



गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड **Garden Reach Shipbuilders & Engineers Ltd.**

(भारत सरकार का उपक्रम, रक्षा मंत्रालय)
(A Government of India Undertaking, Ministry of Defence)
CIN NO. : L35111WB1934GOI007891

SECY/GRSE/BD-69/ASC/22-23

29 May 2023

To,

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: GRSE

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
Scrip Code: 542011

Sub: Annual Secretarial Compliance Report of Garden Reach Shipbuilders & Engineers Limited for the year ended 31 March 2023

Dear Sir / Madam,

1. In terms of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Secretarial Compliance Report duly issued and signed by M/s Mehta & Mehta, Company Secretaries, for the year ended 31 March 2023.
2. This is for your information and record.

Thanking You,

Yours faithfully,

For Garden Reach Shipbuilders & Engineers Limited

SANDEEP
MAHAPATRA

Digitally signed by
SANDEEP MAHAPATRA
Date: 2023.05.29
17:50:25 +05'30'

Sandeep Mahapatra

Company Secretary and Compliance Officer

ICSI Membership No. ACS 10992

Encl: As above

पंजीकृत एवं निगमित कार्यालय : जी आर एस ई भवन, 61, गार्डन रीच रोड, कोलकाता - 700 024

Registered & Corporate Office : GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024

फैक्स/ Fax : 033-2469 8150, दूरभाष / Telephone : 033-2469 8105 - 108

Web : www.grse.in, E-mail : co.sec@grse.co.in

COMPANY SECRETARIES

201-206, SHIV SMRITI, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, ABOVE CORPORATION BANK, WORLI, MUMBAI-400 018
TEL : +91-22-6611 9696. • E-mail: dipti@mehta-mehta.com. • Visit us : www.mehta-mehta.com

AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT
SECRETARIAL COMPLIANCE REPORT OF GARDEN REACH SHIPBUILDERS &
ENGINEERS LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

We, M/s. Mehta & Mehta, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent applicable to the Company;
 - (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable to the Company;
- and circulars/guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Board of Directors	Regulation 17(1) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015	In terms of the said Regulation, atleast 50% of the Board of Directors (Board or BoD) shall comprise of Non-Executive Directors (NED). Further, half of the Board of Directors shall comprise of Independent Directors (ID), if the Company does not have a regular Non-Executive Chairperson, including atleast one woman ID in case of top 1000 listed companies. During the review period, we observed that the number of IDs were less than the minimum required statutory limit as aforesaid. Further, as on 31st March 2023, the Company did not have a Woman ID in its Board.	National Stock Exchange (NSE) Bombay Stock Exchange (BSE)	NSE has levied penalty vide its Notices dated 22 Aug 22, 21 Nov 22, 21 Feb 23 and 22 May 23 for the default BSE has levied penalty vide its Notices dated 22 Aug 22, 21	Violation of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI LODR for Quarter Ended 30 Jun 2022 Violation of Regulation 17(1) For Quarter Ended 30 Sep 2022 Violation of Regulation 17(1) For quarter ended December 2022 Violation of Regulation 17(1) For quarter ended March 2023 Violation of Regulation	₹6,50,180 ₹5,42,800 ₹5,42,800 ₹5,31,000 ₹6,50,180 ₹5,42,800 ₹5,42,800 ₹5,31,000	The Company being a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of Defence, Government of India, the Directors of the Company are appointed by the Government of India through Presidential Order. The Company has from time to time made requests to the administrative Ministry and has been regularly following up with the Government regarding appointment of requisite number of IDs (including Woman ID) on the Board. The Ministry of Defence, vide its letter dated 24.12.2021 appointed Smt. Darshana Singh, as Part-Time	The Company being CPSE under the administrative control of Ministry of Defence, Government of India, the Directors of the Company are appointed by the Government of India through Presidential Order. The Company has from time to time made requests to the administrative Ministry and has been regularly following up with the Government regarding appointment of requisite number of IDs (including Woman ID) on the Board. The response on the same is still awaited from the	

