



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/CA/24/22-23

01 Sep 2022

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 Report 2021-22 of Garden Reach Shipbuilders & Engineers Limited

Dear Sir / Madam,

1. This is to inform that the 106th Annual General Meeting ('AGM') of the Company will be held on **Monday, 26th September, 2022 at 1030 hours** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the business as set out in the AGM Notice dated 11th August, 2022 in accordance with the applicable circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The deemed venue for the 106th AGM shall be the Registered & Corporate Office of the Company at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024.

2. Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report 2021-22 of the Company along with the Notice of 106th AGM which is being sent through electronic mode to the Members of the Company.

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

3. The Annual Report 2021-22 along with the Notice of the 106th AGM is also uploaded on the Company's website at www.grse.in.
4. This is for your information and record.

Thanking You,

Yours faithfully,

For GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED



Sandeep Mahapatra

Company Secretary and Compliance Officer

ICSI Membership No. ACS 10992

Encl: Annual Report 2021-22



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

**IN PURSUIT OF
EXCELLENCE & QUALITY
IN SHIPBUILDING**

Annual Report 2021-22



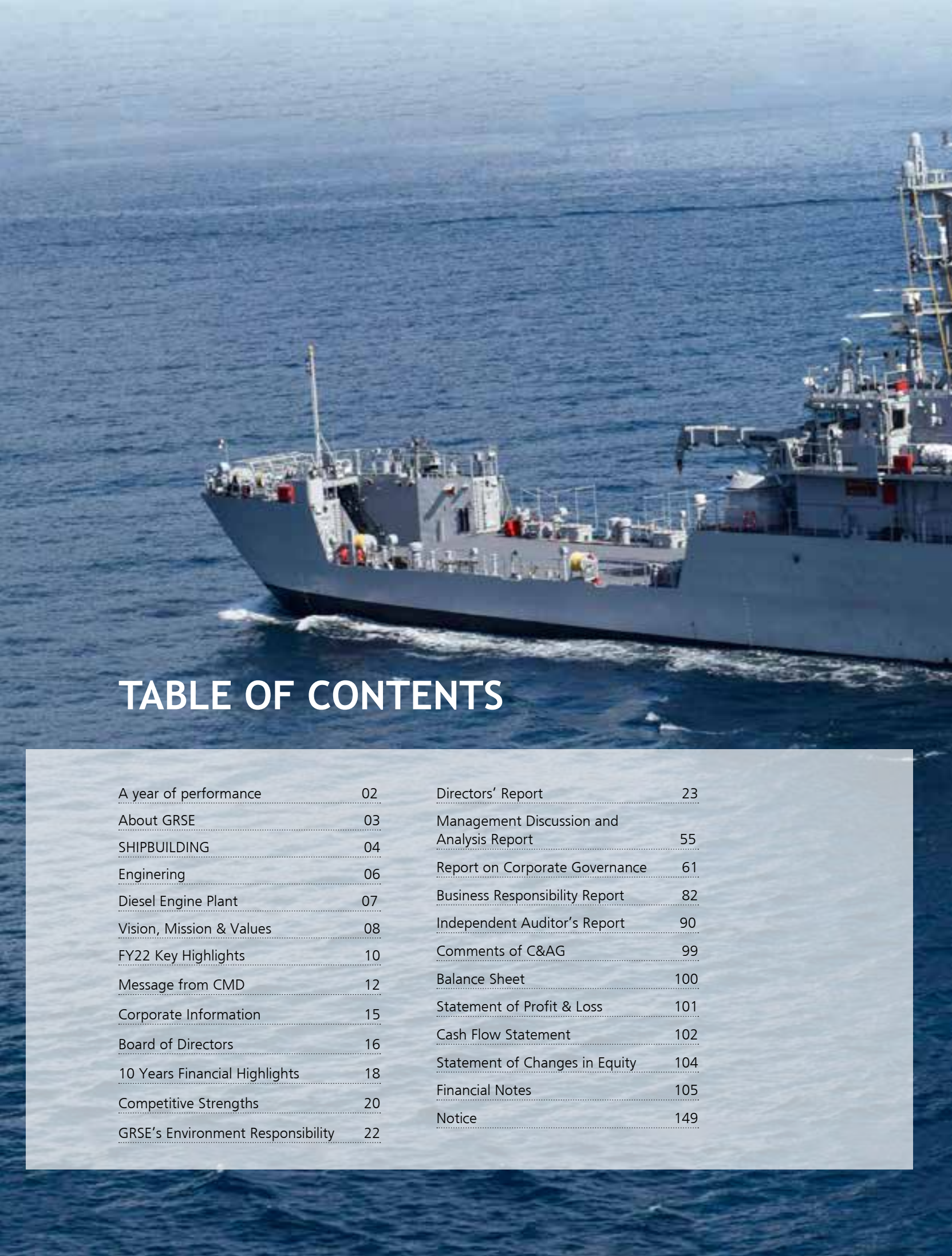
A large grey ship, likely a naval vessel or a large cargo ship, is sailing on a deep blue ocean. The ship is viewed from a side-on perspective, showing its hull and upper decks. The water is a deep blue with some white foam from the ship's wake. The sky is a clear, light blue.

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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

A YEAR OF PERFORMANCE

The company recorded the highest ever turnover of ₹ 1,750 crore for FY 2021-22, reflecting a YoY growth of 53%. Despite being a labour intensive industry, the company effectively managed the challenges posed by the COVID 19 pandemic and progressed operations, continuously improving internal efficiencies. GRSE has also declared an interim dividend of ₹ 4.95 per equity share of ₹ 10 for FY 21-22 against ₹ 3.85 in FY 20-21, reflecting a remarkable increase of 28.57 %. The shipyard is also a zero-debt company and continues to retain the highest credit rating from M/s Brickwork.

+53%

YoY growth in turnover

₹24,000 crore Order Book

With revenue visibility up to the year 2027

2022 Overview

Goliath Crane Commissioned

The new 250 Tone capacity Goliath Crane covering Dry Dock inclined Berth & Module Hall has been commissioned at GRSE Main Works.

Sandhayak Launched

Launched the first Survey Vessel, in the series of four ships under the Survey Vessel (Large) project for the Indian Navy. Upholding the maritime traditions, the ship was named "Sandhayak".

Agreement with SMP Kolkata

For development & utilisation of three existing dry docks of Khidderpore, Kolkata towards exploring new business opportunities in Ship repair & refit of defence & commercial segments.

Vessel for Republic of Guyana

The Keel laid for the Ocean-Going Vessel for Republic of Guyana.

Electric Ferry

Developed a concept design for full electric battery operated ferry for transportation of passengers in the inland water.

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.



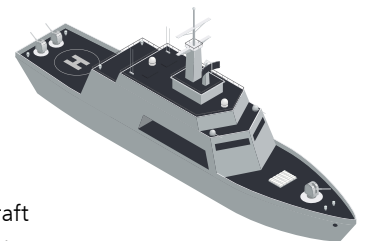
SHIPBUILDING



GRSE's shipbuilding division is engaged in the construction of warships / vessels for clients mainly in the defence sector, Indian Navy & Indian Coast Guard. GRSE has 3 separate facilities for shipbuilding, all of which are located in close vicinity of each other in Kolkata and interconnected by the Hoogly river.

Shipbuilding Capabilities

- Frigates
- Anti-Submarine Warfare Corvette
- Missile Corvette
- Landing Ship Tank
- Landing Craft Utility
- Survey Vessel
- Fleet Replenishment Tanker
- Fast Patrol Vessel
- Offshore Patrol Vessel
- Inshore Patrol Vessel
- WJ-FAC
- Hover Craft
- Fast Interceptor Boat
- Anti-submarine Shallow Water Craft
- Passenger cum Ferry Cargo Vessel



OUR BUSINESS

SHIPBUILDING CAPABILITIES

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.

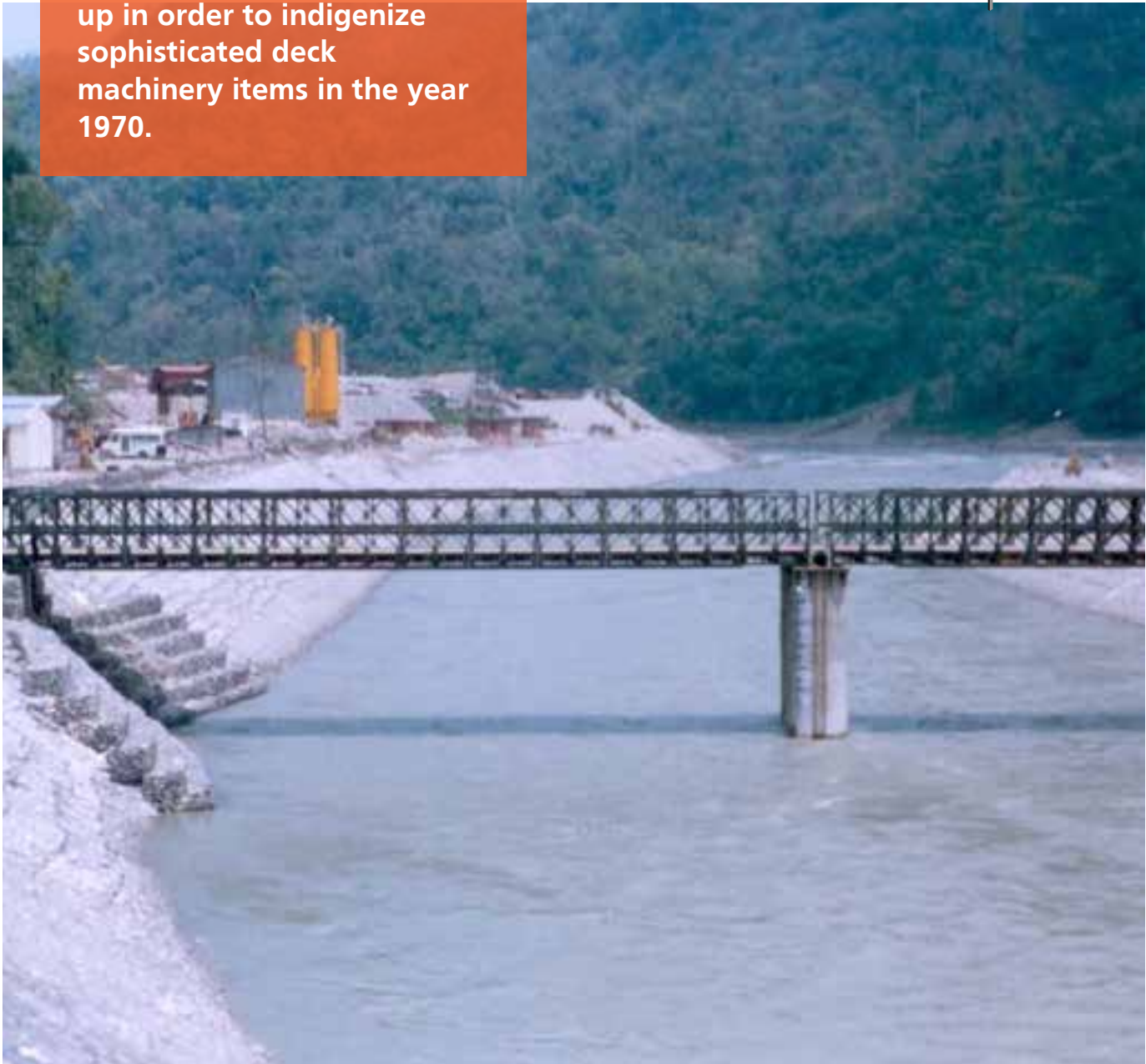
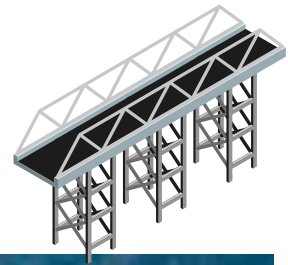


