



गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड
GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED



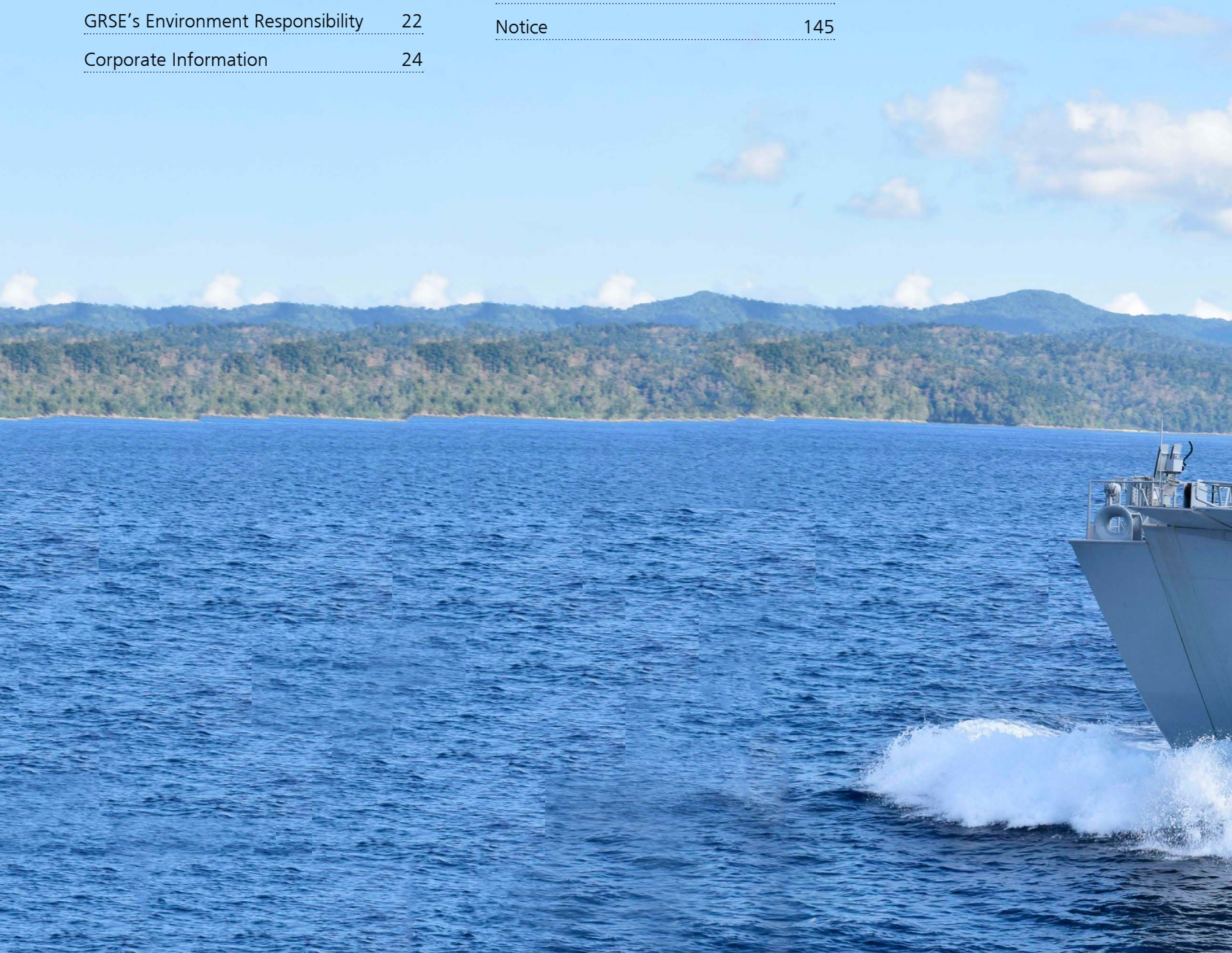
ENHANCING CAPABILITIES
EXPANDING FRONTIERS

वार्षिक रिपोर्ट 2020-21

Annual Report 2020-21

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GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

Papers to be laid on the table of
Lok Sabha / Rajya Sabha

Authenticated

Raksha Rajya Mantri



ABOUT GRSE

GRSE is a premier shipbuilding company in India under the administrative control of the Ministry of Defence, primarily catering to the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. GRSE is a diversified, profit making and dividend paying Company and the first Shipyard in the country to export warships and deliver 100+ warships to the Indian Navy and Indian Coast Guard.

Key Highlights

Turnover

₹ **1,133** Crores

Number of Employees

1900

Warships Delivery Count

107

Order Book (As on 31 March, 2021)

₹ **25,707** Crores



Shipbuilding

Presently, GRSE has 3 separate facilities for shipbuilding, all of which are located in close vicinity of each other in Kolkata. The ships are built at the Main Works Unit and the Rajabagan Dockyard.

GRSE's shipbuilding division is engaged in the construction of warships / vessels for clients mainly in the defence sector, Indian Navy and Indian Coast Guard and interceptor boats for MHA and State Governments towards coastal security.

Engineering

We offer portable bridges, deck machinery items and marine pumps as our engineering division's products and merchandise. The engineering division at GRSE was primarily set up in order to indigenize sophisticated deck machinery items in the year 1970.



Diesel Engine Plant

The Diesel Engine Plant (DEP) at Ranchi is engaged in the testing and overhauling of marine propulsion engines and assembly of semi-knocked down units of diesel engines, while the Engineering segment is engaged in the manufacturing and fabrication of portable steel bridges, deck machineries for ships and marine pumps. The engine production division at DEP supplies and overhauls MTU 396-04; MTU 4000; MTU 1163; and MTU 538 class diesel engines. We also have a license agreement with MTU Germany for semi knocked down assembly of MTU 12V/ 16V 4000M90 engines and production of certain engine parts.



HOW WE CREATE VALUE

Key Drivers and Inputs

Demand

Increasing demand from Indian Navy, Coast Guards and friendly countries for state of the art warships and surveillance ships.

Inputs

Our Capabilities & Experience
State of the art ship building facilities
Experienced Manpower
Capex/ Financial Capital
Orderbook

Relationships

Government of India
Customers
Suppliers
Society

Our Approach

Vision

To become Global Leader in Warship Construction

Mission

To be self-reliant in design capability and deploy state-of-the-art manufacturing process.

To build Quality Warships at competitive prices, exceeding customer's expectation in terms of delivery time and product support.

To achieve sustained growth through customer satisfaction, product innovation, capturing export potential, objectives employee, and other Stakeholder engagement and talent development.

What We Do

The company is primarily in the business of ship building mainly for clients in the defence sector.

In addition to the shipbuilding, GRSE also builds and supplies various boats, pontoons, barge, sailing dinghy, fishing trawler, fire float, tug, dredger, passenger ferry, motor cutter, deck whaler and launch.

Engineering division of the company. makes portable bridges, deck machinery items and marine pumps.

Engine division assemble, test and overhauls of marine engines.

Value Created

Contribution to the nation

More than 780 vessels delivered since inception including 107 warships.

Economic Value

FY21 Turnover: ₹ 1133 Crore

PAT: ₹ 153 Crore

Dividends paid: ₹ 60.14 Crore

Taxes paid: ₹ 41.49 Crore

Market Cap: ₹ 2117 Crore

Social Value

1900+ employees

Salaries Paid

Procurement value: ₹ 3455 Crore

CSR outlay: ₹ 370 Lakh

Message from CMD



Dear Shareholders,

I welcome you all to the 105th Annual General Meeting of Garden Reach Shipbuilders & Engineers Ltd. I thank you for attending the virtual AGM of the Company, and hope you and your dear ones have been able to take COVID 19 vaccine and are safe and healthy in these difficult time.

During the financial year 2020-21, the unprecedented Covid-19 pandemic saw our nation's *GDP contract by 7.3%* resulting in a lasting impact on the social fibre and the economic grain of the country. Yet your company, exhibited tenacity and resilience in such a calamity and came out unscathed.

Your Company is a labour intensive industry, with heavy dependence on the supply chain system. On both these fronts, due to lockdowns and other related challenges, company has suffered disruptions in production, especially during the first and second quarters. However, your Company fought back with new mitigation strategies including refinement of various processes, procedures and operations resulting in decent recovery in third and fourth quarters.

Performance Overview

The Financial performance of the company has been satisfactory. While the Revenue from operations was down by around 20% to ₹ 1,141 Crore during the financial year 2020-21 as against ₹ 1,433 Crore in the previous year, the EBITDA, PBT and PAT margins have improved by 18%, 16% and 12% respectively. A detailed review of our revenue and margins is presented in the Directors' Report.

I am also pleased to inform you that the company has declared a dividend of 50% per equity share of the face value of ₹ 10/- each, and has already paid an interim dividend of 38.50% per equity share. The Board has also recommended a final dividend of 11.50% per equity share of the face value of ₹ 10/- each to be paid after approval of shareholders at this Annual General Meeting.

As regards production performance, I am happy to state that despite the Covid related restrictions and associated uncertainties, we were able to achieve major milestones. During the year, your company launched the first of the three P17A Frigate two months ahead of schedule. The year

also saw us delivering three ships, one each to the Indian Navy and Indian Coast Guard and one Fast Patrol Vessel (FPV) to the Govt of Seychelles. It gives me immense pleasure to inform you that one of these ships, the FPV to the Indian Coast Guard, was delivered within two days of resuming normal work post lifting of lockdown during the 1st wave of pandemic. Our total warship delivery count now stands at 107, a figure unmatched by any of the Indian Shipyard.

Orderbook Position & Capacity Building

You would be happy to note that with a healthy orderbook of ₹ 25,707 Crore involving 17 ships under various stages of construction, there is clear revenue visibility over the next 6-7 years. The ships under construction include three major projects of the Indian Navy - 3 Nos P17A Frigates, 4 Nos Survey Vessel (Large) and 8 Nos Anti Submarine Shallow Water Crafts. In addition, one Fast Patrol Vessel of Indian Coast Guard and an Ocean Going Passenger cum Cargo Vessel of 1700T for Govt of Guyana are also under construction.

The focus on capacity building is evident, as the CAPEX in FY21 has almost tripled to ₹ 154 crore as compared to ₹ 52 Crore during the previous year. I am happy to inform that the 250-Ton Goliath Crane weighing around 1600 tons, that was ordered on a South Korean firm has since been received and commissioned at our Main Unit. Availability of Goliath Crane will further boost Integrated Construction and productivity of the company. Further, an open Storage area (3600 sqm area) for staging of hull blocks at Main Unit was created in Sep 2020. In addition, two each non AC and climate-controlled Warehouses have also been commissioned at the Main Works Unit of the Company to further enhance the storage capacity. Two Nos Hull Block Fabrication Complexes having all-weather operations capability, a mini Steel Stock Yard, 80 Ton weigh bridge and a CNC Underwater Plasma Cutting machine have been commissioned at the Rajabagan Dockyard Unit. Revitalizations of the facilities at RBD will enable this unit to be used as a feeder unit by way of concurrent manufacturing of a number of units / blocks to further enhance the Integrated Construction capacity of your company.

Research & Development and Technology Adoption

I am delighted to inform you that we have made multiple strides in our Research and Development as well as technology adoption programs. Our Design department with 100 plus design experts continues to work on various product development initiatives. We have taken up efforts to develop the design for Green Energy based platforms for Inland Water Transport. Towards this, MoUs have been signed with a Canadian firm for assistance in design development and integration of energy storage solutions and M/s GE Power Conversion for providing solutions for electric/ hybrid propulsion. GRSE has also collaborated with IIT Kharagpur, to develop an efficient hull form for the purpose. Your company is also working on Hovercraft designs in collaboration with a foreign firm looking at the growing demands for Hovercrafts in India and also in friendly countries.

Digital Transformation Journey

Digital transformation is one of the most significant megatrends of our generation, one which is continuing to grow in scope and scale. It is redefining what business companies are in, forcing a shift in long held organizational principles and practices. Your company recognized this critical need and moving ahead in identifying and adopting suitable industry 4.0 technologies in various areas of its operations with special focus on Design, Production, Planning, Supply Chain Management and HR.

Towards this your company has successfully undertaken the development of an AI-enabled Design Assistant "Jigyasha" in collaboration with an IIT, Hyderabad incubated start-up. "Jigyasha" will enable our designers to extract required information quickly from multiple documents and design guidelines.

Your company is implementing AVEVA Marine based PDM & Siemens Team Centre PLM software and Critical Chain Project management (CCPM) systems besides several digital interventions to make Project Management more efficient and contemporary.

To secure the assets of the Company from any external threats, your Company has installed an AI-enabled high-end CCTV surveillance network at five major units. This state-of-the-art technology will enable surveillance of our units round the clock.

Human Resources

I am happy to inform you that GRSE has been accorded the 'People Capability Maturity Model (PCMM) Level 2 Certification' in line with the CMMI Institute framework, developed by Carnegie Mellon University (CMU), USA. As one of the few Indian companies to be accorded this certification, GRSE intends further focus on our biggest investment, our human capital, through structured management of HR practices. .

Export – A Thrust Area

In line with the Gol focus, exports have been a key focus area of your Company, and our sustained efforts have resulted in the Shipyard grabbing export orders from a few countries, a Government of Guyana order for construction of an Ocean-Going Passenger cum Ferry Vessel at the cost of USD 12.73 Million and one Fast Patrol Vessel for Government of Seychelles at the cost of USD 13 Million. Your Company has also exported seven Bridges. (Five Bridges to Bhutan and Two Bridges to Nepal) earning export revenue of ₹ 3.15 Crore.

Our focus areas are the SAARC, ASEAN, African and Latin American countries and we have devised certain strategies to aggressively pursue export opportunities.

Other Business Vertical

Your company's foray in refit vertical have started on a good note by getting an order for refit of a Mauritius Coast Guard Ship besides undertaking Refits / Repairs work for Indian Coast Guard Vessels. Being one of our focus area, we are strengthening this division to further expand business opportunities.

Touching Lives

Serving society is ingrained in our business model and towards this we had a CSR outlay of ₹ 370 lakh in the areas of School Education, Healthcare, Nutrition & Skill Development. I am happy to inform you that your company has ensured 100% utilisation of the allocated funds to complete all the targeted projects. Also, as part of the green energy drive, your Company undertook various projects including installation of Solar Power and Biogas plants, introduction of Electric Vehicles for local commute by officials, changing of conventional lights into LED lights and procurement of energy-efficient welding machines etc.

Aatmanirbhar Bharat

In pursuance of Hon'ble Prime Minister Shri Narendra Modi's vision of 'Atmanirbhar Bharat' to boost indigenisation in the Defence sector, Raksha Mantri Shri Rajnath Singh has notified the 'Second Positive Indigenisation List' of 108 items. This will give a further boost to indigenisation with the active participation of the public and private sectors for fulfilling the twin objectives of achieving self-reliance and promoting defence exports.

Opportunities....

On the domestic front, the thrust on 'Make in India' provides us ample opportunities in both Defence and non-Defence Sectors. Earmarking of around 64 % of the Indian Defence modernisation funds under the capital acquisition budget for 2021-22 and allocation of ₹ 33,000 Crore as capital outlay to the Indian Navy for acquisitions and repairs augers well for the cash flow and revenue realisation of our ongoing projects from the governmental outlay, and also more business opportunities.

As I had mentioned earlier, exports is a focus area and "exports provides us an ocean of opportunities". I am hopeful that we will grab a few attractive export orders in the coming years from our targeted nations.

The investment under infrastructure funding for roads in border states under the Bharatmala project and the impetus to inland water transport by Govt of India gives new opportunity in these sunrise sectors to our Engineering division that makes Portable Steel Bailey Bridges and a captive market for the likely boom in the river going vessels for inland waterways.

Concluding Remarks

We are moving forward with our enhanced operational capabilities, technology adoption and a healthy order book. In the coming years, we envision GRSE doing value creation across the financial, social and economic canvas, to usher in prosperity for its' stakeholders, whilst strengthening India's defence capabilities. Let's accelerate our company's forward march with positivity, purpose and passion. While the road ahead is not easy, but let us not be deterred by unexpected and temporary problems such as the pandemic and distraction by unimportant issues that dissipate our energies.

I express my heartfelt thanks to the Ministry of Defence, Central and State Government Authorities and Indian Navy & Indian Coast Guard Authorities for their unstinted support and valuable guidance. I would also like to take this opportunity to convey my heartfelt gratitude to all our esteemed shareholders for their enduring faith and confidence they have reposed in us. Last, but not least, I appreciate the untiring efforts and unflinching commitment of the Team GRSE who rose to the occasion in such testing times, to achieve the goals of the Company. The support and faith reposed by the Board of Directors have helped steer the Company on a steady course and stable growth trajectory.

Jai Hind

V. K. Saxena
Rear Admiral, IN (Retd.)
Chairman & Managing Director

OUR VALUE SYSTEM

A coherent set of values have been adopted and evolved by GRSE as a standard to guide the organizational behavior in preferences in all situations.



Fairness

GRSE visualizes itself to build a strong reputation for fair dealing by encouraging vendors, independent contractors, business partners and customers to do business with it again and again. The Company is walking strongly on the path of bringing in absolute transparency in all its transaction within as well as outside the organization.



Generosity

Generosity is the principle that each member of the organization share in the Company's success. Rewards & Recognition are to become a way of life, thus increasing employee motivation, loyalty and leading to higher productivity.



Pursuit of Excellence

The Company does not wish to live in its past achievements but continuously tries to develop better products & services, constantly improve customer satisfaction, upgrade operational efficiency and the productivity of everyone in the organization. The emphasis on this value is partially driven by the competitive nature of business being foreseen in the near future.



Community Involvement

GRSE plans to continue being an active participant in improving the quality of life for the communities in which it operates, or society as a whole.



Innovation

Innovators in business are constantly looking for emerging customer needs and designing best-in-class solutions to address those needs. Innovation allows a company to improve the quality of life for its customers. Making constant innovation a core value helps corporations grow in the face of ever-increasing competition because they take advantage of emerging opportunities before competitors can. GRSE plans to imbibe this value system strongly in its current and future plan of actions.



Concern for Employees' Welfare

Employees view their careers as more than a means of earning wages. They want to work for a company that truly cares about them. Employees want supervisors to listen to their ideas and concerns. They want a career path planned out for them, one in which they can continue to learn, acquire new skills and rise within the organization. Managers at all levels of an organization want to be supplied with the resources they need – including technology, human resources and funding – to accomplish their assigned goals. GRSE plans to carry this value system along its way, into the future.

BOARD OF DIRECTORS

(As on 26 July, 2021)



1

RAdm Vipin Kumar Saxena, IN (Retd.)
Chairman & Managing Director



2

Shri Surendra Prasad Yadav
Government Nominee Director



3

Dr Biswapriya Roy Choudhury
Part - Time Non-Official
Independent Director



4

Cmde Sanjeev Nayyar, IN (Retd.)
Director (Shipbuilding)



5

Cmde PR Hari, IN (Retd.)
Director (Personnel)



6

Shri R.K. Dash
Director (Finance) & CFO

1

RAdm Vipin Kumar Saxena, IN (Retd.)

Chairman & Managing Director

RAdm Vipin Kumar Saxena, IN (Retd.), having an experience of over thirty-five (35) years was appointed as the Chairman & Managing Director of the Company with effect from March 1, 2017 and is responsible for the overall Management of the Company. Prior to joining GRSE, he has put in over thirty-one (31) years of commissioned service in the Indian Navy since March 05, 1985 after completing Bachelor of Engineering (Electrical) from Jabalpur University. He also holds a Master of Science Degree in Defence Studies from Madras University. He has varied experience and exposure of working in various organisations of the Indian Navy ranging from operational appointment on-board frontline warships, naval dockyards, warship acquisitions & construction programmes and project management at Apex Level for mega infrastructure project of the Indian Navy. As Principal Director (Ship Production) at Naval Headquarters, New Delhi he has handled various aspects of shipbuilding while managing multiple major contracts for construction of a number of warships both at Indian shipyards (DPSUs & Private) and foreign Shipyards.

2

Shri Surendra Prasad Yadav, IFOS, JS(NS)

Government Nominee Director

Shri Surendra Prasad Yadav was appointed as a Government Nominee Director of our Company on Sep 14, 2020. He is qualified B. Tech and M. Tech and a 1996 batch Indian Forest Service (IFoS) Officer of West Bengal cadre. He has previously worked in Department of Forest, Government of West Bengal, in different capacities i.e. Divisional Forest Officer and Chief Conservator of Forest. He also worked as Executive Director in West Bengal Industrial Development Corporation Limited for more than 7 years. Presently, he is working as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India.

3

Dr Biswapriya Roy Choudhury

Part-Time Non-Official (Independent) Director

Dr. Biswapriya Roychoudhury, was appointed as Part-time Non-official (Independent) Director of GRSE with effect from August 15, 2018. He is a homeopathic doctor by profession.

4

Cmde Sanjeev Nayyar, IN (Retd.)

Director (Shipbuilding)

Cmde Sanjeev Nayyar, IN (Retd.), having an experience of over thirty-seven (37) years, assumed charge as Director (Shipbuilding) of the Company with effect from December 16, 2017. He heads the Shipbuilding Division of GRSE. Prior to joining GRSE, he has put in over thirty-five (35) years of commissioned service in the Indian Navy from July 1, 1982. He holds a Bachelor of Science and a Bachelor of Technology degree in Mechanical Engineering from Jawaharlal Nehru University, Delhi. He went on to obtain a Master of Technology degree in Design of Mechanical Equipment from IIT, Delhi, and a Master of Management Studies from Osmania University, Hyderabad.

5

Cmde PR Hari, IN (Retd.)

Director (Personnel)

Cmde PR Hari, IN(Retd.), having an experience of over 32 years, assumed charge as Director(Personnel) of the Company w.e.f Oct 21, 2019 and heads the Human Resources and Technical functions of GRSE. He has over 28 years of commissioned service in the Indian Navy with varied experience onboard warships, Naval Repair Organisations and various Staff appointments. He holds a Bachelor's Degree in Engineering and a Master's Degree in Defence and Strategic Studies. He is also an alumnus of the Defence Services Staff College and the Naval War College.

6

Shri Ramesh Kumar Dash

Director (Finance) & CFO

Shri Ramesh Kumar Dash is an Associate Member of the "Institute of Cost Accountants of India", Master in Commerce and Bachelor of Law. Prior to joining GRSE, Mr. Dash was working in HAL, Bangalore. He has around 29 years of Experience in different CPSUs in the field of Finance and Accounts. Shri Ramesh Kumar Dash has assumed charge as Director (Finance) and CFO of Garden Reach Shipbuilders & Engineers Limited, Kolkata on Jul 01, 2020.

FY21 KEY HIGHLIGHTS



Capacity Expansions

₹ **154** Crore
Capex in FY21 from ₹ 52 crore in FY20

2
Hull Block Fabrication Sheds were commissioned at RBD

250 ton
Goliath Crane Restored

Ship Launches

P17 Alpha Frigate

Launched the biggest and most advanced frigate with displacement of approx 6,670 tonnes.

Ship Delivery

LCU Landing Craft Utility Ship

Delivered the 8th and the last LCU Landing Craft Utility ship to the Indian Navy.

5th FPV delivered to Indian Coast Guard.

Exported Fast Patrol Vessel to Government of Seychelles.



Technology

Energy Storage Solution

MoUs have been signed with M/s Sterling Plan B, Vancouver, Canada for assistance in design development & integration of energy storage solution

Artificial Intelligence

GRSE has successfully undertaken development of an AI enabled design assistant "Jigyasha" in collaboration with IIIT Hyderabad's incubated start-up 'Subtl.ai'.

Hovercraft Design

Board approved plans to acquire a complete design of a proven hovercraft and a demonstrator vessel.

Security

Installed Artificial intelligence enabled high end CCTV surveillance network at our five units.



Exports

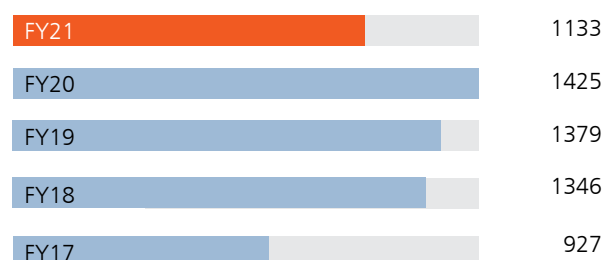
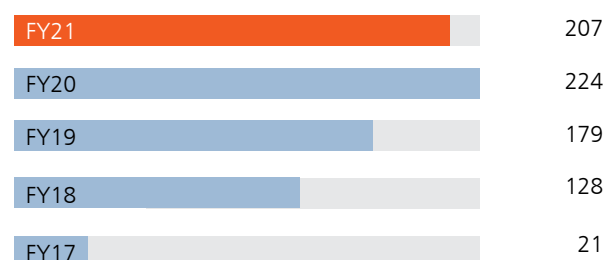
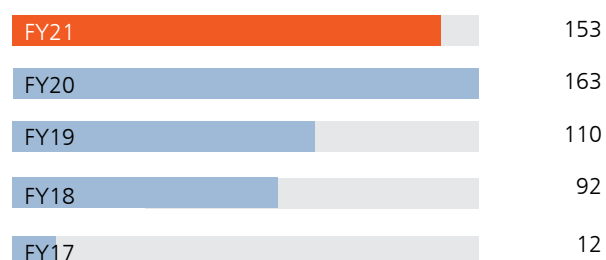
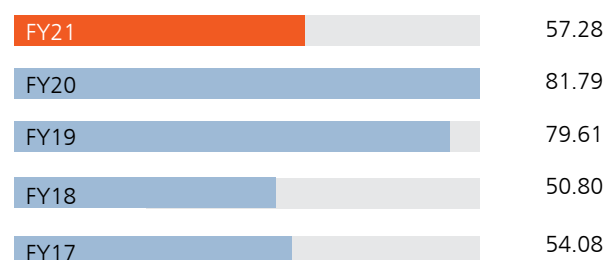
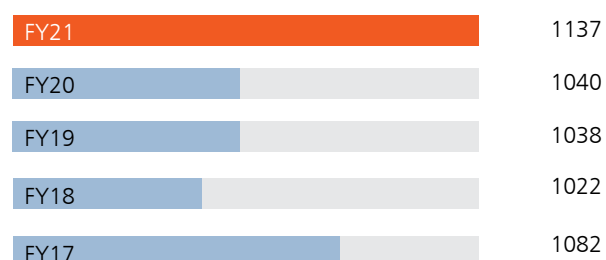
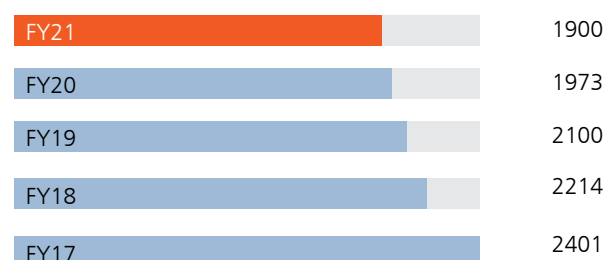
₹ **87.49** Crore
Executed a total of ₹87.49 crore Export Order

12.73 Million USD
Received an Export order of 12.73 Million USD for supply of 01 No. Ocean Going Passenger & Cargo Ferry Vessel to Republic of Guyana

10 YEARS FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
FINANCIAL POSITION:										
Equity Share Capital	12384	12384	12384	12384	12384	12384	11455	11455	11455	11455
Reserve & Surplus	63872	73948	83196	84391	101042	95767	90698	92376	92568	102257
Net Worth	76256	86332	95580	96775	113426	108151	102154	103831	104023	113712
Capital Employed	60062	75907	91667	90810	110613	98112	102154	103831	104023	113712
Gross Block	30829	42732	53387	56381	56640	60454	47233	39959	43081	49614
Net Fixed Assets	17481	27979	36548	36574	34370	35834	38917	30225	30369	34020
Working Capital	42582	47928	55119	54236	76243	62278	60249	68476	56100	54298
OPERATING RESULTS:										
Sales	54506	46434	30819	230805	30668	22162	23390	14677	21784	51573
Value of Production	129253	152915	161167	161266	166075	92784	134552	137877	142470	113276
Value Added	49613	49609	50463	47702	48182	30018	41923	44217	45578	46641
Profit/(Loss) Before Tax	16935	19315	18723	7602	24915	2089	12775	17896	22387	20712
Provision for Tax	6132	6161	6577	3257	8710	865	3535	6902	6039	5365
Profit/(Loss) after Tax	10803	13154	12146	4345	16205	1223	9240	10994	16348	15347
APPROPRIATION:										
CSR Reserve	10	-	-	2	-	94	-	-	-	-
General Reserve	1079	1315	1215	435	1607		9554	-	-	-
Proposed Dividend on Equity	2477	2631	2477	2477	5322	5408	5080	7961	8179	5728
Tax on Proposed Dividend	402	447	421	504	1083	1101	1034	1636	1352	-
RATIOS:										
Gross Profit/ Capital Employed	0.28	0.26	0.21	0.08	0.22	0.02	0.13	0.17	0.22	0.18
PBT/ Production (VOP)	0.13	0.13	0.12	0.05	0.15	0.02	0.10	0.13	0.16	0.18
Production (VOP)/ Capital Employed	2.15	2.01	1.76	1.78	1.46	0.86	1.32	1.33	1.37	1.00
Value Added/ Production (VOP)	0.38	0.32	0.31	0.30	0.29	0.34	0.31	0.32	0.32	0.41
No. of Employees	3792	3491	3133	2834	2592	2401	2214	2100	1973	1900

Turnover (₹ in crore)**PBT** (₹ in crore)**PAT** (₹ in crore)**Dividend** (₹ in crore)**Networth** (₹ in crore)**Manpower (No.)** (₹ in crore)

EBITDA Margin increased to 17.98% in current FY as against 15.39% in FY 20

PBT margin has increased to 16% as against 13% of FY 20.

Operating Profit up by 3.44 times over FY20

Net Worth up by 9% over previous year

Value Addition per employee up by 9% over previous year

COMPETITIVE STRENGTHS

Modern Manufacturing Platform and Integrated Shipbuilding Facilities to deliver quality products

GRSE's state-of-the-art facilities with vast technical expertise gives the Company a significant edge over other domestic defence shipyards. Over the years, the Company has significantly improved its manufacturing and other functional processes by modernisation of its facilities and adoption of Information Technology. The Company can simultaneously produce eight large ships and twelve medium/ small ships in its facilities. In addition, the Company has constructed new hull shop, module shop for mega block integration, dry dock and building berth.

Strong Design Capabilities and Provides End to End Solutions

GRSE has a dedicated Central Design Office (CDO) which undertakes design, research and development, with a highly skilled workforce of 100 members. Its CDO team uses various software ranging from Aveva Marine, NAPA for Naval Architectural design, AutoCAD for drafting work and other softwares for structural analysis. With its dedicated CDO team, it has achieved innovative measures in carrying out complex warship designs and its ability to provide end to end solutions to its customers, ranging from product conceptualization, design, system integration and project management increases its capability to meet customer demands.

Strong and Established Relationships with Indian Navy and Indian Coast Guard

The company has established relationships with the Indian Navy and Indian Coast Guard since INS Ajay - the first indigenous warship build by GRSE for the Indian Navy in 1961. The Company has delivered 107 warships to the Indian Navy, Indian Coast Guard and friendly countries till date. The shipyard has built and supplied more than 780 vessels for maritime security

Strong Order Book

As on 31 Mar 2021, the Company has an Order Book of ₹ 25,707 crore which comprises of ₹ 25,450 crore for Shipbuilding division and ₹ 252 crore for Engineering and Engine division.



Business Diversification

In addition to core manufacturing activities for shipbuilding, the Company offers diversified products, and services to its customers including portable bridges, deck machinery items, pumps, and engines. The Company has a dedicated deck machinery equipment facility and an engine assembling and testing facility, both of which, are essential for the shipbuilding and testing process. This is vertical integration which would enable the Company to produce ships in a more time efficient.

Experienced Workforce:

The Company has a qualified and experienced workforce, including its senior management team, which consists of technically qualified and experienced professionals. They have extensive experience in shipbuilding, design and engineering, order management, operations, human resources, finance and after sales services.

Make in India Initiative

The Company has an advantage over global shipyards in securing contracts to build vessels for the Indian Navy and Indian Coast Guard, because, it qualifies for the 'Make in India' initiative under the DPP. The 'Make in India' initiative grants indigenous manufacturers a competitive advantage when supplying to the domestic market. The MoD has given the highest priority to Indigenously Designed, Developed, and Manufactured ("IDDM") products for capital procurement. The Indian Navy and Indian Coast Guard are the repeat customers of the Company, and these constitute part of the domestic market and therefore, the Company receives preference over global shipyards in certain circumstances.



REVIEW OF BUSINESS

SHIPBUILDING

Main Works

Main Works is the epicentre of GRSE's operations. The centrepiece of Main Works is an Integrated Shipbuilding Facility located in Kolkata. The facility which occupies approximately 48 acres of land consists of one dry dock of 10,000 DWT launching capacity and one inclined berth of 4,500 DWT capacity and both comes with portable shelters. This facility also consists of module hall for constructing large pre-outfitted block of upto to 200 tonnes, blast and paint cell, two additional river jetties etc. A 80 × 25 × 8 M fully covered Non-tidal Wet Basin with 2 × 10 tonnes EOT Cranes suited for all weather fitting-out of medium and small ships and 160 × 25 × 8 M Dry Dock with 2 × 40 tonnes Goliath Cranes suited for the construction and repair of ships. The Building Berth Measures 180 × 25 M and is equipped with 2 × 40/10 tonnes Cranes and supporting fabrication shops.

Two (2) River Jetties which enable berthing of vessels up to 60 M in length and suited for out-fitting/ repair of smaller vessels. Additional Facilities - Boat Shed for manufacturing of Fast Interceptor Boat. Two air-conditioned and humidity-controlled shops with six bays ranging from 18 to 40 M in length capable of building crafts up to 20 M.



Fitting Out Jetty

The Fitting Out Jetty (FOJ) Unit occupies 18 acres of land in Kolkata, India. It is dedicated to fitting out and repair of ships. The facilities at FOJ Unit include: Naval Complex Jetty (229 × 10 × 8 M with one 25 tonnes Tower Crane), Finger Jetty (184.50 × 11.43 × 7 M with one 15 tonnes Level Luffing Crane). Even though primarily meant for large ships, our FOJ Unit is capable of fitting out small, medium and large ships. The FOJ Unit is capable of fitting out up to four (4) large ships at one time.



Rajabagan Dockyard

Rajabagan Dockyard is spread over 31.15 acres with a 550 M open river front in Kolkata and is capable of prelaunch activities of three (3) 50 M-sized ships and postlaunch outfitting of four (4) ships at one time at open river. The facilities at Rajabagan Dockyard include one (1) dry dock which can accommodate ships having draft facility upto 4 M.



OUR BUSINESS

SHIPBUILDING CAPABILITIES

GRSE's shipbuilding division is engaged in the construction of vessels for clients mainly in the defence sector. Majority of the products manufactured by GRSE are supplied to Central and State Governments and entities owned and controlled by such Governments. Major revenues of the Company are derived from sale of shipbuilding products to the Indian Navy and the Indian Coast Guard.



Frigate



Anti-Submarine Warfare Corvette



Corvette Missile



Landing Ship Tank



Landing Craft Utility



Survey Vessel



Fleet Tanker



Offshore Patrol Vessel



Hovercraft



Inshore Patrol Vessel



Water Jet Fast Attack Craft



Fast Interceptor Boat

In addition to the shipbuilding products described below, over the years GRSE has also supplied various boats, pontoons, barge, sailing dinghy, fishing trawler, fire float, tug, dredger, passenger ferry, motor cutter, deck whaler, launch etc. to various other customers.

OUR BUSINESS

ENGINEERING

61 Park Unit

The 61 Park Unit is located on 11.07 acres of land located in Kolkata, India. The 61 Park Unit is our primary unit for portable steel bridge production. It also houses the ship design office and cost estimation & corporate planning and commercial department.



Taratala Unit

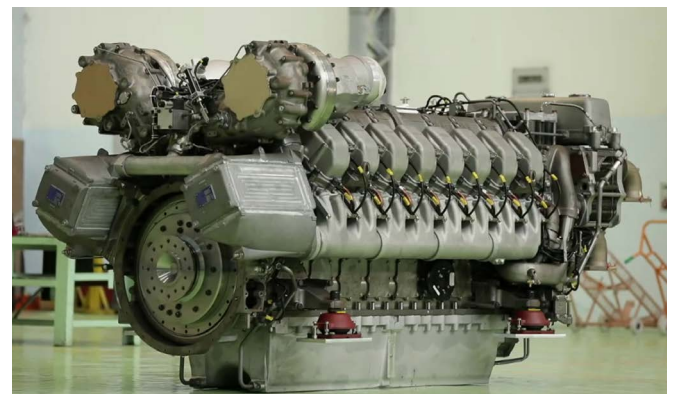
Deck machinery items are manufactured at Taratala Unit. The Unit occupies 3.39 acres of land in Kolkata. The Taratala Unit is engaged in production, assembly, test and trials of all types of deck machinery equipment and naval pumps. The deck machinery unit is currently supplying the rail-less hello traversing system, boat davits, anchors, mooring and deck capstans, anchor windless and winches.



OUR BUSINESS

DIESEL ENGINE PLANT

Diesel Engine Plant (DEP) is located at Ranchi, Jharkhand and occupies 62 acres of land. The unit involved marine engines. This unit also facilitates production of portable steel bridges.



GRSE'S ENVIRONMENT RESPONSIBILITY

The Company is committed towards conservation of energy and Conducts Energy Audits on a periodic basis at all outlying Units, to explore the feasibility of optimum utilization of non-conventional energy sources towards Clean and Green Work Environment.

Highlights

Installed Solar Capacity

1300 kWp

Additional Solar Targeted for FY22

200 kWp

Energy Saved

13,30,300 KWH

Energy Sources

CESC

90%

Solar

10%

Goal: Solar Energy by 2025

20%



KEY ENERGY INITIATIVES:



VFD Drivers

Installing of Energy efficient VFD Drives for motors of Overhead and Gantry Cranes adopting regenerating braking mechanism, resulting in reduced energy consumption by approx. 50% compared with resistance controlled conventional motors.



Astronomical Timer Unit

Astronomical automatic timers has been fitted at Office Building to ensure switching off of Electrical Power after the normal working hours and holidays. This modification not only saves electrical energy but also minimizes the chances of electrical fire hazard especially during the silent hours.



PIR Sensors

500 Nos Passive Infrared motion sensor switches have been installed for illumination control at various location of the yard. These sensors ensure auto switching off of common area lights in absence of any personnel thereby conserving energy.



LED lights

All conventional lights are being replaced by identical LED fitting in a phased manner. This includes replacement of Panel lights, Flood lights Tube lights, Incandescent lamps with identical LED fittings without compromising on the desired light intensity in production and non-production areas. So far a total of 10069 LED Lights have been installed across all 05 Units resulting in substantial energy conservations.



5-star rated Air Conditioning Units

All non-star/ vintage ACs at office spaces are being replaced with 5-star rated ACs. This has accrued substantial energy conservation.



Solar Panels

Rooftop Solar Power plants has been installed across various units of GRSE. Legal agreements signed with the State Electricity Board (CESC Ltd) on grid solar power plants for providing power for plant utility along with feeding back the power to CESC on Sunday and Holidays. Total capacity installed till date is 1300 KWp. This has resulted in annual savings of approx. Rs. 80 Lakhs. Additional (a) Installing of Energy efficient VFD Drives for motors of Overhead and Gantry Cranes adopting regenerating braking mechanism, resulting in energy consumption by approx 50% compared with resistance controlled conventional motors.



Usage of Central AC

New Office spaces are being covered under centralized Air Conditioning System towards better efficiency and energy conservation measures.



Electric Vehicles

14 in no. Electric Vehicles (EV) have been recently procured for commutation of senior executives as part of Green initiatives.



Bio-Gas Plant

150 Kg/ day capacity Biogas plant was installed in the year 2018-19 with an expenditure of Rs 13.86 Lakhs. The plant is able to generate about 150 Kg/ day bio gas from the food and kitchen waste. The Bio gas is being effectively utilized for cooking purpose in the canteens due to which the dependency on LPG for cooking has been reduced substantially.

CORPORATE INFORMATION

Board of Directors

RAdm Vipin Kumar Saxena, IN (Retd.)

Chairman & Managing Director

Cmde Sanjeev Nayyar, IN (Retd.)

Director (Shipbuilding)

Cmde Hari PR, IN (Retd.)

Director (Personnel)

Ramesh Kumar Dash

Director (Finance) & CFO
(From 01 Jul 2020)

Shri Surendra Prasad Yadav, IFOS

Government Nominee Director
(From 14 Sep 20)

Bharat Bhushan

Part-Time Non-Official (Independent)
Director
(up to 14 Sep 2020)

Kanwaljit Deol, IPS (Retd.)