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
					Nov 22, 21 Feb 23 and 22 May 23 for the default	17(1), 18(1), 19(1)/19 (2) of SEBI LODR for Quarter Ended 30 Jun 2022 Violation of Regulation on 17(1) For Quarter Ended 30 Sep 2022 Violation of Regulation on 17(1) For quarter ended December 2022 Violation of Regulation on 17(1) For quarter ended March 2023		Non-Official Director on the Board of the Company for a period of three years. However, Smt. Darshana Singh (DIN: 09567496) was appointed as an Independent Woman Director on the Board of the Company w.e.f. 12th April 2022 but thereafter she vacated the office w.e.f. 01 Jun 2022.	Government. The non-compliance arose due to non-appointment of Independent Directors including Woman Independent Director by the Government of India. The action for appointment of Independent Directors on the Board of CPSEs is not in the hands of the Company and also beyond the control of the Company. However, the Company is pursuing the matter with the Government of India for early resolution.	
2	Board of Directors	Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	In terms of the said Regulation, the Company is required to frame a Succession Plan for orderly succession of the directors and the senior management					The Succession Plan was required to be framed for the directors as well for the senior management. However, based on the representations made to	Being a CPSE, the appointment of directors are made by the Central Government (Ministry of Defence). Therefore, the successio	

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			The Company has framed a succession plan only for the senior management because being a Central Public Sector Enterprise (CPSE), the appointment of directors is made by Central Government. However, in this regard, there is no specific exemption provided to the Company from the provisions of the Regulation 17(4) of the SEBI (LODR), 2015					us by the officials of the Company, being a CPSE, since the appointment of directors are made by the Central Government (Ministry of Defence), the Company is of the view that it is not required to frame a Succession Plan for the directors of the Company. However, the Company has framed a succession plan for the senior management	n plan of the company covered employees up to the rank of senior management and does not cover directors of the company.	
3	Board of Directors	Regulation 17(10) of SEBI (Listing Obligations and Disclosures Requirements), 2015	In terms of the said Regulations, the Board of Directors of the Company is required to evaluate the performance of IDs. In this regard, the Board of Directors of the Company do not evaluate the performance of the directors pursuant to the exemption notification of Ministry of Corporate Affairs (MCA) dated 5 th July, 2017. However, there is no					The Board does not evaluate the performance of independent directors of the Company by virtue of the Notification issued by the MCA dated 5 th July, 2017 which exempts Board of Directors of Government companies from conducting performance evaluation of the Independent Directors. However, the Company was of the view that the	The Board does not evaluate the performance of independent directors of the Company by virtue of the Notification issued by the MCA dated 5 th July, 2017. However, as a Govt. Company, the Government of India has a prescribed procedure for	

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			similar exemption granted to the Govt. Company under the SEBI (LODR), 2015					Board level appointments are made by the President of India, evaluation of performance of such appointees is also done by the Government of India.	evaluation of Independent Directors of CPSEs.	
4	Audit Committee	Regulation 18(1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>In terms of the said Regulation, the Audit Committee shall comprise of minimum three directors and two-third of the directors shall be Independent Directors.</p> <p>During the period from 01 Apr 2022 to 24 Apr 2022, the said Committee was not constituted as per the aforesaid Regulation due to insufficient number of Independent Directors in the Board. However, the Company had proper composition of Audit Committee from 25 Apr 2022 to 31 Mar 2023.</p>	NSE and BSE	Refer Sl. No. 1 above	Refer Sl. No. 1 above	Refer Sl. No. 1 above	<p>The Company being a CPSE under the administrative control of Ministry of Defence, Government of India, the Directors on the Board of the Company are appointed by the Government of India through Presidential Order.</p> <p>The Company has from time to time made requests to the administrative Ministry and is regularly following up with the Government regarding appointment of requisite number of IDs (including Woman ID) on the Board.</p> <p>As on 31st March 2023, the said Committee has been</p>	<p>The Audit Committee was not constituted due to non-availability of adequate number of Independent Director from 01 Apr 2022 to 24 Apr 2022. However, the Audit Committee was reconstituted on 25 Apr 2022 on availability of adequate number of Independent Director.</p> <p>The non-compliance arose due to non-appointment of Independent Directors including Woman Independent Director by the Government of India. The</p>	

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
								constituted as per the aforesaid Regulation w.e.f. 25 Apr 2022.	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. However, with the present strength of Independent Directors, the Company is complying the provision.	
5	Audit Committee	Regulation 18(3) read with Part C Para A of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015	In term of the said Regulations, the role of the Audit Committee includes making recommendations for appointment, remuneration and terms of appointment of auditors of the listed entity.					Based on the representations made to us by the officials of the Company, we understand that being a CPSE, the auditors are appointed by the Comptroller and Auditor General of India (CAG). Therefore, the Company was of the view that such requirement becomes redundant for Government companies and the role of the Audit Committee of the	Agreed to the remarks and Comments of the Auditor.	