ENGINEERING

We offer portable bridges and deck machinery items 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.

Manufacturing Capabilities

- Portable Bridges
- Deck Machinery



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. This division 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. DEP has also successfully developed the 1 MWA diesel generator for the P17A project.

VISION, MISSION & VALUES



To become a Navratna Company by 2030 and be globally recognised as the best Indian Shipyard.



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

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, employee and other stakeholder engagement and talent development.

Leverage GoI Initiatives and Technology to "Reform & Transform" in all spheres of Operations to attain "Next Level of Performance".

Vision

Mission





Values

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.

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.

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.

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.

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.

FY22 KEY HIGHLIGHTS

MOU with Border Roads Organisation (BRO)

MOU for the fabrication, supply, erection and launching of first-of-its-kind, 27 nos. double-lane Class 70 modular steel bridges in border areas.



Thrust on ship repairs

GRSE has carried out refits of total four (4) ships including CGS Barracuda for the government of Mauritius.



Won Twin Awards at ICC PSE Excellence Awards 2021

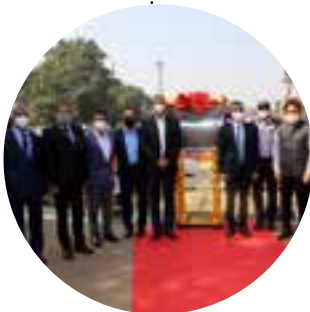
GRSE was conferred with two major awards in the categories of 'CSR and Sustainability (Winner) & 'Corporate Governance' (Runner up) at a virtual ceremony of 11th ICC PSE Excellence Awards.

Sandhayak Launched

Launched the first Survey Vessel, in the series of four ships under the Survey Vessel (Large) project for the Indian Navy. Upholding the maritime traditions, the ship was named "Sandhayak".

Agreement with SMP Kolkata

For development & utilisation of three existing dry docks of Khidderpore, Kolkata towards exploring new business opportunities in Ship repair & refit of defence & commercial segments.



MOU with Naval Group France

GRSE signed a MOU with Naval Group France, a leader in European Naval Defence Industry to Collaborate in the field of Design and Construction of advanced warships.



Vessel for Republic of Guyana

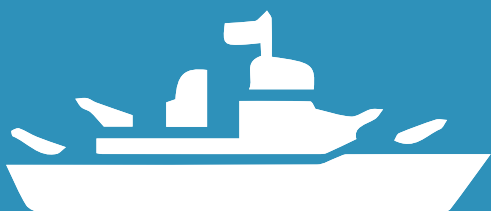
The Keel laid for the Ocean-Going Vessel for Republic of Guyana. The ship has been fully designed by the GRSE design teams and can accommodate 294 passengers (including 14 crew members) along with 14 cars, 02 trucks, and 14 containers & cargo.



MESSAGE FROM CMD



Your Company has posted the best ever performance in the history of the Shipyard and recorded the highest ever turnover of ₹ 1,750 Crore for FY 2021-22, reflecting YoY growth of 54%. The profit after tax grew to ₹189 Crore as against ₹153.47 crore in previous year.



Dear Shareholders,

It gives me immense pleasure in welcoming you all to the 106th Annual General Meeting of the Garden Reach Shipbuilders & Engineers Limited, and I thank each one of you for attending the meeting in the Virtual mode.

This is my maiden address to the shareholders of the company and I am indeed delighted to do so, considering that this is a special occasion, as we Indians are celebrating 'Azadi ka Amrit Mahotsav – to commemorate 75 years of our Independence'. The journey of GRSE over the years has been glorious, with the shipyard evolving & setting new benchmarks in shipbuilding and engineering excellence. While the clarion call for 'Make in India' has been resounding across our Nation in the last few years, "Make in India" has been in our DNA for the last 60 years, and with 788 marine platforms including 107 warships delivered as on date, GRSE today epitomizes "Atma Nirbharta" in warship building.

Further, our diversified product portfolio is our USP (Unique selling point) and this provides us an edge amongst all listed Indian Shipbuilding Yards.

The year gone by was challenging, considering the fallout of the pandemic and its aftereffects. Despite being a labour-intensive industry with high dependency on supply chain management, the company effectively managed these challenges and progressed operations with agility, business resilience & determination, and came out with flying colours, both in terms of financial & production performance.

Performance Overview

Your Company has posted the best ever performance in the history of the Shipyard and recorded the highest ever turnover of ₹ 1,750 Crore for FY 2021-22, reflecting YoY growth of 54%. The profit after tax grew to ₹189 Crore as against ₹153.47 crore in previous year. A detailed review of our revenue and margins is elaborated in the Directors' Report.

I am glad to inform you that the Board of your Company has recommended final dividend @ 8.50% of paid up capital i.e. @ ₹0.85/- per share subject to approval of Shareholders in this Annual General Meeting in addition to the interim dividend @ 49.50% of paid-up capital, i.e. ₹4.95/- per share already paid. You may also note that your company has been paying dividend consistently for the last 29 consecutive years.

On the Production performance front too, we have met the project milestones despite the challenges of the pandemic. In December 2021, the first of four Survey Vessels (Large), 'INS Sandhayak', with the ship at nearly 40% physical progress of construction, was launched. Further, the keel of the third P-17A ship for the Indian Navy was laid, and construction of all the three ships of this prestigious project is progressing smoothly. In the beginning of the last financial year, 'SCG PS Zoroaster' built by your company was handed over by the Hon'ble Prime Minister of India to the President of Seychelles.

Ship repairs have been a focus area for your Company and the GRSE-KPDD unit (Khidderpore Dry Dock) took off last year, a new gateway for "Ship Repair & Refit" as a structured business vertical for the Company. During the year, your Company has carried out refits of total four (4) ships including the refit of CGS Barracuda for the Government of Mauritius.

The Bailey Bridge division has been provided a fillip with new products & "go to market strategies" in the Single & Double Lane Portable Bridges & signing a historic MoU with DGBR for supply of 27 bridges for difficult terrains in the North East region of India.

The Engine Division has successfully completed FATs and delivered the 1st shipset of the 1 MW Diesel Alternators for the P17A project, a key achievement of last year.

Orderbook Position

Our orderbook stands at a very healthy ₹ 24,103.60 crore as on 31st March 2022, and on the shipbuilding front, six (6) projects are currently under execution, with three projects

I am also happy to inform you that your company has been declared L2 in an RFP for construction of Next Generation Ocean Going Patrol Vessels (NGOPV) for the Indian Navy, and as per the tender conditions, the L2 shipyard will be awarded a contract for construction of four (4) ships.



comprising of fifteen (15) ships for the Indian Navy, one (1) FPV project for India Coast Guard, and two export projects, an ocean-going passenger cum cargo ferry for Govt of Guyana and six patrol boats for Govt. of Bangladesh.

Way Ahead

Going forward, considering the production maturity of the ongoing shipbuilding projects, our revenue is expected to grow significantly during the next three years. I am also happy to inform you that your company has been declared L2 in an RFP for construction of Next Generation Ocean Going Patrol Vessels (NGOPV) for the Indian Navy, and as per the tender conditions, the L2 shipyard will be awarded a contract for construction of four (4) ships. We have also concluded a contract in Jul 22 with the Govt of West Bengal for construction of a Next Generation Electric Ferry. Both these projects are expected to boost our orderbook position, with the Next Generation Electric Ferry providing a fillip to our "Green Initiatives" in this promising and sunrise sector of new revenue stream within the shipbuilding industry.

Our "Ship Repair & Refit" operations also will be a focus area and I expect revenue growth in this segment too, especially from the GRSE-KPPD facility.

The Bailey Bridge Division is on an upward growth trajectory, with our major customers, the Border Roads Organisation (BRO), National Highways Infrastructure Development Corporation (NHIDCL) and the Indian Army, continuing to repose faith in our capability and providing us fresh orders.