Part-Time Non-Official (Independent)
Director
up to 14 Sep 2020)

RAdm Inder Paul Singh Bali, AVSM, VSM, IN (Retd.)

Part-Time Non-Official
(Independent) Director
(up to 08 Mar 2021)

Dr. Biswapriya Roychoudhury

Part-Time Non-Official
(Independent) Director

Chief Vigilance Officer

Shri Subrat Das, IPoS

Independent External Monitors

Shri Girish Shankar, IAS (Retd.)

Shri R. Kuppan, IRSME (Retd.)

Senior Management

Siddhartha Ray

Chief General Manager (Finance)

Venkatesh Murthy

Chief General Manager (Commercial)

Cmde Rajiv Sreedharan, IN (Retd.)

Chief General Manager (Design)

Cmde Rajat Manchanda, IN (Retd.)

Chief General Manager (PP&C)

DIG Subrato Ghosh, ICG (Retd.)

Chief General Manager (SS&RP, BB & DEP)

Cdr B Sengupta, IN (Retd.)

General Manager (QA, VD & IEP)

Capt. P Sunilkumar, IN (Retd.)

General Manager (CE&CP)

S Srinivas

General Manager (HR & Admin)

Cmdt A K Biswas, ICG (Retd.)

General Manager (RBD)

Cdr A K Mahapatra, IN (Retd.)

General Manager

Cdr Santanu Bose, IN (Retd.)

General Manager (MW&P-17A)

Shri Gulshan Ratan

General Manager (Design)

Cdr M K Biswas, IN (Retd.)

General Manager

Shri Sujoy Chakravorty

General Manager (NCM)

Cdr B Mishra, IN (Retd.)

Addl. General Manager (Taratala Unit)

Company Secretary and Compliance Officer

Shri Sandeep Mahapatra

Bankers

State Bank of India
PNB
IDBI Bank
ICICI Bank
HDFC Bank Axis Bank
Bank of Baroda
Canara Bank
Indian Bank
Yes Bank

Statutory Auditors

M/s. Mookherjee Biswas & Pathak
Chartered Accountants

Secretarial Auditors

M/s. Vinod Kothari & Company
Practicing Company Secretaries

Cost Auditors

M/s. Mou Banerjee & Co.

Registrar & Transfer Agent

M/s. Alankit Assignments Limited

Registered Office

GRSE Bhavan,
61, Garden Reach Road,
Kolkata – 700 024
CIN No. L35111WB1934GO1007891
Website: www.grse.in

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report of your Company for the financial year 2020-21 together with the Audited Financial Statements for the year ended 31 March 2021.

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FINANCIAL PERFORMANCE

Even in the midst of the turbulent times that the world has seen in over a century, the performance of your Company continued to be satisfactory during the financial year 2020-21.

Your Company was able to minimise the pandemic impact by improving its financials in second and subsequent quarters of FY 2020-21. During the year, the Company registered an improvement in EBITDA Margin and PAT Margin by 16.85% and 17.94 % respectively, though Revenue from Operation was registered as ₹ 1,141 crores against ₹ 1,433 crores in previous year. The Company also achieved export sale of ₹ 87.49 crore during the year against ₹ 1.01 crore during FY 2019-20.

Operating results for the financial years 2020-21 and 2019-20:

(₹ in crore)

Particulars	2020-21	2019-20
Value of Production	1,132.76	1,424.70
Revenue from Operation	1,140.84	1,433.30
Profit Before Depreciation, Interest and Tax	238.91	255.29
Finance Cost	0.43	1.34
Depreciation	29.09	30.09
Profit Before Exceptional Items & Tax	227.87	234.48
Exceptional Item	(20.75)	(10.61)
Profit Before Tax	207.12	223.87
Tax Expenses	53.65	60.39
Profit After Tax	153.47	163.48
Other Comprehensive Income (Net of Tax)	3.56	(11.86)
Total Comprehensive Income	157.03	151.62

The financial position as on 31 Mar 2021 and 31 Mar 2020:

(₹ in crore)

Particular	As on 31 Mar 21	As on 31 Mar 20
Capital Employed	1,137.12	1,040.23
Gross Block	496.14	430.81
Net Block	340.20	303.69
Working Capital	542.98	560.78
Net Worth	1,137.12	1,040.23
Value Added	466.41	455.78
Value of Production	1,132.76	1,424.70
Profit Before Exceptional Items & Tax	227.87	234.48

Particular	As on 31 Mar 21	As on 31 Mar 20
Exceptional Item	(20.75)	(10.61)
Profit Before Tax	207.12	223.87
Ratios: (%)		
Profit before interest and tax : Capital Employed (%)	18.25	21.65
Profit after tax : Net Worth (%)	13.50	15.72
Gross Profit : Capital Employed	18.21	21.52
Profit Before Tax : Value of Production	18.28	15.72
Value of Production : Capital Employed	99.62	136.96
Sundry Debtors : Value of Production	15.73	37.57

Efficiency Ratios (%)	FY -21	FY -20
PBT Margin	18.16	15.62
PAT Margin	13.45	11.41
Debtors Turnover	15.61	37.35
Basic EPS	13.40	14.27

Value of Production

During the financial year under review, your Company achieved Value of Production ('VoP') of ₹ 1,132.76 crore as against ₹ 1,424.70 crore during the previous year. The comparative VoP for the three Divisions are as follows:

(₹ in crore)

Year	Ship Division	Engineering Division	Engine Division	Total
2020-21	1,048.02	66.69	18.05	1,132.76
2019-20	1,345.31	35.28	44.11	1,424.70

Net Worth

During the year under review, your Company reported Net Worth of ₹ 1,137.12 crore as at 31 Mar 2021 against ₹ 1,040.23 crore as reported at 31 Mar 2020.

Value Addition

The Value Added during the financial year under review was ₹ 466.41 crore as against ₹ 455.78 crore during the previous year. The Value Added per Employee was ₹ 24.56 lakh as compared to ₹ 23.07 lakh during the previous year.

Appropriations

Considering the financial performance of your Company in the year 2020-21, the Directors are pleased to recommend the following appropriations from the disposable surplus:

	(₹ in crore)
Profit After Tax	153.47
Other Comprehensive income for the year, Net of Tax	3.56
Total Comprehensive income for the period	157.03
Less:	
Dividend of FY 2019-20 on the Paid-up Capital	16.04
Interim Dividend of FY 2020-21	44.10
Balance retained in Statement of Profit & Loss	96.89

Contribution to Exchequer

Your Company has made a contribution of ₹ 41.49 crore to the National Exchequer during the financial year 2020-21 by way of Income Tax, Custom Duty and GST.

Contribution to DIO/Idex

The Company had received a letter from Deptt. of Defence Production, Ministry of Defence, in Nov, 2018 for making an initial contribution of ₹ 10.00 crore to Defence Innovation Organisation (DIO). Accordingly, the Company has contributed ₹ 356.35 lakh and ₹ 321.83 lakh during the Financial Year 2019-20 and 2020-21, respectively. The balance contribution of ₹ 321.83 lakh will be made in subsequent years based on the affordability of the Company.

Dividend



Handing over of Interim Dividend Cheque for FY 2020-21 to Hon'ble Raksha Mantri.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top one thousand listed entities shall formulate a Dividend Distribution Policy. Accordingly, the Board of Directors of the Company has formulated a Dividend Distribution Policy keeping in view the provisions of SEBI (LODR) Regulations, the Companies Act, 2013 and

Guidelines issued by the Department of Public Enterprises (DPE) and the Department of Investment and Public Asset Management (DIPAM). The Policy is available on the Company's website at <http://grse.in/index.php/investors-corner/policies.html>

Pursuant to the approval of the Board of Directors on 09 February 2021, your Company paid an interim dividend of ₹ 3.85/- per equity share of face value of ₹ 10/- each, to Shareholders who were on the register of members as on 18 February 2021, being the record date fixed for this purpose. Thereafter, the Board, at its meeting held on 17 May 2021 has recommended a dividend of ₹ 1.15/- per equity share of face value of ₹ 10/- each for the financial year 2020-21. Thus, the total dividend for the financial year 2020-21, if approved by the Shareholders, would be ₹ 5/- per equity share.

IMPACT OF COVID-19 PANDEMIC

The World Health Organisation declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11 Feb 2020. In the last month of the financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lock-downs of all economic activities.

During the year under review, the Government of India had imposed stringent nationwide lockdowns, in phases, which severely impacted manufacturing activities, and shipbuilding activity being labour intensive was badly affected. Consequent to the lockdown restrictions imposed by Central and State Governments, your Company implemented a complete lockdown with effect from 23 Mar 2020. After nearly 75 days lockdown, production activities partially commenced on 08 Jun 2020 in a phased manner with restrictions of employment of manpower in truncated shifts to ensure compliance of Social Distancing norms & COVID Protocols.

At the beginning of the current Financial Year 2021-22, the second wave of the COVID-19 pandemic developed rapidly in India. While production activities have been impacted in the wake of the lockdown restrictions imposed by various States, the supply chain has also been affected.

The Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these results. Accordingly, the management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.

The Company is executing projects having long construction period. The COVID-19 has mostly impacted the physical performance of the Company. The mitigation plans have been formulated to arrest the delays on physical performance to the extent possible.

MOU RATING

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Government of India, Ministry of Defence. Performance of the Company is expected to be rated as "Very Good" as per MoU 2019-20 Evaluation. Further, on the basis of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government of India for the year 2020-21, your Company is expected to be rated "Excellent" for its performance during 2020-21.

PERFORMANCE DURING THE YEAR

SHIPBUILDING

Ship Production & Delivery

Deliveries of Ships: Your Company has delivered following two (2) ships to the Indian Navy / Indian Coast Guard during the financial year 2020-21.

Sl. No.	Ship	Yard	Delivery
1	ICGS Kanaklata Barua (5 th FPV)	2117	09 Jun 20
2	L-58 (8 th Landing Craft Utility)	2099	31 Dec 20



Commissioning of INS Kanaklata Barua



Commissioning of IN LCU L-58

During the year, GRSE has also delivered one (1) ship (Fast Patrol Vessel) to Government of Seychelles (GoS), whereby taken the total deliveries during the year to three (3).

Sl. No.	Ship	Yard	Date
1	SCG PS Zoroaster (4 th FPV)	2116	15 Feb 21

Completions of LCU Project. During the year, your Company has achieved a major milestone by completing the LCU Mk IV Project by delivering the last ship of the Class. Yard 2099, (LCU L-58), was handed over to Indian Navy on 31 Dec 2020 by GRSE.

The entire design of these LCU Class Mark-IV ships has been developed in-house by your Company as per the requirements specified by the Indian Navy. These ships boast of over 90% indigenous content, proving once again, your Company's commitment towards successful implementation of the 'Make in India' initiative of the Government of India.

Commissioning of LCU Ships. During this year only, the seventh and eighth ships of the Landing Craft Utility (LCU) Project /IN LCU L-57 and /IN LCU L-58, constructed by your Company, were commissioned at Port Blair by Lt General P.S. Rajeshwar, PVSM, AVSM, VSM, ADC, CINCAN on 15 May 2020 and by Lt General Manoj Pande, AVSM, VSM, CINCAN on 18 Mar 21, respectively.

Fast Patrol Vessel Delivery to Indian Coast Guard. During the year under review, the fifth ship in the series of five Fast Patrol Vessels, Yard 2117 was delivered by GRSE on 09 Jun 2020. The ship was handed over to Indian Coast Guard in presence of DIG RH Nandodkar, TM, CSO (Tech) (NE) and other senior officials of GRSE and the Indian Coast Guard.

You may note that the ship was delivered just one day after re-opening of your Company (post lock down) due to COVID-19 Pandemic. Your Company has achieved this milestone in spite of COVID-19 Pandemic and the delivery of this ship during this difficult time indicates the devotion, dedication, hard work and focussed attitude of the shipyard.

Cooperation in Indian Ocean Region (IOR). Another credible achievement during this year has been the handing over of FPV Yard 2116 to Government of Seychelles. Contract for 01 no. FPV was signed with the Government of Seychelles on 03 Feb 2021 and the ship was handed over on 15 Feb 21 to the Indian Navy, the nominated representative of Seychelles Coast Guard. The Ship renamed as "SCG PS Zoroaster" was delivered to the Coast Guard of Seychelles at Port Victoria, Seychelles on 08 Apr 21.

Commissioning of INS Kavaratti. "INS Kavaratti", the last ship in the series of four Anti-submarine Warfare Corvettes (ASWC) built by GRSE was commissioned at Visakhapatnam by the Chief of the Army Staff, General M.M. Naravane, PVSM, AVSM, SM, VSM, ADC on 22 Oct 20.

Launching of ships

Another feather in the cap of your Company has been the launching Yard 3022, the first ship of Frigate P-17A Project, ahead of schedule. It was a proud moment for GRSE when Yard 3022 was launched by Smt. Madhulika Rawat, in the august presence of General Bipin Rawat, PVSM, UYSM, AVSM, YSM, SM, VSM, ADC, Chief of Defence Staff on 14 Dec 2020.

Keel Laying

Keel laying of the following ships were undertaken during FY 2020-21: -

Sl. No.	Project	Yard	Date
1	2 ND Survey Vessel (L)	3026	01 Dec 20
2	3 RD P-17A	3024	05 Mar 21

Start Production

Start Production of a Project signifies commencement of vessel construction after design engineering phase. Start Production of the following ships were achieved during the FY 2020-21:-

Sl. No.	ShipL	Yard	Date
1	3 RD Survey Vessel (L)	3027	16 Nov 20
2	1 ST Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3029	31 Dec 20
3	4 TH Survey Vessel (L)	3028	01 Feb 21

Receipt of Export Order from Govt of Guyana: Your Company has bagged an Export order of 12.73 Million USD for supply of 01 No. Ocean Going Passenger & Cargo Ferry Vessel to Republic of Guyana.

ENGINEERING DIVISION

The Value of Production achieved by the Engineering Division during the financial year 2020-21 amounted to ₹ 66.69 crore, a quantum jump from the VoP achieved in this segment during the financial year 2019-20 (₹ 35.28 crore).

Portable Steel Bridge Unit

The Value of Production achieved by the Bailey Bridge unit during the financial year 2020-21 amounted to ₹ 50.16 crore [consisting of (58) Bridges] as against ₹ 26.20 crore [consisting of (42) Bridges] during the previous year 2019-20.

During 2020-21, your Company has exported seven Bridges. (Five Bridges to Bhutan and Two Bridges to Nepal). Export order achieved up to 31 Mar 2021 is ₹ 3.15 crore.

BB Unit also supplied & erected one No 140 feet Double Lane Modular Bridge, with Load class 70R to M/s DGBR (Project Swastik) on NC Basis (as per earlier MoU signed) and the successful launching of the Double Lane Modular Bridge was completed on 14 Feb 2021.

BB unit supplied and erected one 110 feet Modular Bailey Bridge with walkways for North Bengal Development Department, Siliguri at Khagenhat, West Bengal. This was the first commercial Supply of Modular bridge and first of its kind having walkways in the country.

Deck Machinery and Naval Pumps Unit

Taratala Unit of your Company is engaged in manufacturing and supply of various Deck Machinery equipment comprising of Anchor Capstan, Anchor Windlass, Mooring Capstan, Dock Capstan, General Purpose Davits, Ammunition Davit/ Rocket Launcher Davit, Electric Boat Davits, Electro-Hydraulic Boat Davits, Electro-Hydraulic Deck Cranes, Survey Motor Boat Davits, Hydrographic Davits, Oceanographic Winch, Anchor cum General Purpose Winches for beaching operations, Telescopic Hangars, Helo traversing system (both Rail based and Rail Less type) & various types of Naval Pumps consisting of marine fresh water and sea water pumps of different discharge and capacity based on application.

During FY 2020-21, equipment and spares with sale value of ₹ 12.58 crore have been supplied to various new construction yards as well as to operational ships of Indian Navy and Indian Coast Guard.

The prototype Ground Support Equipment (GSE) of Rail Less Helicopter Traversing System (RLHTS) for Advance Light Helicopter (ALH), which was designed in-house was satisfactorily tested during Sea Acceptance Trials on-board one of the Indian Naval Ship in Aug 2020. Based on the encouraging performance of the equipment during the trials, manufacturing of GSE for all ships of Indian Navy and Indian Coast Guard ships fitted with GRSE make RLHTS is in progress.

ENGINE DIVISION

During the year under review, your Company was able to successfully develop the major component of Diesel Alternator for 1MW DA of P17A project like alternator, Acoustic enclosure, Local control panel etc. through GRSE's sub vendors.

DEP, Ranchi unit has achieved Value of Production of ₹ 18.05 crore during the financial year 2020-21 from diesel engine business.

ORDER BOOK POSITION

The total order book position of your Company for the three (3) divisions as on 31 Mar 2021 is as follows:

(in ₹ crore)

Sl. No.	DIVISION / DEPTS	Closing order Value as on 31 Mar 2021
A	Ship Division	
	Ship (including B&D Spares)	25,450.23
B	Engineering Division	
	Bailey Bridge	21.09
	Deck Machinery & Pump	69.62
	Total Engineering Division	90.71
C	Engine Division	166.06
	Total (A+B+C)	25,707.00

The details of ships under construction in your Company as on 31 Mar 2021 are as follows:

Project / Vessel Type	Outstanding Ships as on 31 Mar 2021
Project P-17A for Indian Navy	03
Survey Vessel (Large) for Indian Navy	04
ASW-SWC for Indian Navy	08
Ocean going Passenger cum Cargo Ferry for Govt. of Guyana	01
Fast Patrol Vessel for Indian Coast Guard	01
Total	17

NEW INITIATIVES

The Company has signed following MoUs with various organisations during FY 2020-21 to develop equipment, products and markets:

- IIT Kanpur for undertaking aerodynamic studies for new ship designs. National Wind Tunnel Facility (NWTF) of IIT Kanpur has undertaken additional Aero Dynamic Studies for SVL project in line with IHQ MoD(N) requirements.
- M/s GE Power for development of Electric/Hybrid Propulsion for ships/ crafts. Currently, deliberations are on with the firm with respect to development of concept for electric/ hybrid propelled inland vessel.

- (c) ECT Marine, Netherlands to jointly explore global market for design & construction of advanced dredgers.
- (d) CAS Electrical & Automation Pvt Ltd for product development and service support for Helo Handling Systems.
- (e) National Highway Industrial Development Corporation Limited (NHIDCL) for supply of Bailey Bridges wherein, estimated Six to Seven bridges per Annum to be supplied by GRSE.
- (f) Abhyudaya Group, a Mega Defence Sector Cluster and a Global Hub for Defence manufacturing, with an aim to develop a dedicated domestic vendor base to cater to the defence manufacturing sector and to achieve indigenization of various components and equipment as per GRSE's requirements.
- (g) M/s Island Ship Repairers regarding bidding for order on ship repairs & execution of repaired jobs on turnkey basis.
- (h) M/s NSTL Vishakhapatnam for design & development of 4 MW Diesel Engine Infra-Red Signature Suppression System.
- (i) M/s Sterling Planb Energy Solution, Vancouver, Canada for adoption of Lithium ESS (Energy Storage Systems) for Electric/Hybrid Propulsion in ships.
- (j) Ananda Shipyard & Slipways Ltd. (ASSL), Bangladesh for cooperation in shipbuilding.
- (k) Abu Dhabi Shipbuilding Company (ADSB), UAE for mutual cooperation in Shipbuilding project in Defence and Maritime sector with an aim for Synergy and Symbiotic Business Engagement.

RESEARCH & DEVELOPMENT

Green Energy Initiatives - Hybrid Propulsion System: Considering the potential in Inland Waterways and the impetus being given by the Govt in the development of National Waterways, GRSE has taken up efforts to develop, design for Green Energy based vessel for Inland Water Transport. Towards this, MoUs have been signed with M/s Sterling Plan B, Vancouver, Canada for assistance in design development & integration of energy storage solutions and M/s GE Power Conversion for providing solutions with respect to electric/hybrid propulsion. GRSE has also initiated discussions with IIT Kharagpur, to develop an efficient hull form for the purpose. Further, a webinar titled "Green Energy for Inland Water Transport" was also conducted by GRSE to give an impetus to this effort.

AI Based Design Application: During the design process of any Naval Vessel, hundreds of standards/ guideline documents such as Naval Engineering Standards (NES), Naval Construction Document (NCD), DefSTAN & IMO Guidelines etc. are referred to and complied with. A designer spends considerable amount of time searching through these documents to ensure compliances as well as when faced with a typical problem. Towards making this process more efficient, GRSE has successfully undertaken development of an AI enabled design assistant "Jigyasha" in collaboration with IIIT Hyderabad incubated start-up 'Subtl.ai'. This Machine Learning algorithm-based application is currently being trained to guide the designer with high accuracy.

Design of Hovercrafts: The hovercraft design is a niche domain which is yet to mature in the Indian shipbuilding industry. While there is significant demand for such vessels in the country and other neighbourhood countries, the technology is not available for their design in the country. Towards making a foray into this niche area of design, the Board of Directors has approved the acquisition of complete design of a proven Hovercraft and a demonstrator vessel. This acquisition will provide GRSE an opportunity to develop

contemporary Hovercraft designs by re-engineering to suit the need of prospective clients through R&D efforts. It is expected that over time, this will lead to in-house design competency in the hovercraft domain.

EMI/EMC Simulator: EMI/EMC simulation studies are highly complex, requiring a high level of technical competence to understand the underlying scientific principles as well as use of sophisticated software to carry out the simulations. These activities are usually carried out by specialised agencies of IN / Govt. GRSE has endeavoured to develop this capability through in-house R&D efforts and a pilot project has been completed successfully. Efforts are on to standardise the processes and procedures involved for using these simulations as part of the ship design process. This will help in finalisation of top deck layouts of ships very early in the design process.

MAKE IN INDIA INITIATIVES

Your Company has implemented the "Make in India and Indigenisation" policy whereby indigenous vendors are encouraged to quote with maximum indigenisation content through Licensed production with collaboration, Licensed production by way of Transfer of Technology (ToT), Co-production, Assembling, Design and Manufacture in India with ToT. Indigenization / Import Substitution of Ship's Engineering and electrical Items like HP Air Fittings, Magazine Fire Fighting System (MFSS) comprising an automatic Control system (Quartzite Bulb System) and Data Acquisition & Processing System (DAPS) for fitment onboard SVL is actively being pursued in collaboration with Indian vendors.

Your Company has developed in-house capabilities to design & build most modern warships in the country. The indigenous content of major platforms recently developed by GRSE are LCUs (over 90%), ASW Corvettes (over 85%) and is considered a major step towards achieving self-reliance in state-of-the-art warship design and construction.

EXPORT INITIATIVES

GRSE is the first Indian shipyard to export a warship, an Offshore Patrol Vessel to Mauritius in 2014. GRSE's initiatives to export Naval ships to the friendly foreign countries has borne fruit with the award of Export order worth approximately ₹ 100 crore for supply & Maintenance support of 01 No. Fast patrol Vessel for the Govt. of Seychelles on 03 Feb 2021. The Ship 'SCG PS Zoroaster' has been delivered by GRSE to the Govt. of Seychelles on 15th Feb 2021. Your Company has also succeeded in bagging the Export order of 12.73 Million USD for supply of 01 No. Ocean Going Passenger & Cargo Ferry Vessel to Republic of Guyana. The Contract was signed on 13 Jan 2021 after a relentless pursuit of over two years.

During FY 2020-21, GRSE executed a total of ₹ 87.49 crore Export Order that includes ₹ 84.34 crore of Shipbuilding order (Supply of Seychelles FPV) and ₹ 3.15 crore of Portable Pre-fabricated Steel (Bailey & Bailey Suspension) Bridge Orders.

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The focus areas for exports remains SAARC, ASEAN, African & Latin American countries. The MoD has allocated six countries namely Bangladesh, Philippines, Oman, UAE, Saudi Arabia and Seychelles for export promotion of maritime platforms as areas of focus. Export opportunities are also being explored with aggressive marketing initiatives with countries like Vietnam, Myanmar, Egypt, Maldives, Mauritius etc.

GRSE has also adopted the strategy of engaging with the authorities of the target market countries for export of its products. Further, the company also continues to regularly supply Bailey Bridges and its components to the neighbouring countries such as Nepal & Bhutan. Efforts are on to further enhance the export of Bailey Bridges & their components to other friendly foreign countries as well.

CREATION AND RENOVATION OF INFRASTRUCTURE

Your Company has been continuously modernising its infrastructure to be in tune with the changing needs of the technology/products. During the year 2020-21, the Company has spent ₹ 158 crore as part of CAPEX investment towards modernisation of Plant & Machinery and infrastructure up-gradation etc. Following are some of the facilities modernised during the year:

- (a) **Restoration of the 250 ton Goliath Crane:** The new 250 ton capacity Goliath Crane ordered on M/s Sangsangin Ship Machinery Ltd-South Korea, was transported from Korea in fully assembled condition by sea and got unloaded at GRSE on 26 Feb 2021. The Goliath Crane has been commissioned on 22 Jun 2021.



- (b) **Restoration work of Module Hall at Main Unit** is in progress as per the approved structural health audit report.
- (c) **Creation of Infrastructure at Main Unit:** An open Storage area (3600 sqm area) for storage of hull blocks at Main Unit has been created in Sep 2020.
- (d) **Commissioning of two 'Climate Control Warehouse':** As a part of the mega augmentation project for enhancing the storage capacity & automation of supply chain system towards taking-up the challenges for ongoing & future projects, two climate control Warehouses have been commissioned at the Main Works of the Company.



- (e) **Modernisation of Raja Bagan Dockyard (RBD):** As part of a modernisation plan of RBD, following major actions have been completed/initiated:
 - (i) 02 Nos. Hull Block Fabrication Sheds (85MX27Mx18M & 50Mx25Mx18M) at RBD Unit were commissioned on 25 Mar 2021 and thus has enhanced the block fabrication capacity of the shipyard.
 - (ii) Construction of Cofferdam at the mouth of old **Dry Dock No. 3** (DD-5) has been completed in Feb-21 including clearing of entire dock to enable feasibility study by a consultancy firm for augmentation of dock capacity.
- (f) **New Corporate Office:** 4-storied New Corporate Office at 61 Park Unit has been inaugurated on 16-Dec-20 and subsequently the Corporate Office has been shifted to the new location.



Two Climate Control Warehouses Commissioned

FUTURE OUTLOOK

A strong order book for construction of 17 warships concurrently for the Indian Navy, Indian Coast Guard & Govt. Republic of Guyana at this juncture holds bright future ahead for the Company. Further, the defence shipbuilding segment remains promising on account of the ambitious acquisition plan of the Indian Navy and the Indian Coast Guard which is quite encouraging for the Indian Shipbuilders and the entire eco-system. RFPs for various shipbuilding projects have been floated by the Ministry of Defence during the last one year and RFPs for some more major projects are expected in the near future. Further, the Ministry of Defence plans to increase export of defence products to 5 Billion USD by 2024, which augurs well for all of us.

The global response to our Hon'ble Prime Minister's clarion call for 'Atmanirbhar Bharat' and 'Make in India' has been very encouraging and your Company seeks to forge alliances with global giants in the shipbuilding industry in order to make good the opportunity for the company to become part of the global value chain in line with our vision of becoming global player in Shipbuilding. In light of policy initiatives taken by the Government of India in recent times, the overall scenario for ship building looks quite positive in coming years. However,

it requires building capabilities and competencies to meet global standards in terms of quality and cost. Our willingness to adopt latest technologies and modern tools in various areas of operations would play a significant role in improving efficiency, quality and productivity of the Company. Thus, the Company has embarked on a mission to adapt Industry 4.0 practises in its core areas of functioning such as 'Design', 'Planning', 'Production' and 'Supply Chain Management'.

A strong order book for construction of 17 warships concurrently for the Indian Navy, Indian Coast Guard & Govt. Republic of Guyana at this juncture holds bright future ahead for the Company.

Your Company's major future plans for steady business growth and stability are as follows:

Increase geo-strategic reach through exports to friendly countries. In this regard, GRSE is actively pursuing with the Governments of respective countries and has even engaged Marketing Representatives in focus countries.

The Company intends to leverage its design, engineering and manufacturing capabilities to improve its procurement and production processes as optimum utilisation of resources is the key to reduce production costs.

Include new range of non-defence maritime products in our portfolio.

Aggressive pursuit of opportunities from the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Inland Waterways Authority of India over next 05 Years.

Your Company is targeting orders for AMC & Refits of GRSE built vessels from the Indian Navy, the Indian Coast Guard and Ministry of Home Affairs. The refit and repair business vertical is being progressively strengthened to get a foothold in the Refit & Repairs of warships and commercial vehicles.

Embrace relevant Industry 4.0 concept to further enhance productivity and efficiency in various area of operational of your Company.

Directors' Report

VENDOR DEVELOPMENT

Vendors have played a pivotal role in the growth of GRSE over the last several years. Your Company is in constant search for MSME Vendors through various vendor meets, seminars, webinars, etc. organized by various important fora like CII, BCCI, MSME, etc. In the ongoing pandemic, webinars are being leveraged for identifying capable entrepreneurs to the GRSE fold.

Your Company is continuously increasing the permanent vendor base after due assessment as per laid down Company Policy & Procedures and directives of the MSME-DI as per Public Procurement Policy 2015.

Your Company has also introduced a common "Online Vendor Grievance Redressal Portal" to address grievances of vendors as 'single point contact' basis in a very transparent manner in order to improve the overall satisfaction of the vendors in doing business with your Company.

While our vendor base is being progressively enhanced, there is a need to monitor vendor performance. Towards this, your company has introduced an "Online Vendor Rating for Service Vendors" in SAP. It helps your company to make a powerful vendor base for overall business growth of the Company.

IMPETUS TO MICRO, SMALL AND MEDIUM ENTERPRISES

Your Company has been providing increased thrust on enhancing procurement from Micro and Small Enterprises (MSEs) and has implemented the Public Procurement Policy for MSEs issued by the Ministry of MSME. Your Company extends technical guidance and requisite support to these industries wherever required. Your Company is regularly conducting MSE Vendor Development programmes in association with CII and MSME Ministry, Government of West Bengal.

Our quality control personnel visit these industries to assist and ensure that the quality of the products meets the requisite standards.

As of now, your company has 829 Nos MSME Vendors out of the total 2,172 no of vendors registered with GRSE.

During the financial year 2020-21, your Company procured items worth ₹ 635.00 crore from the MSEs, which is 52% (approx.) of the total annual procurement value (considering exclusions as applicable for MSEs). List of items reserved for MSEs procurement is available on your Company's website at: http://www.grse.in/mse_notice_website.pdf

Your Company is encouraging MSME Vendors to register for TReDS registration (to avail trade discounting facility) and UDYAM registration (i.e. new initiative of Govt. of India replacing earlier UAM registration) & GeM (Government e-Marketplace) to avail the various Govt schemes' benefits.

GOVERNMENT e-MARKETPLACE (GeM)

Your Company has registered with GeM as per Rule No.149 of the General Financial Rules, 2017, towards online procurement of common use of Goods & Services.

During the financial year 2020-21, your Company has achieved a total procurement figure of ₹ 809 lakh (goods and services) through the GeM portal.



Launching of Online Vendor Grievance Redressal Portal on 12 Aug 20 as a Part of Atmanirbhar Bharat Week Celebration



Promotion for registering on GeM Portal

ERP & IT

Your Company is giving thrust to SAP implementation and IT initiatives all across its activities. The highlights in the area of ERP & IT are as follows:

- (a) **IT Infrastructure:** Your Company has well established on premise Data Center (DC) in Kolkata and Disaster Recovery Center (DR) at Mumbai. The Company has already mapped major business processes like Supply Chain, Finance, HR, Payroll, Vendor, Plant Maintenance etc in SAP ERP. Total Design Operations are covered under secured IT Platform with AVEVA CAD, VR LAB, PDM-PLM etc.
 - (b) **Cyber Security:-** Your Company has well defined organisational structure for Cyber Security Management. Director (Personnel) is nominated as Chief Information Security Officer (CISO) for the Company. At each Unit/ Department, Information Security Officers are nominated. Cyber Security Enhanced Awareness Training by CDAC to cyber security core group consisting of 20 personnel. AIR-GAP implementation across organization and ILL based internet LAN was implemented in all its units.
 - (c) **ERP-SAP:** GRSE has adopted a centralised approach to manage critical IT infrastructure on which all business processes are dependent. It includes ERP infrastructure, mail servers, WAN, LAN, network security components, Antivirus and patch management. Further, ERP/SAP core team has also been re-vitalized.
 - (d) **PDM / PLM (Product Data Management / Product Lifecycle Management):** Implementation of AVEVA Marine based PDM & Siemens Team Centre based PLM software is under implementation. Modular construction technology with the use of PDM / PLM will improve efficiency and reduction of construction time of P17A ships. Integration of AVEVA CAD data with PLM has been completed.
-
- (e) **DMS (Document Management System):** Manual files have been reduced substantially and approximately 80% of the organizational processes have been digitized.
 - (f) **Access Control System:** GRSE has already implemented Biometric based access control for permanent employees as well as contractual employees. GRSE is going for major upgradation from Biometric Access Control to Face Recognition System considering Pandemic Situation.
 - (g) **CCTV System:** High-end CCTV System integrating the five Kolkata based units has been implemented for ensuring security and surveillance.
 - (h) **Employee Portal:** Employee Portal has been revamped to cover various online modules like PMS (Performance Management System) to assign goals and tasks to employees and assessment throughout the Year.

During the financial year 2020-21, your Company procured items worth ₹ 635.00 crore from the MSEs, which is 52% (approx.) of the total annual procurement value

Directors' Report

HUMAN RESOURCE & ADMINISTRATION

Manpower

The total Manpower strength under permanent roll of the Company as on 31 Mar 2021 was 1,900 including 488 Officers on regular roll and 2 Officers & 42 Supervisors on Fixed Term contract.

Statements showing the representation of SC/ ST/ Women, etc., as on 31 Dec 2020 as well as the total recruitment made during the period from Jan to Dec 2020 are given at **Appendices "A & B"** of this report.

Further, in accordance with Ministry of Corporate Affairs Notification dated 05 Jun 2015, Government Companies are exempted from the provisions of Section 197 of the Companies Act, 2013 and its rules thereof.

Industrial Relations

Industrial Relations during the period under review across all Units of the Company including DEP, Ranchi remained peaceful.

Election was held on 24 Nov 2020 for two employees' representatives on the GRSE PF Trust Board from Operative category of employees. The election process was conducted smoothly.

The GRW Ltd. Clerks' Union representing the Office Assistant category of unionized employees had agreed for 10 years wage settlement w.e.f. 01 Jan 2017 on 30 Sep 2020. Subsequently, wage negotiations were held on diverse dates during Oct 2020 to Mar 2021. After protracted negotiation, the Memorandum of Settlement was signed on 25 Mar 2021.

To address the long felt need of cafeterias in units so that employees and outsiders visiting GRSE can avail quality and hygienic food especially during odd hours, cafeterias were started in 61 Park unit on 18 Jan 2021 and in RBD unit on 16 Mar 2021 in association with West Bengal Livestock Development Corporation Ltd. (A Govt. of W.B. Undertaking). Similar initiative is being planned for other Units.

Human Resource Development

GRSE intends to nurture and develop a well-balanced workforce of talented individuals who can contribute towards enhancing organization's growth trajectory. The Company has undertaken various initiatives to enhance the efficiency of the workforce in an atmosphere that encourages pursuit of individual excellence and cohesive teamwork.

In FY 2020-21, your company has prepared and implemented a well-defined Annual Training Plan covering technical, leadership, managerial effectiveness, functional, cross-functional and behavioural competencies development topics for all categories of employees. During the year, 3,800 training man-days were achieved through various training programs. Due to the pandemic scenario, most of the training programmes were conducted through online mode by nominating participants in various online workshops/conferences/webinars organized by external agencies/training providers in India in collaboration with foreign institutes. Few in-house training programmes were also conducted by inviting faculty/ trainers from reputed institutions/agencies as well as deputing participants in workshops/ management development programmes/ outbound workshops organized by external institutions/ training providers in India

The company has prepared and promulgated a comprehensive Training & Development Manual encompassing all necessary details on courses, target groups, training institutions where deputed, SOPs and formats related to training activities.

In addition to the above, the Company has also promulgated a policy on Knowledge-Preservation & Enhancement through Collaboration (K-PEC) in order to develop culture of Knowledge Sharing, Further, an SOP in Effective Training Evaluation Management to assess the training efficacy and a policy on Competency Mapping to develop a robust competency mapping framework at the shipyard have also been formulated.

Apprenticeship Training under Apprentices Act: During FY 2020-21, the company has trained 234 Apprentices under Trade Apprentice, Graduate Apprentices and Technician Apprentice categories. Despite of movement restrictions due to lockdown, the engagement of Apprentices was increased to 12.31% of Company's manpower against 10% during FY 2019-20 which is over and above the statutory requirement of 2.5%. The Apprentices were provided on-the-job training in various shops/ departments of the Company as well as basic training at Company's training facility at Technical Training Centre – Baranagar, Kolkata.

New HR Initiatives

People Capability Maturity Model (PCMM) Level 2 Certification – GRSE achieved the 'People Capability Maturity Model (PCMM) Level 2 Certification' in line with CMMI Institute framework, developed by Carnegie Mellon University (CMU), USA. GRSE adopted the PCMM philosophy as a part of its HR capability building framework with a view to improvise its existing HR processes. As a strong proponent of the model, collaborative efforts were undertaken across various functions and teams throughout the implementation journey in order to bring in the desired change-readiness and transformation in the processes across the organization which resulted into achieving the coveted PCMM Level 2 Certification.

Performance Management System- The Performance Management System for Officers and Supervisors has been revamped by in-house development of a robust and user-friendly online portal.

Competency Framework: Competency framework is an effective tool to assess, maintain, hone and monitor the knowledge, skills, and attributes of the individuals. Detailed guidelines regarding competency mapping and development of the officers have been framed in order to develop a robust competency mapping framework at the shipyard.

Talent Spotting and Development: The Succession Planning Scheme was formulated by the company in the year 2016-17. The Plan is updated every year keeping in view the changes in dynamic data of performance of executives as well as re-assessment of criticality of various roles throughout the organization. Accordingly, a talent pool of young executives identified and learning & development interventions were conducted with a focus on developing leadership skills and bridging the competency gaps.

Persons with Disabilities

The Company extended all necessary relaxations /concessions to the employees with disabilities as per the Statute / Govt. directives. During the year 2020, the Company has recruited 01 PWD out of total recruitment of 38 employees.

Empowerment of Women

The women representation is 5% of the total strength in the Company at the end of the 2020-21. During 2020, 03 lady employees have been appointed out of 38 which is 7.9%.

SAFETY AT WORK

During the F.Y. 2020 -21, the shipyard has achieved a Safety Frequency Rate (Industrial Injury Index) **2.05** as against the last year's (F.Y. 2019 – 20) Safety Frequency Rate **2.58**, indicating an improvement in Safety performance of shipyard.

INDUSTRIAL SECURITY

The physical security of your Company has been entrusted to the Central Industrial Security Force (CISF) contingent in all the three production units of GRSE i.e. MAIN, FOJ and RBD of 397 CISF personnel, headed by an officer of the rank of Commandant.

A robust access control system and a state of the art CCTV network ensures a strong and effective security & surveillance system at the shipyard.

COVID19 MANAGEMENT



Handling the unprecedented situation emerging out of the covid-19 pandemic has been a major challenge and your company has effectively managed the same through efficient implementation of the covid prevention norms. Further, the affected personnel and their family members were provided the best possible medical care. This entailed empanelment of additional hospitals and proactive liaison with the external stakeholders.

Your Company started a 'Govt. Covid Vaccination Centre' within the Main unit premises, perhaps the only PSU without a full-fledged hospital to be accorded this status. More than 2500 employees including contractors workmen have availed this facility to get vaccinated. Further a Vaccination Camp was set up at FOJ unit for the family members of our employees.

In addition, your Company has also partnered the efforts of the Nation to contain and control the epidemic through various CSR Initiatives. The details of these have been elucidated in the CSR section.

OFFICIAL LANGUAGE

Your Company is committed to adhere to the Official Language (OL) policy of the Government of India (GoI). During 2020-21, the Company has achieved the various targets prescribed in the Annual Programme 2020-21 issued by Dept. of OL, Ministry of Home Affairs (MHA), GoI to transact official work in Hindi. The efforts made towards implementation of Official Language include:

- (a) **Hindi Month Celebrations:** Hindi Month and Hindi Day was observed during September month in all the Units and Offices of the Company. During the month, employees of the Company participated enthusiastically in various programs and competitions.
- (b) **Official Language Implementation Committee:** Official Language Implementation Committee (OLIC) meetings were conducted on quarterly basis under the chairmanship of Chairman & Managing Director, to review the progress made by various departments.
- (c) **Incentives:** Incentive Schemes are propagated among all employees and number of employees who took part in these schemes were awarded with cash prize.
- (d) **Rajbhasha Awards:** Your Company has been awarded prestigious **Rajbhasha Shield** for the year 2019-20 for Excellence in Implementation of Official Language in the company. Deputy Manager (Official Language) has also been awarded appreciation letter by Town Official Language Implementation Committee (TOLIC) for Excellence in Implementation of Official Language in the company.