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
								<p>Company cannot be aligned with the requirements of Part C Para A of Schedule II of the SEBI (LODR), 2015.</p> <p>Further, we have been informed by the Company that at the time of IPO, SEBI vide its letter dated 21st February, 2018 has exempted the Company from compliance with certain corporate governance requirements in relation to the terms of reference of the Audit Committee to the extent of inclusion of the recommendation for appointment / remuneration etc. of the auditors of the Company.</p>		
6.	Nomination and Remuneration Committee	Regulation 19(1) SEBI (Listing Obligations and Disclosures Requirements), 2015	In terms of the said Regulation, the Nomination and Remuneration Committee shall comprise of minimum three Non-Executive Directors and half of them shall be Independent	NSE and BSE	Refer Sl. No. 1 above	Refer Sl. No. 1 above	Refer Sl. No. 1 above	The Company being a CPSE under the administrative control of Ministry of Defence, Government of India, the Directors on the Board of the Company are appointed	The non-compliance arose due to non-appointment of Independent Directors including Woman Independent Director by the Governm	

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			<p>Directors (IDs).</p> <p>During the period from 01 Apr 2022 to 24 Apr 2022, the said Committee was not constituted as per the aforesaid Regulation due to insufficient number of Independent Directors in the Board.</p>					<p>by the Government of India through Presidential Order.</p> <p>The Company has from time to time made requests to the administrative Ministry and is regularly following up with the Government regarding appointment of requisite number of IDs (including Woman ID) on the Board.</p> <p>As on 31st March 2023, the said Committee has been constituted as per the aforesaid Regulation w.e.f. 25 Apr 2022.</p>	<p>ent of India. 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. However, the Company is pursuing the matter with the Government of India for early resolution.</p>	
7.	Nomination and Remuneration Committee	Regulation 19(4) read with Part D Para A of Schedule II of SEBI (Listing Obligations and Disclosures Requirements), 2015	<p>In terms of the said Regulations, the role of Nomination and Remuneration Committee (NRC) includes:</p> <p>a) Formulation of criteria for determining qualifications, positive attributes and independence of a</p>					<p>We observed that the terms of reference of the NRC do not include the matters as provided in the said Regulation read with Schedule II. Based on the representations made to us by the officials of the Company, we understand that being a Central Public Sector</p>	<p>The Company being a CPSE, the appointment and remuneration of directors is decided by Central Government (Ministry of Defence). Therefore, such requirement becomes redundant for the company. The role of NRC of</p>	

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			<p>director and recommend to the Board of Directors a policy relating to the remuneration of directors, KMP, and other employees</p> <p>b) Formulation of criteria for evaluation of performance of IDs and Board of Directors</p> <p>c) Devising a policy on diversity of Board of Directors</p> <p>d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with</p>					<p>Enterprise (CPSE), the terms of appointment including remuneration of directors is decided by the Government of India. Therefore, the Company was of the view that such requirement becomes redundant for Government companies and the role of NRC of the Company cannot be aligned with the requirements of Para A of Part D of Schedule II of the SEBI (LODR), 2015.</p> <p>Eventually, the Company did not have the following:</p> <p>a) Board Diversity Policy</p> <p>b) Nomination and Remuneration Policy</p> <p>c) Criteria for evaluation of performance of IDs and Board of Directors.</p>	<p>the Company cannot be aligned with the requirements of Part D Para A of Schedule II of the SEBI (LODR), 2015. Eventually, the Company did not have the following:</p> <p>a) Board Diversity Policy</p> <p>b) Nomination and Remuneration Policy</p> <p>c) Criteria for evaluation of performance of IDs and Board of Directors.</p>	

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			<p>the criteria laid down, and recommend to the Board of Directors their appointment and removal.</p> <p>e) Whether to extend or continue the term of appointment of the IDs, on the basis of the report of performance evaluation of IDs.</p> <p>The Company being a Central Public Sector Enterprise (CPSE), the appointment and remuneration of directors are approved by Central Government (Ministry of Defence). Hence, the Company did not have the following:</p> <p>a) Board Diversity Policy</p> <p>b) Nomination and Remuneration</p>					<p>ors and the board of directors</p> <p>Further, we have been informed by the Company that at the time of IPO, SEBI vide its letter dated 21st February, 2018 has exempted the Company with certain corporate governance requirements in relation to the terms of reference of the NRC.</p>		