MESSAGE FROM CMD Contd...

Apart from harnessing our core competencies gained over the years in warship building, key priorities envisaged revolve around renewed focus in R&D, with an emphasis on Green Technology and Autonomous/Unmanned Vessels. Your company is well on its way towards implementing a much-awaited roadmap in ushering Green Technology, starting with reduction of the carbon footprint on the Hooghly river, with the impending induction of our New Generation Electric Ferry. Your company is also engaged with the Indian Navy and designing unmanned surface vessels to meet their aspirations to minimise the risks of putting the lives of our fellow countrymen in harm's way. The Unmanned Vessels of the not-so-distant future would be capable of undertaking bathymetry studies, hydrography survey, mine hunting at the lower end of the spectrum whilst aiming to undertake combat roles with delivery of modularised payloads at the higher end. Your company has firmly set its course for a future bejewelled with opportunities and rewards.

Exports – Focus Area

Exports continue to be a thrust area of your company, with us focusing on Europe, SAARC, ASEAN, African and Latin American countries where we are deploying aggressive business development & marketing strategies to pursue export opportunities. We are currently executing two export orders, an Ocean-Going Passenger cum Ferry Vessel for the Cooperative Republic of Guyana and a six (6) Patrol Boat project for the Govt. of Bangladesh. Your Company has also exported 14 Bailey type Portable Steel Bridges (Ten Bridges to Bhutan and Four Bridges to Nepal). We are actively engaging with potential customers to exploit the upward trend in demand for newbuild ships, especially in the short sea shipping sector.

These forays are reflective of our expanding global footprint and reach, we hence align on the business front to provide maritime platforms that fulfill our Nation's aspiration to contribute to peace in the Indian Ocean region and our Company in the process harnesses business revenue and opportunity in the bargain.

Technology Adoption & Digital Transformation

Core groups have been constituted at GRSE for evaluating processes and how to make them more efficient, by leveraging technology. Whilst your company has been swift in adopting Artificial Intelligence towards improvement of its design and production processes. GRSE is also committed to maximising productivity and 'bang for the buck' by rigorously auditing its internal processes with the aim to further shift towards digitalisation. We are focused on efforts at ensuring an efficient supply chain process to reduce costs and we are driving efforts towards a leaner and cohesive workforce, whilst retaining core competencies. It is my pleasure to inform you that the AI enabled NDT Facility for Welding X-Ray Evaluation (IWI) and HR Chatbot "Anvesha" were launched by our Hon'ble Raksha Mantri on 11 Jul 22.

Indigenisation & Intellectual Property Rights (IPRs)

With the recent impetus from Ministry of Defence on indigenisation, GRSE has become one of the key contributors towards Atma Nirbharata. You will be happy to know that your company has 31 items listed under DPSUs Positive Indigenisation List, out of which 22 items are already indigenised. I am pleased to inform you that your company has filed 100 IPRs as part of Mission Rakshya Gyan Shakti (MRGS) out of which 62 IPRs have been granted.

Growth with Governance

Your Company takes proactive steps to ensure sound corporate governance and has complied with the Guidelines on Corporate Governance framed by the Department of Public Enterprises (DPE) and SEBI Listing Regulations except for the appointment of the requisite number of Independent Directors.

Serving Society

Your Company is always committed to social responsibility and undertaken various programmes and projects, towards integrating our social and business goals in a sustainable manner in line with schedule VII of the Companies Act, 2013. An amount of ₹410 lakh has been spent under CSR in the Financial Year 2021-22 to complete all the targeted projects.

Concluding Remarks

I took over as Chairman & Managing Director of the company from my predecessor Rear Admiral VK Saxena, IN (Retd) who superannuated on 28 Feb 2022. We are indebted to him for guiding us during his stint and taking GRSE on a trajectory of progress. I have been with Team GRSE since 2016 and had the good fortune of receiving support and guidance from my seniors and colleagues. I am confident of sustaining our performance in the coming years with the support of our team, the Board of Directors and Ministry of Defence.

I take this opportunity to extend my sincere gratitude 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 gratitude to all our esteemed shareholders for their continuing faith and confidence they have reposed in us for whom we aspire to continue to create more value. Last, but not the least, I appreciate Team GRSE for their untiring efforts and unflinching commitment to achieve the goals of the Company and the Board of Directors who have supported and guided the Company to place it on a path of accelerated growth.

Jai Hind

Cmde PR Hari, IN (Retd)
Chairman & Managing Director

CORPORATE INFORMATION

Board of Directors

Cmdr. Hari P R, IN (Retd.)

Chairman & Managing Director
(From 10 Jun 22)

Ramesh Kumar Dash

Director (Finance) & CFO

Cdr. Shantanu Bose, IN (Retd.)

Director (Shipbuilding)
(From 08 Jun 22)

Shri Rajeev Prakash, IP&TAFS

Government Nominee Director
(From 23 Jun 22)

Sanjay Dattatraya Panse

Part-Time Non-Official (Independent)
Director
(From 27 Dec 21)

Sanjeeb Mohanty

Part-Time Non-Official (Independent)
Director
(From 06 Apr 22)

RAdm. Vipin Kumar Saxena, IN (Retd.)

Chairman & Managing Director
(up to 28 Feb 22)

Cmdr. Sanjeev Nayyar, IN (Retd.)

Director (Shipbuilding)
(up to 31 Dec 21)

Shri Surendra Prasad Yadav, IFS

Government Nominee Director
(Upto 23 Jun 22)

Dr. Biswapriya Roychoudhury

Part-Time Non-Official
(Independent) Director
(Upto 14 Aug 21)

Smt. Darshana Singh

Part-Time Non-Official
(Independent) Director
(From 12 Apr 22 to 31 May 22)

Chief Vigilance Officer

Venkateshwarlu Talluri, CPES (2001)

Independent External Monitors

Pidatala Sridhar, IRS (Retd.)

B B Singh, Ex-CMD, MSTC Ltd.

Senior Management

Venkatesh Murthy

Chief General Manager (Technical)

Cmdr. Rajat Manchanda, IN (Retd.)

Chief General Manager (PP&C)

DIG Subrato Ghosh, ICG (Retd.)

Chief General Manager (BB, DEP & SR)

Cdr. B Sengupta, IN (Retd.)

Chief General Manager (MW)

Capt. P Sunilkumar, IN (Retd.)

Chief General Manager (CP&CC)

S Srinivas

General Manager (HR & Admin)

Cmdt. A K Biswas, ICG (Retd.)

General Manager (RBD)

Cdr. A K Mahapatra, IN (Retd.)

General Manager (QA)

Shri Gulshan Ratan

General Manager (Ind & IEP)

Shri Sujoy Chakravorty

General Manager (Commercial)

Cdr. B Mishra, IN (Retd.)

General Manager (FOJ & Taratala Unit)

Cmdr. Vinith Aerat, IN (Retd.)

General Manager (Design)

Smt. Suchita Nandi

General Manager (Contract)

Smt. Lipi Das

General Manager (ER & Legal)

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
RBL Bank
Federal Bank
IndusInd Bank

Statutory Auditors

M/s. Mookherjee Biswas & Pathak
Chartered Accountants

Secretarial Auditors

M/s. Mehta & Mehta
Practicing Company Secretaries

Cost Auditors

M/s. Chatterjee & Co
Cost Accountants

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

BOARD OF DIRECTORS



Commodore P R Hari, IN (Retd.)
Chairman & Managing Director

Cmde P R Hari, IN(Retd.) (DIN: 08591411), having an experience of over 33 years, assumed the charge of the Company w.e.f. 10 Jun 2022. He is also holding the additional charge of Director (Personnel) of the Company. He has over 28 years of commissioned service in the Indian Navy with varied experience onboard warships, Naval Repair Organizations and various Staff appointments. He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Defence & Strategic Studies. An alumni of the Defence Services Staff College, Wellington, the officer has also undergone the 5th Higher Defence Orientation Course at AWC Mhow and the prestigious Naval Higher Command Course at the Naval War College, Goa.

Cmde P R Hari, joined the Company as a Chief General Manager in 2016 and has been in charge of Production Planning of all the new construction ships built at the Shipyard. He had assumed charge as Director (Personnel) of the Company on 21 Oct 2019 and headed the Human Resources, Corporate Planning and Technical functions of GRSE.



Shri Rajeev Prakash, JS(NS)
Government Nominee Director

Shri Rajeev Prakash (DIN: 08590061), Joint Secretary (Naval System), appointed as Part-Time Official Director (Government Nominee Director) of the Company w.e.f. 23 Jun 2022. He has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. Further, he is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS). He has a vast experience in the field of finance and held various important posts in the Government of India.

Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication. Further, he was also a Government Nominee Director on the Board of Bharat Broadband Network Limited for more than 2.5 years.



Shri Ramesh Kumar Dash
Director (Finance) & CFO

Shri Ramesh Kumar Dash (DIN: 08511344) is an Associate Member of the "Institute of Cost Accountants of India", Master in Commerce and Bachelor of Law. Prior to joining the Company, he was working in Hindustan Aeronautics Limited, Bangalore. He has around 30 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 the Company w.e.f. 01 Jul 2020.



**Commander Shantanu Bose,
IN (Retd.)**

Director (Shipbuilding)

Cdr. Shantanu Bose, IN (Retd.) (DIN: 09631817), after serving in the Indian Navy for 23 years, joined the Company in 2013. He has assumed charge as Director (Shipbuilding) of the Company w.e.f. on 08 June 2022. Cdr Bose is a highly qualified and experienced naval architect who has been in charge of several projects undertaken by the Company since 2013. Before assuming charge as Director (Shipbuilding), he was working as General Manager (MW & P17A). He completed his B. Tech in Naval Architecture & Shipbuilding from Cochin University of Science and Technology, and Diploma from IIT, Delhi. He also holds Post Graduate Diploma in Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. Further, he holds membership of the Institution of Engineering (India) and Institution of Naval Architecture.