AWARDS & RECOGNITIONS

Your Company has received the following major awards and recognitions during the year under review:

- (a) SCOPE Corporate Communication Excellence Award 2019: 2nd Prize on Best Corporate Communication Campaign & Program for External Communication.
- (b) "SODET Award 2016-17" for Excellence in modifying the design of Landing Craft Utility (LCU) Vessel to overcome severe challenges like Aeration & Astern Manoeuvring.
- (c) "Asia's Best Employer Brand Award 2020" in the category of "Award for Innovation in Career Development" by World HRD Congress.
- (d) "National Award for Excellence in PSUs 2020" in the category of "CSR Initiatives (Social Development)"
- (e) "Rajbhasha Shield 2020-21" award by Official Language Implementation Committee for best implementation of Rajbhasha in the Company at Town Hall, Kolkata.
- (f) PRSI National Awards – 2020. GRSE, in competition with Maharatna, Navratna, Miniratna CPSEs & Private Sector Organisations won the 1st Prize for House Journal "GRSE Varta 2020" and the 2nd Prize for "GRSE Coffee Table Book" awarded by 'Public Relations Society of India National Awards 2020'

Directors' Report

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activity carried out by your Company and continues to lay strong emphasis on transparency, accountability and integrity. Your Company complies with the applicable regulations under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and also the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE Guidelines) vide its Office Memorandum dated 14 May 2010, both in letter and spirit. The Company also strives to comply with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Further, Department of Public Enterprise Guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the Guidelines. DPE has graded GRSE as "Excellent" for the year 2019-20.

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines, a Report on Corporate Governance along with Compliance Certificate issued by M/s. Maheshwari R & Associates, Company Secretaries forms part of this Annual Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of your Company comprises a total of ten (10) directors which includes four (4) Whole-Time Directors, five (5) Part-Time Non-Official (Independent) Directors, including one (1) Woman Director and one (1) Government Nominee Director.

During the year 2020-21, the following changes took place in the Board of Directors and of Key Managerial Personnel (KMP) of your Company:

Sl. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1	Shri S S Dogra	Director (Finance)	-	30.06.2020
2	Shri R K Dash	Director (Finance)	01.07.2020	-
3	Shri Ajai Bhandari	Independent Director	-	20.07.2020
4	Shri Bharat Bhushan Jain	Independent Director	-	15.09.2020
5	Smt.Kanwaljit Deol	Independent Director	-	15.09.2020
6	Shri Ashwani Kumar Mahajan	Government Nominee Director	-	30.07.2020
7	Shri Surendra Prasad Yadav	Government Nominee Director	14.09.2020	-
8	RAdm.IPS Bali, IN (Retd.)	Independent Director	-	09.03.2021

DIRECTORS RETIRING BY ROTATION

Pursuant to Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Cmde Hari PR, IN (Retd.), Director (Personnel), who has served on the Board of Directors and the longest amongst the retiring directors, is liable to retire by rotation, and being eligible, offers himself for reappointment.

DECLARATION AND MEETING OF CRITERIA BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013, the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises and the SEBI Listing Regulations. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline and they will also appear for the online proficiency test within a period of one year, wherever applicable.

MEETINGS OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on 04 Mar 2021 in which all Independent Directors were present.

MEETINGS OF THE BOARD

Eight (08) meetings of the Board of Directors were held during the year under review. For further details, please refer to the 'Report on Corporate Governance'.

REMUNERATION POLICY & EVALUATION OF BOARD'S PERFORMANCE

Your Company is a 74.50% Government of India owned Public Sector Enterprise under Ministry of Defence. Presently, the Directors of the Company are Presidential appointees and their remuneration is fixed in accordance with the DPE Guidelines in this regard. Accordingly, Articles 194 and 214 of the Articles of Association of your Company states that the President of India will appoint Directors and determine their remuneration. Since, the Board level appointments are made by President of India, the evaluation of performance of such appointees is also done by the Government of India.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors comprise of following Directors from 01 Apr 2020 to 14 Sep 2020:

1	Shri Bharat Bhushan Jain	Chairperson	Part-Time Non-Official (Independent) Director
2	Smt. Kanwaljit Deol	Member	
3	RAdm Inder Paul Singh Bali, IN (Retired)	Member	
4	Cmde Sanjeev Nayyar, IN (Retired)	Member	Director (Shipbuilding)

On completion of tenure of Shri Bharat Bhushan Jain and Smt. Kanwaljit Deol, Independent Directors, the Audit Committee of the Board of Directors has been reconstituted comprising of following Directors from 14 Sep 2020 to 08 Mar 2021:

1	RAdm Inder Paul Singh Bali, IN (Retired)	Chairperson	Part-Time Non-Official (Independent) Director
2	Dr. Biswapriya Roychoudhury	Member	
3	Cmde Sanjeev Nayyar, IN (Retired)	Member	Director (Shipbuilding)

Due to completion of tenure of RAdm. IPS Bali, IN (Retd.), Independent Director and non-availability of adequate Independent Directors on to the Board of the Company, the Audit Committee could not be reconstituted since from 09 Mar 2021.

For further details, please refer the 'Report on Corporate Governance'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the annual accounts for the year ended 31 March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, had been followed and there are no material departures from the same;
- 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 your Company as at 31 March, 2021 and of the profit of your Company for the year ended on that date;
- 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 your Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the Annual Accounts on a 'going concern' basis;
- The Directors had laid down internal financial controls to be followed by your Company and such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

The Comptroller & Auditor General of India have, under Section 139(5) of the Companies Act, 2013, appointed M/s. Mookherjee, Biswas & Pathak., Chartered Accountants, Kolkata, as the Statutory Auditors of your Company for the financial year 2020-21.

The Comments of the C&AG u/s 143(6) of the Companies Act, 2013, on the Financial Statements of the Company for financial year 2020-21 form part of this Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Cost Record and Audit) Rules, 2014, the Board of Directors of your Company has appointed M/s. Mou Banerjee & Co., Cost Accountants, Kolkata, as the Cost Auditors of your Company for the financial year 2020-21 to conduct audit of cost records maintained by your Company.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Board appointed M/s. Vinod Kothari & Co., Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the FY 2020-21. The Secretarial Audit Report of M/s. Vinod Kothari & Co. is placed at **Appendix - "C"** to this Report. The Secretarial Audit Report has no adverse remarks. However, the Secretarial Auditor observed that the Company did not have requisite number of Independent Directors including Woman Independent Director for the period 21st July 2020 to 31st March 2021. The Secretarial Auditor also observed that the Audit Committee and HR, Nomination and Remuneration Committee was not constituted due to inadequate number of Independent Directors in the Board of the Company for the period 09th March 2021 to 31st March 2021.

The Company being a Government Company under the administrative control of the Ministry of Defence, the appointment/nomination of Directors, (including Independent Directors and Woman Director) are made by the Government of India through Presidential Order, as per the Government guidelines. The Company on several occasions has requested to the Ministry of Defence (MoD), Government of India, for appointment of requisite number of Independent Directors on the Board. The appointment/ nomination order from the Government is awaited.

The other observations and clarifications made by the Secretarial Auditor in their Secretarial Audit Report are self-explanatory.

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report for the year 2020-21 from M/s Vinod Kothari & Co., Practicing Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company and the said report has filed with the National Stock Exchange of India Limited and BSE Ltd. There are no adverse remarks in the said report.

INTERNAL AUDITOR

The Board of your Company has appointed M/s. V Singhi & Associate, Chartered Accountants, to conduct Internal Audit for the financial year 2020-21.

DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 OF THE COMPANIES ACT, 2013

Nil

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company did not enter into any contract / arrangement / transaction with related parties in pursuance of section 188 of the Companies Act, 2013 and the rules framed thereunder and Regulation 23 of the SEBI Listing Regulations. Your Directors draw attention of the Members to Note 33 to the financial statements which sets out related party disclosures as per Indian Accounting Standard 24. The Form AOC-2 on details of related party transactions has been attached as **Appendix – "D"** to this Report, as required under section 134(3)(h) of the Companies Act, 2013. The Company has a Policy on Related Party Transactions, which can be accessed at the following link:

<http://www.grse.in/images/pdf/Policy-for-Related-Party-Transactions-GRSE.pdf>

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the year under Report, your 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; nor
- (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.

VIGIL MECHANISM

As a part of its vigil mechanism, your Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees of your Company to report to the management, instances of unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. As per the Whistle Blower Policy, a whistle blower can send written communications to the Chairman & Managing Director of your Company (or any person to whom he has delegated his power). Alternatively, the whistle blower may send such Protected Disclosure directly to the Chairman, Audit Committee. Once a Protected Disclosure is received, a Screening Committee comprising the Chairman & Managing Director of your Company, a Functional Director as nominated by C&MD and the Chairman, Audit Committee, will be constituted to investigate into the matter. All employees are encouraged to use this whistle blowing mechanism and voice their concerns to the Management. Further, all employees have been given access to the Chairman, Audit Committee. The Whistle Blower Policy can be accessed on your Company's website at <http://www.grse.in/pdf/investors/Whistle%20Blower%20Policy.pdf>

ANNUAL RETURN

In accordance with the Companies Act, 2013, the Annual Returns in the prescribed format will be available on your Company's website at <http://www.grse.in/index.php/investors-corner/annual-returns.html>

MANAGEMENT DISCUSSION & ANALYSIS

The *Management Discussion & Analysis Report* as required under the SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for CPSEs forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

CSR lies at the core of GRSE's Corporate philosophy and its spirit of sharing and caring is reflected in the various CSR initiatives which are instrumental in touching and lighting up the lives of thousands of people specifically the marginalized segment residing in the vicinity of the production Units.

The GRSE CSR Policy was amended in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued by Ministry of Corporate Affairs (MCA) vide Gazette notification no. G.S.R.40 (E) dated 22 Jan 2021. The revised GRSE CSR Policy was promulgated on 29 March 2021 and can be accessed at the website of the company at <http://www.grse.in/images/pdf/GRSE-Corporate-Social-Responsibility-CSR-Policy.pdf>

The focus areas of Company's CSR initiatives include Health care, Nutrition, Education, Skill development, Infrastructure development of educational institutes, Cleanliness campaigns under Swachh Bharat Mission, Sanitation and Hygiene, mainstreaming differently abled persons and improving the quality of life of the marginalized segment. However, keeping in view the spread of COVID-19 in India, its declaration as a pandemic by the World Health Organization (WHO), and the decision of the Government of India to treat this as a notified disaster, MCA circulated order to clarify that CSR funds can be used towards promoting preventive care healthcare infrastructure and disaster management. Providing proverbial light at the end of the tunnel when COVID-19 enveloped the country, GRSE embarked on noble ventures of Covid prevention initiatives and other healthcare facilities for the marginalized segment of population residing in the vicinity of the factory premises as well as for mainstreaming the differently abled and holistic development of underprivileged tribal children including provisioning of nutritional supplements especially when this segment is hard hit by the pandemic. The Annual report on CSR projects/ activities undertaken in FY 2020-21 has been appended as **Appendix- E**.

RISK MANAGEMENT

Pursuant to the Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report and a detailed note on Risk Management is provided in the Management Discussion and Analysis Report, which forms part of this report.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR Report") as part of the Annual Report for the top 1000 listed entities based on market capitalisation. Regulation 34(2)(f) of SEBI (LODR) Regulations stipulates that the annual report shall include a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format specified. Accordingly, the Business Responsibility Report for the year 2020-21 has been drawn up and appended to this Report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. A detailed note on Internal Financial Controls is provided in the Management Discussions and Analysis Report, which forms part of this report.

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

Your Company being a Government Company engaged in producing defence platforms, the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not required as the Ministry of Corporate Affairs vide Notification GSR No.680 (E) dated 04 Sept 2015 has granted exemption to Defence Public Sector Undertakings.

IMPLEMENTATION OF RTI ACT

In consonance with the provisions of the Right to Information Act, 2005 (the RTI Act), your Company has well-defined mechanism in place to address the provisions of the RTI Act.

RTI matters are being executed as per the provisions of the Right to Information Act, 2005 and Rules therein. During the year 2020-21, a total of 112 no. RTI requests through online/offline mode were received, while opening balance from previous year was 2. A total of 104 no. RTI applications were replied to during the year and 2 no. RTI Applications were transferred to concerned Department of Govt. of India and remaining 8 no. RTI applications were taken as 'carried forward' to the year 2021-22. In case of RTI First Appeals, 10 no. RTI First Appeals were received during 2020-21 through online/offline mode and no First Appeal was carried forward as 'opening balance' from previous year. A total of 10 no. RTI First Appeals were decided and replied to. The Quarterly Returns are being uploaded on the CIC's website as well as on the DoPT website. Proactive Disclosures of Information were updated on the website of GRSE under RTI Link as directed by CIC. In compliance of the provision of section 26 of the RTI Act, 2005, In-house Awareness Programme on RTI Act was conducted during the year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In pursuance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Internal Committee was reconstituted on 18 Aug 2017 with an external member who is a person familiar with the issues relating to sexual harassment.

In accordance with Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the following details are submitted:

- (i) Number of complaints of sexual harassment received during the year: **Nil**
- (ii) Number of complaints disposed off during the year: **One**
- (iii) Number of complaints pending for more than ninety days: **Nil**
- (iv) Number of workshops or awareness programme against sexual harassment carried out: **One**
- (v) Number of meetings of Internal Committee conducted during the year – **Three**

PUBLIC GRIEVANCES

In order to facilitate resolution of grievances in a transparent and time bound manner, the Department of Administrative Reforms & Public Grievances, Ministry of Personnel, Public Grievance & Pensions, Government of India has initiated a web-based monitoring system at www.pgportal.gov.in (PG Portal).

Your Company is committed to the resolution of public grievances in an efficient and time bound manner. Upon receipt of Public Grievances, the matters are being resolved by examination of facts of each case with due diligence by the concerned departments. During the year under review, a total of 18 no. Public Grievances through online/offline mode were received and no grievance was brought forward as opening balance from previous year. A total of 17 no. of Public Grievances were resolved. 1 no. grievance carried forward to the year 2021-22 and was resolved on 03.04.2021. Details of the

Grievance Committee have been uploaded on the Company's website with provision of a link to the PG Portal to enable the citizens to file grievances online.

VIGILANCE ACTIVITIES

The main thrust of the Vigilance Department is to ensure transparency, fairness & probity in all spheres of activities of the Company. Towards this, focus of the department was on both, punitive & preventive vigilance. During the year, many spheres of activities were taken up and various processes were carefully observed, analysed and scrutinised to ensure that the systems of checks & balances are working as per the required parameters. In certain cases, the management was advised for systemic improvements. Apart from the above, the following activities were also carried out by the Vigilance Department during the year:

- (a) Investigations were conducted on complaints received from various sources and appropriate actions were taken.
- (b) As a preventive measure, regular & surprise inspections and verification of files were carried out.
- (c) Suggestions for system improvements have been made to the management for implementation.
- (d) As per the directives of CVC, training to officers on Preventive Vigilance has been started from Nov 2020. The 2 day Training Programme is conducted for 20 officers each month.
- (e) Annual Property Returns filed by the officers were scrutinized. Vigilance status of officers was assessed at various stages. Identified Sensitive Posts in the Company & actions initiated in a phased manner for rotation of officers. The implementation of actionable points is being monitored through quarterly reports and submitted to MoD informing the status of action taken.
- (f) Inter Organisation Auditing was taken up amongst DPSUs as per MOD directives.
- (g) Agreed List was also drawn up with the CBI and close liaison was maintained with the CBI.
- (h) The Company observed Vigilance Awareness Week during 27 Oct - 02 Nov 2020 and carried outreach activities for employees and their families
- (i) Meetings with C&MD were held at regular intervals to apprise the status of vigilance cases.

INTEGRITY PACT

One of the initiatives of the Central Vigilance Commission (CVC) to eradicate corruption in procurement activity is the purpose for introduction of Integrity Pact in large value contracts. In line with the directives from Ministry of Defence and the CVC, your Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 2 crore and above.

The Integrity Pact essentially envisages an agreement between the prospective vendors/bidders and the principal (GRSE), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any

violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

As recommended by the CVC, the Company has appointed Shri Girish Shankar, IAS (Retd.) and Shri R Kuppan, IRSME (Retd.) as Independent External Monitors (IEMs) for monitoring implementation of Integrity Pact in the Company. During the Financial Year 2020-21, the IEMs monitored 224 contracts and held structured meetings with the Chairman & Managing Director.

GENERAL

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

- (a) Detailed reasons for any voluntary revision of financial statement or Board's Report in the relevant financial year in which the revision is made.
- (b) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- (c) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and future operations of your Company.

ACKNOWLEDGEMENTS

Your Directors express their deep appreciation and place on record their gratitude to the Department of Defence Production and other Departments in the Ministry of Defence for their continued support, assistance and guidance. The Directors also express their sincere thanks to the Government of India and also to the Governments of West Bengal, Jharkhand and various other States, for their continued co-operation and valuable support. Your Directors are particularly

grateful to the Indian Navy and Indian Coast Guard Headquarters, Ministry of Home Affairs, Ordnance Factory Board, Kolkata Port Trust, Public Works Departments of various State Governments, Police Department of West Bengal & Kolkata and other valued customers as well as business associates for the confidence reposed by them in your Company. We will fail in our duty if we do not acknowledge the cooperation and positive approach of the Warships Production Superintendent and his dedicated team under whose watchful eyes our ships are being built. Also, we thank all classification societies, in particular, IRS & ABS, who have ensured quality and adherence to the required standards.

The Directors acknowledge with thanks the valuable advice rendered by, and co-operation received from the Comptroller and Auditor General of India, the Principal Director of Commercial Audit, Ex-officio Member of the Audit Board, Bengaluru, Principal Controller of Defence Accounts (Navy), Mumbai, Controller of Defence Accounts (Navy), Kolkata, Registrar of Companies, the Department of Public Enterprises, the Securities Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited.

The Directors wish to place on record their appreciation to its Statutory, Cost, Internal and Secretarial Auditors, Company's Bankers, Trade Unions and all Officers and Employees at various levels of the organisation for their hard work, dedication and commitment. The enthusiasm and unstinted efforts of the employees have enabled your Company to remain at the forefront of the industry despite increased competition from several existing and new players.

For and on behalf of the Board of Directors

Kolkata,
Dated: 26 July, 2021

Sd/-
(V K Saxena)
Rear Admiral, IN (Retd.)
Chairman & Managing Director
DIN: 07696782

APPENDIX - A

STATEMENT SHOWING REPRESENTATION OF SC / ST / OBC / EX-SERVICEMEN / PHYSICALLY CHALLENGED AND WOMEN EMPLOYEES AS ON 31ST DECEMBER, 2020 UNDER PERMANENT & CONTRACT CATEGORIES

Group/ Category	Total Strength	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	452	80	23	118	56	12	31
Group-B	31	3	2	7	14	1	2
Group-C	1265	288	46	161	71	34	30
Group-D	145	38	9	9	2	6	33
(Excluding Safaiwalas)							
Group-D (Safaiwalas)	13	12	-	-	-	-	-
Total	1906	421	80	295	143	53	96

APPENDIX - B

DETAILS OF RECRUITMENT MADE DURING 2020 UNDER PERMANENT CATEGORY & CONTRACT CATEGORIES (FIXED TERM / JOURNEYMEN)

Group/Category	Total Recruitment	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	33	1	2	18	5	1	3
Group-B	3	-	-	-	3	-	-
Group-C	2	1	-	-	-	-	-
Group-D (Excluding Safaiwalas)	-	-	-	-	-	-	-
Group-D (Safaiwalas)	-	-	-	-	-	-	-
Total	38	2	2	18	8	1	3

APPENDIX - "C"

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

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

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan,
61, Garden Reach Road,
Kolkata- 700024

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garden Reach Shipbuilders & Engineers Limited** (hereinafter called **the "Company"**) for the financial year ended 31st March, 2021 ('**Audit Period**') in terms of the Audit Engagement Letter dated 19th August 2020. Secretarial Audit was conducted 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per Annexure-II) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during Audit Period, complied with the statutory provisions listed hereunder and also that 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 examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations");

5. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Environmental Protection Act, 1986;
2. The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
3. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder;
4. The Air (Prevention & Control of Pollution) Act, 1981;
5. The Indian Electricity, 2003 and The Indian Electricity Rules, 2005;
6. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises (DPE);
7. Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

Management Responsibility:

Kindly refer to our letter of even date which is annexed as **Annexure 'I'** which is to be read with and forms an integral part of this report.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below.

1. Composition of the Board of Directors of the Company

The requisite number of Independent Directors and Non-Executive Directors were not on the Board of the Company as contemplated in Section 149(4) of the Act, the Clause 3.1.2 & 3.1.4 of DPE Guidelines on Corporate Governance for Central Public Sector Enterprise (CPSE) issued by the Department of Public Enterprises (DPE) and Regulation 17(1) of the Listing Regulations during 21st July 2020 to 31st March 2021 falling under the Audit Period.

Further, as per the provisions of Section 149 of the Act and Regulation 17(1) of the Listing Regulations, the Company did not have a Woman Independent Director in its Board during 15th September 2020 to 31st March 2021 falling under the Audit Period.

2. Composition of the Audit Committee of the Board of Directors of the Company

In terms of the provisions of the Section 177 of the Act, Clause 4.1.1 of the DPE Guidelines for Corporate Governance on CPSE and Regulation 18(1) of the Listing Regulations, during 09th March 2021 to 31st March 2021 falling under the Audit Period, the Audit Committee was not constituted due to inadequate number of Independent Directors on the Board as aforesaid.

3. Composition of the Nomination and Remuneration Committee of the Board of Directors of the Company

In terms of the provisions of the Section 178 of the Act, Clause 5.1 of the DPE Guidelines for Corporate Governance on CPSE and Regulation 19(1) of the Listing Regulations, during 09th March 2021 to 31st March 2021 falling under the Audit Period, the Nomination and Remuneration Committee was not constituted due to inadequate number of Independent Directors in the Board as aforesaid.

Being a Government Company, the appointment of Directors including Independent Directors on the Board is made by the Government of India through Presidential order. The Company on several occasion has requested to the Ministry of Defence (MoD), Government of India, for appointment of requisite number of Independent Directors on the Board. However, appointment of requisite number of Independent Directors is yet to be made by the MoD.

4. Certain Corporate Governance requirements provided under the Listing Regulations

As regards with certain other Corporate Governance provisions provided under the Listing Regulations, the Company being a CPSE, the regulatory framework applicable to Government companies is designed to ensure compliances to the extent possible.

In view of such regulatory framework, certain corporate governance requirements as provided in the Listing Regulations i.e. sub-regulations (4) and (10) of Regulation 17, Regulation 18(3) read with Part C Para A of Schedule II, Regulation 19(4) read with Part D Para A of Schedule II and Regulation 25(4) etc. could not be complied with by the Company as by the virtue of being a Government company, compliance with the said requirements is beyond the control of the Company.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices, separately placed before the Board, for its necessary consideration and implementation by the Company.

We report that:

All the changes in the composition of the Board of Directors during the Audit Period except the aforesaid were made in due compliance of the various provisions of the Act and DPE Guidelines on Corporate Governance for CPSE.

Adequate notices were given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days 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 in the meeting.

All the decisions of the Board or Committee were taken with requisite majority and recorded as part of the minutes.

We further report that subject to above observations, the Company has complied with the conditions of Corporate Governance as stipulated in the Act and Guidelines for Corporate Governance for CPSEs and other specific laws.

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

We further report that during the Audit Period, the Company has not incurred any specific event that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

Change in Registered Office within the local limits of the city

The Company has shifted its registered office within local limits of the city from '43/46, Garden Reach Road, Kolkata, West Bengal- 700024' to 'GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal- 700024' with effect from 4th March 2021.

**For Vinod Kothari and Company
Practicing Company Secretaries
Unique Code: P1996WB042300**

Sd/-
Munmi Phukon
ACS No.: A60355
C P No.:22846

UDIN: A060355C000671691
Peer Review Certificate No.: 781/2020

Place: Kolkata
Date: 22 July, 2021

ANNEXURE - I

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Our Audit was based on examination, in physical or electronic form, as feasible under the prevailing circumstances, of books and records maintained by the Company.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure *on test basis and sample basis*.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. 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.

ANNEXURE - II

List of Documents

1. Corporate Matters;
 - 1.1 Minutes books of the following meetings were provided:
 - 1.1.1 Board Meeting;
 - 1.1.2 Audit Committee;
 - 1.1.3 Nomination and Remuneration Committee;
 - 1.1.4 Stakeholders Relationship Committee;
 - 1.1.5 Corporate Social Responsibility Committee;
 - 1.1.6 General Meeting;
 - 1.2 Agenda Papers for Board and Committee Meeting along with Notices;
 - 1.3 Annual Report for the Financial year 2019-20;
 - 1.4 Memorandum and Articles of Association;
 - 1.5 Disclosures under the Act;
 - 1.6 Policies framed under the Act & Listing Regulations;
 - 1.7 Register maintained under the Act;
 - 1.8 Forms and returns filed with the Registrar of Companies.

APPENDIX - “D”

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/agreements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts / arrangements / transactions	Not Applicable
Duration of the contracts / arrangements / transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Justification for entering into such contracts or arrangements or transactions	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	Not Applicable
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

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts / arrangements / transactions	Not Applicable
Duration of the contracts / arrangements / transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	None

For and on behalf of the Board of Directors

Sd/-
RAdm Vipin Kumar Saxena, IN (Retd.)
Chairman & Managing Director
DIN: 07696782

APPENDIX - E

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

I. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

GRSE views Corporate Social Responsibility as an integral part of its existence, such that the Company's operations and the fulfillment of its societal and environmental responsibilities are held at an equal pedestal in its core philosophy itself. We firmly believe that communities located in the vicinity of our units are important partners/stakeholders in our growth story.

The CSR initiatives of the company are governed by the Companies Act 2013, DPE and MoD guidelines and GRSE CSR policy. The Ministry of Corporate Affairs (MCA) issued Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide Gazette notification no. G.S.R.40 (E) dated 22 Jan 2021. In view of above amendments notified by Ministry of Corporate Affairs vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, a revised GRSE Policy on Corporate Social Responsibility was promulgated on 29 March 2021. All the CSR initiatives of GRSE are undertaken in conformity with the Schedule VII of the Companies (Corporate Social Responsibility Policy) Rules, 2014, framed under Companies Act, 2013. Details of such activities are uploaded on the Company's website. The Board Level Committee on CSR & Sustainability headed by an Independent Director recommends various CSR and Sustainability projects for the approval of the Board of Directors and the projects are implemented after obtaining Board approval. Meticulous planning is done before implementing the projects and the projects are reviewed during implementation to ensure desired progress as well as for mid- course correction, if any required. The Board Level Committee monitors progress of various CSR & Sustainability projects.

II. MAJOR CSR PROJECTS UNDERTAKEN BY GRSE IN FY 2020-21

1. HEALTH CARE AND NUTRITION PROJECTS

The year 2020-21 was unprecedented due to the outbreak of COVID 19 pandemic and the majority of CSR projects during this year were undertaken to address the health care issues for the marginalized segment.

(i) Contribution Towards PM Cares Fund

The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) was created on 28 March 2020 to enable citizens/companies to contribute to the government's healthcare, containment and relief efforts in the wake of the coronavirus outbreak. The Ministry of Corporate Affairs amended the CSR norms on 29 March 2020 to count contributions to the PM CARES Fund as part of their expenditure under CSR obligations. In support to Nation's fight against COVID-19, GRSE contributed an amount of ₹1 crore to PM CARES Fund.

(ii) Provide Relief Material During Lockdown

GRSE in a humble effort to provide some respite to the distressed families of daily wage earners residing in the vicinity of the factory premises, distributed food grains as a relief measure. The food grain packets were distributed

to 450 under-privileged families living in the local areas of Metiabruz during lockdown. Through, this initiative, GRSE provided support to the large segment of daily wage earners and migrant workers residing in the neighborhood who were unable to earn their livelihood due to the country wide lockdown.

(iii) Distribution of Masks during lockdown

As face masks are one of the significant protective equipment to protect from COVID-19, GRSE distributed masks, sanitizer and soap for the needy and vulnerable section of the locality during lockdown period in 2020.

(iv) Health Check-Up For Contractors' Workmen

GRSE widened its CSR horizon by starting a new project-Free Health camps for Contractors' Workmen. In order to identify Co-morbid conditions in the Contractors' Workmen who are more susceptible to the disease, GRSE organized comprehensive health check-up for the Contractors' Workmen, so that preventive action could be taken. More than 2100 Contractors' Workmen benefited from this project.

(v) Monthly Health Check Up Camps 'Doctor Aapke Dwar'

In FY 2020-21, a unique CSR initiative 'Doctor Aapke Dwar' was introduced by GRSE for providing medical facilities to the slum dwellers in and around Metiabruz area in association with The Times of India Group. During the difficult time of first wave of Covid-19, the underprivileged people found it very difficult to get medical facility for their other ailments. Through this initiative GRSE tried to address these concerns of the local community by arranging doctors' right in their locality. More than 3000 local needy and underprivileged people attended the camps maintaining all the social distancing norms.

(vi) Health Check - Up Camp

'The Health Camps' were introduced by GRSE during FY 2011-12, for providing basic diagnostic and curative health care facility for the economically and socially deprived population from the locality. Initially health check-up camps / clinics were held once in a month. However, the project was scaled up by conducting two health check-up camps every month. Each camp caters for an average 250- 300 patients and this is a much sought after project that has been successfully continuing for last 01 decade and has impacted around 34,000 beneficiaries.

(vii) Blood Donation Camp

Blood donation camp was conducted in association with the Thalassaemia Society of India on 23 Feb 2021. Approx. 90 donors comprising of GRSE employees, Trade Apprentice, CISF personnel and Contractors' workers donated blood for the noble cause.

(viii) Holistic Development Of Under Privileged Tribal Children Of Aspirational District

GRSE has joined hands with Ramakrishna Mission, Belur Math to bring about all-round development of under privileged tribal children of Badree, Getalsud, Kuturloba and Tupudana villages of Ranchi District.

This project is being implemented under the Gadadhar Abhyuday Prkalp (GAP) of Ramakrishna Mission. The project targets holistic development of about 255 tribal children wherein daily nutritive food supplements / dry ration, books, study material, pens, pencils, school bags, uniform, shoes, socks, footwear, medicines, sports items etc. were provided. Periodic medical check-up, health awareness classes etc. were also undertaken for physical wellbeing of children.

(ix) Empowering Differently Abled Children

GRSE has a decade long association with Indian Institute of Cerebral Palsy (IICP). In FY 2020-21, GRSE has extended financial assistance of ₹53.08 lakh to IICP for supporting the following interventions:

- (a) Adoption of 03 classes of IICP.
- (b) Renovation and repair work of IICP building which was damaged during Amphan.
- (c) Providing Tata Winger mini bus with foldable ramps for easy transportation for differently abled children.

Such endeavors are targeted to make these special children more self-reliant and thereby to finally mainstream them.

2. SKILL INDIA MISSION

Skill development is one of the thrust areas of GRSE's CSR objective as it addresses the challenging issue of unemployment in the country. The main focus of GRSE's Skill development initiatives under CSR is to transform the existing skill development programmes into industry-oriented training programmes. In FY 2020-21, the following skill development activities were undertaken to scale up Apprenticeship training in the company both in terms of quality and quantity and also supported four Govt. Industrial Training Institutes in developing their training infrastructure.

(i) Development of local Govt. Industrial Training Institutes (ITIs)

Since FY 2016-17, GRSE is supporting local Govt. ITIs in improving their skill development training facilities. In FY 2020-21, GRSE has continued its support to Govt. Women ITI Kolkata, Govt. ITI Tollygunge, Kolkata (where GRSE has set up a Centre of Excellence in Welding) and Govt. ITI Balurghat (located in Dakshin Dinajpur District of West Bengal). In addition, GRSE has facilitated skill development

projects in Govt. ITI Gariahat, Kolkata. A MOU was signed between GRSE and IMC of ITI Gariahat through which around 500 students of 12 different trades, in these ITIs benefitted from GRSE CSR initiatives.

(ii) Development of training infrastructure in supported ITIs

GRSE has supported Women ITI in setting up a new workshop for Solar Technician trade which will train technicians on solar technology – a non-renewable source of energy. In Govt. ITI Tollygunge infrastructure of two classrooms were upgraded to smart classroom so that the trainees can learn using Audio-Video aids. A new IT laboratory was set up at Govt. ITI Balurghat with 10 computers having latest configuration and supporting equipment. GRSE has also provided support for upgradation of training facilities of Electrician and Welder trades at Govt. ITI Gariahat. With the capacity enhancement initiatives through provisioning of latest machines, tools and equipment, existing students as well as future batches will get opportunity for better hands-on training and improve their practical skills.

(iii) Improvement of Apprenticeship training

During FY 2020-21, the company has enhanced the intake of apprentices. A total of 234 apprentices are trained at company's training facility at Technical Training Centre – Baranagar Unit under the Trade Apprentice, Graduate Apprentices and Technician Apprentice categories.

3. OTHER PROJECTS

(i) Development of School

R B Institute for Mentally Retarded children is the only Govt. aided school for such special children in Howrah District. Around 45 special children having 90% to 40% disability are enrolled in this school. The structure of the school building had deteriorated to such an extent that it had become difficult to conduct classes. GRSE extended support by renovating the school building, motivation hall and constructing 02 additional class rooms and other ancillary facilities. This intervention was undertaken so that the classes could continue without difficulty.

(ii) Contribution towards Innovation for Defence Excellence (iDEX)

The 'Innovation for Defence excellence (iDEX)' was formally launched by the Hon'ble Prime Minister during CPSE Conclave in April, 2018. The iDEX initiative is aimed to create an eco-system to foster innovation, technology development etc. in Defence by engaging premier R&D Institutes of repute. For GRSE, Centre for Innovation Incubation & Entrepreneurship (CIIE) -IIM (Ahmedabad) was identified as the Defence Innovation Organization (DIO) partner. GRSE contributed an amount of ₹ 15 lakh towards Innovation for Defence excellence (iDEX) in FY 2020-21.

CSR GALLERY



Financial Assistance to Indian Institute Cerebral Palsy (IICP)



Providing Mini Bus to IICP for transportation for differently abled children.



Health Check-up for contractor' workmen



Monthly Health check-up camp 'Doctor Aapke Dwar'



Joint hand with Ramakrishna for development of underprivileged tribal children.



Collaboration with ITI Balurghat for Skill Development



GRSE's relief to local needy persons of Metiabruz



Blood Donation Camp

III. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(a)	Smt. Kanwaljit Deol ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson	3	1
(b)	Dr. Biswapriya Roychoudhury ^[2] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson	3	2
(c)	Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Member	3	2
(d)	Cmde Hari P R, IN (Retd.) <i>Director (Personnel)</i>	Member	3	3

^[1] Ceased as Independent Director of the Company w.e.f. 14 Sep 2020.

^[2] Admitted as a chairperson/member of the Committee w.e.f. 30 Sep 2020

- IV. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- <http://www.grse.in/images/pdf/GRSE-Corporate-Social-Responsibility-CSR-Policy.pdf>
- V. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).- **Not applicable as per the Companies (CSR Policy) Amendment Rules, 2021.**
- VI. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		NIL	

- VII. Average net profit of the company as per section 135(5).