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			c) Policy Criteria for evaluation of performance of IDs and Board of Directors.							
8.	Obligations with respect to independent directors.	Regulation 25(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>In terms of the said Regulation, the independent directors of the Company are required to evaluate the:</p> <p>a) Performance of non-independent directors;</p> <p>b) Performance of Board as a whole;</p> <p>c) Performance of chairperson; and</p> <p>d) Asses the quality, quantity and timeliness of flow of information between the Board and the management.</p> <p>The Independent Directors (IDs) do not evaluate the performance of directors pursuant to the exemption notification of MCA dated</p>					<p>During our Review Period, we have observed that the Independent Directors (IDs) do not evaluate the performance of directors, Board as a whole and of the Chairperson in view of the Notification issued by the Ministry of Corporate Affairs dated 5th July, 2017 which exempts IDs of Government companies from conducting performance evaluation of the Board, if the directors are being evaluated by the Ministry separately. Therefore, the Company was of the view that IDs are not required to carry out the aforesaid evaluation.</p>	<p>The performance of the Directors including Independent Directors are evaluated by our administrative Ministry i.e. Ministry of Defence. Further, MCA vide its notification dated 5th July 2017 exempts IDs of Government companies from conducting performance evaluation of the Board, if the directors are being evaluated by the Ministry separately. Therefore, the Company was of the view that</p>	

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
			5th July, 2017. However, there is no similar exemption granted under Regulation 25(4) of SEBI (LODR), 2015.						IDs are not required to carry out the aforesaid evaluation.	

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	The non-compliances as mentioned above in part(a) from serial no. 1 to 8 are continued non-compliances from the previous financial year, on which the comments from the management remains the same. For the sake of brevity and non-repetition, the same is not being reproduced here again.									
2	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	18(1)	In terms of the said Regulation, the Audit Committee shall comprise of minimum three directors and two-third of the directors shall be Independent Directors. As on 31 March 2022 and during the FY 2021-22, the said Committee was not constituted as per aforesaid regulation due to non-availability of adequate number of Independent Directors	NSE has levied penalty vide its Notice dated 20 Aug 21 NSE has levied penalty vide its Notice dated 22 Nov 21 NSE has levied penalty vide its Notice dated 21 Feb 22	Penalty	Violation of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI LODR for Quarter Ended 30 Jun 2021 Violation of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI LODR for Quarter Ended 30 Sep 2021 Violation of Regulation 17(1), 17(2A), 18(1),	₹6,40,740/- ₹9,77,040/- ₹12,34,280 ₹11,49,300	The non-compliances as mentioned are continued non-compliances from the previous financial year, on which the comments from the management remains the same. Further, there has been no change in the position since previous year.	Independent Directors were appointed and the Audit committee was properly reconstituted w.e.f 25 Apr 2022	

			on the Board of the Company.	NSE has levied penalty vide its Notice dated 20 May 22	19(1)/19(2), 20 & 21 of SEBI LODR for Quarter Ended 31 Dec 2021	20			
					Violation of Regulation 17(1), 18(1), 19(1)/19(2), 20, 21 of SEBI LODR for Quarter Ended 31 Mar 2022	₹6,40,740/-			
				BSE has levied penalty vide its Notice dated 20 Aug 21		₹9,77,040/-			
				BSE has levied penalty vide its Notice dated 22 Nov 21	Violation of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI LODR for Quarter Ended 30 Jun 2021	₹12,34,280			
				BSE has levied penalty vide its Notice dated 21 Feb 22	Violation of Regulation 17(1), 18(1), 19(1)/19(2) of SEBI LODR for Quarter Ended 30 Sep 2021	₹11,49,320			
				BSE has levied penalty vide its Notice dated 20 May 22	Violation of Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20 & 21 of SEBI LODR for Quarter Ended 31 Dec 2021				
					Violation of Regulation 17(1), 18(1), 19(1)/19(2), 20, 21 of SEBI LODR for Quarter Ended 31				

						Mar 2022				
3	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	19(1)	<p>In terms of the said Regulations, the Nomination and Remuneration Committee shall comprise of minimum three Non-Executive Directors and half of them shall be Independent Directors (IDs).</p> <p>As on 31 March 2022 and during the FY 2021-22, the said Committee was not constituted as per aforesaid regulation due to non-availability of adequate number of Independent Directors on the Board of the Company.</p>	Complied by the Company				Independent Directors were appointed and the Nomination and Remuneration Committee was properly reconstituted w.e.f 25 Apr 2022		
4	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	20(2) & (2A)	<p>In terms of the said Regulations, the Stakeholder Relationship Committee shall comprise of at least three directors where at least one shall be an Independent Director.</p>	Complied by the Company				Independent Directors were appointed and the Stakeholder Relationship Committee was properly reconstituted during the year 2022-23		
5	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	21(2)	<p>In terms of the said Regulations, the Risk Management Committee shall comprise of</p>	Complied by the Company				Independent Directors were appointed and the Risk Management Committee		

			minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors.					was properly reconstituted during the year 2022-23		
--	--	--	---	--	--	--	--	--	--	--