Cdr. Shantanu Bose, IN (Retd.) has deep technical insight and hands on working experience in all aspects of Shipbuilding, managing men, and motivating them to take on new challenges has been his forte. In GRSE, he has been the forefront of adoption of the Integrated Construction (IC) methodology. His current focus areas include R&D Projects and greater thrust towards Indigenization. The infrastructure upgradation planning, execution and exploitation of the RBD Unit of GRSE has been done under his oversight.



Shri Sanjay Dattatraya Panse

Part-Time Non-Official
(Independent) Director

Shri Sanjay Dattatraya Panse (DIN: 02725875), aged 58 years appointed as Part-Time Non-Official (Independent Director) of the Company w.e.f. 27 Dec 2021. He is a Fellow Chartered Accountant and also the founder and Senior Partner of S Panse & Co LLP, Chartered Accountants., Mumbai. He has experience of over 35 years, and a professional of repute having vast experience in the Financial and Capital Market. He has deep understanding of Accounting, Audit and functioning of Financial Markets Sector Participants and has spearheaded practice of S Panse & Co LLP in the area of Audit, Quality Assurance Services, Due Diligence, Internal Audits, Advisory Services to the Mutual funds, Portfolio Managers, Banks, Insurance Companies and Other Intermediaries in Capital Market. He is a frequent speaker and writer on Economic and Financial Matters. He also served as Independent Director on the board of various companies.



Shri Sanjeeb Mohanty

Part-Time Non-Official
(Independent) Director

Shri Sanjeeb Mohanty, (DIN 0955988), aged about 59 years appointed as Part-Time Non-Official (Independent Director) of the Company w.e.f. 06 Apr 2022. He has completed B.A. from Utkal University in the year 1984 and law graduation from University Law College, Bhubaneswar, Odisha, and enrolled as a member of Odisha State Bar Council in the year 1990. He is a practicing advocate having more than 32 years' experience in the State of Odisha, India. His broader areas of practice are criminal and civil law. He regularly appears before High Court, District Courts/ Sessions Courts, and other forums.

He has served as President of Odisha Cooperative Tassar and Silk Federation Limited (SERIFED), Govt. of Odisha from 2002-2008. He is also a social activist.

10 YEARS FINANCIAL HIGHLIGHTS

(₹ in Lakh)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
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FINANCIAL POSITION:

Equity Share Capital	12384	12384	12384	12384	12384	11455	11455	11455	11455	11455
Reserve & Surplus	73948	83196	84391	101042	95767	90698	92376	92568	102257	114334
Net Worth	86332	95580	96775	113426	108151	102154	103831	104023	113712	125789
Capital Employed	75907	91667	90810	110613	98112	102154	103831	104023	113712	125789
Gross Block	42732	53387	56381	56640	60454	47233	39959	43081	49614	68703
Net Fixed Assets	27979	36548	36574	34370	35834	38917	30225	30369	34020	50065
Working Capital	47928	55119	54236	76243	62278	60249	68476	56100	54298	56965

OPERATING RESULTS:

Sales	46434	30819	230805	30668	22162	23390	14677	21784	51573	21568
Value of Production	152915	161167	161266	166075	92784	134552	137877	142470	113276	174835
Value Added	49609	50463	47702	48182	30018	41923	44217	45578	46641	55053
Profit/(Loss) Before Tax	19315	18723	7602	24915	2089	12775	17896	22387	20712	25724
Provision for Tax	6161	6577	3257	8710	865	3535	6902	6039	5365	6771
Profit/(Loss) after Tax	13154	12146	4345	16205	1223	9240	10994	16348	15347	18953

APPROPRIATION:

CSR Reserve	-	-	2	-	94	-	-	-	-	-
General Reserve	1315	1215	435	1607	-	9554	-	-	-	-
Proposed Dividend on Equity	2631	2477	2477	5322	5408	5080	7961	8179	5728	6644
Tax on Proposed Dividend	447	421	504	1083	1101	1034	1636	1352	-	-

RATIOS:

Gross Profit/ Capital Employed	0.26	0.21	0.08	0.22	0.02	0.13	0.17	0.22	0.18	0.28
PBT/ Production (VOP)	0.13	0.12	0.05	0.15	0.02	0.10	0.13	0.16	0.18	0.15
Production (VOP)/ Capital Employed	2.01	1.76	1.78	1.46	0.86	1.32	1.33	1.37	1.00	1.39
Value Added/ Production (VOP)	0.32	0.31	0.30	0.29	0.34	0.31	0.32	0.32	0.41	0.31
No. of Employees	3491	3133	2834	2592	2401	2214	2100	1973	1900	1790

Turnover (₹ in crore)

FY22		1748
FY21		1133
FY20		1425
FY19		1379
FY18		1346

PBT (₹ in crore)

FY22		257
FY21		207
FY20		224
FY19		179
FY18		128

PAT (₹ in crore)

FY22		189
FY21		153
FY20		163
FY19		110
FY18		92

Dividend (₹ in crore)

FY22		66.44
FY21		57.28
FY20		81.79
FY19		79.61
FY18		50.80

Networth (₹ in crore)

FY22		1258
FY21		1137
FY20		1040
FY19		1038
FY18		1022

Manpower (No.) (₹ in crore)

FY22		1790
FY21		1900
FY20		1973
FY19		2100
FY18		2214

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

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.

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, pump, 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.

Strong Order Book

As on 31 Mar 2022, the Company has an Order Book of ₹ 24,103.60 crore which comprises of ₹ 23,864.31 crore for Shipbuilding division and ₹ 143.98 crore for Engineering and Engine division.

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.



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	Energy from CESC	Energy from Solar	Goal: Solar Energy by 2025
1500 KWp	90%	10%	20%

Nurturing a Sustainable Future

Following is being considered as part of future plans across various locations at GRSE



Solar Power

200KWp Rooftop Solar Power Plant at Main Unit (Engineering Complex) in FY 2022-23.
250KWp Rooftop Solar Power Plant at FOJ Unit (Shed-9) in FY 2023-24.



Energy Audits

Conduct of Energy Audits for Main Works and FOJ premises at GRSE in the current Year 2022-23.



Energy Efficient Electricals

Fitment of 1800 in no. LED Lights for newly constructed Building/ Civil Structures apart from replacement of conventional lights with LED.
Installation of VRF AC Systems at newly constructed Building and replacement of 34 in no. Old ACs with BEE Star rated ACs in a progressive manner in the year 2022-23.
installation of Vertical mount natural vent/exhaust blower along with transparent roof sheets at Workshops to achieve Electricity Conservation.
Deployment of 12 in no. Battery Operated Material handling utility vehicles across Production Areas.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report of your Company for the financial year 2021-22 together with the Audited Financial Statements for the year ended 31 March 2022.



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

Despite the challenges of the COVID-19 pandemic, the performance of your Company has been the best ever in terms of revenue generation during the financial year 2021-22.

In current year, the Company registered an improvement in Revenue from Operation by 54%, registering ₹ 1,757 crore against ₹ 1,141 crore in the previous year. During the year, the Company has registered growth in EBITDA and PAT by 24%.

The summarized operating results for the financial years 2021-22 and 2020-21 are given below:

(₹ in crore)

Particulars	2021-22	2020-21
Value of Production	1,748.34	1,132.76
Revenue from Operation	1,757.51	1,140.83
Profit Before Depreciation, Interest and Tax	293.71	236.89
Finance Cost	0.76	0.67
Depreciation	35.71	29.09
Profit Before Exceptional Items & Tax	264.93	227.87
Exceptional Item	(7.69)	(20.75)
Profit Before Tax	257.24	207.12
Provision for Tax	67.71	53.65
Profit After Tax	189.53	153.47
Other Comprehensive Income (Net of Tax)	1.12	3.56
Total Comprehensive Income	190.65	157.03

The financial position of your Company as on 31 March 2022 and 31 March 2021 is shown below:

(₹ in crore)

Particular	As on 31 March 22	As on 31 March 21
Capital Employed	1,257.89	1,137.12
Gross Block	687.03	496.14
Net Block	500.65	340.20
Working Capital	569.65	542.98
Net Worth	1,257.89	1,137.12
Value Added	550.53	466.41
Value of Production	1,748.34	1,132.76
Profit Before Exceptional Items & Tax	264.93	227.87
Exceptional Item	(7.69)	(20.75)
Profit Before Tax	257.24	207.12

Particular	As on 31 March 22	As on 31 March 21
Ratios: (%)		
Profit before interest and tax :	20.51	18.27
Capital Employed (%)		
Profit after tax: Net Worth (%)	15.07	13.50
Gross Profit: Capital Employed (%)	23.34	20.83
Profit Before Tax: Value of Production (%)	14.71	18.28
Value of Production: Capital Employed (%)	138.98	99.62

Ratios	FY - 22	FY -21
Current Ratio (In times)	0.93	0.99
Return on Equity (%)	16 %	14 %
Trade Receivables Turnover Ratio (In times)	10.55	3.20
Trade Payable Turnover Ratio (In times)	2.20	1.24
Return on Capital Employed (%)	20%	18%

Value of Production

During the financial year under review, due to the then emerging second wave of the COVID-19 pandemic and as per Government directives, your Company was affected by lock-downs from mid of May 2021 to mid of June 2021. Despite these interruptions, your company has achieved the highest ever Value of Production ('VoP') of ₹ 1,748.34 crore as against ₹ 1,132.76 crore during the previous year. The comparative VoP for the three Divisions are as follows:

(₹ in crore)

Year	Ship Division	Engineering Division	Engine Division	Misc.	Total
2021-22	1,620.50	71.83	55.48	0.53	1,748.34
2020-21	1,048.02	66.69	18.05	-	1,132.76

Net Worth

During the year under review, your Company has reported Net worth of ₹ 1,257.89 crore as on 31 March 2022 against ₹ 1,137.12 crore as reported on 31 March 2021.