- (a) Two percent of average net profit of the company as per section 135 (5) –
₹ 353.72 lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
Not Applicable
- (c) Amount required to be set off for the financial year, if any
Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c)
₹ 353.72 lakh

- VIII. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 370 lakh	NIL				

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number

1

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Contribution to PM CARES fund	Clause – (i) promoting healthcare including preventive healthcare & sanitation and eradicating hunger, poverty & malnutrition Clause- (xii) disaster management, including relief		PAN India		100.00	No	GOI	-
2.	Mobile health check-up camps “Doctor Aapke Dwar”	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Metiabruz area of Kolkata,	27.50	No	Bennett, Coleman & Co. Ltd., Times of India, Group	-
3.	Health Check-Up for approx. 2100 local persons engaged by Contractors	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Metiabruz area of Kolkata,	26.42	Yes	GRSE Ltd.	-
4.	Provided relief material to local underprivileged community during the lockdown	Clause – (i) eradicating hunger, poverty & malnutrition Clause- (xii) disaster management, including relief	Yes	West Bengal	Metiabruz area of Kolkata,	1.83	Yes	GRSE Ltd.	-
5.	Distribution of 22,500 masks to local underprivileged persons	Clause – (i) promoting healthcare including preventive healthcare and sanitation	Yes	West Bengal	Metiabruz area of Kolkata,	2.70	Yes	GRSE Ltd.	-
6.	Holistic development of 255 under privileged children from tribal areas of Ranchi District (Aspirational District)	Clause – (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare Clause- (ii) promoting education among children	No	Jharkhand	Ranchi District.	23.29	No	Ramakrishna Mission, Belur math	-
7.	Adoption of 3 classes and infrastructure support to Indian Institute of Cerebral Palsy (IICP)	Clause – (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare Clause- (ii) promoting education including special education and employment enhancing vocation skills among differently abled children	Yes	West Bengal	Kolkata and neighboring districts.	53.08	No	Indian Institute of Cerebral Palsy (IICP)	-
8.	Health check- up camps and blood donation camp	Clause – (i) promoting healthcare including preventive health care.	Yes	West Bengal	Metiabruz area of Kolkata,	6.82	Yes	GRSE Ltd.	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation on - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
9.	Stipend paid to the apprentices engaged over and above the 2.5% of the statutory requirement to meet the target of MoD directive of 10% of manpower strength.	Clause – (ii) promoting employment enhancing vocational skills	Yes	West Bengal	Kolkata and neighboring districts.	52.99	Yes	GRSE Ltd.	-
10.	Development of training facilities and infrastructure support at ITI, Tollygunge (Centre of Excellence in Welding), Women ITI, Kolkata, ITI Gariahat and ITI Balurghat and placement assistance to ITI students and trade apprentices undergoing training at GRSE.	Clause – (ii) promoting employment enhancing vocational skills	Yes	West Bengal	Tollygunge, Gariahat, Balurghat	43.38	No	04 Govt. ITIs: ITI Tollygunge, Women ITI, Gariahat, ITI, Balurghat and ITI, Gariahat	-
11.	Support for infrastructure development of R.B. Institute for Mentally Retarded children	Clause – (ii) promoting education including special education to the differently abled children.	Yes	West Bengal	Howrah	14.99	Yes	GRSE Ltd.	-
12.	Contribution to Clean Ganga Fund	Clause – (iv) contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;		PAN India		2.00	No	GOI	-
13.	Contribution towards Innovation for Defence Excellence (iDEX)-DIO	Clause – (ix) Contribution to technology incubators located within academic institutions which are approved by the Central Government.		PAN India		15.00	No	CIIE-IIM(A)	-
TOTAL						370.00			

- (d) Amount spent in Administrative Overheads- **NIL**
- (e) Amount spent on Impact Assessment, if applicable- **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **₹ 370 lakh**
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	353.72
(ii)	Total amount spent for the Financial Year	370.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	16.28
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.28

IX. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.				NIL			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
1.								
TOTAL								

X. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s)
 (b) Amount of CSR spent for creation or acquisition of capital asset
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.-
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired	Complete address and location of the capital asset
1	01 Feb 2021	₹4,71,392/-	Govt. Women Industrial Training Institute (WITI) Kolkata, 2/1, Anil Moitra Road, Kolkata-700019	Development of training infrastructure for Solar Technician trade Rooftop mounting Structure (01 no.) Sunshine Recorder (01 no.) Solar Energy Trainer kit with grouping of Solar Cells (01 no.) Halogen Lamp with stand for illumination of solar panels in lab (02 nos.) DC Pump (01 no.) Used water treatment Solar plant Demonstrator kit (01 no.) Pyranometer (01 no.) Solar cell based Sunlight radiation meter (01 no.) Solar simulator for solar cell characteristic study (01 no.) Solar PCU (01 no.) Solar Traffic Light (01 no.)	Govt. Women Industrial Training Institute (WITI), 2/1, Anil Moitra Road, Kolkata-700019
2	23 Dec 2020	₹ 4,41,000/-	Govt. Industrial Training Institute (ITI) Tollygunge, 24 Chandhi Ghosh Road, Kolkata-700040	Infrastructure upgradation of 01 no. Smart Classroom Supply and fixing of False Ceiling (80 sq.m) Supply and installation of 2 Ton Air Conditioning machines (04 nos.) Supply and installation of False ceiling Lights (12 nos.), wall mounted fans (04 nos.) and electrical/ power lines	Govt. Industrial Training Institute (ITI) Tollygunge, Kolkata, 24 Chandhi Ghosh Road, Kolkata-700040

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired	Complete address and location of the capital asset
3	01 Mar 2021	₹ 7,14,543/-	Govt. Industrial Training Institute (ITI) Balurghat , Atoir, PO- Bidoypur (via BT Park), Dist. Dakshin Dinajpur (WB)	Development of infrastructure of Information Technology (IT) Lab Desktop Computers - HP Intel Core i3 9100 4 GB/ 1000 GB HDD/ Windows 10 Professional (10 nos.) Line Interactive UPS with AVR - NUMERIC 0.6/84 (KVA/VAH) (10 nos.) Computer Table – WFG 119 (10 nos.)	Govt. Industrial Training Institute (ITI) Balurghat, Atoir, PO- Bidoypur (via BT Park), Dist. Dakshin Dinajpur (WB)
4	16 Mar 2021	₹ 4,31,755/-	Govt. Industrial Training Institute (ITI) Tollygunge , 24 Chandi Ghosh Road, Kolkata-700040	Infrastructure upgradation of 01 no. Smart Classroom Supply and fixing of False Ceiling (70.68 sq.m) with Acrylic primer and emulsion paints on wall and ceiling Supply and installation of 2 Ton Air Conditioning machines (04 nos.) Supply and installation of False ceiling Lights (12 nos.), wall mounted fans (04 nos.) and electrical/ power lines	Govt. Industrial Training Institute (ITI) Tollygunge, Kolkata, 24 Chandi Ghosh Road, Kolkata-700040
5	19 Mar 2021	₹ 8,91,761/-	Govt. Women Industrial Training Institute (WITI) Kolkata , 2/1, Anil Moitra Road, Kolkata-700019	Development of training infrastructure for Solar Technician trade Lead Acid Battery (02 nos.) Solar Grid tied Inverter Demonstrator Kit (01 no.) Solar DC Pump (01 no.) I-V Curve Tester (01 no.) Demonstration Kit for Wind Generation (01 no.) Weather Monitoring Station (01 no.) Lead Acid battery (02 nos.) Solar Tracker Demonstrator Kit (01 no.) Solar Wind & Hybrid Power Plant (01 no.)	Govt. Women Industrial Training Institute (WITI), 2/1, Anil Moitra Road, Kolkata-700019
6	09 Mar 2021	₹ 8,90,024/-	Govt. Industrial Training Institute (ITI) Gariahat , 10&10/1, Gariahat Road, Kolkata- 700019	Development of training infrastructure for Electrician trade SCR Characteristics Trainer Kit (01 no.) MOSFET Characteristics Trainer Kit (01 no.) DIAC and TRIAC Characteristics Trainer Kit (01 no.) AC Motor Control Using DIAC and TRIAC Trainer Kit With Motor (01 no.) SCR Triggering Circuit IC 555 Trainer Kit (01 no.) DSO, 50MHZ, 2 channel (01 no.) Function Generator (01 no.) Power supply (01 no.) AC drive trainer kit (With AC motor 3 phase motor) VVVF, IGBT Control (01 no.) AC drive trainer kit (With AC motor 1 phase motor) VVVF, IGBT Control (01 no.) Trainer Kit for DC Motor Speed Controller (With Motor) both armature and field control (01 no.) Basic Logic Gates using Discrete Trainer Kit (01 no.) Transistor Characteristics Trainer Kit (01 no.) FET Characteristics Trainer Kit (01 no.) Working Table (2250x1200x750mm) (02 nos.) Working Table (1500x1200x750mm) (02 nos.) Working Table (1500x1200x900mm) (01 no.)	Govt. Industrial Training Institute (ITI) Gariahat, Kolkata 10&10/1, Gariahat Road, Kolkata- 700019

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired	Complete address and location of the capital asset
7	23 Mar 2021	₹ 4,98,078/-	Govt. Industrial Training Institute (ITI) Gariahat, 10&10/1, Gariahat Road, Kolkata- 700019	Development of training infrastructure for Welder trade Submerged Arc Welding (max 1200A, diode based. Complete set) (01 no)	Govt. Industrial Training Institute (ITI) Gariahat, Kolkata 10&10/1, Gariahat Road, Kolkata- 700019
8.	11 Mar 2021	₹ 15,38,832/-	Institute of Cerebral Palsy P35/1 Taratolla Road, Kolkata- 700088	One customized 13 seater Tata Winger mini bus with foldable ramp	Institute of Cerebral Palsy P35/1 Taratolla Road, Kolkata- 700088
9.	18 Jan 2021	₹ 14,99,393/-	RB Institute for Mentally Retarded children 7/10, Kona Express way, Santragachhi, Howrah, West Bengal-711104	Construction of 02 additional class rooms and other ancillary facilities	RB Institute for Mentally Retarded children 7/10, Kona Express way, Santragachhi, Howrah , West Bengal-711104

XI. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not Applicable**

Sd/-
Cmdr Hari P R, IN (Retd.)
Director (Personnel)
DIN No. 08591411

Sd/-
Dr. Biswapriya Roychoudhury
Chairperson, CSR & SD Committee
DIN No. 08200896

Sd/-
RAdm V K Saxena
(Chairman & Managing Director)
DIN No. 07696782

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY SCENARIO

1.1 Global Scenario

The slowdown observed in the global Naval shipbuilding market during the past few years due to the cutback on military spending by major western countries continues to prevail. Further, the outbreak of COVID-19 pandemic has adversely impacted the global economy, which in turn affected the global shipbuilding market. However, a turn around as expected, given the need to replace older vessels in the naval fleet of major economies and the increase in the level of sophistication in combat technology. The global naval shipbuilding market would peak during the first half of this decade, driven by demand for both surface combatants and submarines. Globally, the average age of warships is as high as twenty-five (25) years and around 180 procurement programs are under execution in various countries.

1.2 The Indian Scenario

Defence shipbuilding in India is emerging as an area of focus of both the public and private sector shipyards. While the five public sector shipyards including your Company are the frontrunners in the defence shipbuilding space, private shipyards are also undertaking specific measures to enhance competence and modify their existing shipbuilding infrastructure to suit the needs of the Indian Navy and the Indian Coast Guard. Among the private shipyards, L&T Shipbuilding and Shoft Shipyard, which entered the shipbuilding market as commercial shipbuilders, have been repositioning themselves as capable warship builders.

According to industry sources, the defence shipbuilding order book is expected to grow 8-10% CAGR over the next five years. Further, the Indian shipbuilding industry's order book is expected to receive a boost on account of Indian Navy and Coast Guard's ambitious ship acquisition plans as these forces plan to have a fleet of 200 ships each. Their combined shipbuilding programme spanning over fifteen (15) years, indicated that they would place orders for about 165 warships in the coming years.

As obtained from open sources, the Indian Navy's estimated capital budget for up to 2027 amounts to ₹ 4,50,000 crore approx. The planned expenditure includes a separate estimate

for various vessel categories including submarines (₹ 2,20,000 crore approx.), destroyers / frigates (₹ 90,000 crore approx), aircraft carriers (₹ 45,000 crore approx.), Corvettes, landing platform etc. For the ICG, the Government has approved a ₹ 32,000 crore action plan.

Substantial market opportunities are also anticipated in the coming decade and beyond in the area of maintenance, repairs, refits and upgrades of Indian Navy and Indian Coast Guard warships. To capitalize on the same, GRSE intends to ramp up its focus on repair and refitting of Indian Navy and Indian Coast Guard vessels.

The new shipbuilding policy announced by the Government of India granting financial assistance to the shipbuilding industry helps Indian Shipbuilders to be more cost competitive at a global level. The infrastructure status to the shipbuilding industry also facilitates various Government incentives and tax benefits.

2. ORGANISATION STRUCTURE

Presently, GRSE has three (3) separate facilities for shipbuilding, all of which are located in close vicinity of each other in Kolkata, India and also connected by river. We construct our ships at the Main Works Unit and the Rajabagan Dockyard (a facility mainly dedicated for construction of small vessels). Our third facility, the FOJ unit is primarily used for fitting out and repair of ships. Our Diesel Engine Plant (DEP), Ranchi Unit is engaged in assembly of semi-knocked down units of diesel engines and the testing and overhauling of marine propulsion engines, and our engineering segment is engaged in the manufacturing and fabrication of portable steel bridges, deck machinery items of ships and marine pumps.

3. PRODUCTS AND SERVICES

Being a Defence PSU, GRSE primarily caters for the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. In addition to our warship building capabilities, we are engaged in construction of commercial vessels and engineering & engine production activities. As a part of our engineering division, we manufacture deck-machinery items, pre-fabricated portable steel bridges and marine pumps.

4. SWOT ANALYSIS

Considering the dynamic nature of the environment, a SWOT Analysis of GRSE was carried out and the following are identified:

Strengths:

- (a) World class infrastructure for shipbuilding enabling simultaneous construction and fitting out of 20 small, medium and large ships.
- (b) Proven capability to produce wide spectrum of ships ranging from 5 Ton Boats to 24,600 Ton fleet tanker.
- (c) Dedicated stand-alone facility (Raja Bagan Dockyard) with an area of 33 Acres and 550 M water front for concurrent construction/ fitting out of five small ships.
- (d) Dedicated Fitting out Jetty Unit to concurrently undertake post-launch outfitting of four large ships.
- (e) Proven in-house capability for ship design in terms of good infrastructure with seamless IT Network including Design Software and a team of 100 T Design Engineers.
- (f) Dedicated Virtual Reality (VR) Lab for detailed design and evaluation.
- (g) Well established Project Management System with latest Project Management software.
- (h) ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 & ISO 50001:2018 certification.
- (i) A robust ERP system encompassing all areas of business operations.
- (j) In-house skill development Centre at TTC, Baranagar.
- (k) Competent and highly skilled human resource at all levels.
- (l) Efficient Supply Chain Management system.
- (m) Financially strong Company with a good order book visibility.
- (n) A Profit making, Dividend paying and Zero Debt Company.
- (o) Long standing relationships with main customers like Indian Navy and Indian Coast Guard.

Weaknesses:

- (a) Constraints of a riverine shipyard due to limitations in the depth and width of navigable channel with effects of silting in river.
- (b) Location of the Company in thickly populated residential areas having narrow roads.
- (c) Weak shipbuilding eco-system in eastern part of India.

Opportunities

- (a) Acquisition plan of Indian Navy and Indian Coast Guard aimed at significant Expansion of fleet size.
- (b) Acquisition plan of MHA & IWAI.
- (c) Export potential especially for small and medium size warships and patrol vessels to South East Asia, West Asia, African countries and Latin America.
- (d) Government policy on thrust for exports including extension of Line of Credit (LoC).
- (e) Repair and Refit of Ships for Indian Navy and Indian Coast Guard has got significant business potential.
- (f) Capacity and Capability enhancement through collaboration with private shipyards
- (g) Acquisition of suitable shipbuilding or repair yards in India and abroad.
- (h) Scope for increasing business volumes in Bridges, Engineering Products and Engines through aggressive marketing, capacity augmentation and product diversification.
- (i) Capability of developing basic design of varied range of vessels which can be utilized in rendering design and associated services to other Shipyards enabling the Design Office to become a separate cost center.

Threats

- (a) Competition from Private and Public Shipyards.
- (b) Geographical location and environment.
- (c) Competition for Engineering Products from small players.
- (d) Inadequate local Vendors for major shipbuilding activities.
- (e) Inordinate delay in supply of certain critical equipment by customer nominated firms leading to time overrun of projects.

From the above SWOT analysis, it emerges that Company needs to leverage its strengths to create a competitive advantage for maximizing available opportunities, while continuously improving internal efficiencies by leveraged technology. There are good opportunities available to the Company to build Defence, Coastal Security and inland Water Vessels and also in the field of ship repairs. Accordingly, the Company's efforts are being focused in exploiting such opportunities based on the Company's strength and on minimizing the adverse effect of its weaknesses. The strengths of infrastructure and production facilities are channelized to develop reliable vendors who can support shipbuilding in order to address the emerging opportunities and reducing the impact of prevailing threats.

5. OUR STRATEGIES

We intend to pursue the following principle strategies to exploit our competitive strengths and grow our business:

- (a) Thrust towards cost reduction and improvement of productivity and internal efficiency.
- (b) Focus on enhancement of Customer satisfaction.
- (c) Leverage Information & Communication Technology (ICT).
- (d) Maximise indigenous content in warship construction.
- (e) Optimum utilization of space and integrated construction facility to bring down Build Period.
- (f) Business Development through concerted marketing effort.
- (g) Focus on Sustainable Development.
- (h) Developing Businesses other than shipbuilding separately.
- (i) Enhance Human Resource Development through identification of competency gaps and imparting suitable training to employees keeping overall business strategy on a focal point.
- (j) Adopt Industry 4.0 suitably in business operations of the Shipyard.
- (k) Facilitate development of vibrant echo system for Shipbuilding activities in Eastern region.

6. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Ministry of Corporate Affairs vide Notification dated 23 Feb 2018 granted exemption to the companies engaged in defence production to the extent of application of relevant Accounting Standard on segment reporting. Hence, the segment-wise / product-wise performance is not appended to this Report.

7. OUTLOOK

While the overall Indian Shipbuilding industry has witnessed healthy growth in the recent past. Defence Shipbuilding segment looks promising on account of the ship acquisition plans of the Indian Navy and the Coast Guard.

Your Company is predominantly in the defence shipbuilding segment and has gained sufficient expertise in large, medium and small size ships required by Indian Navy and Indian Coast Guard, in particular, and generally enjoys excellent reputation for ships that it has built. Your Company has delivered its 107th warship (exporting a Fast patrol Vessel to Govt. of Seychelles) on 15 Feb 2021 and the only Shipyard in the country who has achieved such a feat of crossing the coveted 100 mark.

GRSE is operating in a highly competitive environment across all its product segments. The private shipbuilding players are competitors for orders from Defence sectors where the Company has predominant business. Despite competition from International and Indian Shipyard in Public and Private sector, your Company continues to make efforts to secure shipbuilding orders at domestic and international level and is maintaining the growth momentum. During the financial year 2020-21, your Company has bagged two export contracts as follows:

- a) Export order of 12.73 Million USD for supply of 01 No. Ocean Going Passenger & Cargo Ferry Vessel to Republic of Guyana was awarded to GRSE. The contract was signed on 13 Jan 2021.
- b) Export Order of ₹ 100 crore approx. for supply of one Fast Patrol Vessel to Govt. of Seychelles was awarded to GRSE. The contract was signed on 03 Feb 2021 and the ship was delivered on 15 Feb 2021.

The Company is also giving thrust to its ship repair activities. In order to move forward the ship repair activity, a Memorandum of Understanding (MoU) has been signed between GRSE & SMP (KoPT) to develop and utilize 03 existing dry docks of SMP which are strategically located. The close proximity of this facility would provide a boost to the Ship repair efforts of GRSE, during the year. Another credible achievement is that the Company has received a repair and refit order from Govt. of Mauritius for an Offshore Patrol Vessel.

8. MEASURES TO TACKLE CHALLENGES

The following are the major initiatives taken to ensure sustained performance and growth:

- a) Develop Design Department into a Centre of Excellence
- b) Upgrade shipbuilding technology / processes
- c) Revamping of Material Management / Supply Chain Management
- d) Vendor development & building long term Partnerships
- e) Improve Project Management System for shipbuilding projects
- f) Upgrade products of Bridges Unit, Deck Machinery Unit and Diesel Engine Plant
- g) Business Development through concerted marketing effort with focus on Exports.
- h) Developing Businesses other than shipbuilding, as separate profit centres
- i) Strategic Partnership for Export / Special Projects
- j) Measures for increasing VoP from Ship Repair (SR) Business
- k) Measures for increasing VoP of Portable Bridges, Deck Machinery, marine pump and Diesel Engine Businesses
- l) Measures to Improve Productivity line at GRSE
- m) Implementation of Project Life Cycle Management (PLM) software migrating to achieve 100% compliance for working on PLM
- n) Reduction in Revenue Expenditures

- o) Improvement of Ease of Doing Business (EoDB)
- p) Efficient Risk Analysis and Mitigation Plans
- q) Leverage Information & Communication Technology (ICT) for better management
- r) Shipyard Capacity Enhancement from 20 to 24 ships concurrent construction.

9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an Internal Control framework, commensurate with the size, scale, and complexity of the Company's operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from loss, misuse and physical impairment, executing transactions with proper authorisation, and ensuring compliance with corporate policies. The Company has laid down Standard Operating Procedures and policies to guide the operations of the business along with a comprehensive delegation of power for the smooth functioning and decision making. Business heads/ Unit Heads are responsible to ensure compliance with the policies and procedures laid down by the Management.

Your Company has implemented ERP (SAP) and controls have been documented and embedded in the business processes. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems, its compliance with operating systems, accounting procedures, and policies. Based on the report of the Internal Auditors, process owners undertake corrective action(s) in their respective area(s). Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

10. RISK MANAGEMENT

Your Company has in place a Board approved Risk Management Policy and Charter and implemented a structured risk management system. This charter is intended to establish a common understanding, language and methodology for identifying, assessing, responding, monitoring and reporting risks and to provide assurance to the management that key risks are being properly identified and effectively managed in the company. GRSE has constituted a Board level 'Risk Management Committee' (BLRMC). The key risks faced by the company are analysed by the Risk Management Steering Committee (RMSC), which is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. The Chief Risk Officer (CRO) is the convener of BLRMC & RMSC. Risk management committees at unit level analyse risks associated with their respective areas, prepare mitigation plans, ensure implementation and also inform the top management. The Company has in place a mechanism to inform the Board Members about Risk Assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

11. DISCUSSION AND ANALYSIS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Performance Highlights of the Company during the year ended 31 Mar 2021 are as follows:

(₹ in crore)

Particulars	As on 31 Mar 2021	As on 31 Mar 2020
Gross Income	1,328.43	1,658.79
Revenue from Operations	1,140.84	1,433.30
Value of Production	1,132.76	1,424.70
Gross Margin	238.91	255.29
Profit Before Exceptional Items & Tax	227.87	234.48
Exceptional Item	(20.75)	(10.61)
Profit Before Tax	207.12	223.87
Tax Expense	53.65	60.39
Profit After Tax	153.47	163.48
Net Worth	1,137.12	1,040.23
Book Value per Share (in ₹)	99.27	90.81
Earnings Per Share (in ₹)	13.40	14.27
Dividend Per Share (in ₹)	5.00	7.14

Efficiency Ratios (%)	FY 2021	FY 2020
PBT Margin	18.16	15.62
PAT Margin	13.45	11.41
Debtors Turnover	15.61	37.35
Basic EPS	13.40	14.27

(₹ in crore)

Import and Export	As on 31 Mar 21	As on 31 Mar 20
Imports made during the year	78.89	102.79
Exports made during the year	87.49	1.01

- **Gross Revenue** registered a fall of 19.92 % from ₹ 1,65,879.47 lakh in 2019-20 to ₹ 1,32,843.09 lakh in 2020-21.
- **Value of Production** has decreased from ₹ 1,42,470.32 lakh in 2019-20 to ₹ 1,13,276.40 lakh in 2020-21.
- **Net Profit (PBT)** has decreased from ₹ 22,387.10 lakh in 2019-20 to ₹ 20,711.74 lakh in 2020-21.
- **Value Addition per Employee** has increased from ₹ 23.07 lakh in 2019-20 to ₹ 25.00 lakh in 2020-21.
- **Book Value per share** has increased from ₹ 90.81 in 2019-20 to ₹ 99.30 in 2020-21.
- **Net Worth** has increased from ₹ 1,04,023.10 lakh in 2019-20 to ₹ 1,13,711.76 lakh in 2020-21, an increase of 9.31%.

12. HUMAN RESOURCE DEVELOPMENT

The Company has been focussing on sustained development of its employees, both at the individual and at the team level through various human resources development initiatives. Some of the initiatives rolled out during the year are enumerated below: -

- (a) **Capability Building Initiatives:** The Company has been undertaking various initiatives in updating the competencies of its human resources through exposure to various learning & development organised by premier institutes in India and abroad. The major capacity building initiatives in FY 2020-21 are given below:
- (i) Leadership Development Programmes;
 - (ii) Advanced Technical Training Programmes;
 - (iii) Managerial & Behavioural Competencies Development Programmes;
 - (iv) Functional Development Programme;
 - (v) Training Program on Emerging Topics;
 - (vi) E-learning courses;
 - (vii) Awareness programmes on IPR and Preventive Vigilance
- (b) **New HR Initiatives:** As a part of HR capability building framework and with a view to improve the existing HR processes, the People Capability Maturity Model (PCMM) has been adopted in GRSE. Apart from PCMM, the Company has introduced a revised Performance Management System (PMS), 'Competency Framework and Talent Spotting and Development Scheme'.

13. MANPOWER

The employee strength of your Company was 1900 persons as on 31 Mar 2021.

Total Employees as on 31 Mar 2021	Officers	Supervisors	Office Assistants	Workmen		
				Direct	Indirect	Total
1900	490	161	57	987	299	1192

14. ENVIRONMENT PROTECTION

Your Company contributes in all aspects for clean and green environment by systematically integrating best practices to bring in cleaner technologies and greening the environment through recycle, reuse and reduce approach. Effluent and Sewage Treatment Plant are being operated. Various environmental protection activities such as water conservation, tree plantation, disposal of hazardous waste and metal scrap, e-waste management and use of solar energy have been carried out.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Relevant information in this regard is disclosed in the 'Directors' Report'.

16. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY (CSR)

Relevant information in this regard is disclosed in the section 'Annual Report on CSR Activities' provided at **Appendix – "E"** of the Directors' Report.

Cautionary Statement- Certain statements made in the Management Discussion and Analysis Report related to the Company's objectives, projections, outlook, expectations, estimates and other may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct/indirect control.

REPORT ON CORPORATE GOVERNANCE

(For the Financial Year 2020-21)

PHILOSOPHY ON CORPORATE GOVERNANCE

- Your Company's philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. Your Company gives importance to adherence to adopted corporate values and objectives and discharging social responsibilities as a corporate citizen. Your Company believes in customer satisfaction, financial prudence and commitment to values. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.
- To uphold the highest standards of corporate governance, your Company has implemented, both in letter and spirit, the guidelines enunciated by the Department of Public Enterprises, Government of India, on Corporate Governance. Your Company believes that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of all its stakeholders and for creating long term value for our shareholders. It has a strong and well laid down administrative set up to facilitate decentralized and transparent decision making. For effective implementation, the following major good governance practices have been put in place:
 - Code of Business Conduct and Ethics for Board of Directors and Senior Management
 - Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information
 - Whistle Blower Policy
 - Corporate Social Responsibility Policy
 - Policy on Related Party Transactions
 - Preservation of Documents and Archival Policy
- The details of the Members of the Board of Directors of your Company during the period from 01 Apr 2020 to 31 Mar 2021 are given below:

- Policy on determination of Materiality of Event or Information
- Risk Management Policy
- Dividend Distribution Policy
- Policy for Determining Material Subsidiaries
- HR Manuals
- SOPs for ensuring compliance of Applicable Laws, Rules & Regulations

BOARD OF DIRECTORS

- The Board of Directors of the Company, headed by Chairman & Managing Director, is the apex body which oversees the overall functioning of your Company. The Board of your Company gives strategic directions and seeks accountability of their fulfillment. The Board has set goals in terms of Long-Term Perspective Plan in order to achieve its "Vision" statement. It is vested with the ultimate responsibility of the management and performance of your Company as a trustee to enhance the Shareholders' value. The decisions of the Board are aligned to serve in the best interest of your Company. The Board has constituted Sub-Committees to facilitate smooth and efficient flow of decision making process.

SIZE AND COMPOSITION OF THE BOARD

- The Board of the Company comprises of Executive (Whole-Time) Directors, Non-Executive (Part-Time Official) Government Nominee Directors and Non-Executive (Part-Time Non-Official) Independent Directors. As on 31 Mar 2021, the Board of Directors of your Company doesn't consist of an optimum combination of Executive and Non-Executive Directors. As on the said date, the Board consists of 06 Directors comprising 04 Whole-Time Directors, including the Chairman & Managing Director, 01 Government Nominee Director and 01 Part-Time Non-Official (Independent) Directors.

Name of the Directors	Date of Appointment	Other Directorships (incl. in Listed Entities)	No. of Committee position held in other Companies	
			Chairman	Member
Whole-Time Directors				
RAdm Vipin Kumar Saxena, IN (Retd.) <i>Chairman & Managing Director</i>	01 Mar 2017	-	-	-
Shri Sarvjit Singh Dogra ^[1] <i>Director (Finance) & CFO</i>	31 Dec 2014	-	-	-
Shri Ramesh Kumar Dash ^[2] <i>Director (Finance) & CFO</i>	01 Jul 2020	-	-	-
Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	16 Dec 2017	-	-	-

Name of the Directors	Date of Appointment	Other Directorships (incl. in Listed Entities)	No. of Committee position held in other Companies	
			Chairman	Member
Cmde Hari P R, IN (Retd.) Director (Personnel)	21 Oct 2019	-		
Government Nominee Director				
Shri Ashwani Kumar Mahajan ^[3] Addl. FA (AK) & JS	02 Apr 16	-	-	-
Shri Surendra Prasad Yadav ^[4] Joint Secretary (Naval System)	14 Sep 20	-	-	-
Part-Time Non-Official (Independent) Directors				
Shri Ajai Bhandari ^[5]	09 Mar 2018	-		
Shri Bharat Bhushan ^[6]	15 Sep 2017	-	-	-
Smt. Kanwaljit Deol, IPS (Retd.) ^[7]	15 Sep 2017	-	-	-
RAdm Inder Paul Singh Bali, AVSM, VSM, IN (Retd.) ^[8]	09 Mar 2018	-	-	-
Dr. Biswapriya Roychoudhury	15 Aug 2018	-	-	-

^[1] Superannuated as Director (Finance) of the Company on 30 Jun 2020

^[2] Appointed as Director (Finance) of the Company on 01 Jul 2020

^[3] Ceased as Nominee Director of the Company on 30 Jul 2020

^[4] Appointed as Nominee Director of the Company on 14 Sep 2020

^[5] Ceased to be Independent Director of the Company on 20 Jul 2020

^[6] Retired as Independent Director of the Company on 15 Sep 2020

^[7] Retired as Independent Director of the Company on 15 Sep 2020

^[8] Retired as Independent Director of the Company on 09 Mar 2021

6. Two (2) new Directors have been inducted to the Board of Directors during the year under review. Brief Resume of the newly appointed Directors are provided below:

Shri Ramesh Kumar Dash

Shri Ramesh Kumar Dash (DIN: 08511344) assumed charge as Director (Finance) and Chief Financial Officer of our Company w.e.f. 01 Jul 2020. Shri R K Dash aged 55 years, is an Associate member of the Institute of Cost Accountants of India (ICAI). He is also a law graduate and Master in Commerce. He has over 29 years of extensive experience in Finance, Accounts, Pricing, Budgeting, Taxation and Audit Functions. Prior to his appointment in the Company, Shri R K Dash was working with Hindustan Aeronautics Limited (HAL). He was a Nominee Director on the Board of M/s HALBIT AVIONICS Private Limited, Bangalore (a Joint Venture Company of HAL) from 25 Jul 2019 to 17 May 2020.

Other Directorships: Nil

Committee Membership of other Companies: Nil

Shri Surendra Prasad Yadav

Shri Surendra Prasad Yadav (DIN:02267582), aged 52 years appointed as Part-Time Official Director (Government Nominee Director) of Garden Reach Shipbuilders & Engineers Limited by the Ministry of Defence, Government of India and assumed the position w.e.f. 14 Sep 2020.

He is a qualified B. Tech, M. Tech and a 1996 batch Indian Forest Service (IFoS) Officer of West Bengal cadre.

He has worked in Department of Forest, Government of West Bengal in different capacities like Divisional Forest Officer and Chief Conservator of Forests.

He also worked as Executive Director in West Bengal Industrial Development Corporation Limited for more than 7 years, prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in July 2020.

Other Directorships: Nil

Committee Membership of other Companies: Nil

KEY BOARD EXPERTISE AND SKILLS

- The Directors in your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India. The selection of Directors on the Board of your Company is done through a meticulous screening process adopted by the Government of India.
- The Board of your Company comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Directors are committed to ensuring that the

Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key Board skills, expertise and attributes which, in the opinion of the Board, are required in the context of the business of the Company:

Skills and Attributes	Description
Organisational Purpose	Ability to comprehend the industry and its operations, maritime needs of the country, the socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses. Ability to contribute towards creating an inspiring Vision for the Company.
Financial and Managerial Acumen	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws and risk management and internal controls.
Policy Evaluation	Ability to evaluate policies, systems and processes in the context of legal ecosystem, Government Directives and applicability to the Company's businesses, and review the same periodically.
Corporate Governance	Knowledge on matters of regulatory compliance, Board and Management accountability, protecting shareholders' interest, observing appropriate governance practices and contribute towards its refinement.
Technological Understanding	Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable.
Culture Building	Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organisational conduct.

9. Given below is a list of core skills, expertise and competencies of individual Directors:

Name of Director	Skills / Expertise / Competencies					
	Organisational Purpose	Financial and Managerial acumen	Policy Evaluation	Corporate governance	Technological understanding	Culture Building
RAdm Vipin Kumar Saxena	√	√	√	√	√	√
Cmde Sanjeev Nayyar	√	√	√	√	√	√
Cmde Hari P R	√	√	√	√	√	√
Shri Ramesh Kumar Dash	√	√	√	√	√	√
Shri Surendra Prasad Yadav	√	√	√	√	-	√
Dr. Biswapriya Roychoudhury	√	√	√	√	-	√

BOARD PROCEDURE

- Board Meetings are normally held at least once in every quarter, and more often, if considered necessary, focusing on reviewing of policies and procedures for ease of doing business, formulation of strategies for business development, exercising control, delegation of powers, reviewing performance of your Company, approving contracts for high value items, quarterly, half yearly and annual results, annual accounts, annual operating plan and budgets besides considering matters that are statutorily required to be placed before the Board.
- Your Company believes that a carefully planned agenda note is pivotal for effective Board Meetings. The agenda notes are backed by comprehensive background information to enable the Board to take decisions. Agenda Notes are generally circulated well in advance to the members of the Board. The Board Members, in consultation with the Chairman, may bring up any important issue for the consideration of the Board. As and when required, senior executives of your Company are also invited to attend Board Meetings and provide clarifications. The Part-Time Directors play an important role in the deliberations at the Board Meetings and bring to your Company their wide experience in the fields of technology, finance, marketing, public policy and operations.

MEETINGS AND ATTENDANCE

12. During the year 2020-21, eight (08) Board Meetings were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	06 Jun 20	10	10
2.	21 Jul 20	9	9
3.	13 Aug 20	8	8
4.	11 Sep 20	8	8
5.	11 Nov 20	7	7
6.	27 Nov 20	7	6
7.	09 Feb 21	7	7
8.	04 Mar 21	7	7

13. The maximum interval between any two Board Meetings held during the year was (78) days. Details of Directors' attendance at the Board Meetings and Annual General Meeting held during the FY 2020-21 are given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors								% of attendance	Attendance at the last AGM held on 11 Sep 20
	06 Jun 20	21 Jul 20	13 Aug 20	11 Sep 20	11 Nov 20	27 Nov 20	09 Feb 21	04 Mar 21		
RAdm Vipin Kumar Saxena									100	
Shri Sarvjit Singh Dogra ^[1]		NA	NA	NA	NA	NA	NA	NA	100	NA
Shri Ramesh Kumar Dash ^[2]	NA								100	
Cmde Sanjeev Nayyar									100	
Cmde Hari P R									100	
Shri Ashwani Kumar Mahajan ^[3]			NA	NA	NA	NA	NA	NA	100	NA
Shri Surendra Prasad Yadav ^[4]	NA	NA	NA	NA		×			75	NA
Dr. Ajai Bhandari ^[5]		NA	NA	NA	NA	NA	NA	NA	100	NA
Smt. Kanwaljit Deol ^[6]					NA	NA	NA	NA	100	
Shri Bharat Bhushan ^[7]					NA	NA	NA	NA	100	
RAdm Inder Paul Singh Bali ^[8]									100	
Dr. Biswapriya Roychoudhury									100	

- Present × - Absent NA - Not Applicable

^[1] Superannuated as Director (Finance) of the Company on 30 Jun 2020

^[2] Appointed as Director (Finance) of the Company on 01 Jul 2020

^[3] Ceased as Nominee Director of the Company on 30 Jul 2020

^[4] Appointed as Nominee Director of the Company on 14 Sep 2020

^[5] Ceased to be Independent Director of the Company on 20 Jul 2020

^[6] Retired as Independent Director of the Company on 15 Sep 2020

^[7] Retired as Independent Director of the Company on 15 Sep 2020

^[8] Retired as Independent Director of the Company on 09 Mar 2021

COMMITTEES OF THE BOARD

14. Currently, the Board has constituted nine (9) Sub-Committees to assist it in the management of the day-to-day affairs of your Company and to facilitate a smooth and efficient flow of decision-making process. The Board Sub-Committees consists of the following:

- (a) Audit Committee;
- (b) HR, Nomination and Remuneration Committee;
- (c) CSR & Sustainability Committee;
- (d) Project Review Sub-Committee;
- (e) Procurement Committee;
- (f) Business Strategy & Capacity Augmentation Committee;
- (g) MoU Committee;
- (h) Legal Committee;
- (i) Stakeholders Relationship Committee; and
- (j) Risk Management Committee

15. Details about the above-mentioned Sub-Committees of the Board of Directors are provided below.

Audit Committee

16. As on 31st March 2021, the Audit Committee is not reconstituted after cessation of RAdm IPS Bali, Independent director, in line with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Independent directors of your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with its administrative Ministry i.e. Ministry of Defence, Government of India for appointing

requisite number of Independent directors on the Board of Company from time to time.

17. Director (Finance) is the Permanent Special Invitee to the Audit Committee. The Company Secretary is the Secretary to the Audit Committee. Chief General Manager (Finance), Additional General Manager (Internal Audit), Statutory Auditors (when quarterly and annual accounts discussed), Internal Auditors (when internal audit report discussed) and Cost Auditor (when cost audit report discussed) of the Company also attend the Meetings of the Audit Committee regularly.

18. The terms of reference of the Audit Committee are specified in accordance with Section 177 of the Companies Act, 2013 and the rules framed thereunder, the SEBI Listing Regulations and the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The primary function of the Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports, your Company's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established and your Company's auditing, accounting and financial reporting process generally.

19. The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors and discusses their findings, suggestions and other related matters and reviews the major accounting policies followed by your Company. The Audit Committee reviews the quarterly, half yearly and annual financial statements before their submission to the Board. The Committee also reviews the functioning of whistle blower mechanisms and effective implementation of Insider Trading Code in the Company.

20. The Chairman of the Audit Committee apprises the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings are placed before the Board of Directors at their subsequent meetings for information. All the recommendations made by the Audit Committee were accepted by the Board during the year.

21. During the financial year 2020-21, five (5) Meetings of the Audit Committee were held. The attendance of the members at the Audit Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors					% of attendance
	06 Jun 20	12 Aug 20	10 Sep 20	10 Nov 20	08 Feb 21	
Shri Bharat Bhushan ^[1]				NA	NA	___ 100
Smt. Kanwaljit Deo ^[2]				NA	NA	___ 100
RAdm Inder Paul Singh Bali ^[3]						___ 100
Dr. Biswapriya Roychoudhury	NA	NA	NA			___ 100
Cmde Sanjeev Nayyar						___ 100

- Present × - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 15 Sep 2020.

^[2] Ceased as Independent Director of the Company w.e.f. 15 Sep 2020.













^[3] Ceased as Independent Director of the Company w.e.f. 09 Mar 2021.

22. The Chairman of the Audit Committee was present at the last Annual General Meeting.

HR, Nomination and Remuneration Committee

23. As on 31st March 2021, the HR, Nomination and Remuneration Committee is not reconstituted after cessation of RAdm IPS Bali (Independent director) in line with Section 178 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Independent directors of your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with its administrative Ministry i.e. Ministry of Defence, Government of India for appointing requisite number of Independent directors on the Board of Company from time to time.

26. During the financial year 2020-21, four (4) Meetings of the HR, Nomination and Remuneration Committee were held. The attendance of the members at the HR, Nomination and Remuneration Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors				% of attendance
	11 Aug 20	09 Nov 20	08 Feb 21	04 Mar 21	
Smt. Kanwaljit Deol ^[1]		NA	NA	NA	___ 100
Shri Bharat Bhushan ^[2]		NA	NA	NA	___ 100
RAdm Inder Paul Singh Bali, IN (Retd.) ^[3]					___ 100
Dr. Biswapriya Roychoudhury	NA				___ 100
Shri Surendra Prasad Yadav ^[4]	NA				___ 100

 - Present × - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 15 Sep 2020.

^[2] Ceased as Independent Director of the Company w.e.f. 15 Sep 2020.

^[3] Ceased as Independent Director of the Company w.e.f. 09 Mar 2021.

^[4] Appointed as Nominee Director of the Company w.e.f. 14 Sep 2020.

27. All the recommendations made by the HR, Nomination and Remuneration Committee were accepted by the Board during the year.

Appointment and Remuneration of Whole-Time Directors

28. Being a Central Public Sector Enterprise (CPSE), the appointment of Chairman & Managing Director and Whole-Time Directors is made by the Government of India indicating the tenure, remuneration package and other terms and conditions of appointment. The Functional Directors are generally appointed for a period of 5 years with effect from date of assumption of charge of the post or till the date of his superannuation or until further orders whichever occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay be remitted.

29. The Whole-time Directors of your Company are paid such remuneration as the President of India, may, from time to time determine. The pay and allowances of Board level executives are paid in accordance with the terms of appointment, Department of Public Enterprises (DPE) Guidelines on the above subject and other benefits and perquisites in accordance with the rules of GRSE. The remuneration of below Board level executives and non-unionized supervisors is as per DPE guidelines and as approved by the administrative ministry i.e. Ministry of Defence. Performance Linked Incentives are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

30. The details of remuneration of Whole-Time Directors during the FY 2020-21 are given below:

(₹ in lakh)

Name of Director	Salary*	Perquisites	Company's Contribution to PF / Gratuity / Pension	Performance Related Pay	Total
RAdm V K Saxena, IN (Retd.) Chairman & Managing Director	43.10	0.82	6.32	-	50.24
Shri Sarvjit Singh Dogra ^[1] Director (Finance) and CFO	19.21	1.01	1.44	-	21.66
Cmde S Nayyar, IN (Retd.) Director (Shipbuilding)	40.17	3.69	5.91	-	49.77
Cmde Hari P R, IN (Retd.) Director (Personnel)	43.52	4.07	5.99	-	53.58
Shri Ramesh Kumar Dash ^[2] Director (Finance) and CFO	22.46	1.99	3.28	-	27.73

*Salary includes arrears

^[1] Ceased as Whole-time Director of the Company w.e.f. 30 June 2020.

^[2] Appointed as Whole-time Director of the Company w.e.f. 01 July 2020.

31. During the year, no Stock Options were issued by the Company to Whole-time Directors.

Appointment and Remuneration of Part-Time Directors

32. The Government Nominee Director is appointed by the President of India and he/she holds the office till further orders from the Government. They are not entitled to any remuneration or sitting fees.

33. The Independent Directors appointed or reappointed by the President of India in consultation with the Chairman & Managing Director of the Board of Directors, generally for a period of three (03) years. They are not paid any remuneration except the sitting fee for attending Board and Committee Meetings. The Company pays sitting fees of ₹ 20,000/- for attending each meeting of the Board of Directors and ₹15,000/- for attending each meeting of the Sub-Committees of the Board of Directors. Further, the Company also make reimbursement of travelling / accommodation expenses for participation in the Board and other Committee Meetings.

34. The criteria for making payments to Non-Executive Directors of the Company are disclosed on the Company's website at

<http://www.grse.in/pdf/investors/Terms%20and%20Conditions%20of%20Appt%20of%20Non-Executive%20Directors.pdf>

35. The sitting fees paid to the Independent Directors during the FY 2020-21 is as follows: (₹ in lakh)

Name of Independent Director	Board Meetings	Committee Meetings	Total Remuneration
Shri Bharat Bhusan	0.80	0.90	1.70
Smt. Kanwaljit Deol	0.80	0.75	1.55
Dr. Ajai Bhandari	0.20	0.00	0.20
RAdm Inder Paul Singh Bali	1.60	2.70	4.30
Dr. Biswapriya Roychoudhury	1.60	1.35	2.95

36. Further, there has been no other pecuniary relationship or transactions of the Part-time Directors vis-à-vis the Company during the year under review.

