-24.		

Signed this ..... day of..... 2023

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**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 :** Tuesday, September 19, 2023 at 11.15 hrs.

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**

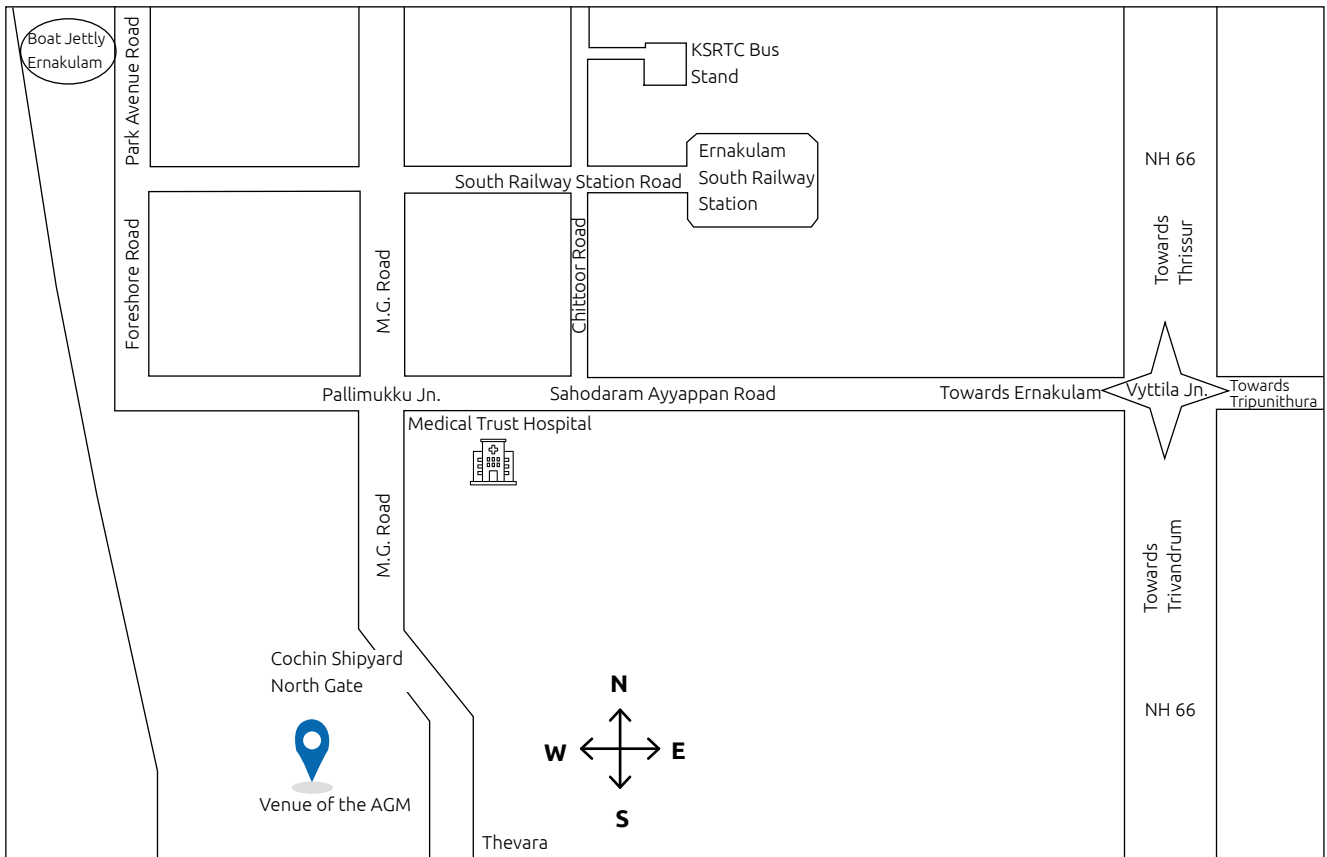
Name of the Shareholder(s)	
Registered Address	
E-mail Id	
Ledger Folio No.	
No. of shares held	

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

I hereby record my presence at the 39TH ANNUAL GENERAL MEETING of the Company on Tuesday, the 19th day of September, 2023 at 11.15 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  
**Udupi Cochin Shipyard Limited**  
S.No.377, Pazhamathur Village  
Pukathurai Post, Madurantakam Taluk  
Kancheepuram – 603 116

I, \_\_\_\_\_, son of \_\_\_\_\_, resident of \_\_\_\_\_, holding \_\_\_\_\_ equity shares of ₹10 each in the Company, hereby give consent, pursuant to Section 96 and 101 of the Companies Act, 2013, to hold the 39<sup>th</sup> Annual General Meeting (AGM) of the Company on September 19, 2023 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 THE DIRECTORS 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>	<b>Shri Bejoy Bhasker</b>
<b>DIN</b>	08103825
<b>Age &amp; Date of Birth</b>	58 & May 07, 1965
<b>Qualifications</b>	Shri Bejoy Bhasker 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.
<b>Experience</b>	Shri Bejoy Bhasker is the Director (Technical) of Cochin Shipyard Limited (CSL), the Holding Company. He has more than 35 years of work experience across areas such as ship design, ship building, outfit and ship repair.
<b>Terms and conditions of re-appointment</b>	Shri Bejoy Bhasker 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 Bejoy Bhasker 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 2022-23)</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 2022-23</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>	Member in the Stakeholders Relationship Committee of Cochin Shipyard Limited. Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee have been considered.

<b>Name of the Director</b>	<b>Shri Jose V J</b>
<b>DIN</b>	08444440
<b>Age &amp; Date of Birth</b>	56 & 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 32 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control.
<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 2022-23)</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 2022-23</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>	Member in the Stakeholders Relationship Committee of Cochin Shipyard Limited. Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee have been considered.

## ADDENDUM TO THE NOTICE FOR 39<sup>TH</sup> ANNUAL GENERAL MEETING

Reference is invited to the Notice issued on September 08, 2023, for the 39th Annual General Meeting of the Members of Udupi Cochin Shipyard Limited scheduled at 11.15 hrs. on Tuesday, September 19, 2023.

The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular No. 20/2020 dated May 05, 2020 and all other relevant Circulars issued from time to time (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In view of these MCA Circulars, the Company is providing the facility of attending the 39th AGM through VC/ OAVM. Members and other invitees may attend the said AGM through electronic mode by clicking the link given below:

[Link for attending the 39th AGM of Udupi Cochin Shipyard Limited](#)

The attendance of the Members in the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

The designated e-mail id for casting the votes in case of a poll is [secretary.tsl@cochinshipyard.in](mailto:secretary.tsl@cochinshipyard.in).

Kindly make it convenient to attend the Meeting.

**For Udupi Cochin Shipyard Limited**

**Aswin Sarma M**

Company Secretary

M. No. A41969

Kochi

September 18, 2023











**UDUPI COCHIN SHIPYARD LIMITED**  
(Formerly Tebma Shipyards Limited)

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### **Registered Office**

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

**CIN: U27209TN1984GOI010994**