Value Addition

The Value added during the financial year under review was ₹ 550.53 crore as against ₹ 466.41 crore during the previous year. The Value added per employee was ₹ 30.76 lakh as compared to ₹ 24.56 lakh during the previous year.

Appropriations

Considering the financial performance of your Company in the year 2021-22, the Directors are pleased to recommend the following appropriations from the disposable surplus:

	(₹ in crore)
Profit After Tax	189.53
Other Comprehensive income for the year, Net of Tax	1.12
Total Comprehensive income for the period	190.65
Less:	
Final Dividend of FY 2020-21 on the Paid-up Capital	13.17
Interim Dividend of FY 2021-22	56.70
Balance retained in Statement of Profit & Loss	120.78

Contribution to Exchequer

Your Company has made a contribution of ₹ 47.52 crore to the National Exchequer during the financial year 2021-22 by way of Income Tax and GST.

Dividend

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), 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 Listing 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 <https://grse.in/wp-content/uploads/2022/04/GRSE-Dividend-Distribution-Policy.pdf>.

Pursuant to the approval of the Board of Directors on 11 February 2022, your Company has paid an interim dividend of ₹ 4.95/- per equity share of face value of ₹ 10/- each to Shareholders who were on the Register of Members as on 18 February 2022, being the record date fixed for this purpose. Further, the Board, at its meeting held on 25 May 2022 has recommended a dividend of ₹ 0.85/- per equity share of face value of ₹ 10/- each for the financial year 2021-22. Thus, the total dividend for the financial year 2021-22, if approved by the Shareholders, would be ₹ 5.80/- per equity share.

IMPACT OF COVID-19 PANDEMIC

The Company was impacted by the second wave of the COVID-19 pandemic during the first Quarter of FY 2021-22, wherein the operations were interrupted from mid of May, 2021. While we resumed operations partially almost after a month with requisite precautions, this has had an adverse effect on the revenue and financial performance of the Company. Management has estimated value of loss of production hours and quantum of non-usage of Plant & Machinery of production shops as ₹ 709.95 lakh and ₹ 58.59 lakh (Total ₹ 768.54 lakh), respectively for the quarter ended 30th June 2021, and nil in the subsequent quarters of FY 2021-22, and the same has been stated as Exceptional items in the Financial Statement.

MOU RATING

Your Company has been rated "Excellent" with a score of 91.23 out of 100 as per MoU Evaluation for FY 2020-21 approved by the Department of Public Enterprises. This is a remarkable achievement as GRSE is the only shipyard, one of the two DPSUs & one among 22 CPSEs to attain "Excellent" rating for FY 2020-21. This Excellent rating is significant, as the financial year was plagued by Covid-19 pandemic and consequent imposition of 75 days of complete lock down, several associated restrictions hampering production activities and delays in material supply throughout the year. Further, on the basis of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government of India for FY 2021-22, your Company is expected to be rated "Very Good" for its performance during the Financial Year.

FINANCIAL HIGHLIGHTS

₹ **1,748** crore

Value of Production
As against ₹ 1,133 crore in FY21

₹ **1,758** crore

Revenue from Operation
As against ₹ 1,141 crore in FY21

₹ **1,258** crore

Capital Employed
As against ₹ 1,137 crore in FY21

₹ **301** crore

PBT
As against ₹ 258 crore in FY21

₹ **190** crore

PAT
As against ₹ 153 crore in FY21

PERFORMANCE OF THE COMPANY DURING THE YEAR

SHIPBUILDING

The Company has achieved a total shipbuilding income of ₹ 1,620.50 crore during 2021-22 as against ₹ 1,048.02 crore in 2020-21. During the year, SCG PS 'Zoroaster', the fourth ship in the series of Fast Patrol Vessel (FPV) built by GRSE was commissioned on 08 Apr 2021 at Seychelles by Hon'ble Prime Minister of India Shri Narendra Modi. Further, the details of ships under construction in your Company as on 31 Mar 2022 are as follows:

Project / Vessel Type	No. of Vessels as on 31 Mar 2022
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 Ships	17
Patrol Boats for Govt. of Bangladesh	6

The Shipyard also completed major milestones on various projects including launching, keel laying and start production during the financial year are as follows:

Launching

Sl. No.	Ship	Yard	Date
1	1 st Survey Vessel (L)	3025	05 Dec 2021
2	2 nd Survey Vessel (L)	3026	21 Mar 2022

Keel Laying

Sl. No.	Ship	Yard	Date
1	Fast Patrol Vessel (FPV)	2118	15 Jul 2021
2	3 rd Survey Vessel (L)	3027	06 Aug 2021
3	1 st Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3029	06 Aug 2021
4	Ocean Going Passenger & Cargo Ferry Vessel (OGV)	2119	20 Nov 2021
5	5 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3035	21 Dec 2021

Start Production

Sl. No.	Ship	Yard	Date
1	2 nd Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3030	14 Jul 2021
2	3 rd Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3031	14 Jul 2021
3	Ocean Going Passenger & Cargo Ferry Vessel (OGV)	2119	07 Aug 2021
4	5 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3035	28 May 2021

Contracts Signed

During this year, your Company concluded a contract for supply of an additional Fast Patrol Vessel (FPV) for the Indian Coast Guard as a replacement against the FPV exported to Seychelles on 28 May 2021.

In addition to pursuing defence projects, your Company has also pursued projects in non-defence government sectors. GRSE bagged an export order worth 1.82 M USD from Department of Fisheries, Bangladesh to supply six 'Patrol Boats'. This was the first export order won by GRSE on competitive bidding where 06 bidders from Bangladesh, Sri Lanka, South Korea, Finland and Singapore participated. Notification of Award was issued to GRSE on 01 Jul 2021 and subsequently, contract has been signed on 28 Jul 2021 between GRSE and Department of Fisheries.

SHIP REPAIR

During the Financial Year 2021-22, your Company has successfully completed the refit of Barracuda, a Mauritius Ship for amount of ₹ 20.90 crore. In order to give thrust to Ship Repair and Refit business, the Company has signed an agreement with Syama Prasad Mookherjee Port, Kolkata for long term lease of 03 existing Dry Docks for shipbuilding including repair & refit of ships. The refit of ICGS Sarojini Naidu was also undertaken in this year.

ENGINEERING DIVISION

The Value of Production (VOP) achieved by the Engineering Division during the financial year 2021-22 amounted to ₹ 71.83 crore.

Portable Steel Bridge Unit

The Value of Production achieved by the Bailey Bridge unit during the financial year 2021-22 amounted to ₹ 60.03 crore [consisting of (70) Bridges, 5400 MT] as against ₹ 50.16 crore [consisting of (58) Bridges, 4895 MT] during the previous year 2020-21.

Out of 70 Bridges, your Company has exported Fourteen Bridges to Bhutan (Ten Bridges) and Nepal (Four Bridges) during 2021-22, VOP from such export order in FY 2021-22 is ₹ 7.07 crore.

Bailey Bridge Unit has also achieved a major milestone in August 2021 by successfully completing Load Testing for 1 No of 140 ft. Double Lane Modular Bridge Load class 70R Bailey bridge and supplied the

same to Director General of Border Roads (DGBR) / Project Swastik at Flaghill, Dokala, Sikkim. Another important achievement was the signing of an MOU with DGBR for supply of 27 Double Lane Modular Steel Bridges.

Deck Machinery Unit

Deck Machinery 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, Electric Boat Davits, Electro-Hydraulic Boat Davits, Survey Motor Boat Davits, Hydrographic Davits, Oceanographic Winch, Anchor cum General Purpose Winches for beaching operations, 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 2021-22, the total Value of Production of the Deck Machinery Unit for the financial year 2021-22 is ₹ 20.61 crore. Out of this, Value of Production of Deck Machinery division stands at ₹ 11.80 crore excluding internal consumption. Equipment and spares with sale value of ₹ 6.03 crore have been supplied to various new construction yards as well as to operational ships of Indian Navy and Indian Coast Guard.

During FY 2021-22, total fifty-six (56) Nos. of different Deck Machinery equipment and pumps have been supplied to various new construction yards as well as to operational ships of Indian Navy and Indian Coast Guards. In addition, the Ground Support Equipment of Rail Less Helicopter Traversing System for Advanced Light Helicopter (ALH) has been indigenously designed and manufactured for use on board Indian Navy and Indian Coast Guard ships.

ENGINE DIVISION

The Diesel Engine Plant (DEP) of your Company at Ranchi has successfully completed the Factory Acceptance Trial and delivery of the first shipset of 1 MW DAs of the P17A Project.

The division has achieved Value of Production of ₹ 55.48 crore during the financial year 2021-22 from diesel engine business.

The DEP Ranchi has also signed the rate contract with Indian Coast Guard (ICG) for the W6 routines (overhaul) of MTU 4000 series engines.

You may also note that the Bailey Bridge Components are also being produced at DEP unit at Ranchi.

NEW INITIATIVES

In order to establish long term business growth, create & increase of various footprints, your company has taken up the following initiatives with signing of the following MoUs during FY 2021-22:

- (a) M/s Kongsberg, Sweden to explore manufacture of propulsion waterjets in India with high level of Indigenous content.
- (b) M/s Bridge Engineering Research & Design (BERD), Matosinhos, Portugal to explore and identify synergies and partnerships to approach the bridge market with new design bridges in India and friendly neighbouring countries. GRSE and BERD co-operation offers more and diverse products of Modular Steel Bridges to the markets.
- (c) M/s Hindustan Shipyard Limited to facilitate construction and repairs of warships & commercial vessels.