37. Non-Executive Directors do not hold any Shares in the Company during the Financial Year 2020-21.

Evaluation Criteria

38. Since the Board level appointments are made by the President of India, evaluation of performance of such appointees is also done by the Government of India.

Procurement Committee

39. The Procurement Committee has been delegated full powers of the Board in respect of:

- Approval of proposals in excess of ₹30 crore for placement of orders for procurement of materials, equipment, tools, stores and spares, imports including from Russian Sources, approval of works, sub-contracts and facility hire, etc. for sanctioned projects.
- Approval of proposals for capital expenditure in excess of ₹5 crore in respect of the items provided for in the Capital Budget approved by the Board / Government.
- The Procurement Committee examines all the procurement proposals in conformity with and compliance of the Purchase Manual of your Company, CVC Guidelines, Government Regulations etc. and give its approval for such proposals. In the event of any deviations from procedures, the proposal with the recommendations of the Committee is placed before the Board for approval. However, if the Committee feels that a particular proposal requires consideration by the Board, same is submitted to the Board with recommendation(s) of the Committee.
- All the procurement proposals approved by Procurement Committee are placed before the Board for information.

40. The composition of the Procurement Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a)	RAdm Vipin Kumar Saxena, IN (Retd.) <i>Chairman & Managing Director</i>	Chairperson
(b)	Dr. Biswapriya Roychoudhury ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Member
(c)	Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Member
(d)	Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Member

^[1] Admitted as a member of the Committee w.e.f. 04 Mar 2021.

41. The Company Secretary is the Secretary to the Committee.

42. The Chairman of the Procurement Committee apprises the Board about the observations of the Procurement Committee during the Board Meeting.

43. During the financial year 2020-21, six (6) Meetings of the Procurement Committee were held. The attendance of the members at the Procurement Committee meeting during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors						% of attendance
	11 Jul 20	10 Oct 20	18 Nov 20	02 Jan 21	27 Jan 21	04 Mar 21	
RAdm Vipin Kumar Saxena							___ 100
Shri Bharat Bhushan ^[1]		NA	NA	NA	NA	NA	___ 100
Shri R K Dash							___ 100
Cmde Sanjeev Nayyar							___ 100
RAdm IPS Bali ^[2]	NA						___ 100
Dr. Biswapriya Roychoudhury ^[3]	NA	NA	NA	NA	NA	NA	-

- Present × - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 15 Sep 2020.

^[2] Admitted as member of the Committee w.e.f. 30 Sep 2020 and ceased as Independent Director of the Company w.e.f. 09 Mar 2021.

^[3] Admitted as a member of the Committee w.e.f. 04 Mar 2021.

Corporate Social Responsibility & Sustainability Committee ("CSR & SD Committee")

44. The Board of Directors of your Company has approved the Corporate Social Responsibility and Sustainability ("CSR & SD") Policy formulated as per the Companies Act, 2013 and the rules framed thereunder and the Corporate Social Responsibility & Sustainability Guidelines issued by the Department of Public Enterprises. A CSR & SD Committee under the Chairmanship of an Independent Director has been constituted in terms of the said Policy for planning, implementation and monitoring of the CSR & SD activities of your Company.

45. The terms of reference of the CSR & SD Committee are as follows:-

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility and Sustainability Policy which shall indicate the activities to be undertaken by your Company as specified in Schedule - VII of the Companies Act, 2013;

(b) Recommend amount of expenditure to be incurred on CSR activities;

(c) Monitor the Corporate Social Responsibility and Sustainability Policy of your Company and its effective implementation from time to time.

46. The composition of the CSR & SD Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a)	Dr. Biswapriya Roychoudhury ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson
(b)	Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Member
(c)	Cmde Hari P R, IN (Retd.) <i>Director (Personnel)</i>	Member

^[1] Admitted as a member of the Committee w.e.f. 30 Sep 2020

47. The Company Secretary is Secretary to the Committee.

48. During the financial year 2020-21, three (3) Meetings of the CSR & SD Committee were held. The attendance of the members at the CSR & SD Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors			% of attendance
	12 Aug 20	30 Dec 20	04 Mar 21	
Smt. Kanwaljit Deol ^[1]		NA	NA	___ 100
Dr. Biswapriya Roychoudhury ^[2]	NA			___ 100
Cmde Sanjeev Nayyar		x		___ 67
Cmde Hari P R				___ 100

- Present x - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 14 Sep 2020.

^[2] Admitted as a member of the Committee w.e.f. 30 Sep 2020

MoU Committee

49. The MoU Committee of the Board of Directors was formed to review the MoU signed by and between your Company and the Department of Defence Production, Ministry of Defence, including reviewing the draft MoU terms and the Annual MoU Performance Evaluation Report, as required by the Department of Public Enterprises.
50. The composition of the MoU Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a) Shri Bharat Bhushan ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson
(b) Dr. Biswapriya Roychoudhury ^[2] <i>Part-Time Non-Official (Independent) Director</i>	Member
(c) Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Member
(d) Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Member

^[1] Ceased as Independent Director of the Company w.e.f. 14 Sep 2020

^[2] Admitted as a member of the Committee w.e.f. 21 Jul 2020

56. During the year 2020-21, three (3) Meetings of the Project Review Sub-Committee were held. The attendance of the members at the Project Review Sub-Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors			% of attendance
	06 Aug 20	27 Nov 20	04 Mar 21	
RAdm I P S Bali ^[1]				___ 100
Shri Ramesh Kumar Dash				___ 100
Cmde Sanjeev Nayyar				___ 100

- Present x - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 09 Mar 2021.

51. The Chief General Manager / General Manager (CE&CP) is the Secretary to the Committee.

52. During the financial year 2020-21, one (1) Meetings of the MoU Committee was held. The attendance of the members at the MoU Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	10 Sep 20		
Shri Bharat Bhushan ^[1]			___ 100
Dr. Biswapriya Roychoudhury ^[2]			___ 100
Shri Ramesh Kumar Dash			___ 100
Cmde Sanjeev Nayyar			___ 100

- Present x - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 14 Sep 2020.

^[2] Admitted as a member of the Committee w.e.f. 21 Jul 2020

Project Review Sub-Committee

53. As on 31st March 2021, the Project Review Sub-Committee is not reconstituted after cessation of RAdm IPS Bali (Independent director). The Independent directors of your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with its administrative Ministry i.e. Ministry of Defence, Government of India for appointing requisite number of Independent directors on the Board of Company from time to time.
54. The Project Review Sub-Committee of the Board of Directors has been constituted to review all projects of your Company in a structured manner and to focus on the improvement of the system and augmentation of the infrastructure. The Committee, while reviewing, analyses the reasons for delay and finds out the ways and means to rectify the same. The Committee submits its report to C&MD and the Board from time to time.
55. Chief General Manager / General Manager (PP&C) is the Secretary to the Committee.

Business Strategy and Capacity Augmentation Committee

57. To formulate future business strategy of your Company, to expand its spheres of activities, explore possibilities of export, identifying new products which the Company can manufacture and market, imbibe new technologies, identify partners for possible collaboration and identify state-of-the-art equipment and machineries from India and abroad to improve the quality of ships and other products etc., the Board constituted a Business Strategy and Capacity Augmentation Committee of the Board to look into aforesaid aspects and advise the Board on aspects beneficial for your Company's business.

58. The composition of the Business Strategy and Capacity Augmentation Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a)	RAdm Vipin Kumar Saxena, IN (Retd.) <i>Chairman & Managing Director</i>	Chairperson
(b)	RAdm I P S Bali, IN (Retd.) ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Member
(c)	Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Member
(d)	Cmde Sanjeev Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Member

^[1] Ceased as Independent Director of the Company w.e.f. 09 Mar 2021



59. The Chief General Manager / General Manager (CE&CP) is the Secretary to the Committee.



60. The Committee has been tasked with:

- Business Strategy formulation for future growth;
- Infusion of new technologies;
- Identify Schemes for Productivity Improvement;
- Finalise the Infrastructure Augmentation / Capacity Enhancement to meet future business strategy and to improve shipbuilding efficiency.

61. The recommendations of the Committee are placed to the Board for consideration and approval.

62. During the financial year 2020-21, one (1) Meeting of the Business Strategy and Capacity Augmentation Committee was held. The attendance of the members at the Business Strategy and Capacity Augmentation Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors	% of attendance
	27 Nov 20	
RAdm Vipin Kumar Saxena, IN (Retd.)		___ 100
RAdm I P S Bali ^[1]		___ 100

Name of the Director	Meeting held and attended during respective Tenure of Directors	% of attendance
	27 Nov 20	
Shri Ramesh Kumar Dash		___ 100
Cmde Sanjeev Nayyar		___ 100

 - Present × - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 09 Mar 2021

Legal Committee

63. The Legal Committee of the Board of Directors was formed to review, monitor and suggest an appropriate course of action for the legal cases of the Company, other than taxation matters.

64. As on 31st March 2021, the Legal Committee is not reconstituted after cessation of Smt. Kanwaljit Deol, Independent Director and RAdm IPS Bali, Independent director w.e.f. 14 Sep 20 and 09 Mar 21, respectively. The Independent directors of your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with its administrative Ministry i.e. Ministry of Defence, Government of India for appointing requisite number of Independent directors on the Board of Company from time to time.

65. During the year 2020-21, no Meetings of the Legal Committee were held.

Stakeholders Relationship Committee

66. The Stakeholders Relationship Committee was constituted in line with the Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

67. In line with the SEBI Listing Regulations, terms of reference of the Stakeholders Relationship Committee include the following:




- Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by your Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by your Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Shareholders.

68. The composition of the Stakeholders Relationship Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a)	Dr. Biswapriya Roychoudhury <i>Part-Time Non-Official (Independent) Director</i>	Chairman
(b)	Cmdr Hari PR <i>Director (Personnel)</i>	Member
(c)	Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i>	Member

69. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee and is also the Compliance Officer.

70. During the year 2020-21, one (1) Meeting of the Stakeholders Relationship Committee of the Board of Directors was held. The attendance of the members at the Stakeholders Relationship Committee meetings during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors	% of attendance
	04 Mar 21	
Dr. Biswapriya Roychoudhury <i>Part-Time Non-Official (Independent) Director</i>		___ 100
Cmdr Hari PR <i>Director (Personnel)</i>		___ 100
Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i>		___ 100

71. Status of Investor Complaints as on 31 Mar 2021 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on 01 Apr 2020	0
Received during the year	10
Resolved during the year	10
Not solved to the satisfaction of shareholders	0
Pending as on 31 Mar 2021	0

Risk Management Committee

72. The Risk Management Committee was constituted in line with the Regulation 21 of the SEBI Listing Regulations.

73. The roles and responsibilities of the Risk Management Committee include the following:

- To review the Risk Management Policy and associated frameworks, processes and practices of the Company and recommend any proposed changes to the Board for approval.
- To review and assess the quality, integrity and effectiveness of the risk management system especially Cyber security measures taken up by the Company and ensure that risk policies and strategies are effectively managed.

(iii) To ensure that the Company is taking appropriate measures to achieve prudent balance between risks and rewards in both ongoing and new business activities.

(iv) To assist the Board in setting risk strategies, policies, framework, models and procedures.

(v) To review and assess the nature role responsibility and authority of the risk management function within the Company and outline the scope of risk management work






(vi) To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and activate measures to manage these risks and to decide the Company's risk Appetite or tolerance to risk.

74. The composition of the Risk Management Committee of the Board of Directors as on 31 Mar 2021 is as follows:

(a)	Cmdr S Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>	Chairperson
(b)	Cmdr Hari P R, IN (Retd.) <i>Director (Personnel)</i>	Member
(c)	Shri R K Dash, <i>Director (Finance)</i>	Member
(d)	Shri Subrato Ghosh <i>Chief Risk Officer</i>	Member
(e)	Shri S Ghose Choudhury <i>Risk Coordinator</i>	Member Secretary

75. The Risk Coordinator is Member and also the Secretary of the Committee.

76. During the year 2020-21, one (1) Meeting of the Risk Management Committee was held. The attendance of the members at the Risk Management Committee during the financial year 2020-21 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors	% of attendance
	29 Mar 21	
Cmdr S Nayyar, IN (Retd.) <i>Director (Shipbuilding)</i>		___ 100
Cmdr Hari P R, IN (Retd.) <i>Director (Personnel)</i>		___ 100
Shri R K Dash, <i>Director (Finance)</i>		___ 100
Shri Subrato Ghosh <i>Chief Risk Officer</i>		___ 100
Shri S Ghose Choudhury <i>Risk Coordinator</i>		___ 100

Independent Directors' Meeting

77. During the year, one Meeting of Independent Directors was held on 04 Mar 2021.

Confirmation of Independence of the Independent Directors

78. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

79. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

ANNUAL GENERAL MEETINGS

80. The details of the last three (3) Annual General Meetings of your Company are given below:

Financial Year	Date and Time	Venue	Special Resolution Passed
2017-18	04 Oct 18 1000 Hrs.	Registered Office at 43/46, Garden Reach Road, Kolkata - 700 024	No special resolution passed in the meeting
2018-19	20 Sep 19 10.30 Hrs.	Bhasha Bhawan Auditorium, National Library, Belveria Road, Block-A, Alipore, Kolkata-700025	No special resolution passed in the meeting
2019-20	11 Sep 20 10.30 Hrs.	Registered Office at 43/46, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	No special resolution passed in the meeting

POSTAL BALLOT

81. No postal ballot was conducted during the FY 2018-19

82. During the FY 2019-20, two resolutions was put to vote through Postal Ballot. Details of resolutions passed through postal ballot and details of the voting pattern:

The Company sought the approval of shareholders through notice of postal ballot dated 29 May 19 for Consent to authorize the Board of Directors to borrow under section 180(1)(c) of the Companies Act, 2013 upto ₹5,000 crore and Consent to authorize the Board of Directors for creation of charges etc, in respect of borrowings under section 180(1)(a) of the Companies Act, 2013 upto ₹5,000 crore, by way of special resolutions. The aforesaid resolutions were duly passed and the results of postal ballot/e-voting were announced on 09 Jul 19. Mr. A K Labh of

M/s A K Labh & Co., Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
(a) Consent to authorize the Board of Directors to borrow under section 180(1) (c) of the Companies Act, 2013 upto ₹ 5,000 crore	65608	64620	988	98.49	1.51
(b) Consent to authorize the Board of Directors for creation of charges etc, in respect of borrowings under section 180(1)(a) of the Companies Act, 2013 upto ₹ 5,000 crore	65223	62281	2942	95.49	4.51

83. No postal ballot was conducted during the FY 2020-21

84. None of the business proposed to be transacted in the ensuing AGM requires the passing of a Special Resolution by way of Postal Ballot.

Procedure for Postal Ballot

85. The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available, or in physical form through permitted mode where email addresses are not available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

86. Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of conclusion of voting of the voting period. The results are displayed on the website of the Company (www.grse.in),

and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

FAMILIARISATION PROGRAMME AND TRAINING FOR DIRECTORS

87. Familiarization programme for Directors generally form part of the Board process. All new Directors are provided with an overview of the operations of the Company at the time of their induction to the Board. They are familiarized to your Company's culture, values and commitments through orientation sessions. They are also regularly encouraged and assisted for attending training programmes on various topics of Corporate Governance. Further, the Independent Directors are updated on an on-going basis at the Board / Committee meetings, inter-alia, on the following:

- Nature of industry in which the Company operates;
- Business environment and operational model of various business divisions of the Company including important developments thereon;
- Important changes in regulatory framework having impact on the Company.

88. Details of the familiarization programme for Independent Directors can be accessed at <http://grse.in/images/pdf/Familiarisation-Programme-2020-21.pdf>

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

89. The Board of Directors of your Company has formulated a "Code of Business Conduct and Ethics for Board Members and Senior Management" for better Corporate Governance and fair and transparent practices as per Guidelines issued by the Department of Public Enterprises. A copy of the same has been circulated to all concerned and posted on your Company's website. The Board members and senior management personnel to whom the said Code is applicable have affirmed compliance of the same for the year ended 31 Mar 2021. A declaration to this effect signed by the Chairman & Managing Director of your Company is appended at the end of this Report.

INSIDER TRADING CODE

90. In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has approved the Company's Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information, which *inter alia*, set up an appropriate mechanism to regulate, monitor, report and prohibits trading in securities of the Company by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information is hosted on the website of the Company and can be accessed at http://www.grse.in/pdf/investors/InsiderTradingCode_GRSE.pdf

SHAREHOLDER INFORMATION

91. Various shareholder information required to be disclosed pursuant to Schedule V of the SEBI Listing Regulations is provided in **Annexure I** to this Report titled '*Shareholder Information*'.

DISCLOSURES

92. (a) **Conflict of Interest:** During the year 2020-21, your Company has not entered into any transaction with the Directors that may have potential conflict with the interests of your Company at large. The members of the Board, apart from receiving Directors' remuneration (wherever applicable), do not have any material pecuniary relationship or transaction with your Company which, in the judgment of the Board, may affect independence of judgment of the Directors.

(b) **Related Party Transactions:** During the year, your Company does not have any materially significant related party transactions, which may have potential conflict with its interest at large. Further, as required under the SEBI (LODR), the disclosure of Related Party Transactions on a consolidated basis in the prescribed format was filed with the Stock Exchanges and has also been hosted on the website of the Company. The Policy on Related Party Transactions of the Company may be accessed at <http://www.grse.in/images/pdf/Policy-for-Related-Party-Transactions-GRSE.pdf>

(c) **Material Subsidiaries:** Your Company does not have any subsidiary or associate company. However, the Company's Policy on Determining Material Subsidiaries framed as per Regulation 16 of the SEBI Listing Regulations which is available on the Company's website at <http://www.grse.in/images/pdf/Policy-for-Determining-Material-Subsidiaries-GRSE.pdf>

(d) **Inter-se relationships between Directors and Key Managerial Personnel of the Company:** None

(e) **Number of Equity Shares hold by Directors in the Company:** None

(f) **Vigil Mechanism/ Whistle Blower Policy**

The Company has formulated Whistle Blower Policy in line with Section 177 of the Companies Act, 2013, Regulation 22 of SEBI Listing Regulations and the DPE Guidelines on Corporate on Corporate Governance for CPSEs, 2010. The Policy has been formulated with a view to provide a mechanism for employees and other stakeholders to raise concerns of any violations of legal or regulatory requirements, suspected misconduct of anyone concerned with the Company to come forward and express their concerns without fear of punishment/ victimization or unfair treatment.

During the year, no personnel have been denied access to the Members of the Audit Committee or its Chairperson.

Synopsis of the Whistleblower Policy of the Company is also provided in the '*Directors' Report*', forming part of this Annual Report.

(g) **Items of expenditure debited in books of accounts, which are not for the purposes of the business:** Nil

(h) **Expenses incurred, which are personal in nature and incurred for the Board of Directors and top Management:** Nil

(i) **Details of Administrative and Office expenses as a percentage of total expenses vis-à-vis financial expenses:**

(₹ in crore)

Sl. No.	Particulars	2020-21	2019-20
(a)	Total Expenditure (Other than materials)	618.06	702.56
(b)	Administrative & Office Expenses	5.38	12.90
(c)	Percentage of (b) on (a)	0.87	1.84
(d)	Finance expenditure as a % of total expenditure	0.25	0.09

(j) **Mandatory Compliances:** During the last three (3) years, there has been no instance or cases of non-compliance by your Company on any matter related to capital markets and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market except fine amounting to ₹ 9,61,700/- imposed by NSE vide its notice(s) dated 15 Feb 21 and 17 May 21 for not having requisite number of Independent Directors and Woman Independent Director on the Board of Directors of the Company for the period ended 31 Dec 20 and 31 Mar 21 as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In response to the aforesaid notices, the Company wrote to the Stock Exchange clarifying that the shortfall in Independent Directors was not due to any negligence / default by the Company as the appointment of Directors is done by the Government of India through Presidential Order. Further, the action for appointment of Independent Directors on to the Board of CPSEs is not in the hands of the Company and also beyond the control of the Company. In view thereof, the Company has requested the NSE to waive-off the fines and it was also informed that the Company is regularly pursuing the matter with the Government of India for early resolution.

A Compliance Certificate from M/s. Maheshwari R & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance, as required under both, the SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for CPSEs is provided as **Annexure II** to this Report.

Further, the Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the SEBI Listing Regulations. Further, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations except with regard to the composition of Board of Directors and non-

availability of requisite number of Independent Directors including Woman Independent Director as explained above, and disclosed necessary information in the respective places in this Report.

(k) **Non-Mandatory Compliances under SEBI Listing Regulations 2015:** The status of compliance with the discretionary requirements under the SEBI Listing Regulations is provided below:

(i) **The Board:** As per para A of Part E of Schedule II of the SEBI Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

(ii) **Shareholder Rights:** Your Company displays the quarterly and half yearly financial results on the Company's website www.grse.in and also publishes the financial results in widely circulated newspapers. We have communicated the payment of dividend by e-mail to shareholders in addition to dispatch of letters to all shareholders.

(iii) **Modified Opinion in Audit Report:** Your Company continuously strives to maintain accounts in a transparent, true and fair manner in conformity with the accounting principles generally accepted in India. During the last seventeen years (2003-2004 to 2019-20) there have been no audit qualifications. Your Company has also received "Nil" comments from the CAG during this years. Further, for the FY 2020-21, the Statutory Auditors have issued an unmodified opinion on the financial statements of the Company.

(iv) **Reporting of Internal Auditor:** The Head of Internal Audit Department of the Company administratively reports to the Chairman & Managing Director. He is regularly invited to attend the Audit Committee meetings. Further, the Internal Auditors of the Company are also invited to the Audit Committee meetings to discuss their Internal Audit Report on a quarterly basis.

(l) **Quarterly Compliance Report on Corporate Governance:** The Company has submitted the quarterly compliance report on corporate governance in the prescribed format to the stock exchange(s) within the prescribed time period. The same is also hosted on the website of the Company www.grse.in

(m) **Prevention of Sexual Harassment of Women at Workplace:** The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. Please refer 'Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013' Section of Director's Report for more details.

(n) **Certificate from Practicing Company Secretary on qualification of the Board:** M/s. Maheshwari R & Associates, Company Secretaries has certified that none of the Directors on the Board of the Company have

been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The aforesaid certificate is provided at **Annexure III** to this Report.

- (o) **Recommendation of Committees of the Board of Directors:** During the Financial Year 2020-21, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.
- (p) **Fees to Statutory Auditors:** The total fees paid for all services by the Company to M/s. Mookherjee Biswas &

Pathak, Statutory Auditors of the Company during FY 2020-21 aggregate to ₹ 7,82,500. Details are available under Note 27 of the '*Financial Statements*'.

- (q) **CEO and CFO Certification:** The Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report as **Annexure-IV**. The CMD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

DECLARATION

Pursuant to the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises dated 14th May, 2010 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Board Members and Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct & Ethics for Board Members and Senior Management Personnel of Garden Reach Shipbuilders & Engineers Limited for the year ended 31st March, 2021.

For Garden Reach Shipbuilders & Engineers Limited

Kolkata
26th July, 2021

Sd/-
V K Saxena
Rear Admiral, IN (Retd.)
Chairman & Managing Director
DIN: 07696782

ANNEXURE - I

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2020-21

Date	10th September, 2021
Venue	AGM through Video Conferencing/Other Audio Visual Means. [Deemed Venue for Meeting: Registered and Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700024]
Time	10:30 A.M.

DIVIDEND PAYMENT

- The final dividend for the year ended 31 Mar 2021, if approved at the AGM, will be paid on or after 10th September, 2021. Your Company has been consistently paying dividend to its shareholders. The dividend declared in the last five (5) financial years are provided below:

Financial Year	Dividend per share (in ₹) ^	Total Dividend paid (in ₹ crore)
2020-21*	5.00	57.28
2019-20	7.14	81.79
2018-19	6.95	79.61
2017-18#	4.44	50.80
2016-17	4.37	54.08

^ The dividend value per share has been adjusted to reflect the sub-division of the face value of the equity shares of the Company from ₹ 100/- to ₹ 10/- each in the financial year ended 31 Mar 2018.

* Includes interim dividend of ₹ 3.85 per equity share of ₹ 10/- each.

After effecting Buyback of 7.50% of the paid-up Equity Share capital comprising of 92,88,000 Equity Shares from the Promoter of your Company.

LISTING OF SHARES ON STOCK EXCHANGES

- The equity shares of your Company were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 10 Oct 2018. Your Company has paid the annual listing fees to both NSE and BSE on time. Details of NSE and BSE along with stock codes are provided below:

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Website: www.nseindia.com	GRSE

Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Website: www.bseindia.com	542011

MEANS OF COMMUNICATION

- Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Your Company has a website (www.grse.in) which provides information on GRSE's leadership, management, product spectrum, CSR initiatives, annual reports, policies, financial information etc.
- All price-sensitive information, statutory notices and data that are material to the shareholders are disclosed to the Stock Exchanges viz. NSE and BSE. The quarterly, half yearly and annual financial results, notices of Board Meetings etc. are published in the Financial Express (in English), Prabhat Khabar (in Hindi) and Bartaman (in Bengali). The quarter and year ending 31 Mar 2021 results were published in Business Standard, Prabhat Khabar (in Hindi) and Bartaman (in Bengali). The financial results were published as under:

Quarter ending 30 Jun 2020	In the month of Aug 2020
Quarter ending 30 Sept 2020	In the month of Nov 2020
Quarter ending 31 Dec 2020	In the month of Feb 2021
Quarter and Year ending 31 Mar 2021	In the month of May 2021

- The 'Investors Corner' tab on your Company's website contains the annual reports, financial results, presentations made to the analysts and other information submitted to the Stock Exchanges such as notices and corporate announcements, shareholding pattern, corporate governance reports, dividend etc. The 'News Room' section on the website includes all major press releases from the Company and relevant media reports.

FINANCIAL CALENDAR

- The financial year of the Company starts from the 1st day of April and ends on 31st day of March of next year. Our tentative calendar for declaration of results for the financial year 2021-22 are as given below:

Quarter Ending	Release of Results
For the Quarter ending 30 Jun 2021	Second week of Aug 2021
For the Quarter and half year ending 30 Sep 2021	Second week of Nov 2021
For the Quarter and nine months ending 31 Dec 2021	Second week of Feb 2022
For the year ending 31 Mar 2022	Fourth week of May 2022

DEMATERIALIZATION OF SHARES AND LIQUIDITY

7. The equity shares of the Company are available for trading in the dematerialised form under both the Depository Systems in India viz. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE382Z01011.
8. As on 31 Mar 2021, 11,45,51,885 equity shares of the Company, representing 100% (approx.) of the issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form. The details of shares in physical and demat form is given below:

Form	No. of Equity Shares	% of Shareholding
Demat Form with NSDL	10,97,64,538	95.82
Demat Form with CDSL	47,87,347	4.18
Physical Form	115	0.00

9. The holding by the President of India in the equity share capital of the Company is 74.50%, which are not actively traded. The remaining 25.50% of the Company's shares are liquid and actively traded shares on the Stock Exchanges. The Company's market capitalization as on 31 Mar 2021 stood at ₹ 2,117.49 crore as against ₹ 1,564.78 crore on 31 Mar 2020.

DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31 MAR 2021

No. of Equity Shares	Shareholders		Shareholding	
	No.	%	No.	%
1-500	26942	92.82	2516293	2.20
501-1000	1068	3.68	856789	0.75
1001-2000	524	1.81	790905	0.69
2001-3000	187	0.64	483641	0.42
3001-4000	72	0.25	260874	0.23
4001-5000	59	0.20	285856	0.25
5001-10000	90	0.31	656583	0.57
>10000	84	0.29	108701059	94.89
Total	29026	100.00	114552000	100.000

SHAREHOLDING PATTERN AS ON 31 MAR 2021

Sl. No.	Category & name of the Shareholder	Number of Shareholders	Total No. of Shares held	Shareholding % calculated as per SCRR 1957
Promoter Shareholding				
	Central Government	1	8,53,41,240	74.50
(1)	Total Promoter Shareholding		1 8,53,41,240	74.50

Sl. No.	Category & name of the Shareholder	Number of Shareholders	Total No. of Shares held	Shareholding % calculated as per SCRR 1957
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Public Shareholding

Institutional				
a	Mutual Funds	6	1,59,50,243	13.92
b	Financial Institutions / Banks	-	-	-
c	Foreign Portfolio Investors	7	11,07,278	0.97
d	Insurance Companies	2	19,30,220	1.69
(A)	Total Institutional Shareholding	15	1,89,87,741	16.58

Non-Institutional

a	Bodies Corporate	144	16,59,498	1.45
b	Public and Others	28866	85,63,521	7.47
(B)	Total Non-Institutional Shareholding	29010	1,02,23,019	8.92

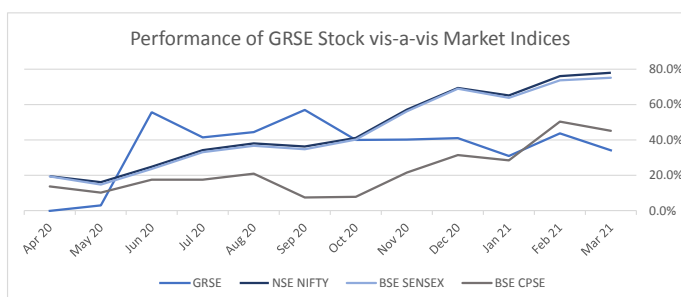
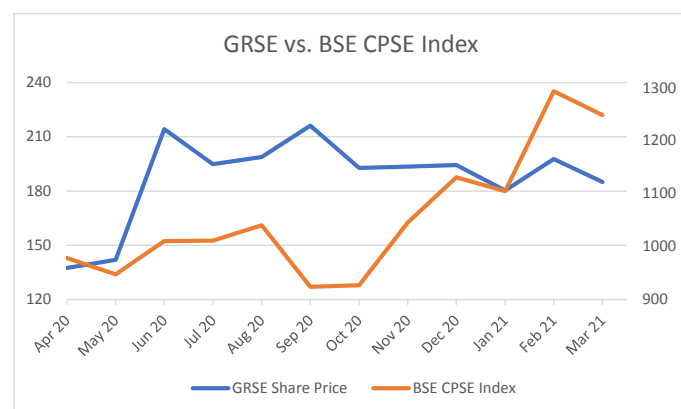
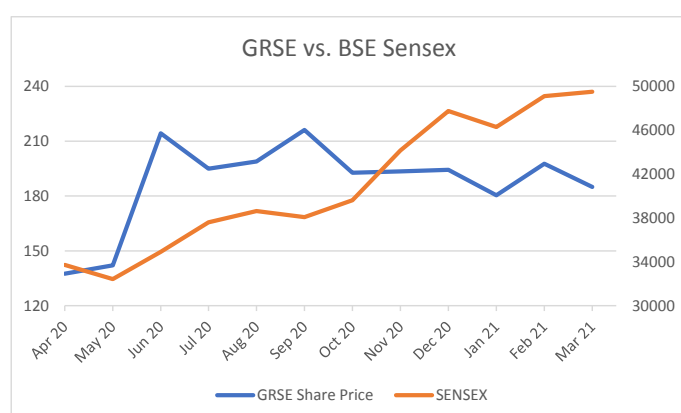
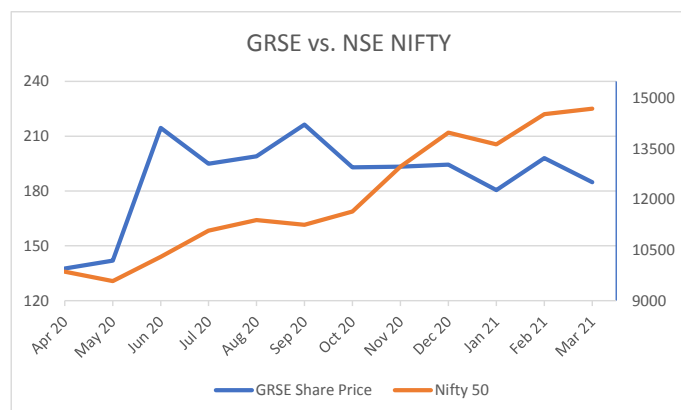
(2)	Total Public Shareholding (A)+(B)	29025	2,92,10,760	25.5
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Total Shareholding (1)+(2)	29026	11,45,52,000	100.00
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PRICE AND VOLUME OF SHARES TRADED

Year & Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
2020 Apr	168.30	129.9	2385510	168.3	128.95	141147
May	155.8	129	4070785	155.85	129	300453
Jun	218.85	140.20	13398532	222	140.9	1018265
Jul	227.15	192.20	9667611	227	192.1	764111
Aug	243	193.50	12048630	243.20	193.4	1146176
Sep	219.45	166.05	5926482	219.30	166.05	389763
Oct	227.50	192	4846714	227.05	190.05	231874
Nov	204	187	2452348	204.25	183	203057
Dec	218.80	183	8072568	219.05	180	605104
2021 Jan	205.80	175	4968511	205.75	175.80	387678
Feb	209	181.50	6027531	208.8	181.80	616951
Mar	217.40	183.45	6327443	217.15	183.35	1047629

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



RECONCILIATION OF SHARE CAPITAL AUDIT

Reconciliation of Share Capital audit was carried out by the Practicing Company Secretary on quarterly basis to reconcile the total share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical mode with the total issued/paid-up capital. The audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL & CDSL.

COMMODITY PRICE RISK, FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

- Your Company had no exposure to commodity and commodity risks for the financial year 2020-21. Further, your Company does not involve in hedging activities.
- The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

CREDIT RATING

During the year, M/s Brickwork Rating India Pvt. Ltd have granted your Company a credit rating of BWR-AAA (Outlook Stable) for Long Term facilities and BWR-A1+ for Short Term Bank facilities including Non Fund Based Limits.

SHARE TRANSFER SYSTEM

- The dematerialized shares of the Company are transferable through the depository system. However, the shares held in physical form are processed by the Registrar & Transfer Agent of the Company in co-ordination with your Company.
- The Share Transfer Committee of the Company met twenty-one (21) times during the Financial Year 2020-21 to approve share transfers. The Committee presently comprises the following:

(a) Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i>	Chairperson
(b) Cmde Hari PR <i>Director (Personnel)</i>	Member
(c) Shri Sandeep Mahapatra <i>Company Secretary and Compliance officer</i>	Member Secretary

- In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from 01 Apr 2019, transfers of share of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. As on 31 Mar 2021, 115 equity shares of the Company were held in physical form.
- Further, half yearly certificates on the compliance of share transfer formalities obtained from the Practicing Company Secretaries were also submitted to Stock Exchanges pursuant to Regulation 40(10) of the SEBI (LODR) Regulations.

UNCLAIMED DIVIDEND

16. Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.
17. No unclaimed dividend from previous years is due to be transferred to the IEPF as on 31 Mar 2021.

DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

18. The Company does not have any shares in the Demat Suspense Account or Unclaimed Suspense Account.

INVESTOR SERVICES

19. M/s. Alankit Assignments Limited is the Registrar & Transfer Agent to your Company in respect of the equity shares.

Address for correspondence:

205-208 Anarkali Complex,
Jhandewalan Extension, New Delhi – 110 055
Email: info@alankit.com

20. During the Financial Year 2020-21, ten (10) investor complaints were received by the Company which were resolved promptly.
21. The e-mail ID earmarked by the Company for receiving investor complaints is investor.grievance@grse.co.in.

DETAILS OF COMPLIANCE OFFICER / ADDRESS FOR INVESTOR CORRESPONDENCE

Name: Shri Sandeep Mahapatra
Designation: Company Secretary and Compliance Officer
Address: Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan, 61, Garden Reach Road
Kolkata – 700 024
Tel: +91 (033) 2469 8105-108
Fax: +91 (033) 2469 8150
Email: co.sec@grse.co.in
Website: www.grse.in

PLANT LOCATIONS

Shipbuilding Activities	Engineering Activities	Engine Activities
Main Works Unit 43/46, Garden Reach Road Kolkata – 700 024	61 Park Unit 61, Garden Reach Road, Kolkata – 700 024	DEP Ranchi Unit Plant Plaza Road, Dhurwa, Ranchi – 834 004
Rajabagan Dockyard Unit 44, Garden Reach Road, Kolkata – 700 044	Taratata Unit P-2/2, Taratata Road, Kolkata – 700 088	
Fitting Out Jetty Unit P-70, Karl Marx Sarani, Kolkata – 700 043		

UPDATION OF DETAILS

For Shares held in Demat Form

22. The Company sends Notices, Reports and Accounts and other communications in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders. Shareholders who wish to register or update their e-mail addresses with the Company may update the same by sending a request to their respective Depository Participant (DPs).
23. Further, Shareholders who wishes to receive dividend through electronic mode may provide / update their Bank Account details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective DPs.

For Shares held in Certificate Form

24. Shareholders holding shares in the certificate form are requested to promptly advise the Company's RTA or the Company of any change in their address / mandate / bank details etc. to facilitate better servicing.

ANNEXURE - II

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited,
GRSE Bhavan, 61, Garden Reach Road,
Kolkata - 700024.

I have examined the compliance of conditions of Corporate Governance by Garden Reach Shipbuilders & Engineers Limited ("the Company"), as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("SEBI LODR") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises ("DPE Guidelines"), for the financial year ending 31st March, 2021.

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

On the basis of my findings from the examination of the records produced and explanations and information furnished to me, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, in my opinion, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI LODR and DPE Guidelines, except:

- (a) Regulation 17(1)(a) of the SEBI LODR, with regard to composition of the Board of Directors comprising of at least 50% Independent Directors during the period 21 July 2020 till 31 March, 2021.
- (b) Regulation 17(1)(a) of SEBI LODR, with regard to appointment of Woman Independent Director for during the period 15 September 2020 till 31 March, 2021.
- (c) Regulation 18(1) & 19(1) of SEBI LOOR, with regard to constitution of Audit Committee and HR, Nomination and Remuneration Committee during the period from 09 March 2021 to 31 March 2021.
- (d) In view of exemption provided to Government Companies vide notification dated 05 June, 2015 issued by Ministry of Corporate Affairs, from complying the provisions of Section 134(3)(p) of the Companies Act, 2013, the Company has not complied with regulation 17 (10) of the SEBI LODR, which requires performance evaluation of Independent Directors by the entire Board of Directors and regulation 25 (4) of the SEBI LODR, which requires review of performance of Non-Independent Directors, the Chairperson and the Board of Directors as a whole by the Independent Directors.

I also state that the Company being a Government Company under the administrative control of the Ministry of Defence ("MoD"), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, vests with the Government of India. It has been informed by the Company that the matter regarding appointment of required number of Independent Directors and Woman Independent Director has been taken up with MoD from time to time.

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

For **Maheshwari R & Associates**
Company Secretaries

Sd/-
Rashmi Maheshwari
C.P.No.: 3309 of ICSI
FCS : 5126
UDIN: F005126C000682968

Place: Kolkata
Date : 24th July, 2021

ANNEXURE - III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan, 61, Garden Reach Road,
Kolkata - 700024

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Garden Reach Shipbuilders & Engineers Limited having CIN : L35111WB1934GOI007891 and having registered office at GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	RAdm Vipin Kumar Saxena, IN (Retd.)	07696782	1st March, 2017
2.	Cmde Sanjeev Nayyar, IN (Retd.)	07973950	16th December, 2017
3.	Cmde Hari P R	08591411	21st October, 2019
4.	Shri Ramesh Kumar Dash	08511344	1st July, 2020
5.	Shri Surendra Prasad Yadav	02267582	14th September, 2020
6.	Dr. Biswapriya Roychoudhury	08200896	15th August, 2018

The Company being a Government Company, all the Directors on its Board viz. Functional Directors, Government Nominee Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Directors. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Maheshwari R & Associates**
Company Secretaries

Sd/-
Rashmi Maheshwari
C.P.No.: 3309 of ICSI
FCS : 5126
UDIN: F005126C000682968

Place: Kolkata
Date : 24th July, 2021

ANNEXURE - IV

CEO AND CFO COMPLIANCE CERTIFICATE

To,
The Board of Directors,
Garden Reach Shipbuilders & Engineers Limited,
Kolkata

We, V K Saxena, Chairman & Managing Director and Shri Ramesh Kumar Dash, Director (Finance) & Chief Financial Officer certify that:

1. We have reviewed the Financial Statements including the Cash Flow statement of Garden Reach Shipbuilders & Engineers Limited (the Company) for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, none of the transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors:
 - (i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) that there are no significant changes in accounting policies made during the year, subject to changes in the same and the same have been disclosed in the Notes to the Financial Statements; and
 - (iii) that there are no instances of any significant fraud of which we have become aware and the involvement there in, if any, of the Management or an employee having a significant role in the company's internal control system over Financial Reporting.