Pursuant to BSE Notice No. 20230316-14 dated March 16, 2023, 20230410-41 dated April 10, 2023 and NSE Circular Ref No: NSE/CML/ 2023/21 dated March 16, 2023 and NSE/CML/ 2023/30 dated April 10, 2023

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1.	<u>Secretarial Standard</u> The compliances of listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	Documents relating to circulation of signed minutes are required to be maintained.
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and has been 	Yes	

	reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.		
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes	
4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	
5.	<p><u>To examine details related to Subsidiaries of listed entities:</u></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	NA	No subsidiary of the company
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of</p>	Yes	

	Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015		
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	No	The Independent Directors (IDs) do not evaluate the performance of directors pursuant to the exemption notification of MCA dated 5 th July, 2017. However, there is no similar exemption granted under Regulation 25(4) of SEBI (LODR), 2015.
8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee</p>	NA	No related Party Transaction
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u>	No	During the year under review, only penalties has been imposed for non-

<p>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder</p>	<p>compliance of the Regulations 17(1), 18(1), 19(1)/19(2) of SEBI LODR, 2015 by the Stock Exchanges (NSE and BSE) on the Company. The Company has replied to the Stock Exchanges notices stating that it being a Central Public Sector Enterprise under the administrative control of Ministry of Defence, Government of India, the Directors on the Board of the Company are appointed by the Government of India through Presidential Order. Accordingly, 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.</p> <p>Further, the Company is pursuing the matter with the Government of India for early resolution through various letters and regular follow ups with the Government. In response, the Government has appointed two IDs from the requirement of five IDs.</p> <p>Due to the inherent limitation on the procedure followed by the Government companies, in the matter of appointment of directors, the non-</p>
--	--

			<p>compliance has occurred.</p> <p>The Company has requested Stock Exchanges for condonation of the delay and full waiver of the fine demanded. However, pursuant to the SEBI SOP Circular dated 22nd January 2020 and the Policy for exemption of fines levied as per the provisions of SEBI SOP Circular, the Stock Exchange has asked the company to pursue the matter after ensuring compliance of the said provisions of the SEBI (LODR), 2015 and the case of waiver of penalty may be considered thereafter.</p>
12.	<p><u>Additional Non-compliances, if any:</u></p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	No	<p>During the period under review, no additional non-compliance was observed.</p>

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

ATUL HASMUKHRAI
MEHTA

Digitally signed by ATUL
HASMUKHRAI MEHTA
Date: 2023.05.29 17:17:37
+05'30'

Atul Mehta

Partner

FCS No: 5782

Place: Mumbai

UDIN: F005782E000411209

CP No.: 2486

Date: 29.05.2023

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

GRSE Bhavan 61, Garden Reach Road

Kolkata Parganas South- 700024, West Bengal

Our report of even date is to be read along with this letter.

- 1) Maintenance of record is the responsibility of the management of the listed entity. Our responsibility is to express an opinion on these records based on our verification of the same.
- 2) We have followed the practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
- 4) Wherever required, we have obtained the Management representation about the compliance of SEBI laws, rules and regulations thereof.
- 5) The compliance of the provisions of SEBI laws, rules, regulations is the responsibility of management. Our examination was limited to the verification of compliances done by the listed entity.
- 6) As regards the books, papers, forms, reports and returns filed by the listed entity under the above-mentioned regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the listed entity under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

ATUL HASMUKHRAI
MEHTA

Digitally signed by ATUL
HASMUKHRAI MEHTA
Date: 2023.05.29 17:17:49
+05'30'

- 7) This report is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

ATUL HASMUKHRAI
MEHTA

Digitally signed by ATUL
HASMUKHRAI MEHTA
Date: 2023.05.29 17:18:02
+05'30'

Atul Mehta

Partner

FCS No: 5782

CP No.: 2486

Place: Mumbai

Date: 29.05.2023

UDIN: F005782E000411209