ORDER BOOK POSITION

The total order book position of your Company for the three (3) divisions as on 31 Mar 2022 is as follows:

(₹ in crore)

Sl. No.	DIVISION / DEPTS	Closing order Value as on 31 Mar 2022
A	Ship Division	
	Ship (including B&D Spares)	23,864.31
B	Engineering Division	
	Bailey Bridge	16.51
	Deck Machinery	78.80
	Total Engineering Division	95.31
C	Engine Division	143.98
	Total (A+B+C)	24,103.60

- (d) M/s ABS Hovercraft Ltd. to explore avenues to collaborate to effectively leverage each other's competence and strengths to offer state of art Hovercraft to the prospective customers (domestic & foreign) by way of customized design and construction.
- (e) Naval Science & Technological Laboratory (NSTL), DRDO – MoD Visakhapatnam for Transfer of Technology (ToT) of 4 MW Diesel Engine Infrared Signature Suppression (DEIRSS) System.
- (f) Naval Group SA, France to develop detailed contemplated cooperation and establish a frame work thereof for GOWIND class Frigate project.
- (g) M/s. CDC Consulting Design Engg Centre Pvt. Ltd. for Design development and research to pursue and optimize new design requirement and system integration for state of art new generation deck Machinery items.
- (h) M/s. Syama Prasad Mookerjee Port, Kolkata (SMP, Kolkata) to undertake the development & utilisation of 03 existing Dry Docks of the Port Trust at Khidderpore, Kolkata. This collaboration will also contribute to the future strategy of GRSE to take on additional shipbuilding activities including repair & refit of ships. Based on the concession agreement, the facility named GRSE-KPDD Unit was inaugurated and taken over from SMPK by GRSE on 01 Dec 21.
- (i) DGBR – Border Roads Organisation (BRO) for supply of 27 Nos. Double Lane Galvanised Modular Steel Bridge Load Class IRC-6 70 R (Carriageway 7.5 Mtrs. wide).
- (j) M/s Vrinda Engineers Pvt. Ltd., Kolkata for Collaboration for Supply of Permanent Steel Bridges.

RESEARCH & DEVELOPMENT

Next Generation Electric Ferry: Your Company has developed a concept design for full electric battery operated ferry for transportation of passengers in the inland waters. This 24m long aluminium vessel

shall have a max speed of 8 Knots and a capacity of carrying 145 passengers. This will be pioneering effort in promoting Green technologies in the Inland Water transportation sector in the country as replacing the conventional inland ferries. This is a step to replace the diesel ferries that cause environmental pollution as they ply over the Hooghly river. Your Company is now building a vessel for Government of West Bengal as a pilot project.



Hovercraft: At present, Hovercraft technology is not available with any of the Indian firms. Various requirements of Indian Coast Guard/ Indian Army etc. are met by Indian Shipyards through licensed production of foreign OEMs design involving royalty payment in foreign exchange. Your Company in past had built Hovercraft for Indian Coast Guard in collaboration with M/s Griffon Hovercraft, UK. Presently, your Company is in the process of working towards Hovercraft requirement of Indian Armed Forces and Coast Guard.



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. Your Company has developed in-house capabilities to design & build most modern warships in the country. Of these ships, your company has achieved over 90% indigenisation for Landing Craft Utility Ships and over 85% indigenisation for Anti-Submarine Warfare, which is a major step towards achieving self-reliance in state-of-the-art warship design and construction. MoD/Gol has published an *Initial Negative List of 101 items followed by 2nd positive Indigenisation list of 108 items*. GRSE's capabilities for design, development and manufacture of several designated items has been conveyed to MoD-DDP. As per directive of Gol, several imported items have been identified for indigenisation and uploaded in Srijan Portal. Interaction with several interested domestic vendors are underway. GRSE also has a 5 year' Indigenisation Plan aimed towards 'Aatma

Nirbhar Bharat' for presently imported equipment which are primarily project specific and are also planned for incorporation & utilization for various upcoming projects. In accordance with Gol guidelines, GRSE has implemented various measures to support the domestic defence industry for indigenisation of defence manufacturing such as 'Make in India', 'Make – II', TReDS, GeM, MSME Sambandh, MSME Samadhan, Online Vendor Registration, E-Procurement, effective utilization of assorted Industry Clusters and 'Aatmanirbhar Bharat' for overall self-reliance.

EXPORT INITIATIVES

Your Company is the first Indian shipyard to export a warship, an Offshore Patrol Vessel to Mauritius in 2014. GRSE also exported a Fast Patrol Vessel 'SCG PS Zoroaster' to the Govt. of Seychelles and completed its Guarantee Refit & Dry Docking (GRDD) on 31 March 2022. The Shipyard also won a 1.82 Million USD contract for construction and delivery of six Patrol Boats for the Govt. of Bangladesh, and the contract was signed on 01 July 2021. This is the first export order from Bangladesh through global competitive bidding, with participants of other shipyards, including from Netherland, South Korea, Finland and UAE. Your Company has taken initiatives to export Naval ships to the friendly foreign countries and has identified SAARC, ASEAN, African & Latin American countries such as Seychelles, Bangladesh, Vietnam, Philippines, Myanmar, Guyana, Mauritius etc. as areas of focus.

During FY 2021-22, your Company has generated revenue of ₹ 60.94 crore from export orders which includes ₹ 53.87 crore from Shipbuilding & Ship Repairs and ₹ 7.07 crore from Bailey Bridge.

Your Company has adopted a strategy of engaging with the authorities of the target market countries for export of its products. GRSE regularly supplies Portable Steel 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 including Bangladesh (through DLoC route) as well.

Your Company is presently executing the following Export Orders:

- Export order of 12.73 Million USD for supply of 01 No. Ocean Going Vessel (OGV) to Republic of Guyana.
- Supply of 06 Patrol/ Surveillance Boats for Govt. of Bangladesh for a value of 1.82 Million USD.
- Maintenance/ Afloat Support for 03 years for one Fast Patrol Vessel of the Govt. of Seychelles which was constructed and delivered to Govt. of Seychelles by your Company.





INFRASTRUCTURE AND TECHNOLOGICAL MODERNIZATION

Your Company has been continuously modernising its infrastructure/ facilities to be in tune with the changing needs of the technology/ products. During the year 2021-22, the Company has spent ₹ 42 crore as a part of CAPEX investment towards modernisation of Infrastructure, Technology, Plant & Machinery etc. Following are some of the facilities modernised during the year:

- (a) **Goliath Crane Project** - The new 250 Ton capacity Goliath Crane (116m span) covering Dry Dock, Inclined Berth & Module Hall, has been commissioned in Aug 2021. This facility has enabled Modular and Integrated Construction of warships akin to the best in the world, which is presently being followed for construction of advanced Stealth Frigates (P-17A).



- (b) **Restoration of Module Hall** - The Module Hall at Main Unit, which got severely damaged due to collapse of 250 Ton Goliath Crane in 2018, has been restored along with telescopic sliding roof arrangement & services and made fully functional in Dec 2021. This shop facilitates integration of mega-hull blocks weighing up to 250 Ton with outfitting items.
- (c) **Upgradation of Fitting Out Jetty (FOJ) Unit** - Looking into intensive outfitting for number of ships at FOJ in forthcoming years, following actions have been taken during year: -
- (i) Refurbishment of Jetties - The Finger Jetty has been refurbished including structural strengthening and replacement of all Fenders & Bollards.

- (ii) Augmentation of Low Tension (LT) Power - After modernisation, now both the Finger & Naval Jetties individually is capable of using power up to 2000 A (from previous 630 A) during ship outfitting work.

- (iii) Vendor Sheds - For streamlining the activities of OEMs/ contractors and more effective utilisation of space, Vendor Sheds with allied facilities have been created for maximum 50 nos. contractors' office/store/workshop in a collocated place.

- (d) **Augmentation of Shipyards' Block Fabrication Capacity** - Further to construction of two nos. Block Fabrication Sheds in Sept 2020 at Raja Bagan Dockyard (RBD), 02 nos. 25 Ton capacity EOT crane at each workshop has been installed for enhancement of Shipyards' Block fabrication capacity.

- (e) **Rooftop Solar Plant** - As a part of commitment towards green energy for reducing the impact of atmospheric climate change, 200KWp roof top solar power plant has been commissioned in Feb 2022. With this, the total capacity of rooftop solar plant at GRSE is now 1500 KW i.e. 1.5 MW.



- (f) **Technological Modernization** - Product Data Management (PDM) & Product Lifecycle Management (PLM) are under implementation for P-17A project by M/s Siemens for interconnection of data at the Naval HQ (New Delhi), MDL (Mumbai), GRSE (Kolkata). and a Disaster Recovery Site. Module related to Design activities has gone live in Nov 21.

- (i) Further, a Project Management System based on PLM platform for all shipbuilding projects other than P-17A is also under final stages of implementation.
- (ii) Critical Chain Project Management (CCPM) system is also under implementation for two ships.
- (iii) Towards enhancing efficiency of the Supply chain management system, an AI based application "Procurement Accelerator" has been implemented in 2021.

FUTURE OUTLOOK

A strong order book for construction of 16 warships concurrently for Indian Armed Forces at this juncture holds exciting times ahead for the GRSE. Recent policy announcement by the Raksha Mantri declaring 'Initial Negative List of 101 items followed by 2nd positive Indigenisation list of 108 items' in the negative list of imports over next five years in defence segment provides huge opportunities to Indian Industry as part of larger objective of 'Atmanirbhar Bharat Abhiyan'. GRSE's capabilities for design, development and manufacture of several such designated items has also been conveyed to the Ministry of Defence (MoD). The defence shipbuilding segment continues to look promising on account of ambitious acquisition plan of Indian Navy and Indian Coast Guard which is quite encouraging for the Indian Shipbuilders and the entire eco-system. A number of Request for Proposals (RFPs) for various shipbuilding projects have been floated by the MoD during last one year and some more are expected to come out in the near future. Further, the MoD plan to increase export of defence products to 3.59 Billion USD by end 2024-25 augurs well for all of us.

With all the policy initiatives taken by the Government of India in the recent times for encouraging & supporting 'Atmanirbharata', the overall scenario for warship building looks quite positive in coming years. However, it requires building capabilities and competencies to meet global standards. It is a good opportunity for the company to become part of global value chain to meet our vision of becoming global player in Shipbuilding. 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'.