Kolkata
26th July, 2021

Sd/-
Ramesh Kumar Dash
Director (Finance) & CFO
DIN: 08511344

Sd/-
RAdm V. K. Saxena, IN (Retd.)
Chairman & Managing Director
DIN: 07696782

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	:	L35111WB1934GOI007891
2	Name of the Company	:	Garden Reach Shipbuilders & Engineers Limited
3	Registered address	:	GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal – 700 024
4	Website	:	www.grse.in
5	E-mail id	:	co.sec@grse.co.in
6	Financial Year reported	:	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Shipbuilding – NIC Code: 301 Diesel Engine – NIC Code: 281 Engineering – NIC Code:711
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	:	(i) Shipbuilding (ii) Diesel Engine (iii) Bailey Bridge and Deck Machinery Equipment
9	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International Locations (Provide details of major 5):	:	Nil
	(b) Number of National Locations	:	Eleven
10	Markets served by the Company – Local/ State/ National/ International	:	National / International

Section B: Financial Details of the Company

1	Paid up Capital (INR)	:	₹1,14,55,20,000
2	Total Turnover (INR)	:	₹1,140.83 crore
3	Total profit after taxes (INR)	:	₹153.47 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2% of average Net profits of the Company made during the three immediately preceding financial years. Refer to Appendix-E, Report on CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	:	(Refer to Appendix-E on CSR activities).

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	:	No
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	NA

- 3 Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] : The Company has adopted well established procedures for outsourcing and procurement activities in order to ensure quality, on time delivery and optimum cost. The BR initiative of the Company has the cooperation of all its stakeholders, including Government of India, employees, vendors, and the local populace. Care is taken to have a panel of vendors with sound integrity. The Company has introduced e-payment, integrity pact etc., for a more transparent method of procurement. The standard terms and conditions of purchase order conforms to the Company's policy on safety, environment etc., and are accepted by the vendor. Hence, majority (more than 60%) conform to the key principles of the business responsibility.

Section D: BR Information

1. Details of Director/ Directors responsible for BR:

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies

1	DIN Number	:	08591411
2	Name	:	Cmde Hari P R, IN (Retd.)
3	Designation	:	Director (Personnel)

- (b) Details of the BR head

No.	Particulars	:	Details
1	DIN Number (if applicable)	:	08591411
2	Name	:	Cmde Hari P R, IN (Retd.)
3	Designation	:	Director (Personnel)
4	Telephone number	:	033-24691040
5	e-mail id	:	dp@grse.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	-	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	-	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	-	Businesses should promote the wellbeing of all employees
P4	-	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	-	Businesses should respect and promote human rights
P6	-	Business should respect, protect, and make efforts to restore the environment
P7	-	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	-	Businesses should support inclusive growth and equitable development
P9	-	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company follows all work practices, procedures and production endeavours pertaining to its area of activities/operations as mandated by Industry, Government and relevant statutory bodies.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Various policies of the Company have been formulated conforming to applicable statutes/ guidelines/ rules/ regulations etc. issued by the Government of India and updated from time to time. These policies were formulated generally keeping in view industry practices, national and international standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Various Policies / Manuals of the Company are implemented on due approval by the Board of Directors and as the case may be, the Competent Authority. The Policies has been signed by the Chairman & Managing Director/Whole-time Directors as the case may be.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of this Annual Report								
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: http://www.grse.in/index.php/investors-corner/policies.html .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to the stakeholders by uploading on the Company's above-mentioned website.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes, The Company has well-established in-house infrastructure, manpower pool, documented standard operating procedures and other executive & administrative machineries to implement the given policies in the area of safe and sustainable production of goods and services of the Company.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes. The Board has set up a Committee named Stakeholder's Relationship Committee to address the grievances of the stakeholders holding securities in the Company as required under Companies Act,2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. In addition, the Company has also set up a Whistle Blower vigil mechanism to address the genuine concerns. Further, representations from bidders/ contractors as well as opinion sought by the Company as against various tenders are referred to Independent External Monitors (IEMs). IEMs discuss the issues with the executives concerned and bidders' representatives wherever felt necessary by IEMs and give their opinion.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is subject to various audits such as Statutory Audits, Internal Audit, C&AG Audit, Cost Audit, Secretarial Audit, Energy Audit, Safety Audit, Integrated Management Systems Audit, etc. These audits ensure compliance to various internal and external policies. However, the policies of the Company are not audited, but such policies have been amended from time to time as per regulatory/ business/ environmental requirements.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task	Not Applicable as the Company has formulated policies based on all the nine Principles.								
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	:	Various principles of BR performance are integral to the day-to-day operations of the Company and the same are reviewed periodically by the Board/ Board Level Committee(s)/ Functional Directors as an integral item of business concerned.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	:	Yes. The Company published BR Report annually as part of its annual report and the same can be viewed at http://grse.in/index.php/investors-corner/annual-reports.html

Section E: Principle-Wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	:	Yes, the policy covers the Company. To ensure transparency and integrity, GRSE has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 200 lakh and above. Integrity Pact enables the bidders to raise any issues with respect to high value tenders floated from time to time with the Independent External Monitor (IEM). IEMs are appointed by the Central Vigilance Commission (CVC) to oversee implementation of the said Integrity Pact. The pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (GRSE), committing the Persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors/ bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings. Further, all the policies relating to ethics, bribery and corruption are "inclusive" and cover the Company as well as its employees and all other external stakeholders.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	:	During the financial year 2020-21, 10 investor complaints/grievances have been received by the Company and through SEBI Scores Platform, NSE, BSE and Registrar & Transfer Agent. All these complaints were attended to and resolved on priority basis.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	:	The Company is engaged in the business of Shipbuilding, Engineering item like Deck Machinery equipment and Bailey Bridge and assembling and overhauling of Diesel Engines. The Company's product has been designed to incorporate social and environmental concerns as well as benefits from the available opportunities.
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Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) : The Company recognises its commitment to achieve economic development through sustainable methods. This is proposed to be achieved through employment of appropriate technology, transparency in procurement and outsourcing and participation in sustainable development programmes.
- The Company has implemented various energy conservation measures namely installation of Rooftop Solar Power Plant, Electrification with LED lights instead of conventional discharge lamps etc. Most of the shops were renovated and fitted with translucent roof sheets, provided sufficient sunlight to shops hence need of switching of high consumption flood lights during day time does not exist.
-
- 3 Does the company have procedures in place for sustainable sourcing (including transportation)? : Yes, The Company has put in place a well-defined procedure for sustainable sourcing. The Company has a well-documented Procurement Policy. This Policy has been placed on the Company's website that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. The Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- Further, the Company has been following approved criteria for the selection of vendors to ensure sustainable sourcing which inter alia includes vendors having ISO certifications, vendors approved by regulatory bodies; various authorized dealers of the manufacturer, ability to provide materials as per laid down specification and other requirements, ability to supply materials as per stipulated delivery period. The Company also hand holds such vendors by regularly monitoring their performances on various parameters including quality, cost & delivery. The Company regularly conducts vendors/partnership meets to address concerns, if any, to ensure sustainable sourcing. The Company's image, ethical & transparent business practices, good relationship with vendors, etc., ensure that majority of the items are sourced for sustainability. A vendor is removed/suspended from approved vendor list based on his average performance over the period of evaluation. Vendors list is reviewed and updated once in a year.
- The Company at present does not have a process in place to measure this sustainable parameter. However, in future, efforts will be made to capture relevant information.
-
- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? : Yes, the Company's procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the framework of various Govt. guidelines including those from CVC. In order to increase indigenization content & to encourage local vendors including MSMEs, GRSE is outsourcing various items & services required for the manufacture of products to be supplied to defence forces. The company also participates in the annual conferences & workshops of MSMEs to facilitate itself for identification of products & suppliers for procurement.
- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

		<p>The Company has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Our continued pursuit in this direction has seen improved participation of small local players and socio-economic development of communities. Further, the Company generates, updates and maintains Vendor Development database including MSMEs for standard components, materials and sub-contract items across the country. This provides ample opportunities for the small and local vendors to get qualified as the company's approved vendor by improving their capacity and capability to be in tune with the company's requirements. The Company also extends technical guidance and requisite support to these industries wherever required.</p> <p>The Company has taken necessary steps for implementation of the public procurement policy for procurement from MSMEs. Necessary provisions have been incorporated in tenders for materials and services. The Company has adopted the Government e-Marketplace (GeM) system of procurement for items which are available in GeM. With a view to promote procurement/avail services, through local and small producers and service providers including MSMEs, the Company attended Vendor Development Programmes (VDPs) organized by various agencies like the Dept. of MSME, GOI, FICCI, CII, KSIDC and NSIC, which included three programmes for SC/ST MSME vendors during the year 2020-21, in which GRSE representatives made presentations on GRSE's requirement of product and services from MSMEs.</p>
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>The Company is involved in manufacture of products like Warships, Vessels, Diesel Engines and Bailey Bridge, which has strategic / national security applications. It would not be feasible for the Company to recycle the products as these products do not come back to the Company after selling. However, a well-established system for disposal of waste generated in the Company is in place. The wastes are disposed off through agencies dealing in such disposal or recycling and approved by the environmental authorities.</p>

Principle 3 - Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees.	: 1900 including fixed term contract employees																
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	: 44																
3	Please indicate the Number of permanent women employees.	: 95 including fixed term contract employees																
4	Please indicate the Number of permanent employees with disabilities	: 51																
5	Do you have an employee association that is recognized by management?	: Yes																
6	What percentage of your permanent employees is members of this recognized employee association?	: No such data is maintained																
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/ forced labour/ involuntary labour</td> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>NIL</td> <td>NIL</td> </tr> </tbody> </table>	No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	1	Child labour/ forced labour/ involuntary labour	NIL	NIL	2	Sexual harassment	NIL	NIL	3	Discriminatory employment	NIL	NIL
No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year															
1	Child labour/ forced labour/ involuntary labour	NIL	NIL															
2	Sexual harassment	NIL	NIL															
3	Discriminatory employment	NIL	NIL															

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

No	Category	% of Persons trained on Safety Aspects	% of Persons trained for skill upgradation
1	Permanent Employees	4.21	14.63
2	Permanent Women Employees	3.16	23.16
3	Casual/ Temporary/ Contractual Employees	20.45	9.09
4	Employees with Disabilities	7.84	21.57

Principal 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1	Has the company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	GRSE's CSR projects aims at benefiting the disadvantaged, vulnerable and marginalised community who are present in the areas of West Bengal and Ranchi. Further, GRSE ensures that the reservation policy as advised by Govt. of India is implemented. GRSE is also involved in improving the quality of life of persons for whom projects are specially designed. The Company has identified (i) SC/ST/OBC/EWS (ii) differently abled, as disadvantaged, vulnerable and marginalized for employment purpose.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	GRSE has made commitments for various projects and programmes in Kolkata and Ranchi in its CSR thrust areas, largely catering to disadvantaged, vulnerable and marginalized stakeholder's viz. education, sanitation & toilets for children, healthcare initiatives for communities, several initiatives for differently abled persons, empowerment of women through income enhancing skill development programs and other interventions in rural/ semi-urban areas. The Company follows all the Government of India regulations regarding reservations for SC/ST and differently abled.

Principle 5 – Businesses should respect and promote human rights

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company has no subsidiaries/Joint Ventures/Group etc., The Human resource policies of the Company cover all aspects of human rights of its employees and others associated with it for operation of its business. No complaints have been received in the past financial year on human rights. The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year under review, no such complaint was received.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review, no such complaints were received

Principle 6 – Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	It covers the Company. As a part of the integrated approach, our commitment to the mother nature is demonstrated through our ongoing effort to reduce the adverse impact on the environment and reinforcing the positive contribution. We strive to achieve this by identifying the significant environmental aspects of its activities and products and developing programs and processes to reduce or control them with an aim of protecting the environment. The Company also persuades and encourages its business partners/ vendors/ contractors to move towards environmental friendly processes, right from design to disposal.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company addresses issues such as climate change and global warming through energy conservation measures and energy substitution. There is a thrust to use renewable energy resources such as solar power for captive consumption. The Company, so far has installed a total of 1000kWp i.e. 1 MW Rooftop solar power plant at Main, FOJ & RBD Units. During the year, total generation power from the above 1 MW solar rooftop power plant was 8.56 Lakh unit (kWh) out of which 1.3 Lakh unit (kWh) was injected to CESC grid. Further this facility help reduction in emission of greenhouse gas by about 950 Ton.
3	Does the company identify and assess potential environmental risks? Y/N	No
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Presently, GRSE does not have any project under Clean Development Mechanism.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has undertaken various initiatives like installation of solar power plant, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of high pressure mercury vapour lights with LED lights, installation of pedestal type LED lighting system, use of energy efficient fans instead of regular ceiling fan etc.
6	Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NIL

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	<ul style="list-style-type: none"> (a) Federation of Indian Chambers of Commerce & Industry (FICCI); (b) Confederation of Indian Industry (CII) (c) Standing Conference of Public Enterprises (SCOPE) (d) Bengal Chambers of Commerce and Industry (BCCI) (e) Society of Defence Technologists (SODET) (f) Indian Shipbuilders Association (ISBA)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Principle 8 - Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	:	Yes. The Company is pursuing its cherished value of "endeavouring to fulfil its Corporate Social Responsibilities". The Company has formulated CSR & Sustainability Policy of the Company in line with the provisions of Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and DPE Guidelines on CSR & Sustainability. Further, the programmes / initiatives / projects are taken up in line with the Schedule VII of the Companies Act-2013, which are duly incorporated in our CSR & Sustainability Policy of the Company and forms the guiding principle for all our CSR programmes. GRSE's CSR Projects aim at benefitting the community from low socio-economic Strata and the same are attempting for inclusive growth & equitable development of such communities.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	:	The majority of Company's programs are done in-house and in some cases the Company collaborates with various NGOs, foundations, government agencies, and other professional agencies for execution of the project on the ground.
3	Have you done any impact assessment of your initiative?	:	Yes. Impact assessment is crucial to view the effect of the activity conducted. The Company periodically conducts impact assessment as a part of the project for the majority of projects.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	:	During the financial year 2020-21, the contribution to community development projects was ₹ 370 lakh. Please refer to the Annual Report on CSR Activities forming part of this Annual Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	:	Yes, the Company conducts impact assessment for majority of the projects

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	:	NIL
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	:	GRSE being a Defence Public Sector Undertaking, the product information is sensitive and classified. Hence, there is no display of product information.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	:	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	:	GRSE has not undertaken any structured survey during the year 2020-21. However, GRSE takes customer feedback through various channels on a regular basis.

INDEPENDENT AUDITOR'S REPORT

To the Members of Garden Reach Shipbuilders & Engineers Limited

Report on the Audit of the Financial Statements

This report supersedes our earlier report dated 17th May 2021. Please refer to the OTHER MATTERS section of this report.

Opinion

We have audited the accompanying financial statements of **Garden Reach Shipbuilders & Engineers Limited** ("the Company") [The audit covered the Corporate Office and all units across India.] which comprise the Balance Sheet as at March 31 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

- 1) We draw attention to note no. 49 of the accompanying financial statements as at March 31, 2021 regarding impact of the pandemic (COVID 19) on the operations of the Company, which affected the revenue and financial performance of the Company for the reporting period. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operation of the business on long term basis. However, the actual impact may be different from the estimate as at the date of approval of the financial statements.
- 2) Attention is invited to the treatment of ₹ 2,074.94 lakh shown as Exceptional Item (Note no 50) due to loss of production hours and non-usage of Plant and Machinery during the days of lockdown during the year.
- 3) Attention is invited to note no 1.2 (q) and 32(ii)(c) with respect to change in accounting policy regarding classification of Provident Fund Contribution from Defined Contribution plan to Defined Benefit plan. This change in Accounting policy was applied and it was observed that the net assets available for the benefits are in excess in comparison to the present value of retirement benefits. Thus, there is no impact in the books of account of the Company in the current year.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters (KAM) 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.

Sl. No.	Key Audit Matters	Our Response
1	<p>Contract revenue from shipbuilding</p> <p>Referred to in Note No.1.2(i)(A)(i) and No.20 of the financial statements.</p> <p>The Company has adopted Ind AS 115, "revenue from contract with customers", which is a new accounting standard effective from April, 2018. The Company recognizes revenue for a performance obligation satisfied over time only when it can reasonably measure its progress towards complete satisfaction of performance obligation. Progress with respect to ship construction is recognized over time using input method i.e. by comparing the actual costs anticipated for the entire contract. The application of the accounting standard is complex and is an area of focus in the audit. We identified revenue recognition of shipbuilding contracts as a KAM considering:</p>	<p>Our audit procedures on revenue recognized from shipbuilding contracts included:</p> <ol style="list-style-type: none"> a) Understanding of the systems, processes and control implemented by management for recording and calculating revenue based on input cost method, deriving the associated contract assets, b) Assessment of the operating effectiveness of Key IT Controls, including: <ol style="list-style-type: none"> i) Treating the IT Controls over the completeness and accuracy of the cost and revenue reports generated by the systems. ii) On selected samples of contracts, we tested that the revenue recognized is in accordance with the applicable accounting standards.

Sl. No.	Key Audit Matters	Our Response
	<p>(a) The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determining transaction price of identified performance obligation, determining variable consideration and to measure variable consideration, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>(b) The standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to balance sheet date.</p> <p>(c) There is significant involvement of IT systems.</p> <p>At the year-end, a significant amount of work-in-progress (contract assets) related to these contracts is recognized in the balance sheet.</p>	<p>c) Evaluated the appropriateness of the disclosures provided under the new accounting standard.</p> <p>Recognition of work-in-progress (Contract Assets) in the Balance Sheet has been checked with the relevant Statement of Computation of Work-in-progress as on the reporting date and other relevant records of the Company</p>
2	<p>Onerous Contract</p> <p>Referred to in Note No 19 of the financial statements.</p> <p>The Company has assessed a contract of a new FPV as “onerous” in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company has provided the estimated loss in the books of account.</p>	<p>Our audit procedures on “onerous contracts” included the following</p> <ol style="list-style-type: none"> 1) Evaluating the reason as why the contract appears to be onerous from the records and estimates given by the management. 2) Evaluating the details of unavoidable costs from the records provided by the management. 3) Understanding the terms of the contract and communication with the customer. 4) Evaluation of the same possibility in case of other existing contracts.

Information Other than the financial statements and Auditor’s Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under

section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (i) Amount shown in Note No. **30** (Contingent Liabilities) does not include interest/ penalty that may be payable on final settlement of claims.
- (ii) We issued an audit report dated 17th May, 2021 (the original report) on the financial statements as approved by the Board of Directors on that date. Pursuant to the observations from the office of Comptroller and Auditor General of India under Section 143 (6) (a) of the Companies Act, 2013, the financial statements have been revised and the revised statements have been approved by the Board of Directors on 26.07.2021. The impact of the revision amounting to ₹ 7,068.90 lakh, with respect to fresh accounting for stocks-in-transit and corresponding trade payables along with other consequential effects, is stated in note no 52 of these financial statements. Accordingly, we have issued this revised report which supersedes our earlier report dated 17th May 2021.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) In our opinion, provisions under section 164(2) of the Act, regarding disqualification of Directors are not applicable to a Government Company in terms of Notification No. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs.
 - (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-B.
 - (g) In our opinion, reporting requirements under provisions under section 197 of the Act, regarding the remuneration paid by the Company to its directors during the year are not applicable to a Government Company in terms of Notification No. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer to Note. 30 - Contingent Liabilities to the financial statements) ;
 - ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses except provision for loss on onerous contract for ₹ 1,177 lakh has been provided as stated in note no 19;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by Section 143(5) of the Act, we give in Annexure-C a statement on the matters specified in directions issued by the Comptroller & Auditor General of India in respect of the company.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)
Partner

Place: Kolkata
Date: July 26, 2021

Membership No. 059159
ICAI UDIN: 21059159AAAAB05181

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph no. 1 under "Report on Other Legal and Regulatory Requirement's section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all assets are verified in a phased manner over a period of three years. Accordingly, fixed assets of some division/ unit of the Company were verified internally by management during the year. Discrepancies noticed on such verification have been properly dealt with in the accounts. In our opinion, the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In case of "Right of use" assets, lease agreements have been duly executed in the name of the Company.
- (ii) The inventories (other than those lying with third parties), have been physically verified during the year by the management. The discrepancies between physical stock and book records arising out of physical verification, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or provided any securities in connection with such loan and given/made any loan/investment within the meaning of Section 185 and 186 of the Companies Act, 2013. Further, in terms of Notification No. G.S.R. 463(E) dated June 5, 2015, the provisions of section 186 of the Companies Act, 2013 are not applicable to the Company as the Company is a Government Company engaged in defence production and as such, reporting under this clause is not applicable to the Company.
- (v) The Company has not accepted any deposits during the year within the meaning of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and does not have any unclaimed deposits as at March 31, 2021, as such, reporting under this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, maintenance of cost records by the Company has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of construction of ships, manufacturing of engineering goods and diesel engines. We have broadly reviewed such cost records and are of the opinion that, prima facie, prescribed accounts and records have been made and maintained.
- (vii) (a) According to information and explanations given to us, and on the basis of our examination of books and accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, ESI, income tax, goods and services tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities and no undisputed amount payable in respect of aforesaid dues as on March 31, 2021 for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and information and explanations given to us, the following are the details of disputed dues not deposited on March 31, 2021:

Sl. No.	Name of the Statute	Nature of dues	Year to which pertains	Amount (₹ in Lakh)	Forum where the dispute is pending
1	West Bengal Value Added Tax Act, 2003	Value Added Tax	2007-08	506.83	West Bengal Taxation Tribunal
2	Central Excise Act, 1944	Central Excise	2016-17	106.54	Additional Secretary, Revision Application, Govt of India, New Delhi.
3	Income Tax Act, 1961	Income Tax	2008-09	352.85	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Income Tax	2013-14	1.92	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Income Tax	2016-17	8.61	Commissioner of Income Tax (Appeals)
Total				976.65	

The amounts mentioned above are exclusive of interest and penalties that may be payable on final settlement of pending cases.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company. Only non funded facilities of bank guarantees and letter of Credit has been availed from banks.
- (ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including Debt Instruments) and term loans during the year, and as such, reporting under this clause is not applicable to the Company.

- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In view of exemption given vide Notification No. G.S.R. 463(E) dated June 5, 2015, issued by Ministry of Company Affairs, provision of section 197 read with Schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to a Government Company, and as such, reporting under this clause is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and as such, reporting under this clause is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and as such, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and as such, reporting under this clause is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and as such, reporting under this clause is not applicable to the Company.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)
Partner
Membership No. 059159
ICAI UDIN: 21059159AAAAB05181

Place: Kolkata
Date: July 26, 2021

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of **Garden Reach Shipbuilders & Engineers Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)
Partner
Membership No. 059159
ICAI UDIN: 21059159AAAAB05181

Place: Kolkata
Date: July 26, 2021

Annexure- C to the Independent Auditor's Report

Sl. No.	Direction	Auditor's Comments
1	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.	Yes, the Company has system in place to process all the accounting transactions through IT system and no accounting transaction is processed outside IT system. Therefore, any implication of processing accounting transactions outside IT system on the integrity of the accounts along with financial implication does not arise.
2	Whether there is any restructuring of an existing loan and 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)	There is no instance of restructuring of an existing loan and cases of waiver/written off of debts/loans/interest etc. made by any lender to the Company due to the Company's inability to repay the loan. Therefore, the financial impact due to above reasons does not arise.
3	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.	No such cases of receipts/receivables of any amount by the Company in the financial year 2020-21 for specific scheme from Central/ Government or its agencies have come to our notice, nor have we been informed of receipts/receivables of any such amount by the management.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)
Partner
Membership No. 059159
ICAI UDIN: 21059159AAAAB05181

Place: Kolkata
Date: July 26, 2021

COMMENTS OF C&AG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of **Garden Reach Shipbuilder & Engineers Limited, Kolkata** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2021 and Revised report dated 26 July 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Garden Reach Shipbuilders & Engineers Limited, Kolkata** for the year ended 31 March 2021. 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 *revisions made in the financial statements by the management as indicated in item No. 52 of Notes to Accounts and revisions made in Independent Auditors' Report under 'Other matters'* as a result of my audit observations highlighted 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



(Santosh Kumar, IA&AS)
Pr. Director of Commercial Audit
& Ex-Officio Member, Audit Board, Bangalore.

Bangalore
Date: 27 July 2021.

BALANCE SHEET

as at 31 March, 2021

(₹ in Lakh)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	33,497.42	29,923.31
(b) Capital work-in-progress	4	15,129.72	5,151.52
(c) Intangible assets	5	522.86	445.56
(d) Financial assets			
(i) Investments	6(a)	0.44	0.44
(ii) Other financial assets	6(b)	69,455.90	7,660.42
(e) Non-current tax assets	7	11,714.77	12,060.02
(f) Other non-current assets	8	254.30	2,408.06
Total non-current assets		130,575.41	57,649.33
(2) Current assets			
(a) Inventories	9	78,787.45	44,102.22
(b) Financial assets			
(i) Current Investment	10(a)	82,581.96	5,400.43
(ii) Trade receivables	10(b)	17,813.74	53,528.00
(iii) Cash and cash equivalents	10(c)	932.05	72,922.75
(iv) Bank balances other than (iii) above	10(d)	227,185.14	188,209.38
(v) Other financial assets	10(e)	14,380.03	20,732.75
(c) Other current assets	11	126,021.92	95,818.44
(d) Assets classified as held for sale	12	43.39	52.82
Total current assets		547,745.68	480,766.79
TOTAL ASSETS		678,321.09	538,416.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13(a)	11,455.20	11,455.20
(b) Other equity	13(b)	102,256.56	92,567.90
Total equity		113,711.76	104,023.10
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Trade payables	14		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (i) (a) above		923.67	1,075.05
(b) Provisions	15	8,286.66	7,662.46
(c) Deferred tax liabilities (net)	16	550.87	953.78
Total non-current liabilities		9,761.20	9,691.29
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	17(a)	95.36	293.43
(b) total outstanding dues other than (i) (a) above	17(a)	78,176.14	54,384.37
(ii) Other financial liabilities	17(b)	2,401.22	2,426.41
(b) Other current liabilities	18	457,983.52	352,338.62
(c) Provisions	19	16,191.89	15,258.90
Total current liabilities		554,848.13	424,701.73
TOTAL EQUITY AND LIABILITIES		678,321.09	538,416.12
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration No - 301138E

Sd/-
(CA. Sudersan Mukherjee)
Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 26th day of July, 2021

For and on behalf of the Board of Directors

Sd/-
Rear Admiral V.K. Saxena IN (Retd.)
Chairman & Managing Director
DIN - 07696782

Sd/-
R.K Dash
Director (Finance) & CFO
DIN - 08511344

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2021

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from operations	20	114,083.53	143,329.53
Other income	21	18,759.56	22,549.94
Total income		132,843.09	165,879.47
EXPENSES			
Cost of materials consumed	22(a)	44,724.89	69,169.71
Purchase of products for resale (B & D spares)		2,392.27	5,426.26
Changes in inventories of work-in-progress and scrap	22(b)	1,132.90	(2,419.95)
Sub-contracting charges		12,992.60	17,007.21
Employee benefits expense	23	26,938.04	29,694.15
Finance costs	24	270.10	133.56
Depreciation and amortisation expense	25	2,908.76	3,008.92
Other expenses - project related	26	7,531.11	7,311.90
Other expenses	27	11,165.74	13,099.91
Total expenses		110,056.41	142,431.67
Profit before exceptional items and tax		22,786.68	23,447.80
Exceptional items	28	(2,074.94)	(1,060.70)
Profit before tax		20,711.74	22,387.10
Tax expense	29(a)		
- Current tax		5,887.11	5808.78
- Deferred tax		(522.49)	230.15
Total tax expense		5,364.62	6,038.93
Profit for the period		15,347.12	16,348.17
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
- Remeasurements of defined benefit plans		475.10	(1,584.81)
- Income tax relating to above item		(119.58)	398.90
Other comprehensive income for the year, net of tax		355.52	(1,185.91)
Total comprehensive income for the period		15,702.64	15,162.26
Earnings per equity share:			
(Nominal value per share ₹ 10)			
Basic and diluted earnings per share		13.40	14.27
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 26th day of July, 2021

For and on behalf of the Board of Directors

Sd/-

Rear Admiral V.K. Saxena IN (Retd.)

Chairman & Managing Director
DIN - 07696782

Sd/-

R.K Dash

Director (Finance) & CFO
DIN - 08511344

Sd/-

S. Mahapatra

Company Secretary
ACS 10992

CASH FLOW STATEMENT

for the year ended 31 March, 2021

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A. Cash flow from operating activities:		
Profit before taxation	20,711.74	22,387.10
Adjustments for -		
Interest income	(15,268.23)	(20,396.84)
Unrealised Fair Value gain (Net)	(317.96)	(696.94)
Actuarial Gain/ Loss on remeasurements of defined benefit plan	355.52	475.10
Depreciation & amortisation expense	2,908.76	3,008.92
Retirement /Write off of Assets -Net	(153.97)	(110.53)
Finance cost	270.10	133.56
Unrealized loss/ (gain) on foreign exchange fluctuation	(86.47)	(24.59)
Liquidated Damages written back	(339.70)	-
Liabilities no longer required written back	894.93	(639.03)
Operating profit before working capital changes	8,974.72	4,136.75
Adjustments for changes in working capital :		
(Increase)/Decrease in Trade and other receivables	36,032.22	(30,358.33)
(Increase)/Decrease in Other financial assets (Current & Non Current)	(55,442.76)	33,488.56
(Increase)/Decrease in Other non-current assets	2,499.01	(1,551.91)
(Increase)/Decrease in Other current assets	(30,203.48)	(39,661.91)
(Increase)/Decrease in Assets held for sale (current assets)	9.43	(9.73)
(Increase)/Decrease in Inventories	(34,685.23)	(9,145.31)
Increase/(Decrease) in Trade payables	23,528.80	17,317.44
Increase/(Decrease) in Provisions	1,001.96	2,239.54
Increase/(Decrease) in Other financial liabilities	(25.19)	273.95
Increase/(Decrease) in Other current liabilities	105,808.22	73,765.15
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	(402.91)	(168.75)
Cash generated from/ (used in) operations	57,094.78	50,325.45
Taxes paid (net of refunds)	(5,364.62)	12,458.21
Net cash from/(used in) operating activities	51,730.16	62,783.66
B. Cash flow from investing activities		
Purchase of Property, plant and equipment (including intangibles and capital work in progress)	(16,384.40)	(6,736.76)
Investments in Mutual Fund (Net)	(77,181.53)	(5,184.94)
Investments in Fixed Deposit (Net)	(38,975.76)	24,976.52
Interest received	15,268.23	11,440.14
Net cash from/(used in) investing activities	(117,273.46)	24,494.96

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
C. Cash flow from financing activities:		
Interest and other borrowing cost paid	(233.71)	(158.49)
Principal Component of Lease Rent	(163.32)	(107.12)
Interest component of Lease Rent	(36.39)	(47.82)
Dividend paid (incl tax)	(1603.73)	(7043.02)
Interim Dividend (incl tax)	(4410.25)	(7926.85)
Net cash from/(used in) financing activities	(6,447.40)	(15,283.30)
Net Increase/(Decrease) in Cash and cash equivalents	(71,990.70)	71,995.32
Opening Cash and cash equivalents at the beginning of the period	72,922.75	927.43
Closing Cash and cash equivalents at the end of the period	932.05	72,922.75

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 on Cash Flow Statement as notified under the Companies (Indian Accounting Standards) Rules, 2015.
- Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- Cash and cash equivalents as at the Balance sheet date consists of : (₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Balances with banks		
Current accounts	932.05	2,057.87
Bank Deposits with maturity of less than three months	-	70,864.73
Cash in hand	-	0.15
Cash and cash equivalents	932.05	72,922.75

- The figure in brackets represent cash outflow from respective activities.
The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 26th day of July, 2021

For and on behalf of the Board of Directors

Sd/-

Rear Admiral V.K. Saxena IN (Retd.)

Chairman & Managing Director
DIN - 07696782

Sd/-

R.K Dash

Director (Finance) & CFO
DIN - 08511344

Sd/-

S. Mahapatra

Company Secretary
ACS 10992

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2021

A. Equity share capital (₹ in Lakh)

Particulars	Amount
As at 1 April, 2019	11,455.20
Changes in Equity share capital (Refer Note 13 (a))	-
As at 31 March, 2020	11,455.20
Changes in Equity share capital (Refer Note 13 (a))	-
As at 31 March, 2021	11,455.20

B. Other equity (₹ in Lakh)

Particulars	Reserve and surplus			Total other equity
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at 1 April, 2019	928.80	6,064.86	85,381.85	92,375.51
Profit for the year (a)	-	-	16,348.17	16,348.17
Other comprehensive income for the year (b)	-	-	(1,185.91)	(1,185.91)
Total comprehensive income for the year (a + b)	-	-	15,162.26	15,162.26
Dividend paid (incl. tax) (Refer Note 13 (b))	-	-	(7,043.02)	(7,043.02)
Interim dividend paid (incl. tax) (Refer Note 13 (b))	-	-	(7,926.85)	(7,926.85)
Balance as at 31 March, 2020	928.80	6,064.86	85,574.24	92,567.90
Balance as at 1 April, 2020	928.80	6,064.86	85,574.24	92,567.90
Profit for the year (a)	-	-	15,347.12	15,347.12
Other comprehensive income for the year (b)	-	-	355.52	355.52
Total comprehensive income for the year (a + b)	-	-	15,702.64	15,702.64
Dividend paid (Refer Note 13 (b))	-	-	(1,603.73)	(1,603.73)
Interim dividend paid (Refer Note 13 (b))	-	-	(4,410.25)	(4,410.25)
Balance as at 31 March, 2021	928.80	6,064.86	95,262.90	102,256.56

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 26th day of July, 2021

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DIN - 08511344

Sd/-

S. Mahapatra

Company Secretary
ACS 10992

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1: Company information and Significant Accounting Policies

Note 1.1: Company information

Garden Reach Shipbuilders & Engineers Limited ('GRSE Ltd.' or 'the Company') was incorporated on 26th February, 1934. The Company is domiciled in India having its registered office at GRSE Bhavan, 61, Garden Reach Road Kolkata - 700 024 and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is mainly engaged in the construction of war ships.

Note 1.2: Significant Accounting Policies

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- c) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current classification

The assets and liabilities in the Balance Sheet are based on current/non-current classification.

The classification of assets and liabilities, wherever applicable, are based on normal operating cycles of different business activities of the Company, which are as under:

- (a) In case of Shipbuilding and Ship repair and Refit activities, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of guarantee period.
- (b) In case of other business activities, normal operating cycle is 12 months.

An asset is classified as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,

iii. Expected to be realised within twelve months after the reporting period, or

iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non - current.

A liability is classified as current when it is:

- i. Expected to be settled in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non – current liabilities.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

(v) Functional and Presentation Currency

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

(b) Property, Plant and Equipment

I. Property, Plant and Equipment are shown at cost, less accumulated depreciation and impairment, if any.

(i) Cost of Property, Plant and Equipment, not ready for their intended use as at each Balance Sheet date is disclosed as Capital Work in Progress. It comprises supply cum erection contract, value of capital supplies received at site and accepted, capital goods in transit and under inspection and the cost of Property, Plant and Equipment that are yet to ready for their intended use.

(ii) Cost means purchase price considered as cash price after deducting trade discount, rebates and adding duties, non-refundable taxes and costs directly attributable to make the asset available for intended use, other cost for replacing part of plant & equipment borrowed cost for long term project, if the recognition criteria are met.

(iii) When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

- (iv) Where cost of the parts of a Property, Plant and Equipment are significant and have different useful lives, they are treated as separate component and depreciated over their estimated useful lives.
- (v) Addition to Assets individually costing ₹ 5000/- or less are depreciated at 100% in the year when available for use.
- (vi) Spares purchased along with main asset are depreciated over the estimated useful life of that asset

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April, 2015 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the Property, Plant and Equipment.

- II. Retirement & De-recognition: Carrying amount of parts of Property Plant and Equipment is derecognized on disposal or when no future economic benefit is expected from its use or disposal. Any Gain /loss arising from de recognition/disposal/retirement of an item is recognized in Statement of Profit & Loss of that reporting period

III. Jointly Funded Assets

Plant and equipment acquired with financial assistance from outside agencies either wholly or partially are capitalised at gross value.

On transition to Ind AS, the Company has opted for exemption under Ind AS 101. Therefore, the Plant and equipment which were capitalised, net of cost to the Company have been carried forward to their net value. Any addition made of such assets from 1 April, 2015 are disclosed at gross value and are amortised over the useful life of the respective item of Property, Plant and Equipment.

- IV. Depreciation methods, estimated useful lives and residual values

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013 except the following items, where useful life estimated on technical assessment, past trends and expected useful life differ from those provided in Schedule II to the Companies Act, 2013:

Asset Class	Description	Years
Plant & equipment	Hand power tools like grinders, chippers, drilling machines; Fastening tools like bottle screws, clamps & slings, hoist/chain-pulley blocks, hooks, shackles, Measuring and testing devices	08
Plant & equipment	Miscellaneous tools/tackles and accessories thereof; Welding Torches, Gas Torches, Portable Electrode Ovens, Masks & helmets; Small instruments, measurements /control devices	05

Asset Class	Description	Years
Furniture & fixture	All electronic /electrical gadgets like refrigerator, MW/ other ovens, TV sets/entertainment systems/ Geyser/Water heater, Water purifiers & coolers, Air coolers, Electronic Medical gadgets/instruments, Canteen gadgets/utilities, Communication equipment	05

- i. In respect of additions/extensions forming an integral part of the existing assets, depreciation is provided over residual life of the respective asset. Significant additions which are required for replacement/performed at regular interval are depreciated over the useful life of the respective item of Property, Plant and Equipment.
- ii. Depreciation on Property, Plant and Equipment
 - a) Depreciation on the asset commences when asset are available for use. It ceases at the earlier of the date that the asset is classified as held for sale and the date of de recognition of the asset. Depreciation is recognized to write of the cost of asset (other than free hold land and properties under construction less their residual values) over their respective useful life.
 - b) The residual value is considered at the rate of 5% of the original cost of the respective assets except computers & IT peripherals.
 - c) Computer & peripherals (excluding servers & network equipment) are fully depreciated over their useful life.
 - iii. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.
 - iv. In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.
 - v. Air Conditioners have been classified under the head furniture & fixtures and useful life is considered as applicable to furniture & fixtures under Schedule II to Companies Act, 2013.
 - vi. Depreciation on second hand tangible assets is charged on straight line method to write off 95% of the cost over the estimated useful lives of such asset based on the internal technical assessment and evaluation.

(c) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets, which are specifically exempt from this requirement.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

(d) Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

(e) Impairment of Assets

Cash generating units as defined in Ind AS 36 on Impairment of Assets are identified by technical evaluation. At the date of balance sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

(f) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 5 years. Licence fee for specific period is amortised on straight line basis over the said period.

Individual items of intangible assets valuing ₹ 5,000 or less are fully amortized in the year of acquisition or available for use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April, 2015 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the intangible assets.

(g) Research and Development

Capital expenditure on research and development is included in intangible assets and revenue expenditure on research and development is charged as expenditure in the year in which it is incurred.

(h) Inventories

Inventories other than Work in Progress arising under Construction contract are valued at the lower of cost and net realisable value. The cost is determined as under:

- i. (a) Raw materials, stores and spares: Valued at weighted average rates.
- (b) Inplant items: At standard cost.
- ii. Equipment for specific projects: At cost.
- iii. Stores in transit and non-stock items: At cost.

Note:

- a) Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location. Cost includes taxes and duties and is net of credit under GST, where applicable.
- b) In-plant items are valued at standard cost for convenience taking into account normal level of activity and are regularly reviewed.
- iv. Obsolete, slow-moving and defective inventories are identified at the time of physical verification and where necessary provision is made for such inventories. Project specific stores not moving for 4 years and more from the date of delivery of a vessel are valued at 50% on review. Such valuation at 50% on review is also made in respect of materials not held for any specific project which do not move for 4 years or more from the date of receipt.
- v. All items of jobs in progress other than the Construction Contracts and Ship Repair Contracts are valued at lower of cost and net realisable value. Materials, if any, held by the contractors for processing are treated as part of work-in-progress.
- vi. Scrap: Valued at estimated net realisable value.
- vii. Inter-transfer items (Pending final transfer): At cost, limited to transfer price.

(i) Revenue Recognition

Keeping in view of applicable Ind AS 115, revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company considers whether there are other promises in the contract that are separate performance obligations. For each performance obligation identified in the contract, the Company determines at the inception of the contract whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue from Operations

- (A) Revenue from Ship Construction, Ship Repair and Other Construction Contracts :
 - (i) Revenue from Ship Construction, Ship Repair and Other Construction Contracts is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met -

- (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- (b) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company recognises revenue for a performance obligation satisfied over time only if the entity can reasonably measure its progress towards complete satisfaction of the performance obligation.