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

- (a) The Vision is to become a Global player by increasing exports footprint by looking at the entire operations from the view point of cost, delivery time, quality & credibility. In this regard, GRSE is actively pursuing all possibilities to engage Marketing Representatives to increase geo-strategic reach for exports to friendly countries.
- (b) Your Company believes that innovation in the production processes coupled with enhanced efficiency and optimum utilisation of resources is the key to reduce production costs. The Company intends to leverage its design, engineering and manufacturing capabilities to improve its procurement and production processes.
- (c) Continuous endeavour towards assessment of tentative & likely opportunities from the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Inland Waterways Authority of India over next 05 Years.
- (d) Your Company is targeting for orders from the Indian Navy, Indian Coast Guard and Ministry of Home Affairs for AMC & Refits of GRSE built vessels, and have plans to strengthen the refit & repair business verticals.



Directors' Report

VENDOR DEVELOPMENT

VENDOR DEVELOPMENT WITH IMPETUS TO MICRO, SMALL AND MEDIUM ENTERPRISES

Our Vendor base has played a pivotal role in the growth of GRSE and 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 has made significant improvement in production in spite of lockdown due to COVID Pandemic. This was possible with effective execution of contract management on the outsourced jobs, engagement of good capable service & supply vendor, maintaining proper vendor relation and monitoring vendor performance. To achieve this, your company has introduced vendor grievance redressal system, online performance rating system for service and supply vendor. Further, development of online vendor registration for new vendor has been undertaken in order to improve ease of registration process and minimise the registration cycle time.

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 meet the requisite standards.

During the financial year 2021-22, your Company procured items worth ₹ 589.81 crore from the MSEs, which is 64% (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 <https://grse.in/policies-for-msme/>.

Your Company has on-boarded on TReDS Platform and MSME Sambandh & MSME Samadhaan Portals complying with Government guidelines/ directives.

GOVERNMENT e-MARKETPLACE (GeM)

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

During the financial year 2021-22, your Company has achieved a purchase figure of ₹ 305 crores worth goods and services through the 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 Centre (DC) in Kolkata and Disaster Recovery Centre (DR) at Mumbai. All its local and remote locations are connected through dedicated leased lines and LAN for seamless data transfer and communication. GRSE has already mapped major business processes like Supply Chain, Finance, HR, Payroll, Vendor, Plant Maintenance etc. in SAP ERP in 2010. Total Design

Operations are covered under secured IT Platform with AVEVA CAD, VR LAB, PDM-PLM etc.

- (b) **Cyber Security:** Your Company has a well defined organisational structure for Cyber Security Management. Director (Personnel) is nominated as the Chief Information Security Officer (CISO) for the Company. Cyber Security Enhanced Awareness Training by CDAC to cyber security core group. 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. PMS (Project Monitoring System) for SVL and ASW-SWC projects have already been implemented to collaborate with Directorate of Ship Production (DSP) and Directorate of Naval Design (DND). Further, CCPM (Critical Chain Project Management) has already been implemented for two ships as a pilot project.
- (e) **Work From Home:** Secured VPN (Virtual Private Network) facilities are provided to nominated users for "Work From Home" and seamless high-end device based VC (Video Conferencing) being utilized for Video Conferencing with Internal, Ministry and External stakeholders'.
- (f) **Access Control System:** GRSE has already migrated from finger print based system to Face Recognition Based Biometric Access Control System for both permanent as well as contractual employees.
- (g) **Employee Portal:** Employee Portal has been revamped to cover various online modules like PMS (Performance Management System), e-Note Sheet, e-File Tracking, Employee Survey, Asset Tracking, Production Monitoring, QMS, Attendance, Visitor Management System, Employee document like Salary slip, PF-Pension-Tax etc.

HUMAN RESOURCE & ADMINISTRATION

The total Manpower strength under permanent roll of the Company as on 31 Mar 2022 was 1790 including 479 Officers on regular roll, 4 Officers and 39 Supervisors on Fixed Term contract.



Statements showing the representation of SC/ ST/ Women, etc., as on 31 Dec 2021 as well as the total recruitment made during the period from Jan to Dec 2021 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 more or less peaceful.

(i) Election for recognition of Trade Union as 'Sole Bargaining Agent'

The election for recognition of Trade Union as Sole Bargaining Agent was held through secret ballot method on 02 Dec 2021, and operatives posted in Main Yard, 61 Park, GRSE Bhavan, FOJ, Taratala, RBD, TTC, Belur and Regional Office-Delhi participated for electing the Sole Bargaining agent. This election was conducted by the Office of Registrar of Trade Unions, Govt. of West Bengal. In the election, Garden Reach Workshop Mazdoor & Staff Union emerged as 'Sole Bargaining Union' for 02 years w.e.f 03 Dec 21. Management made all arrangements to ensure smooth conduct of the elections.

(ii) Signing of Memorandum of Settlement with Unionised employees of DEP Unit, Ranchi

The Memorandum of Settlement (MoS) for unionized category of employees of DEP Unit, Ranchi was signed with 04 Unions representing unionized employees of DEP, Ranchi on 03 July 2021. The MoS was signed for 10 years' periodicity from 01 January 2017 to 31 December 2026. The MoS was implemented and arrears paid in the month of September 2021.

Human Resource Development

Your Company is nurturing and developing 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 2021-22, 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, 2480 training man-days were achieved through various training programmes. 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-house training programmes were also conducted by inviting faculty/ trainers from reputed institutions/agencies.

The Company has also promulgated a revised policy on Competency Mapping to develop a robust competency mapping framework at the shipyard.

Apprenticeship Training under Apprentices Act: The company has trained 260 Apprentices during FY 2021-22. Apprentices are engaged under Trade Apprentice, Graduate Apprentices and Technician Apprentice categories and their total strength is approx. 15% of total manpower strength which is over and above the statutory requirement of 2.5%. The Company has a dedicated Apprentice Training School named Technical Training Centre for conducting apprenticeship training. Apart from the technical training, various development programmes were conducted for overall personality development of the apprentices. Safety awareness training sessions were conducted for all apprentices before they are placed for on job training in the yard.

1790

Employees

479

Officers

43

(4 Officers and 39 Supervisors on Fixed Term contract)

Employee Engagement Initiatives

Outbound Teambuilding Programmes: Regular Outbound teambuilding programmes have been conducted for our employees.



Outbound Teambuilding Workshop for Officers - 'Utkarsh (III)'



Outbound Engagement Programme for Women Employees – Vanita'22



Outbound Teambuilding Workshop for Project SVL - 'Utkarsh (IV)'

GRSE Day Celebrations: The Annual Family Day 2021-22 'Ahoban' was celebrated on 03 Apr 2022. The programme generated huge interest among employees and entire shipyard was abuzz with an array of activities organized for enjoyment of family members of the employees.





New HR Initiatives

Group Safety Training Kiosk

Your company has been at the forefront of transforming the landscape of its work place. As a part of its safety cultural transformation inside shipyard, the Company has introduced a system-based safety training facility for Contractors' workmen through installation of a Group Safety Training Kiosk (GSTK) with the motto to ensure zero accident at workplace.

Employee Satisfaction Survey

Employee Satisfaction is one of the key metrics that can help determine the overall health of an organization. Online Employee Satisfaction Survey was conducted for Officers and Supervisors for the year 2021. The objective of the survey was to measure employee satisfaction at GRSE on parameters like Quality of Work Life (Work Environment), Company People Policies & Practices (Compensation/ Benefits/ Facilities), Communication, Learning & Development, Rewards & Recognition. A substantial number of employees actively participated in the survey and candidly submitted their responses. The response of the employee's satisfaction survey was analysed and many initiatives are being undertaken based on feedback captured through the survey.

Contract Labour Management Software

Your Company has installed Contract Labour Management Software (CLMS) in all the three shipbuilding units as a part of digitisation drive, to bring transparency as well as to ensure robust and real-time compliance by contractors in respect of their workmen deployed inside the factory premises.

Workplace Covid Vaccination Centre

In order to ensure better performance from the workforce during the Covid 19 pandemic situation, your Company with the support of Health Dept., Govt. of West Bengal has started Covid Vaccination Centre inside the Company's premises and provided free vaccination for permanent employees and contractors' workers.

MoD Swachhata Pakhwada

As a part of Swachh Bharat Abhiyan, GRSE observed MOD Swachhta Pakhwada from 01 Dec to 15 Dec 21 and several events/ activities were conducted inside and outside the units of GRSE. Your company was conferred the 2nd prize in DPSU Swachhta Pakhwada Competition by MoD.



PERSONS WITH DISABILITIES (PWD)

The Company extended all necessary relaxations /concessions to the employees with disabilities as per the Statute / Govt. directives. During the year 2021, the Company has recruited 01 PWD out of total recruitment of 43 employees.

EMPOWERMENT OF WOMEN

The women representation is 4.97% of the total strength in the Company at the end of the FY 2021-22. During 2021, 04 lady employees have been appointed out of 43 which is 9.3%.

SAFETY AT WORK

The Shipyard has strived to ensure safe working environment to achieve the objective of "zero accident". In order to achieve the same, systematic approach to safety management has been adopted through close monitoring and implementation of safety norms and procedures at work place. Your company has achieved a safety frequency rate of 3.02 during the year 2021-22.

INDUSTRIAL SECURITY

GRSE is a vital organisation with national importance and is classified as special security zone by both State and Central Government and the security of the establishments has got national importance. The physical security of the shipbuilding units of your Company has been entrusted to the Central Industrial Security Force (CISF). Twenty four hours water-front patrolling with armed personnel and a robust CCTV system covering all critical and important locations are in place.

OFFICIAL LANGUAGE

Your Company is committed to adhere to the Official Language (OL) policy of the Government of India (GoI). During the year 2021-22, the Company has achieved the various targets prescribed in the Annual Programme 2021-22 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.