Methods for Measuring Progress:

- Based on the nature of the goods, progress w.r.t Ship Construction is recognized over time using Input Method i.e. by comparing the actual costs incurred to the total costs anticipated for the entire contract. These estimates are revised periodically.
 - For ship repair contracts having defined performance obligation, revenue is recognized over time using Input Method i.e. by comparing the actual costs incurred to the total costs anticipated for the entire contract.
 - For Ship repair contracts involving continuous maintenance support, revenue is recognised by using Output Method to measure its progress based on time elapsed upto reporting date as the same is representative of the satisfaction of performance obligation subject to entitlement of consideration in exchange of goods and/or services.
- (ii) Revenue from supply of B&D Spares is recognised based on satisfaction of performance obligation at point of time on proof of receipt of goods from Naval Stores.
 - (iii) Revenue Recognition for Modification Jobs: In case of modification jobs, revenue against completed Modification jobs is recognised on the basis of Work Done Certificate issued by appropriate authority and for which Modification Cost for Approval is submitted to the customer, duly recommended by onsite representative of customer.
- (B) Revenue from contracts for construction of diesel engine, overhauling of diesel engine, and Helo -Traversing System (a product of deck machinery) which involves designing, engineering or constructing specifically designed products and service contracts, is recognized over time using input method. While other provisions attracting point over time, the same is recognised on the basis as stated in (A) (i) supra.

- (C) Revenue from Bailey Bridge Contracts is satisfied at point in time, as it does not meet the over-time criteria. Every set of bridge supplied is a distinct good and a separate performance obligation. Thus, the Company recognizes revenue (including transportation) when the control is transferred, that is when an entire set of bridge is delivered to customer.

For Bailey Bridge Contracts having multiple performance obligation such as the sale of Bailey Bridge, installation service and construction of approach roads, free maintenance service, project management service, etc., the Company recognises revenue of performance obligation related to sale of Bailey Bridge when the control of Bailey Bridge is transferred. However, for other performance obligations in the contract, revenue is recognised over time using input method. While other provisions attracting point over time, the same is recognised on the basis as stated in (A) (i) supra.

- (D) Revenue from sale of Deck Machinery (except Helo-Traversing System) is in substance similar to delivery of goods which is recognised when control over the assets that is subject of the contract is transferred to the customer considering performance obligations being satisfied at a point in time.
- (E) Other operational revenue represents income earned from activities incidental to the business which is recognised when a right to receive the income is established when performance obligation is satisfied as per terms of contract.
- (F) When either party to a contract has performed, the Company presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment.

Contract Assets: When the contract revenue recognized by the company by satisfaction of performance obligation, exceeds the performance obligation satisfied by the customer by way of payment of consideration is presented as a Contract Assets.

Contract Liabilities: When the performance obligation satisfied by the customer through payment of consideration exceeds the contract revenue recognized by the company, the difference is presented as a Contract Liabilities.

Other Income

- (A) Interest income is recognised using the effective interest rate (EIR). Interest income is included in "Other Income" in the Statement of Profit and Loss and is accounted for on accrual basis on time proportion on certainty of receipt. In case of fixed deposits, interest is accounted when it accrues to the Company by applying interest rate as applicable to each fixed deposit.
- (B) Other items are recognized on accrual basis.

Insurance Claims

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the Company's estimate of the realisable value

(j) Foreign currency transactions:**(i) Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing exchange rate as on the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of the transaction. Advances paid to foreign suppliers for material / services are treated as non-monetary assets and consequently are reported using exchange rate on the date of transaction.

(iii) Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting a company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(k) Grants/Subsidy**i. Capital grants / Subsidies**

Capital grants/Subsidies relating to specific assets are disclosed at gross value and are amortised over the useful life of the respective item of PPE.

ii. Revenue grants / Subsidies

Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

(l) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cheques in hand, balance with banks in current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

(n) Financial Instruments

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

Financial Assets**Classification**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive

Income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial Assets measured at fair value through Other Comprehensive Income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income.

Financial Assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 discloses how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Debts from Government / Government departments / Government Companies are generally not treated as doubtful. However, provisions are made in the Accounts on a case to case review basis excepting those which are not contractually due.

Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

(o) Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to

measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance department determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

(p) Leases

In view of the implementation of Ind As 116, from 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments) and variable lease payment, if any, that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- a) Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- b) Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing, and
- c) Makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease

period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- a) the amount of the initial measurement of lease liability
- b) any lease payments made at or before the commencement date less any lease incentive received, and
- c) any initial direct costs

Right-of-use assets are generally depreciated over the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company as Lessor

The Company classifies leases as either operating or finance lease. A lease is classified as a financial lease if the Company transfers substantially all the risks and rewards incidental to ownership of the Asset to the lessee, and classifies it as an operating lease otherwise.

(q) Employee Benefits

I. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

II. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the yield on Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

III. Post-employment Obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Provident Fund and post-retirement medical scheme ; and
- (b) defined contribution plans such as pension scheme.

Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly

contributions are based on actuarial valuation. Any additional provision as may be required, is provided for on the basis of actuarial valuation as per Ind AS -19 on Employee Benefits.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity 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 annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Re-measurement 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.

Post-Retirement Medical Scheme

The post-retirement medical benefit to the existing employees is a defined benefit plans and is determined based on actuarial valuation as per Ind AS -19 on Employee Benefits using Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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.

Post-retirement medical benefits in the case of the super annuated employees are defined contribution schemes and premium paid to an Insurance company is charged to the Statement of Profit and Loss of the year.

Provident Fund and Pension Scheme

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of covered employee's salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Provident Fund Trust of the Company has to declare interest on the Provident Fund at a rate not less than that declared by the Employees Provident Fund Organization. In case, the trust is not able to meet the interest liability, Company has to make good the shortfall. Since, the plan is defined benefit plan, the Company has got the same actuarially valued. In case,

the additional liability is needed for the year, the same is provided.

Pension Fund

Defined contribution to Superannuation Pension Scheme is charged to statement of Profit & Loss at the applicable contribution rate as per approved Pension scheme.

(r) Dividend to Equity Shareholders

Dividend to Equity Shareholders is recognised as a liability and deducted from shareholders equity, in the period in which dividends are approved by the equity shareholders in the general meeting. In case of Interim dividend, the same is recognised as a liability and deducted from shareholders equity in the period in which interim dividend are approved by the Board of Director.

(s) Provision for Current & Deferred Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income, in which case it is recognized in Equity or in Other Comprehensive Income, as applicable.

i. Current Tax

Current tax comprises of the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax base at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in Other Comprehensive Income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- a. Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

(t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the

weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(u) Provision, Contingent Liabilities and Contingent Assets

- i. Provisions for legal claims, warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. However a provision is recognised if the Company has a contract that is onerous.
- ii. Provision for liquidated damages is made in the accounts separately as per the contractual provision/proportionate liability basis keeping in view the delay caused by the factors beyond the control of the Company.
- iii. Provision for guarantee liability in respect of delivered ships is made on the basis of actuarial estimates. Such provision for all other products is made, as applicable, on the basis of management estimates.
- iv. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.
- v. Contingent Liabilities are not recognised but are disclosed in the notes.
- vi. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period on the basis as detailed below. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A. In non-tax civil cases

In the case of non-tax civil cases, creation of accounting provision is considered on a review of status of each case as on the reporting date and provision if required is made in the accounts on the basis given below:

- a. In the arbitration cases where the Company has not contested or does not intend to contest the adverse outcome of arbitral award, the liability is not treated as contingent and full provision is considered.
- b. Where an adverse award/ decision is given by the arbitrator or by the trial court and an appeal is preferred by the Company or intended to be preferred, provision is made as follows:-
 - i. After the claim is disposed of by the Arbitrator - 25% of the amount in dispute.

- ii. After the claim is disposed of by Higher Appeal Court - 50% of the amount in dispute, until disposal by the final appeal court. Revision petition, larger bench of the same court is considered as part of the relevant appeal process in the said court.
 - c. Full provision of the disputed claim is considered in the case of an award/ decision where the Company does not proceed to contest the appellate award.
 - d. No provision is made in case of demands raised by Government department/ statutory authority/ by Commissioner or Tribunal set up by such Government department/ statutory authority if the said demand is contested within the set-up of such Government department/ statutory authority and there is likelihood of deletion of demand in appeal based on legal opinion/latest judgement in favour of the Company.
- B. In taxation cases

In the matter of taxation cases, the claimed amount is considered as contingent liability and no provision is considered if the decision up to Appeal stage goes against the Company and if the Company contests or intends to contest such decision before the Appellate Tribunal or decision of High Court/Supreme Court in similar cases is against the Company.

However, where the decision of Appellate tribunal is against the Company, full provision of the amount in dispute is made irrespective of whether the Company contests such decision at any higher forum.

Note 2: Critical Estimates and Judgments:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised and, if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

i. Estimated useful life of Property, Plant and Equipment (PPE):

Determination of the estimated useful life of PPE and the assessment as to which components of the cost may be capitalized. Useful life of PPE is based on the life prescribed in Schedule II to the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the 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 corresponds to the probable maturity of the post-employment benefit obligations.

iii. Recognition of Deferred Tax Assets:

A Deferred tax asset is recognised for all the deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

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

v. Discounting of long-term financial liabilities

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest rate method.

Note 3: Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Carrying Amount				Depreciation and Amortisation				Net carrying amount		
	a	b	c	d = (a + b - c)	e	f	g	h=(e+f-g)	i=(d-h)		
	As at 1 April 2020	Addition	Deductions / Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the period	Deductions / Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	
Land - Freehold	5,125.72	-	-	5,125.72	-	-	-	-	5,125.72	5,125.72	
Building - Freehold	6,332.81	3,425.20	1.12	9,756.89	693.90	258.48	0.35	952.03	8,804.86	5,638.91	
Plant & equipment	10,434.28	320.71	104.32	10,650.67	3,551.15	742.21	73.19	4,220.17	6,430.50	6,883.13	
Electrical installations	706.00	462.88	8.32	1,160.56	235.60	86.94	2.51	320.03	840.53	470.40	
Docks & jetties	5,183.11	641.22	251.62	5,572.71	1,662.42	338.84	82.72	1,918.54	3,654.17	3,520.69	
Furniture & fixtures	1,004.82	876.67	7.34	1,874.15	415.69	156.13	4.45	567.37	1,306.78	589.13	
Office equipment	408.31	293.09	4.58	696.82	118.23	21.45	2.00	137.68	559.14	290.08	
Computer	1,964.89	615.79	24.52	2,556.16	1,295.86	356.80	14.46	1,638.20	917.96	669.03	
Launches, barges & boats	117.29	-	-	117.29	7.80	6.16	-	13.96	103.33	109.49	
Vehicles	36.06	-	-	36.06	15.72	3.97	-	19.69	16.37	20.34	
Motor lorries, trailers, mobile cranes etc.	160.46	3.89	-	164.35	38.58	18.13	-	56.71	107.64	121.88	
Sub-total (1)	31,473.75	6,639.45	401.82	37,711.38	8,034.95	1,989.11	179.68	9,844.38	27,867.00	23,438.80	
Previous Year	29,194.60	2,343.78	64.63	31,473.75	6,093.59	1,971.46	30.10	8,034.95	23,438.80		
<i>Assets jointly funded by GRSE & Indian Navy</i>											
Building	4,516.49	-	-	4,516.49	-	-	-	-	-	-	
Less: Funded by Navy	3,224.69	-	-	3,224.69	-	-	-	-	-	-	
Building funded by GRSE (a)	1,291.80	-	-	1,291.80	271.60	54.32	-	325.92	965.88	1,020.20	
Plant & Equipment	3,320.27	-	-	3,320.27	-	-	-	-	-	-	
Less: Funded by Navy	861.00	-	-	861.00	-	-	-	-	-	-	
Plant & equipment funded by GRSE (b)	2,459.27	-	-	2,459.27	1,130.95	226.18	-	1,357.13	1,102.14	1,328.32	
Dock & Jetties	33,894.69	-	-	33,894.69	-	-	-	-	-	-	
Less: Funded by Navy	28,240.08	-	-	28,240.08	-	-	-	-	-	-	
Dock & jetties funded by GRSE (c)	5,654.61	-	-	5,654.61	2,069.41	412.43	-	2,481.84	3,172.77	3,585.20	
Sub-total (a+b+c) (2)	9,405.68	-	-	9,405.68	3,471.96	692.93	-	4,164.89	5,240.79	5,933.72	
Previous Year	9,405.68	-	-	9,405.68	2,779.02	692.94	-	3,471.96	5,933.72		
<i>Right of Use Asset</i>											
Land -Leasehold	633.21	-	-	633.21	134.92	134.92	-	269.84	363.37	498.29	
Vehicles - Leasehold	78.74	-	-	78.74	26.24	26.24	-	52.48	26.26	52.50	
Sub-total (3)	711.95	-	-	711.95	161.16	161.16	-	322.32	389.63	550.79	
Previous Year	-	711.95	-	711.95	-	161.16	-	161.16	550.79		
Total property, plant and equipment (1+2+3)	41,591.38	6,639.45	401.82	47,829.01	11,668.07	2,843.20	179.68	14,331.59	33,497.42	29,923.31	
Previous Year	38,600.28	3,055.73	64.63	41,591.38	8,872.61	2,825.56	30.10	11,668.07	29,923.31		

Note :

- Current year deductions include adjustment for Scrapping of assets valued ₹ 15.51 lakh (Deemed Cost ₹ 43.62 lakh) , retirement of assets valued ₹ 4.13 Lakh (Deemed cost ₹ 28.81 lakh), asset lost due to Amphan ₹ 168.89 lakh (Deemed Cost ₹ 251.62 lakh) and assets lost due to fire at CDO ₹ 17.58 lakh (Deemed Cost ₹ 38.89 lakh). Further it also includes assets valued ₹ 16.03 Lakh (Deemed Cost ₹ 41.02 lakh) retired and sold during the year. Scrapping of assets and retired assets in 2019-20 were ₹ 16.71 lakh (Deemed Cost ₹ 22.28 lakh) and ₹ 17.82 lakh (Deemed Cost ₹ 42.35 Lakh) respectively. Further it also includes assets valued ₹ 4.03 Lakh (Deemed Cost ₹ 13.44 Lakh) retired and sold during the previous year.
- Jointly funded assets - Plant & Machinery as at 31 March 2021 of ₹ 1,102.14 lakh (₹ 1,328.32 lakh as at 31 March, 2020) also includes Electrical installation of New Dry Dock valued ₹ 328.05 lakh (31 March, 2020: ₹ 457.08 lakh).
- Property, plant and equipment as at 31 March 2021 include Modern Hull Shop, a New Dry Dock, Inclined Berth, Paint cell and other miscellaneous facilities which have been created under modernisation of infrastructure development. These assets have been jointly funded by the Indian Navy to the tune of ₹ 32,325.77 lakh (original cost).
- Assets as at 31 March, 2021 exclusively funded by Navy (original Cost) not included in Property, plant and equipment is ₹ 801.23 lakh. (31 March, 2020: ₹ 801.23 lakh).
- Building as at 31 March 2021 includes ₹ 95.96 lakh (original cost) (31 March, 2020: ₹ 95.96 lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Garden Reach Shipbuilders and Engineers Limited, Mazagon Dock Shipyard Limited and Goa Shipyard Limited.

Note 4: Capital work-in-progress

(₹ in Lakh)

Particulars	a	b	c	d= (a+b-c)
	As at 1 April 2020	Addition	Deductions / Adjustments	As at 31 March 2021
Plant & equipment	865.44	14,060.66	-	14,926.10
Docks & jetties	401.00	-	401.00	-
Furniture, fixtures, office equipment	1,326.02	-	1,134.78	191.24
Computer	24.76	-	24.42	0.34
Civil construction	2,534.30	-	2,522.26	12.04
Total capital work-in-progress	5,151.52	14,060.66	4,082.46	15,129.72
Previous Year	3,418.60	1,816.71	83.79	5,151.52

Plant & Equipment in capital work in progress mainly comprises of 250 Ton Goliath Crane for Main unit.

Note 5: Intangible assets

(₹ in Lakh)

Particulars	Gross Block			Amortisation				Net Carrying Amount		
	As at 1 April 2020	Additions	Deductions / Adjustments	As at 31 March 2021	As at 1 April 2020	Charge for the Period	Deductions / Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Software (acquired)	1,489.76	297.58	2.14	1,785.20	1,044.20	220.28	2.14	1,262.34	522.86	445.56
Total Intangible assets	1,489.76	297.58	2.14	1,785.20	1,044.20	220.28	2.14	1,262.34	522.86	445.56
Previous Year	1,358.36	131.40	-	1,489.76	860.84	183.36	-	1,044.20	445.56	

Note 6: Financial assets (Non-current)**Note 6(a): Investments - Non-current**

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Equity instruments		
Fully Paid up, Unquoted		
At Fair value through Profit and Loss		
6,145 shares of Woodlands Multispecialty Hospital Ltd (31 March,2020: 6,145 shares) equity shares of ₹ 10/- each.	0.44	0.44
Total investments	0.44	0.44
Total non-current investments	0.44	0.44
Aggregate amount of unquoted investments	0.44	0.44

Considering investment amount is not material, management believes that fair value of the same will also be immaterial and hence the same is carried at cost as on the reporting date.

Note 6(b): Other financial assets (Non - current)

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Bank Deposits with maturity more than 12 months	61,400.00	13.09
Leave Encashment invested with LIC	6,111.01	6,121.99
Deposits with electricity board and others	775.58	781.39
Deferred credit recoverable from Navy	722.78	743.74
Interest accrued but not due on deposits	446.53	0.21
Total other financial assets (non - current)	69,455.90	7,660.42

Note 7: Non-current tax assets

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Advance income tax and TDS	5,652.25	9,698.15
Add : TDS & TCS Receivable	20,122.46	20,134.07
	25,774.71	29,832.22
Less: Provision for income tax	(14,059.94)	(17,772.20)
Total non-current tax assets	11,714.77	12,060.02

Note 8: Other non-current assets

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Capital advances	251.35	1792.43
<i>Advances other than capital advances</i>		
Prepaid expenses	2.95	-
Advance BG charges	-	615.63
Total other non-current assets	254.30	2,408.06

Note 9: Inventories

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Raw materials	66,645.70	37,606.91
Provision for obsolescence & non-moving	(1,367.59)	(1,126.88)
	65,278.11	36,480.03
Stock in transit	7,068.90	-
Work in progress	5,826.50	6,846.42
Stores, Spares & Consumables	10.91	59.77
Scrap	603.03	716.00
Total inventories	78,787.45	44,102.22

Note 10: Financial assets (Current)**Note 10(a): Current Investment**

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investment in mutual funds measured at FVTPL	82,581.96	5,400.43
Total current investment	82,581.96	5,400.43
Aggregate value of quoted investment	Nil	Nil
Aggregate value of unquoted investment	82,581.96	5,400.43

Note 10(b): Trade receivables - Current

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade receivables		
Unsecured, considered good*	17,813.74	53,528.00
Unsecured, considered doubtful	86.73	444.17
	17,900.47	53,972.17
Less: Provision for doubtful trade receivable	86.73	444.17
Total trade receivables - Current	17,813.74	53,528.00

* Included above are following deferred Receivables:

- ₹ 4,526.13 Lakh on account of last Stage (Stage XV) payment of LCU Contract (Yards 2096 - 2099) which are contractually due after completion of warranty period of 12 months and upon completion of all D-448 Liabilities & Guarantee Repairs.
- ₹ 2,712.79 Lakh on account of last Stage (Stage XV) payment of FPV Contract (Yard 2113-2115 & 2117) which are contractually due after completion of warranty period of 12 months and upon completion of all D-448 Liabilities & Guarantee Repairs.

Note 10(c): Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balances with banks		
- in current accounts	932.05	2,057.87
Bank Deposits with maturity of less than three months	-	70,864.73
Cash in hand	-	0.15
Total cash and cash equivalents	932.05	72,922.75

Note 10(d): Other bank balances

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Bank Deposits with original maturity from 3 months to 12 months	196,600.00	171,649.87
Flexi bank Deposits	30,583.69	6,558.06
- Current portion of Bank deposits with original maturity of more than 12 months	-	10,000.00
Unpaid dividend account	1.45	1.45
Total other bank balances	227,185.14	188,209.38

Note 10(e): Other financial assets - Current

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposit with Customs and Port trust	3.69	3.69
Leave Encashment invested with LIC	679.11	239.11
Interest accrued but not due on deposits	5,596.90	7,965.49
Contract Assets	7,994.41	12,418.54
Current portion of deferred credit recoverable from Navy	105.92	105.92
Total other financial assets - Current	14,380.03	20,732.75

Note 11: Other current assets

(₹ in Lakh)

Particulars	As at	
	31 March, 2021	31 March, 2020
<i>Advances recoverable in kind or for value to be received</i>		
- Employees	118.13	135.30
- Excise	132.74	132.74
- Sales Tax /VAT	67.08	303.49
- Goods and Services Tax	12,459.49	4,093.33
- Prepaid expenses	1,800.85	2,030.79
- Advance BG charges	-	115.23
- Suppliers	110,262.73	78,902.29
Other receivables	1,180.90	10,105.27
Total other current assets	126,021.92	95,818.44

Note 12: Assets classified as held for sale

(₹ in Lakh)

Particulars	As at	
	31 March, 2021	31 March, 2020
Plant & equipment	12.72	21.90
Docks & jetties	-	0.04
Furniture & fixtures	28.23	28.45
Motor cars	1.59	1.60
Office equipments	0.85	0.83
Total assets classified as held for sale	43.39	52.82

Non-recurring fair value measurements

Assets classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell. The Company has estimated the fair value to be higher than the carrying amount based on historical trend of realisation.

Note 13: Equity share capital and other equity**Note 13(a): Equity share capital**

(₹ in Lakh)

Particulars	As at		As at	
	31 March, 2021		31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10/- (31 March, 2020: ₹ 10/-) each	125,000,000	12,500.00	125,000,000	12,500.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- (31 March, 2020: ₹ 10/-) each	114,552,000	11,455.20	114,552,000	11,455.20
		11,455.20		11,455.20

Reconciliation of number and amount of equity shares outstanding:

(₹ in Lakh)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	114,552,000	11,455.20	114,552,000	11,455.20
Add: Issue of shares upon sub-division *	-	-	-	-
At the end of the period	114,552,000	11,455.20	114,552,000	11,455.20

*The Company in its board meeting held on 30th June, 2017 and the Annual General Meeting held on 25 August, 2017, sub-divided the Authorised Share Capital of the Company, comprising of 1,25,00,000 shares of ₹ 100/- each, into 12,50,00,000 shares of ₹ 10/- each.

Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10/- (31 March, 2020: ₹ 10/-). They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Details of shareholders holding more than 5% shares in the Company

Shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	% holding	Number of shares	% holding
The President of India	85,341,240	74.5%	85,341,240	74.5%
HDFC Trustee Company Limited	9,727,951	8.49%	8,876,200	7.75%
Nippon Life India Trustee Ltd.	58,62,524	5.12%	-	-

Note 13(b): Other Equity

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Capital Redemption Reserve	928.80	928.80
General reserve	6,064.86	6,064.86
Retained earnings	95,262.90	85,574.24
Total reserves and surplus	102,256.56	92,567.90

(i) Retained earnings

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	85,574.24	85,381.85
Net profit for the period	15,347.12	16,348.17
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of defined benefit plans (net of tax)	355.52	(1,185.91)
Dividend paid	(1,603.73)	(7,043.02)
Interim Dividend paid	(4,410.25)	(7,926.85)
Closing balance	95,262.90	85,574.24

Nature and purpose of other reserves:

Note:

- (i) Pursuant to Section 69 of The Companies Act, 2013 the Company has transferred a sum equal to the nominal value of the shares so purchased to the capital redemption reserve account out of free reserves of the Company. The capital redemption reserve is not in nature of free reserve.
- (ii) 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.

Note 14: Financial liabilities (Non-current)**Trade payable (non-current)**

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<i>Trade payable</i>		
- Micro and small enterprises	-	-
- Russian deferred credit - foreign supplier	722.78	743.74
- Lease Liability	200.89	331.31
Total trade payables (non-current)	923.67	1,075.05

Note 15: Provisions (non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Accrued Leave Liability	6,825.42	6,121.99
Post retirement medical benefits	1,461.24	1,540.47
Total provisions (non-current)	8,286.66	7,662.46

Note 16: Deferred tax liabilities (net)**The balance comprises temporary differences attributable to:**

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deferred tax liability		
Property, plant & equipment and intangible asset	3,152.04	2,888.51
Financial liability	271.30	266.03
Total deferred tax liabilities	3,423.34	3,154.54
Deferred tax asset		
Defined benefit obligation	2,283.09	1,713.26
Allowance for doubtful trade receivables	21.83	111.80
Financial asset	271.30	266.03
Provision for onerous contract	296.25	-
Others (Adjustment to opening deferred tax liabilities resulting from reduction in tax rate)	-	109.67
Total deferred tax assets	2,872.47	2,200.76
Net deferred tax liabilities	550.87	953.78

Note 16 (a): Deferred tax liabilities (net)*Movement in deferred tax liabilities/ (assets)*

(₹ in Lakh)

Particulars	Property, plant and equipment & intangible asset	Defined benefit obligation	Other items	Total
At 01 April, 2019	4,481.99	(2,842.87)	(516.59)	1,122.53
Charged/(credited):				
- to profit or loss	(1,593.48)	1,528.51	295.12	230.15
- to other comprehensive income	-	(398.90)	-	(398.90)
At 31 March, 2020	2,888.51	(1,713.26)	(221.47)	953.78
Charged/(credited):				
- to profit or loss	263.53	(689.41)	(96.61)	(522.49)
- to other comprehensive income	-	119.58	-	119.58
At 31 March, 2021	3,152.04	(2,283.09)	(318.08)	550.87

Note 17: Financial liabilities (current)**Note 17(a): Trade payables (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
<i>Trade payables</i>		
- Micro and small enterprises	95.36	293.43
- Russian deferred credit	105.92	105.92
- Others	78,070.22	54,278.45
Total trade payables (current)	78,271.50	54,677.80

Note 17(b): Other financial liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Security deposit	397.90	452.56
<i>Accrued expenses</i>		
Accrued salaries and benefits	562.95	627.17
Rent	211.06	173.83
Lease Liability	168.43	160.84
Other payables	1,060.88	1,012.01
Total other financial liabilities	2,401.22	2,426.41

Note 18: Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Contract liabilities	456,505.01	352,075.96
Statutory liabilities	165.70	261.21
Other liabilities	1,311.36	-
Unpaid dividend	1.45	1.45
Total other current liabilities	457,983.52	352,338.62

Note 19: Provisions (current)

(₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Guarantee repair	2,712.79	3,508.21
Provision for liquidated damages	120.81	1,891.77
Accrued Leave Liability	679.11	684.79
Post retirement medical benefits	104.91	128.77
Onerous Contract	1,177.00	-
Other Provisions	11,397.27	9,045.36
Total provisions (current)	16,191.89	15,258.90

Information about individual provisions and significant estimates

Guarantee repairs

Provision is made for estimated warranty claims in respect of ships and other products delivered which are still under warranty at the end of the reporting period. Management estimates the related provision for future warranty claims in respect of delivered ships based on the actuarial report which takes into consideration the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

For provision with respect to other products management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Liquidated damages

Provision for liquidated damages is made in the accounts separately as per the contractual provision/proportionate liability basis keeping in view the delay caused by the factors beyond the control of the Company.

Provision for Onerous Contract

Company is required to build one FPV ship towards meeting the contractual obligation with Indian Coast guard in lieu of one ship delivered in the current financial year to Government of Seychelles as per contract with GOS dated 03rd February 2021 by diverting one ship of the FPV Contract entered with Indian Coast Guard.

Price of the replacement ship is same as per the cost of the original contract with Coast Guard. Necessary escalation for construction of new ship has been catered for supply of the ship to GOS. In view of this it works out that there will be an estimated loss for the new ship on account of escalation, amounts to ₹ 1,177 Lakh. This estimated loss has been booked in current financial year under Note 27.

Other Provisions

Other Provisions represent employee related provisions based on the management's assessment.

Movements in provisions

Movements in each class of provision during the financial year, are set out below:

(₹ in Lakh)

Particulars	Liquidated damages	Guarantee Repairs	Provision for Onerous Contract	Other Provisions
As at 01 April, 2019	3,719.51	2,239.81	-	7,127.69
<i>Charged/(credited) to profit or loss</i>				
additional provision recognised	2,446.46	2325.52	-	2,465.55
Amount used during the year	(4274.20)	(1,057.12)	-	(547.88)
As at 31 March, 2020	1,891.77	3508.21	-	9045.36
<i>Charged/(credited) to profit or loss</i>				
additional provision recognised	196.31	627.96	1,177.00	2,415.74
Amount used during the year	(1,967.27)	(1423.38)	-	(63.83)
As at 31 March, 2021	120.81	2,712.79	1,177.00	11,397.27

Note 20: Revenue from operations

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
a) Contract revenue		
- Shipbuilding	101,032.81	127,522.88
- General engineering	393.03	24.47
- Diesel engines	1,775.94	1,954.32
b) Sale of products		
- B & D spares	2,571.70	5,813.10
- Bailey bridge	4,804.79	2,412.99
- General engineering	1,257.35	910.86
- Diesel engines	4.89	1,718.68
(c) Sale of services		
- Ship repair	1,198.15	1,195.59
- Bailey bridge	212.20	179.03
- General engineering	1.60	0.67
- Diesel engines	23.94	737.73
(d) Other operating revenue		
- Scrap sales	807.13	832.39
- Training Fees	-	26.82
Total revenue from operations	114,083.53	143,329.53

Note :

The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O. 802 (E) dated 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the company on operating segments under Ind AS 108 as well as Ind AS 115.

Note 21: Other income

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest income	15,268.23	19,891.58
Profit on sale of mutual fund	716.44	505.26
Gain on fair valuation	545.02	221.84
Rental income	6.28	10.64
Net foreign exchange gains	86.47	24.59
Insurance claims	9.31	53.06
Liability/provision written back	894.93	639.03
Profit/(Loss) on retired assets (net)	169.35	121.69
Other items	1,063.53	1,082.25
Total other income	18,759.56	22,549.94

Note 22(a): Cost of materials consumed

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Raw Materials	15,431.48	7,378.84
Components	29,293.41	61,790.87
Total cost of materials consumed	44,724.89	69,169.71

Note 22(b): Changes in inventories of work-in-progress and scrap

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening balance		
- Bailey bridge unit	5,593.16	3,831.25
- Engine unit	578.03	306.49
- Others	675.23	473.50
Total opening balance	6,846.42	4,611.24
Closing balance		
- Bailey bridge unit	5,057.88	5,593.16
- Engine unit	309.05	578.03
- Others	459.56	675.23
Total closing balance	5,826.49	6,846.42
Total changes in inventories of work-in-progress	1,019.93	(2,235.18)
Change in inventories of scrap	112.97	(184.77)
Total changes in inventories of work-in-progress and scrap	1,132.90	(2,419.95)

Note 23: Employee benefits expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Salaries and wages	22,193.45	23,034.52
Less: Transfer to exceptional item	(1,920.22)	-
	20,273.23	23,034.52
Contribution to provident fund and other funds	3,313.61	3,209.26
Staff welfare expenses	3,351.20	3,450.37
Total employee benefit expense	26,938.04	29,694.15

Note 24: Finance costs

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense		
- Banks	-	33.15
- Fair valuation	227.06	-
- Others	28.34	94.99
Other borrowing costs		
- Bank charges & commission	14.70	5.42
Total finance costs	270.10	133.56

Note 25: Depreciation and amortisation expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Depreciation of property, plant and equipment	2,843.20	2,825.56
Less: Transfer to exceptional item	(154.72)	-
	2,688.48	2,825.56
Amortisation of intangible assets	220.28	183.36
Total depreciation and amortisation expense	2,908.76	3,008.92

Note 26: Other expenses - project related

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Facility hire	336.11	202.25
Insurance	207.18	105.13
Travelling expenses	138.53	156.05
Technicians' fees	5,120.92	6,019.46
Launching & commissioning expenses	64.88	148.86
Bank Charges	926.63	154.10
Miscellaneous expenses	736.86	526.05
Total other expenses - project related	7,531.11	7,311.90

Note 27: Other expenses

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Consumption of stores and spares parts	61.51	90.63
Power and fuel	630.15	845.49
Rent	64.30	84.84
Repair and maintenance		
- buildings	640.88	419.37
- plant & equipments	329.32	292.63
- other	1,166.00	996.65
Insurance	781.01	1,061.27
Rates and taxes	257.75	132.15
Marketing Expenses	110.74	102.78
Stores clearing & dispatch expenses	35.77	46.19
Liquidated damages	191.40	2,494.97
Provision for non moving & obsolete inventory	240.78	427.02
Transport hire charges	398.55	436.36
Travelling expenses	79.39	319.92
Advertisement & publicity	240.52	770.18
Printing & stationary	9.43	7.57
Postage & courier	5.31	8.30
Telephone & fax	64.45	58.65
Legal expenses	18.88	40.17
Corporate social responsibility	370.00	221.00

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Auditors' remuneration:		
(a) Audit Fees	7.83	7.32
(b) Tax audit fees	1.25	1.25
(c) Fees for other services	4.60	5.83
CISF Expenses	3,501.15	3,434.03
Property plant & equipment written off	15.38	11.16
Research and development	503.41	585.93
Loss on onerous contract	1,177.00	-
Other miscellaneous expenses	258.98	198.25
Total other expenses	11,165.74	13,099.91

Note 28: Exceptional Item

(₹ in Lakh)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Loss on Insurance Claim	-	1,060.70
Salary and wages/Depreciation of P&M during lockdown	2,074.94	-
Total exceptional item	2,074.94	1,060.70

Note 29: Income tax expense

(₹ in Lakh)

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	5,887.11	5,808.78
Total current tax expense	5,887.11	5,808.78
<i>Deferred tax</i>		
Deferred tax (benefit)/expense	(522.49)	230.15
Total deferred tax expense	(522.49)	230.15
Income tax expense	5,364.62	6,038.93

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	Year ended 31 March, 2021	Year ended 31 March, 2020
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Profit before tax	20,711.74	22,387.08
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	5,212.73	5,634.39
Effect of expenses that are not deductible in determining taxable profit	1,877.78	1,777.01
Effect of expenses that are allowable in determining taxable profit	(1,353.08)	(1,658.24)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	93.12	55.62
Adjustments for changes in estimates of deferred tax assets	(522.49)	230.15
Effect of Interest u/s 234B & C	56.56	-
Total income tax expense recognised in Profit and Loss	5,364.62	6,038.93

Note 30: Contingent Liabilities and Contingent Assets

As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the disclosures are given here under: (₹ in Lakh)

(A) Contingent Liabilities	As at 31 March, 2021	As at 31 March, 2020
(i) Claims against the Company not acknowledged as debts	7,298.62	5,950.60
(ii) Guarantees		
a) Guarantees given by Banks	241,508.91	215,352.44
b) Indemnity Bonds for Performance & Warranties	166,593.60	183,667.31
c) Unexpired Letters of Credit	25,985.73	123.44
(iii) Other money for which the Company is contingently liable		
a) Sales Tax	506.83	2,476.77
b) Excise Duty	106.54	106.54
c) Income Tax	363.38	596.54

(a) Contingent Liability on account of Sales Tax amount to ₹ 506.83 Lakh (31 March, 2020 ₹ 2,476.77 Lakh) towards assessment dues and demand for the year 2007-08. All these amounts have not been acknowledged as debts and accordingly not provided for in the Accounts as all the demands are under different stage of appeal.

(b) Contingent Liability on account of Central Excise amount to ₹ 106.54 Lakh (31 March, 2020 ₹ 106.54 Lakh) towards alleged arrear interest claimed on the excise liability of CIWTC included in the sale consideration received as per agreement for purchase of certain assets of CIWTC. Since the Company has made appeals before respective Appellate Authorities against the impugned demand, the demand has not been acknowledged as debts and accordingly not provided for in the Accounts.

(c) Contingent Liability on account of Income Tax amounts to ₹ 363.38 Lakh (31 March, 2020 : ₹ 596.54 Lakh) towards arbitrary increase by the Income Tax Authority in taxable income based on Form 26Q for AY 2009-10 - ₹ 352.85 Lakh, disallowance of provision for liquidated damages - ₹ 1.92 Lakh for AY 2014-15 and disallowance of 80G rebate - ₹ 8.61 Lakh for AY 2017-18. Above disputes have not been acknowledged as debt and accordingly not provided for in the Accounts as all the issues are under different stages of appeal.

(d) The amounts shown under Contingent Liabilities represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above Contingent Liabilities.

In the opinion of the Management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals made by Company.

(B) Contingent Assets

The land and various other assets of erstwhile Raja Bagan Dockyard of Central Inland Water Transport Corporation Limited (CIWTC) were purchased by the Company in the Year 2006. The assets like Vessels, Cranes etc. were not taken over by the Company and were to be removed by CIWTC which they did not remove. CIWTC is presently under liquidation. The Company has filed a claim before the liquidator towards ground rent and reimbursement of payment of interest on Excise Duty by the Company aggregating to ₹ 2,429.74 Lakh. The matter is pending with the Liquidator. Therefore, this has been considered as a Contingent Asset.

Note 31: Commitments (₹ in Lakh)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,945.58	15,323.39
Advance paid against above	251.35	1,792.43

Note 32: Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave.

Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly, leave obligation of ₹ 679.11 Lakh (31 March, 2020: ₹ 684.79 Lakh) is presented as current and remaining amount is presented as non current. The leave obligation is an unfunded plan, the Company makes contributions to scheme maintained by Life Insurance Corporation of India (LIC).

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

(₹ in Lakh)

Particulars	Leave obligation
As at 31 March, 2020	
Current portion	684.79
Non-current portion	6,121.99
Total	6,806.78
As at 31 March, 2021	
Current portion	679.11
Non-current portion	6,825.42
Total	7,504.53

(ii) Post-employment obligations

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary (including dearness allowance) per month computed proportionately for 15 days salary (reckoning 26 days for a month) multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

(b) Post-retirement medical scheme

The Company operates post-retirement medical benefit scheme. The plan is an unfunded plan. Based on actuarial valuation, a provision is recognised in full for the projected obligation.

Apart from above, post retirement medical benefits to the superannuated employees are defined contribution schemes and premium of ₹ 860.52 Lakh (31 March, 2020: ₹ 802.74 Lakh) paid to an Insurance Company is charged to the Statement of Profit and Loss of the year. There are no other obligations to employees other than the contribution payable to the Insurance Company.

(c) Provident fund

The exempt provident fund set up by the Company is a defined benefit plan under IND AS 19 Employee benefits.

Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with relevant statute .

Employer's contribution to Provident Fund & Family Pension fund is ₹1,661.64. Lakh for the year 2020-21 (₹1,539.37 Lakh for the year 2019-20).

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall ,if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate.

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund of GRSE for the period ended 31st March 2021.

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2020	34,535.82	(34,547.15)	(11.33)
Current service cost	3,218.35	-	3,218.35
Interest expense/(income)	2,918.67	(2,936.51)	(17.84)
Total amount recognised in profit or loss	6,137.02	(2,936.51)	3,200.51
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(66.78)	66.78
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	-	-	-
Actuarial (gain)/loss from unexpected experience	256.22	-	256.22
Total amount recognised in other comprehensive income	256.22	(66.78)	323.00
Employer contributions/ premium paid	-	(1,355.21)	(1,355.21)
Benefit payments	(3,615.42)	3,615.42	-
Participant Contributions	-	(1,987.40)	(1,987.40)
Transfer in	-	(174.51)	(174.51)
31 March, 2021	37,313.64	(37,318.58)	(4.94)

During the year the Company has changed its Accounting policy regarding classification of Provident Fund contribution from Defined Contribution plan to Defined benefit plan. This change in Accounting policy was applied and observed that the net assets available for the benefits are in excess in comparison to the present value of retirement benefits. Hence, there is no impact on accounts of the Company during the current year.

(iii) Defined Contribution Plan:

Superannuation Pension Fund:

The Pension Scheme is administered by a Trust. The Company has transferred an amount of ₹ 432.40 Lakh for officers and non-unionised supervisors to LIC towards employer's contribution for the year 2020-21 (₹ 397.85 Lakh for the year 2019-20).

The pension scheme for unionised employees has been introduced w.e.f. 01 January 2012. An amount of ₹ 353.19 Lakh has been transferred to LIC for the year 2020-21 (₹ 353.98 Lakh for the year 2019-20) towards employer's contribution for operatives and office assistants.

(iv) Balance sheet recognition

(a) Post retirement medical scheme

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2019	1,283.57
Current service cost	55.91
Interest expense/(income)	82.41
Total amount recognised in Profit or Loss	138.32
Remeasurements	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	355.86
Experience (gains)/losses	(108.51)
Total amount recognised in other comprehensive income	247.35
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2020	1,669.24

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2020	1,669.24
Current service cost	52.48
Interest expense/(income)	115.18
Total amount recognised in Profit or Loss	167.66
<i>Remeasurements</i>	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(112.19)
Experience (gains)/losses	(158.55)
Total amount recognised in other comprehensive income	(270.74)
Employer contributions/ premium paid	
Benefit payments	
31 March, 2021	1,566.16

(b) Gratuity

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2019	10,694.55	(10,694.55)	-
Current service cost	682.11	-	682.11
Interest expense/(income)	642.19	(685.52)	(43.33)
Total amount recognised in profit or loss	1,324.30	(685.52)	638.78
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	64.51	64.51
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	934.18	-	934.18
Actuarial (gain)/loss from unexpected experience	338.77	-	338.77
Total amount recognised in other comprehensive income	1,272.95	64.51	1,337.46
Employer contributions/ premium paid	-	(1,976.24)	(1,976.24)
Benefit payments	(1,351.95)	1,351.95	-
31 March, 2020	11,939.85	(11,939.85)	-

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2020	11,939.85	(11,939.85)	-
Current service cost	686.72	-	686.72
Interest expense/(income)	776.27	(823.85)	(47.58)
Total amount recognised in profit or loss	1,462.99	(823.85)	639.14
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(60.07)	(60.07)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(459.61)	-	(459.61)
Actuarial (gain)/loss from unexpected experience	315.32	-	315.32
Total amount recognised in other comprehensive income	(144.29)	(60.07)	(204.36)
Employer contributions/ premium paid	-	(434.78)	(434.78)
Benefit payments	(1,379.22)	1,379.22	-
31 March, 2021	11,879.33	(11,879.33)	-

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March, 2021	31 March, 2020
Discount rate	6.90%	6.41%
Expected return on plan asset	6.90%	6.41%
Salary growth rate	6.50%	6.50%
Attrition rate	1.00%	1.00%
Mortality rate	IALM (2012-2014) Ultimate	IALM (2006-2008) Ultimate

Assumptions regarding future mortality for gratuity and medical are set, based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a person retiring at the age of 60.

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (₹ in Lakh)

Particulars	Impact on defined benefit obligation (Gratuity)			
	31 March, 2021		31 March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	11,440.68	12,348.65	11,494.35	12,417.03
% change compared to base due to sensitivity	-3.69%	3.95%	-3.730%	4.000%
Salary growth rate (-/+ 0.5%)	12,238.55	11,510.71	12,346.33	11,533.74
% change compared to base due to sensitivity	3.02%	-3.10%	3.400%	-3.400%
Attrition rate (-/+ 0.5%)	11,879.36	11,879.32	11,939.40	11,940.31
% change compared to base due to sensitivity	0.00%	0.00%	0.000%	0.000%
Life expectancy/ mortality rate (-/+ 10%)	11,879.66	11,879.02	11,938.98	11,940.74
% change compared to base due to sensitivity	0.00%	0.00%	-0.010%	0.010%

Particulars	Impact on Post-retirement medical benefits			
	31 March, 2021		31 March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	1,522.93	1,608.60	1,585.54	1,991.12
% change compared to base due to sensitivity	-2.76%	2.71%	-6.25%	17.73%
Attrition rate (-/+ 0.5%)	1,603.27	1,528.25	1,690.18	1,692.38
% change compared to base due to sensitivity	2.37%	-2.42%	-0.070%	0.070%
Life expectancy/ mortality rate (-/+ 10%)	1,563.81	1,568.50	1,679.44	1,703.97
% change compared to base due to sensitivity	-0.15%	0.15%	-0.70%	0.75%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) The major categories of plan assets

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2022 are ₹ 700 Lakh.

The weighted average duration of the defined benefit obligation (gratuity) is 12 years (31 March, 2020 – 12 years) and Post-retirement medical benefits is 37 years (31 March, 2020 – 37 years). The expected maturity analysis of undiscounted gratuity and post-retirement medical benefits are as follows:

(₹ in Lakh)

Particulars	Less than a year	More than 1 year
As at 31 March, 2021		
Defined benefit obligation (gratuity)	1,402.99	21,527.14
Post-retirement medical benefits	108.47	5,512.25
Total	1,511.46	27,039.39
As at 31 March, 2020		
Defined benefit obligation (gratuity)	1,530.37	20,447.57
Post-retirement medical benefits	137.02	8,910.55
Total	1,667.39	29,358.12

Note 33: Related party transactions

The Company is controlled by the President of India having ownership interest of 74.50%.

(a) Key management personnel compensation

(₹ in Lakh)

Particulars	31 March, 2021	31 March, 2020
Short-term employee benefits	194.41	190.47
Post-employment benefits	8.57	8.00
Long-term employee benefits	-	-
Total compensation	202.98	198.47

No amount has been written back/written off during the year in respect of dues to related parties.

(b) Transactions with related parties

As GRSE is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions :- (₹ in Lakh)

Particulars	31 March, 2021	31 March, 2020
Sales of goods and services		
Sale of goods (owned by Govt. of India)	46,624.81	213,439.57
Sale of services (owned by Govt. of India)	68.71	833.86
Other transactions		
Final Dividend paid to shareholder	1,194.78	4,352.40
Interim Dividend paid to shareholder	3,285.64	4,898.58

(c) Outstanding balances arising from sales/purchases of goods and services

(₹ in Lakh)

Particulars	31 March, 2021	31 March, 2020
Trade receivables (sale of goods and services)		
Entities (owned by Govt. of India)	5,104.04	48,139.07

Note 34: Fair value measurements**Financial instruments by category**

(₹ in Lakh)

Particulars	31 March, 2021			31 March, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments	0.44	-	-	0.44	-	-
Mutual Funds	82,581.96			5,400.43		
Trade receivables	-	-	17,813.74	-	-	53,528.00
Security deposits	-	-	779.27	-	-	785.08
Deferred credit recoverable from Navy	-	-	828.70	-	-	849.66
Contract Assets	-	-	7,994.41	-	-	12,418.54
Cash and cash equivalents	-	-	932.05	-	-	72,922.75
Other bank balances			227,185.14			188,209.38
Other financial assets	-	-	66,996.90	-	-	17,978.79
Total financial assets	82,582.40	-	322,530.21	5,400.87	-	346,692.20
Financial liabilities						
Trade payables	-	-	79,195.17	-	-	55,752.84
Security deposits	-	-	397.90	-	-	452.56
Other payables	-	-	2,003.32	-	-	1,973.85
Total financial liabilities	-	-	81,596.39	-	-	58,179.25

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund		82,581.96		82,581.96
Total financial assets	-	82,581.96	0.44	82,582.40

Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy				
	-	-	828.70	828.70
Trade receivables				
	-	-	17,900.47	17,900.47
Total financial assets	-	-	18,729.17	18,729.17
Financial liabilities				
Trade payable				
LD deducted from vendors	-	-	1,126.84	1,126.84
Russian deferred credit	-	-	828.70	828.70
Total financial liabilities	-	-	1,955.54	1,955.54

Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund		5,400.43		5,400.43
Total financial assets	-	5,400.43	0.44	5,400.87

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy				
	-	-	849.66	849.66
Trade receivables				
	-	-	53,972.17	53,972.17
Total financial assets	-	-	54,821.83	54,821.83
Financial liabilities				
Trade payable				
LD deducted from vendors	-	-	537.50	537.50
Russian deferred credit	-	-	849.66	849.66
Total financial liabilities	-	-	1,387.16	1,387.16

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include the fair value of the remaining financial instruments which is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakh)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deferred credit recoverable from Navy	828.70	828.70	849.66	849.66
Total financial assets	828.70	828.70	849.66	849.66
Financial liabilities				
Trade payable				
LD deducted from vendors	1,126.84	1,135.84	537.50	490.47
Russian deferred credit	828.70	828.70	849.66	849.66
Total financial liabilities	1,955.54	1,964.54	1,387.16	1,340.13

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values.

The fair values for financial instruments were calculated based on cash flows discounted using Marginal Cost of Funds based Lending Rate (MCLR) of State Bank of India on the reporting date for the same maturity. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35: Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Diversification of bank deposits and credit limits.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR).	Reimbursement from buyers for currency fluctuation.

(A) Credit risk

Credit risk is the risk that counterparty 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) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (owned by Govt. of India), hence the credit risk is considered low. Further, the Company receives advance against orders which also mitigates the credit risk. The ageing of trade receivables as at the balance sheet date is given below. The age analysis has been considered from the due date:

(₹ in Lakh)

Particulars	One year or less	More than 1 year	Total
Trade receivable as on 31 March, 2021	6,413.15	11,400.59	17,813.74
Contract Assets as on 31 March, 2021	4,102.78	3,891.62	7,994.40
Trade receivable as on 31 March, 2020	49,290.93	4,237.07	53,528.00
Contract Assets as on 31 March, 2020	6,903.90	5,514.64	12,418.54

Note 35: Financial Risk Management (Contd...)

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investment of surplus funds are made in accordance with DPE Guidelines on investment of surplus funds of the Company. The limits are set to minimise the concentration of risks and to mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March, 2021 and 31 March, 2020 is the carrying amounts as illustrated in Note 6 (b), Note 10 (a), Note 10 (c) and Note 10 (d).

(B) Liquidity risk

Liquidity risk is 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2021	One year or less	More than 1 year	Total
Trade payables	78,271.50	1,588.83	79,860.33
Other financial liabilities	2,401.22	-	2,401.22
Total financial liabilities	80,672.72	1,588.83	82,261.55

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2020	One year or less	More than 1 year	Total
Trade payables	54,677.80	1,694.75	56,372.55
Other financial liabilities	2,426.41	-	2,426.41
Total financial liabilities	57,104.21	1,694.75	58,798.96

(C) Market risk

Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Also, the Company exports some of its ships to foreign buyers and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The outflow on account of imports and payments in foreign currency is mostly reimbursable from the buyers. The risk in case of export is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

(₹ in Lakh)

Particulars	31 March, 2021			31 March, 2020		
	EUR	GBP	USD	EUR	GBP	USD
Financial assets	-	-	-	-	-	-
Financial liabilities	893.17	94.89	381.09	226.49	342.95	62.20
Net exposure to foreign currency risk	(893.17)	(94.89)	(381.09)	(226.49)	(342.95)	(62.20)

Note 35: Financial Risk Management (Contd...)**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakh)

Particulars	Impact on profit before tax	
	31 March, 2021	31 March, 2020
EUR sensitivity		
INR/EUR Increases by 8.90 % (31 March 2020 - 11.90%)*	(80)	(27)
INR/EUR Decreases by 5.52 % (31 March 2020 - 5.52%)*	49	13
GBP sensitivity		
INR/GBP Increases by 8.23 % (31 March 2020 - 6.91%)*	(8)	(24)
INR/GBP Decreases by 8.16 % (31 March 2020 - 8.16%)*	8	28
USD sensitivity		
INR/USD Increases by 8.45 % (31 March 2020 - 7.62%)*	(32)	(5)
INR/USD Decreases by 1.93 % (31 March 2020 - 1.10%)*	7	1

* Holding all other variables constant.

Note 36: Capital Management**(a) Risk management**

The Company's objectives 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 benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed

(₹ in Lakh)

Particulars	31 March, 2021	31 March, 2020
(i) Equity shares		
Final dividend for the year ended 31 March, 2020 - ₹ 1.40 (31 March, 2019 - ₹ 5.10) per fully paid share	1,603.73	5,842.15
Dividend Distribution Tax	-	1,200.87
Interim dividend for the year ended 31 March, 2021 - ₹ 3.85 (31 March, 2020 - ₹ 5.74) per fully paid share	4,410.25	6,575.28
Dividend Distribution Tax	-	1,351.57
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 1.15 per fully paid equity share (31 March 2020: ₹ 1.40). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	1,317.35	1,603.73

Note 37: Earnings Per Share

Particulars	31 March, 2021	31 March, 2020
Profit attributable to equity share holders of the Company used in calculating basic and diluted earnings per share (₹ in Lakh)	15,347.12	16,348.17
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	114,552,000	114,552,000
Basic and diluted earnings per share (₹)	13.40	14.27

Note 38 : Expenditure on Corporate Social Responsibility (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows: (₹ in Lakh)

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	Amount Spent
i) Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	241.64
ii) Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the differently abled.	111.36
iii) Clause (iv)	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of air, water and soil including contribution to clean Ganga.	2.00
iv) Clause (ix)	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of air, water and soil.	15.00
TOTAL		370.00

(₹ in Lakh)

Particulars	2020-21	2019-20
Amount required to be spent by the Company during the year	353.72	218.4

Amount spent during the year on: (₹ in Lakh)

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	370.00	-	370.00

Note 39: Construction contracts

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

(₹ in Lakh)

Particulars	31 March, 2021	31 March, 2020
(i) Contract revenue recognized for the year	103,201.78	129,501.67
(ii) Aggregate amount of costs incurred and recognized profit (less recognized losses) upto the reporting date for all contracts in progress as at that date	304,897.68	242,363.86
(iii) Amount of customer advances outstanding (gross) for contracts in progress	688,590.90	524,584.47

Note 40: Russian (USSR) deferred State Credit

An inter-governmental agreement between Russian Federation and Government of India was reached for restructuring of Russian deferred state credit in Rouble in connection with procurement.

As per the said agreement, the outstanding debt in Rouble as on 01.04.1992 was converted to Indian Rupees at the difference in Rupee-Rouble exchange rate between 01.04.1990 and 01.04.1992 and such amount of exchange rate difference was rescheduled by Government Of India under a deferred rupee payment arrangement payable over 45 years till 2037. These rescheduled payments are also reimbursable by Indian Navy. Such amount is accordingly held as Foreign Suppliers Deferred Credit as at 31 March, 2021 and aggregated to ₹ 828.70 Lakh (Undiscounted amount being ₹ 1,694.75 Lakh) (31 March 2020: ₹ 849.66 Lakh (Undiscounted amount being ₹ 1,800.67 Lakh)).

Note 41:

(a) The Company follows a general practice of undertaking physical verification of all the fixed assets in a phased manner in a block of three years. In the current year, such physical verification has been done in the Central Design Office (CDO), Taratala Unit (TU) & Fitting Out Jetty Unit (FOJ). Discrepancies found have been appropriately dealt with in the Accounts.

- (b) Out of three docks and two slipways taken over from CIWTC Ltd. on 1 July, 2006, Dry Dock No.2 has been capitalized. Slipway and dry dock 1 have been operationalized in FY 2020-21 and accordingly capitalised.
- (c) The 62 acres of land for setting up the Diesel Engine Plant at Ranchi was obtained free of cost from Heavy Engineering Corporation Ltd., Ranchi (HEC) in 1966 as a part of industrialization drive at the behest of MoD, Govt. of India and Govt. of Bihar. GRSE is in uninterrupted possession of the land since then and has created permanent structures thereon (title deed is with HEC, Ranchi). Various assets of the Diesel Engine Plant, Ranchi having book value of ₹ 1,359.87 Lakh (original value ₹ 3,154.90 Lakh) as on 31 March, 2021 have been installed / placed on the said premises. Ignoring the right of GRSE in the said land, the then Govt. of Bihar executed a Deed of Conveyance in favour of HEC in February, 1996. Later, HEC vide a letter of 07 August, 1999 raised a claim for a 30 year lease effective from 01.04.1996 of ₹ 1,488 Lakh as one-time premium and a sum of ₹ 148.8 Lakh p.a. being 10% of the said premium as annual lease rent which GRSE repudiated. During April, 2013, HEC unilaterally referred the disputes to PMA, DPE, Govt. of India for arbitration and subsequently inter alia prayed before PMA for directing GRSE to enter into lease agreement for totally baseless, frivolous and absurd lease rent and premium with interest for further period and to declare GRSE as "unauthorized occupant" etc. GRSE raised preliminary objection regarding maintainability and sustainability of the alleged reference of HEC and rejection of claim as the same are not sustainable on facts as well as in law. The matter was under adjudication before Smt. Zoya Hadke, Sole Arbitrator, PMA who after hearing both the parties at length, vide Order dated 30.6.2015 held that in absence of any agreement between the parties, the Arbitral Forum lacks jurisdiction to settle the dispute and rejected the reference of HEC. Accordingly, the arbitration- matter stood disposed off. No appeal filed by HEC.

GRSE has also filed a Civil Suit (TS- 117 of 2014) in March, 2014 before a competent Civil Court at Ranchi, HEC and the Govt. of Jharkhand being the defendants, with prayer for declaration by the Court that GRSE has acquired irrevocable licence coupled with interest in the subject-land by setting up Diesel Engine Plant permanently thereon free of cost in accordance with the law of the land and for permanent injunction restraining HEC from interfering with the possession of land by GRSE and running industry thereon. Hearing of the case is in progress.

HEC has filed an Application under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 before the Estate Officer appointed under the said Act by HEC, for eviction of GRSE alleging as 'unauthorised occupant' from the said land occupied by DEP Unit of GRSE. [Case no. P.P. ACT/REV/2018-01 dated 28.4.2018]

GRSE has filed a Writ Petition [being WP (C) No. 3359 of 2018] before the Hon'ble Jharkhand High Court praying for 'declaration' that summary proceeding before the Estate Officer under the Public Premises (Eviction of Unauthorised Occupants) Act is not maintainable involving intricate and complicated questions of law pertaining to title, right, interest and possession to the land and moreover competent civil court at Ranchi is already adjudicating the matter on the self-same cause of action. The High Court on 14.8.2018 directed HEC to file Opposition and not to evict GRSE from the said land. Meanwhile, upon approach by HEC, process to find out various possibilities to arrive at amicable settlement has been initiated.

In view of the above an amount of ₹ 5,208.00 Lakh (Previous year ₹ 5,059.20 Lakh) without interest has been considered as contingent liability not acknowledged as debt.

Note 42:

Letters seeking confirmation of balances in the accounts as at 31st December, 2020 of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the Accounts.

Note 43:

- (a) The Company has sent letters seeking confirmations of balances in respect of its Debtors. Though no response has been received from the debtors, in the opinion of the Company, the balances have realisable values equal to the amount as stated in the books in the ordinary course of business, unless otherwise stated.
- (b) The amounts received from customers are mainly received in respect of ship division, customers being Indian Navy and Indian Coast Guards. In respect of other divisions, advance from customers are received mainly from Government Departments.

Note 44:

With introduction of Indian Accounting Standard (Ind AS 116) effective from 01.04.2019, the Company has adopted the same using retrospective transition method. This has resulted in recognition of Right of Use Asset (RoU) ₹ 711.95 Lakh under Property, Plant and Equipment with Lease Liability of ₹ 599.28 Lakh and additional depreciation of ₹ 161.16 Lakhs for the year ended March 31, 2020.

The actual lease rentals paid which were hitherto recognised as expense are now accounted as reduction in lease liability.

During the year, Rent and transport charges under other expenses, for the rent paid for lease hold land of ₹ 133.20 Lakh (FY 2019-20: ₹ 127.92 Lakh) and vehicle of ₹ 29.47 Lakh (FY 2019-20: ₹ 27.02 Lakh) has been adjusted with corresponding lease liability. Gain on Fair Valuation under other income includes unwinding of Interest on lease rent paid of ₹ 39.85 Lakh (FY 2019-20: ₹ 47.82 Lakh) and depreciation and amortisation expenses include amortisation of RoU Assets of ₹ 161.16 Lakh (FY 2019-20: ₹ 161.16 Lakh).

Details of Lease Liabilities are appended below:

(₹ in Lakh)

Particulars	As on 31.03.20	Unwinding of Interest	Total Cash Outflow	As on 31.03.21
Land	435.11	36.39	133.20	338.30
Vehicle	57.03	3.46	29.47	31.02
Total	492.14	39.85	162.67	369.32

Details of Contractual maturity of Assets on an undiscounted basis:

(₹ in Lakh)

Particulars	As at 31.03.21	As at 31.03.20
Less than 1 year	-	
More than 1 year	389.63	550.79
Total	389.63	550.79

Details of Contractual maturity of liabilities on an undiscounted basis:

(₹ in Lakh)

Particulars	As at 31.03.21	As at 31.03.20
Less than 1 year	113.88	162.68
1 year to 5 years	99.47	189.10
More than 5 years	1,121.74	1,165.17

Note 45:

Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follow:

(₹ in Lakh)

Sl. No.	Description	2020-21	2019-20
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	99.46	293.43
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	2.58	6.95
c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	25.76	88.03
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year	28.34	94.98
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

Note 46:

Due to near cyclonic storm on 17.04.2018, a 250 Ton Goliath Crane was totally collapsed. This also caused damages to surrounding properties including Stocks and Module Hall. All these assets were covered under suitable insurance policies.

Insurance Company has disbursed ₹ 11,269 Lakhs in full and final settlement of the claim on market value basis which includes ₹1,591.32 Lakhs for damaged Module Hall. The damaged Module Hall was built from the funds allocated by Indian Navy and this asset was not appearing in Company's Book. The Company being custodian of this asset, had taken insurance coverage for the same. The repairs to damaged Module Hall has been commenced.

Note 47:

The total Fund Based limits ₹ 10,500 Lakhs (March 31,2020: ₹ 4,500 Lakhs) and Non-Fund based limits ₹ 3,45,500 Lakhs (March 31, 2020: ₹ 3,20,500 Lakhs) sanctioned by consortium of bankers is interchangeable between Fund based and Non-fund-based limits. The said limits are secured by hypothecation of inventories and receivables. The Company at present doesn't have any Fund based utilization.

Note 48: Disclosure of recovery or settlement of assets and liabilities

(₹ in Lakh)

Particulars	31 March, 2021		31 March, 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	-	33,497.42	-	29,923.31
(b) Capital work-in-progress	15,129.72	-	5,151.52	-
(c) Intangible assets	-	522.86	-	445.56
(d) Financial assets				
(i) Investments	-	0.44	-	0.44
(ii) Other financial assets	-	69,455.90	-	7,660.42
(e) Non-current tax assets	-	11,714.77	-	12,060.02
(f) Other non-current assets	254.30	-	1,792.43	615.63
(2) Current assets				
(a) Inventories	78,787.45	-	44,102.22	-
(b) Financial assets				
(i) Current Investment	82,581.96	-	5,400.43	-
(ii) Trade receivables	17,813.74	-	53,528.00	-
(iii) Cash and cash equivalents	932.05	-	72,922.75	-
(iv) Bank balances other than (iii) above	227,185.14	-	188,209.38	-
(v) Other financial assets	14,380.03	-	20,732.75	-
(c) Other current assets	126,021.92	-	95,818.44	-
(d) Assets classified as held for sale	43.39	-	52.82	-
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
Trade payables	-	923.67	-	1,075.05
(b) Provisions	-	8,286.66	-	7,662.46
(c) Deferred tax liabilities (Net)	-	550.87	-	953.78
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables				
(a) total outstanding dues of micro and small enterprises	95.36	-	293.43	-
(b) total outstanding dues other than (i) (a) above	78,176.14	-	54,384.37	-
(iii) Other financial liabilities	2,401.22	-	2,426.41	-
(b) Other current liabilities	457,983.52	-	352,338.62	-
(c) Provisions	16,191.89	-	15,258.90	-

Note 49:

In preparation of the financial results for the year ended March 31, 2021, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management upto the date of approval of these results. Accordingly, the management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation

Note 50:

Exceptional Items

On account of the spread of COVID-19, the Government of India had imposed a complete nationwide lockdown on March 24, 2020 leading to shut down of Company's manufacturing facilities and logistics operations. The Company had resumed its manufacturing facilities post lockdown from 1st week of June 2020 wherein production activities commenced in a phased manner with restrictions in Manpower in truncated shifts. Accordingly, manpower cost of Direct, Indirect Operatives, Office Assistants of Production Departments and Depreciation on Plant & Machinery of Production Department during Lockdown period has been considered as expenditure under Exceptional Item.

(₹ in Lakh)

Particulars	Year Ended	
	31.03.21	31.03.20
Employee Cost	1,920.22	
Deprecation	154.72	
Loss on Insurance Claim	-	1,060.70
Total	2,074.94	1,060.70

Note 51:

Yard 3020, the 4th and last of Project 28 was delivered to Indian Navy on 18th Feb 2020 as against contractual delivery of Apr 2015. Due to cascading effect of delay of previous ships and various other reasons not attributable to and beyond the control of the company, the contractual delivery date of the vessel could not be adhered to.

Post-delivery of the Ship, company submitted its case for extension of contractual delivery date to Warship Overseeing Team, Kolkata the onsite representative of customer i.e. Indian Navy.

Out of total delay of 57 months and 18 days, Warship Overseeing Team has made their recommendation whereby company has been made accountable for delay for 1 month and 14 days equivalent to 1.467% of Ship Cost.

In line with accounting practices followed, for this project, Company has made an equivalent provision for liquidated damages amounting to ₹ 2,183.51 Lakhs in the books in Financial Year 2019-20. The LD case is already recommended by DND to MoD with final recommendation for amendment of contract for delivery date extension.

Note 52:

Pursuant to supplementary audit by the office of the C&AG under section 143(6)(b) of the Companies Act, 2013, the financial statements approved by the Board of Directors on 17.05.2021 were revised. Certain corrections as advised by the office of C&AG were incorporated in these financial statements. The impacts of the revision as incorporated in these financial statements, are tabulated below:-

(₹ in Lakh)

Sl. No.	Item Revised	As stated originally	Addition/ deletion(-)	Revised Amount
1	Inventories (Assets)	71,718.55	7,068.90	78,787.45
2	Trade Payables (Liabilities)	71,001.32	7,068.90	78,070.22

There is no impact on the profit of the Company due to the above changes. The consequential effects of the above changes have also been incorporated in the cash flow statement.

Note 53:

Figures for the previous year have been re-grouped/re-arranged wherever necessary to correspond to those of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

Note 54:

The financial statements are authorised for issue by the Board of Directors on 26th July, 2021.

In terms of our report of even date.**For Mookherjee Biswas & Pathak**

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 26th day of July, 2021

For and on behalf of the Board of Directors

Sd/-

Rear Admiral V.K. Saxena IN (Retd.)

Chairman & Managing Director
DIN - 07696782

Sd/-

R.K Dash

Director (Finance) & CFO
DIN - 08511344

Sd/-

S. Mahapatra

Company Secretary
ACS 10992



GARDEN REACH SHIPBUILDERS & ENGINEERS LTD.

Registered & Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024

Ph: (033)-24698105-108, Fax: (033)-24698150

Website: www.grse.in Email: co.sec@grse.co.in

CIN: L35111WB1934GOI007891

NOTICE OF 105TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 105th Annual General Meeting of **Garden Reach Shipbuilders & Engineers Limited** will be held on Friday, 10th September, 2021 at 1030 hours through Video Conference / Other Audio Visual Means, to transact the following businesses:

ORDINARY BUSINESS:

- (1) To consider and adopt the audited financial statements for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 3.85/- per equity share and to declare a Final Dividend of ₹ 1.15/- per equity share for the financial year 2020-21 (i.e. total Dividend of ₹ 5/- per equity share).
- (3) To appoint a Director in place of Cmde Hari P R, IN (Retd.) (DIN: 08591411), who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To fix the remuneration of Statutory Auditors to be appointed by the Comptroller & Auditor General of India for the financial year 2021-22.

In terms of provisions of Section 142 of the Companies Act, 2013, the remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the Members may authorise the Board to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2021-22, as may deem fit.

SPECIAL BUSINESS:

- (5) To ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022 and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) therein or re-enactment thereof, for the time being in force), the remuneration payable to M/s Chatterjee & Co., Cost Accountants, appointed by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2022, amounting to ₹ 58,000/- plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- (6) To appoint Shri Surendra Prasad Yadav (DIN: 02267582) as Government Nominee Director on the Board of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 152, 161 and all other applicable provisions of the Companies Act, 2013 (the 'Act') and the Rules made thereunder, read with the Articles of Association of the Company, Shri Surendra Prasad Yadav (DIN: 02267582) who was appointed as Government Nominee Director by the President of India vide Ministry of Defence letter No. 8(32)/2019-D(Coord/DDP) dated 27 Jul 2020 and subsequent appointment by the Board of Directors with effect from 14th September, 2020 to hold office until the date of this Annual General Meeting be and is hereby appointed as Part-Time Official Director (Government Nominee Director) on the terms, conditions and tenure as may be determined by the President of India from time to time."

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
Membership No. ACS 10992

Date: 26 July, 2021
Place: Kolkata

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), setting out material facts concerning the business under Item No. 5 & 6 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 26th July, 2021 and through circulation resolution on 30th August, 2021 considered that the special business under Item No. 5 & 6, being considered unavoidable, be transacted at the 105th AGM of the Company.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its circular No. 02/2021 dated 13th January, 2021 read together with circular(s) no. 20/2020 dated 5th May, 2020, no. 14/2020 dated 8th April, 2020 and no. 17/2020 dated 13th April, 2020 and the Securities and Exchange Board of India ("SEBI") vide its circular(s) no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (hereinafter collectively referred as "the Circulars") has allowed

the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In accordance with the said circulars and applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the 105th AGM of the Company shall be conducted through VC/ OAVM. The deemed venue for the 105th AGM shall be the Registered and Corporate Office of the Company at GRSE Bhavan, 61, Garden Reach Road, Kolkata – 700 024.

3. Pursuant to the provisions of the Companies Act, 2013 ("Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, Institutional / Corporate Members are requested to send scanned copy of a certified Board resolution authorising its representatives to attend and vote at the AGM, to the Company at investor.grievance@grse.co.in.
4. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in this Notice and is also available on the website of the Company at www.grse.in.
5. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations read with the Circulars issued by MCA and SEBI and also SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.
6. The Board of Directors of the Company has appointed Mr. A. K. Labh, Practising Company Secretary (FCS: 4848 / CP No.: 3238) of M/s. A. K. Labh & Co., Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
7. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on **Friday, 03rd September, 2021 ("record date")**. Only those Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories (NSDL/ CDSL) as on the record date will be entitled to cast their votes by remote e-voting or e-voting during AGM. A person who is not a Member on the record date should accordingly treat this Notice for information purposes only.
8. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at **9.00 a.m. on Tuesday, 07th September, 2021** and will end at **5.00 p.m. on Thursday, 09th September, 2021**. Thereafter, the remote e-voting module shall be disabled by NSDL for voting. Once the vote on a resolution is cast by

the Member, the Member shall not be allowed to change the vote subsequently. In addition, the facility for e-voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>.

9. Shareholders are requested to read the instructions as stated in this Notice under the section "*Instructions for Members for e-Voting*".
10. Members are requested to claim any money lying in the Unpaid Dividend Account(s) with the Company since the Company is obliged to transfer any money lying in such Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Account, to the credit of the Investor Education and Protection Fund established by the Central Government. The detailed unpaid/ unclaimed dividend history is available on website of the Company at www.grse.in.
11. This Notice of AGM along with the Annual Report 2020-21 is being sent to all the Shareholders, whose name appear in the Register of Members/list of Beneficial Owners on 13 August, 2021, as received from Depositories (NSDL / CDSL).
12. The Annual Report 2020-21 along with the AGM Notice is also being uploaded on the Company's website at www.grse.in and on the website of NSDL at <https://evoting.nsdl.com>. The Annual Report 2020-21 along with the Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.
13. The Results of e-voting will be declared within two working days from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be placed on the Company's website www.grse.in under the section 'Investors Corner'. The voting results will be communicated to the stock exchanges where the shares of the Company are listed, depositories, RTA and shall also be displayed on the website of NSDL i.e. www.evoting.nsdl.com.
14. The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 02nd December, 2020 had fixed 31 March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

16. All the documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection through electronic mode basis, the request for the same may be sent to investor.grievance@grse.co.in.
17. During the AGM, Members may access the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and other relevant documents, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
18. Details as required in Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI in respect of the Directors seeking appointment/ re-appointment at the AGM are provided as Annexure to this Notice. Requisite declarations have been received from the Directors seeking appointment/ re-appointment.
19. In case of any query or clarification, the Members are requested to address all correspondence, including on dividends, to the Company/ RTA at investor.grievance@grse.co.in / rta@alankit.com.

DIVIDEND RELATED INFORMATION

1. Dividend, if declared at the AGM, will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members/ list of Beneficial owners as on the Record Date.
2. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details.

A. RESIDENT SHAREHOLDERS

- (a) Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought) TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not updated/ registered with the Company/ Depository Participant/ Depositories.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

- (b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no. 4 of the below table with the Company / RTA.

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961

Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.

3. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
4. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company by sending a request on email at rta@alankit.com or contact the Company Secretary of the Company at investor.grievance@grse.co.in.
5. Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to deduct Tax at Source (TDS) at the prescribed rates on the dividend paid to its shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹5,000/- The withholding tax rate would vary depending on the residential status of the shareholder and documents registered/ submitted with the Company.

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no. 4 of the below table with the Company / RTA

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ul style="list-style-type: none"> i) Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received ii) PAN declaration as per Rule 37BC of Income Tax Rules, 1962, in a specified format. iii) Form 10F filled & duly signed iv) Self-declaration for non-existence of permanent establishment/ fixed base in India <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)</p>
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
5	Any non-resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from TDS deduction

6. In order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the aforesaid details/ documents on or before Friday, 10th September, 2021. Any communication on the tax determination/deduction received post 10th September, 2021 shall not be considered. It may be further noted that application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.
7. In case, TDS is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

8. The Company will arrange a soft copy of the TDS certificate to its shareholders through registered email registered with the Company / RTA post payment of the said Dividend. Shareholders will be able to download the Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.
9. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
10. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND PROCURING USER ID AND PASSWORD

1. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by SEBI, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to Members whose e-mail address is registered with the Company/ Depositories.
2. Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company are requested to register/ update their email addresses by writing to the Company at investor.grievance@grse.co.in along with the copy of the signed request letter mentioning the Folio No., Name and address of the Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of the PAN card and any document (eg.: Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the registered address of the Member. Members holding shares in dematerialised mode are requested to provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested copy of PAN and any document (eg.: Aadhaar Card, Driving License, Election Identity Card, Passport) to investor.grievance@grse.co.in. In case of any queries / difficulties in registering the e-mail address, Members may write to investor.grievance@grse.co.in.

INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the following steps mentioned below for '**Access to NSDL e-voting system**'. After successful login, you can see link

of "VC/OVAM link" placed under "Join General Meeting" menu against the Company name. You are requested to click on VC/OVAM link placed under Join General Meeting. The link for VC / OAVM will be available in shareholders/ members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinisers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, the Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker, may send their request mentioning their name, DP ID and Client ID number/ folio number, email id and mobile number at investor.grievance@grse.co.in between 9.00 a.m. on Monday, 06th September, 2021 and 5.00 p.m. on Wednesday, 08th September, 2021. Further, Shareholders are encouraged to express their views/send queries in advance mentioning their name, DP ID and Client ID number/ folio number, email id and mobile number at investor.grievance@grse.co.in. Questions / queries received by the Company till 5.00 p.m. on Wednesday, 08th September, 2021 shall only be considered and responded during the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed. Further, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM. In the interest of time, each speaker is requested to express his/her views in 2-3 minutes of their allotted time.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING

In compliance with Regulation 44 of SEBI Listing Regulations and Section 108 and other applicable provisions of the Act, read with the related rules, the Company is pleased to provide e-voting facility to all its Shareholders, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Shareholders.

The details of the process and manner for e-voting are explained herein below. Further, the way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are as follows:

Step 1: Access to NSDL e-voting system:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-voting facility provided by Listed Companies", the Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

I. Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Individual Shareholders holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL may reach out to below helpdesk:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free No. 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

II. Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with

your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12***** then your User ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example: if folio number is 001*** and EVEN is 101456 then your User ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was

communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- (c) How to retrieve your 'initial password'?
- i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

I. How to cast your vote electronically and join AGM on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@grse.co.in with a copy marked to evoting@nsdl.co.in.
2. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
3. Any person holding shares in physical form and non-individual shareholders Persons, who acquire shares and become Members of the Company after the dispatch of Notice and hold shares as on cut-off date i.e. 13 August, 2021, may obtain the User ID and password by sending request at evoting@nsdl.co.in or to the RTA at their e-mail id rtal@alankit.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and hold shares as of the cut-off date i.e. 13 August, 2021, may follow steps mentioned above under the section "*Step 1: Access to NSDL e-Voting system*".
4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
5. In case of any queries or assistance, you may refer the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 / 1800-22-4430 or contact Amit Vishal, Senior Manager and/or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in. Members may also write to the Company Secretary at the Company's email address evoting@grse.co.in.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Members who need assistance before or during the AGM with use of technology, can contact the persons as mentioned above under the section "Instructions for Members for e-Voting and/or General Guidelines for Shareholders".

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. (5)

The Board of Directors of the Company has approved the appointment of M/s. Chatterjee & Co., Cost Accountants as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 at an audit fees of ₹58,000/- plus taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Shareholders.

Item No. (6)

Your Company being a Government Company, the Directors on the Board are appointed by the Government of India.

The Ministry of Defence, Government of India vide its letter No. 8(32)/2019-D(Coord/DDP) dated 27 Jul 2020 appointed Shri Surendra Prasad Yadav (DIN: 02267582) as Part-Time Official Director (Government Nominee Director) on the Board of the Company w.e.f. 14 September, 2020.

Pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Articles 195, 196 & 197 of the Articles of Association of the Company, the Company appointed him as Additional Director to hold office upto the date of the next Annual General Meeting.

Brief resume of Shri Surendra Prasad Yadav, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorship, Membership/ Chairmanship of Committees and other particulars are enclosed with this notice.

The Board accordingly recommends the passing of the resolution as proposed at Item No.6 of the Notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Surendra Prasad Yadav, is in any way concerned or interested in the resolutions set out at Item No. 6 of this Notice.

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
Membership No. ACS 10992

Date: 26 July, 2021
Place: Kolkata

Annexure

Details of Directors Retiring by Rotation / Seeking Appointment / Re-Appointment at the 105th AGM

Name of Directors	Cmde Hari P R, IN (Retd.)	Shri Surendra Prasad Yadav
Date of Birth	31 May 1967	10 December 1968
Date of Appointment	21 Oct 2019	14 September 2020
Qualifications	<ul style="list-style-type: none"> Bachelors' degree in Mechanical Engineering from Jawaharlal Nehru University, New Delhi Master of Science in Defence and Strategic Studies from University of Madras 	<ul style="list-style-type: none"> IFoS – 1996 batch West Bengal Cadre M.Tech B.Tech
Expertise in specific functional areas	He has over 32 years of experience and have 28 years of experience of commissioned service in the Indian Navy with varied experience on board warships, Naval repair Organisations and various Staff appointments	He has worked in Department of Forest, Government of West Bengal, in different capacities i.e. Divisional Forest Officer and Chief Conservator of Forest. He also worked as Executive Director in West Bengal Industrial Development Corporation Limited for more than 7 years. Presently, he is working as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Directorship held in other companies	NIL	NIL
Membership / Chairmanship of Committees of other Companies as on 31 Mar 2021	NIL	NIL
Shareholding in the Company as on 31 Mar 2021	NIL	NIL

For other details such as number of meetings of the board attended during the year, remuneration drawn in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

GLORIOUS JOURNEY OF GRSE



The journey began in 1884, with a small factory on the Eastern Bank of river Hooghly. On 19 April, 1960, it was taken over by the Government of India. With diversification in Engineering products the name was changed to Garden Reach Shipbuilders & Engineers Limited (GRSE) on 01 Jan 1977. There was no looking back and since then. GRSE has delivered more than 780 vessels including 107 Warships.

GRSE has traversed a long way steadily, expanding in horizon and capacity, and of course keeping pace with change time. It has triumphantly fulfilled the country's increasing maritime demands, especially those of the Navy and Coast Guard. Today, it has emerged as one of the leading shipyard of India and a premier in the east, building a wide array of vessels, from world-class Frigates to Fast Interceptor Boats.

GRSE also manufactures Deck Machinery viz. Davits, Winches, Capstans, Helicopter Traversing Systems for ship-borne applications. GRSE assembles high value engineering items like diesel engines and manufactures double lane portable steel bridges & pumps.

GRSE has been engaged constantly in R&D activities and was awarded with Raksha Mantri's awards for new inventions in warship design, helo-traversing systems, double lane portable steel bridges & marine pumps. GRSE became best shipyard of the Country for 2010-11, 2011-12, 2012-13, 2013-14 in a row.

GRSE is a Mini Ratna, Category-I status Company.

GRSE became a public company on August 25, 2017 and got listed in both NSE and BSE on October 10, 2018.

The Company is paying dividend for last 27 years.



गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड
GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

CIN L35111WB1934GOI007891

पंजीकृत कार्यालय: जीआरएसई भवन 61, गार्डन रीच रोड, कोलकाता - 700 024

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website: www.grse.in