AWARDS & RECOGNITIONS

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

- (a) **Ranking of GRSE at 'Fortune The Next 500 – 2021' list:** GRSE witnessed a phenomenal improvement in its ranking from 123rd position in 2020 with a giant leap to 40th position in 2021 in the Fortune Next 500 2021 List of companies in India.
- (b) **Recognition for GRSE Quality Circle Teams:** Four teams conferred with 'Par Excellence' award and three teams were conferred with 'Excellence' award in the National Council for Quality Circle (NCQC) 2021.
- (c) **National Awards for Corporate Excellence 2021:** In the Category - "Innovative Leader in Manufacturing" conferred on 27 Aug 21.
- (d) **Asian Leadership Award 2021 for 'CEO of the Year' in the category of Excellence in Branding and Marketing:** Asian Leadership Award 2021 for 'CEO of the Year' in the category of Excellence in Branding and Marketing.
- (e) **8th Governance Now PSU Awards:** Governance Now 8th PSU Awards in the Categories "CSR Commitment", "Digital PSU", "Research & Innovation" and "Communication Outreach" conferred to GRSE on 29 Jul 21.

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 Regulations and also the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, except with respect to the composition of Board of Directors viz. appointment of Independent Directors including a Woman Director and consequence compliances related to Statutory Committees. GRSE being a Government Company, the power to appoint Directors vests with the Government of India and the Company has provided necessary intimations to the Administrative Ministry for filling up the post of Independent Directors including that of a Woman Director. 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 "Very Good" for the year 2021-22.

In terms of Regulation 34 of the SEBI Listing Regulations 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 2021-22, 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	Dr. Biswapriya Roychoudhury	Independent Director	-	15 Aug 2021
2	Cmdr Sanjeev Nayyar, IN (Retd.)	Director (Shipbuilding)	-	31 Dec 2021
3	RAAdm Vipin Kumar Saxena, IN (Retd.)	Chairman & Managing Director	-	28 Feb 2022
4	Shri Sanjay Dattatraya Panse	Independent Director	27 Dec 2021	-

DIRECTORS RETIRING BY ROTATION

Pursuant to Section 152(6) of the Companies Act, 2013 and Article 206 and 207 of Article of Association of the Company, Shri Ramesh Kumar Dash, Director (Finance) & CFO, 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

During the financial year 2021-22, the Company has received declarations from all the Independent Directors of the 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 (IICA), 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 the prescribed time, wherever applicable.

MEETINGS OF INDEPENDENT DIRECTORS

During the year 2021-22, Meeting of Independent Directors was not held due to non-availability of requisite number of Independent Directors.

MEETINGS OF THE BOARD

Seven (07) 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 Government of India company under the Ministry of Defence. Presently, the Directors of the Company are the Presidential appointees and their remuneration is fixed in accordance with the DPE Guidelines. Accordingly, Articles 194 and 216 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

As on 31st March 2022 and during the FY 2021-22, the Audit Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations. The Independent directors of your Company are appointed by the President of India acting through the Government of India and such appointment is pending at their end.

During the year, all the agenda items which are required to be discussed at the Audit Committee were directly placed to the Board for discussion and approval.

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: -

- (a) In the preparation of the annual accounts for the year ended 31 March, 2022, 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;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31 March, 2022 and of the profit of your Company for the year ended on that date;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the Annual Accounts on a 'going concern' basis;
- (e) 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
- (f) 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 2021-22.

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 2021-22 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. Chatterjee & Co., Cost Accountants, Kolkata, as the Cost Auditors of your Company for the financial year 2021-22 to conduct audit of cost records maintained by your Company.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, the Board of your Company has appointed M/s. Vinod Kothari & Co., Practicing Company Secretaries to conduct Secretarial Audit of the Company for the FY 2021-22. 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. The Secretarial Auditor also observed that the Audit Committee and HR, Nomination and Remuneration Committee was not constituted during the Financial Year 2021-22 and also Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility & Sustainability Committee were not constituted from 15

Aug 2021 to 11 Feb 2022 due to inadequate number of Independent Directors in the Board of the Company during the FY 2021-22.

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 2021-22 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 was 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 2021-22.

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 <https://grse.in/wp-content/uploads/2022/04/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 <https://grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy-1.pdf>.

ANNUAL RETURN

In accordance with the Companies Act, 2013, the Annual Returns in the prescribed format (Form MGT-7) will be available on your Company's website at <https://grse.in/annual-returns/>.

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

GRSE believes in cultivating socially sustainable inclusive development which can contribute to build better sustainable community and touch lives of millions of people positively, specifically the marginalized segment residing in the vicinity of the production Units by undertaking CSR initiatives. In last few years, GRSE has created a positive footprint within the society to make a meaningful difference in the lives of people by continually aligning its CSR initiatives to the goals for sustainable development.

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 its Gazette notification no. G.S.R.40 (E) dated 22 Jan 2021. The revised GRSE CSR & Sustainability Policy was promulgated on 07 Sep 2021 and can be accessed on the website of the Company.

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. Keeping in view the spread of COVID-19 in India, GRSE embarked on noble ventures of Covid prevention initiatives like installation of medical oxygen generation plants and other healthcare facilities for the marginalized segment of population residing in the vicinity of the factory premises. Thrust was also given for mainstreaming the differently abled and holistic development of underprivileged tribal children including provisioning of nutritional supplements especially when this segment was hard hit by the pandemic. The Annual report on CSR projects/ activities undertaken in FY 2021-22 has been appended as **Appendix- "E"**.

RISK MANAGEMENT

103. Pursuant to the Regulation 21 of SEBI Listing Regulations, 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 Listing 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 2021-22 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 MCA vide its 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 2021-22, a total of 119 in number RTI requests through online/offline mode were received, while opening balance from previous year was brought forward to 8. A total of 96 in number RTI applications were replied to during the year and 1 in number RTI Application was transferred to other concerned Department of Govt. of India and remaining 30 in number RTI applications were taken as 'carried forward' to the year 2022-23. 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 with the provision of section 26 of the RTI Act, 2005, an In-house Awareness Programme on RTI Act was conducted during the year 2021-22.

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 17 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:

- (a) Number of complaints of sexual harassment received during the year: **Nil**
- (b) Number of complaints disposed off during the year: **Nil**
- (c) Number of complaints pending for more than ninety days: **Nil**
- (d) Number of workshops or awareness programme against sexual harassment carried out: **Two**
- (e) Number of meetings of Internal Committee conducted during the year: **Two**

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 2021-22, a total of 25 no. of public grievances through online/ offline mode were received, while opening balance of 1 no. from previous year was brought forward. All the above mentioned 26 no. of public grievances were resolved within 2021-22. Company's official website has provided a link to the PG portal to enable the citizens to file grievance 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 scrutiny 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 Two day Training Programme is being 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. The implementation of actionable points is being monitored through quarterly reports and submitted to MoD informing the status of action taken.

- (f) The following Vigilance Activities have been made online in 2022:
 - (i) Submission of Annual Property Return
 - (ii) Processing of Vigilance Clearance of employees
- (g) Agreed list was drawn up with the CBI and close liaison was also maintained with the CBI.
- (h) The Company observed Vigilance Awareness Week during 26 Oct - 01 Nov 2021 and carried outreach activities for employees and their families.
- (i) Meetings with C&MD were held with CVO at regular intervals to discuss 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 of the Company and they completed their 3 years' tenure on 25 Dec 2021. Subsequently, Shri Bam Bahadur Singh and Shri Pidatala Sridhar, IRS (Retd.) as Independent External Monitors (IEMs) for a period of three years from 26 Dec 2021 for monitoring implementation of Integrity Pact in the Company. During the Financial Year 2021-22, 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

Place: Kolkata
Dated: 26th July, 2022

Sd/-
Cmde Hari P R, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

APPENDIX - A

STATEMENT SHOWING REPRESENTATION OF SC / ST / OBC / EX-SERVICEMEN / PHYSICALLY CHALLENGED AND WOMEN EMPLOYEES AS ON 31st DECEMBER, 2021 UNDER PERMANENT & CONTRACT CATEGORIES

Group/Category	Total Strength	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	456	78	25	124	62	13	34
Group-B	30	4	1	7	8	-	2
Group-C	1235	299	43	161	63	35	32
Group-D (Excluding Safaiwalas)	96	19	9	8	1	4	26
Group-D (Safaiwalas)	12	11	-	-	-	-	-
Total	1829	411	78	300	134	52	94

APPENDIX - B

DETAILS OF RECRUITMENT MADE DURING 2021 UNDER PERMANENT CATEGORY & CONTRACT CATEGORIES (FIXED TERM / JOURNEYMEN)

Group/Category	Total Recruitment	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	13	-	2	2	6	0	2
Group-B	-	-	-	-	-	-	-
Group-C	30	9	1	9	0	1	2
Group-D (Excluding Safaiwalas)	-	-	-	-	-	-	-
Group-D (Safaiwalas)	-	-	-	-	-	-	-
Total	43	9	3	11	6	1	4

APPENDIX - “C”

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[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, 2022 (**‘Audit Period’**) in terms of the Audit Engagement Letter dated 11th September 2021. 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, 2022 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 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 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 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 the Audit Period, the Nomination and Remuneration Committee was not constituted due to inadequate number of Independent Directors on the Board as aforesaid.

4. **Composition of the Stakeholder Relationship Committee of the Board of Directors of the Company**

In terms of the provisions of the Section 178 (5) of the Act and Regulation 20(2) & (2A) of the Listing Regulations, during the period from 15 August 2021 to 10 February, 2022, the Stakeholder Relationship Committee was not constituted due to inadequate number of Independent Directors On the Board. However, as on 31st March 2022, the said Committee has been constituted as per the aforesaid provisions w.e.f. 11th February 2022.

5. **Composition of the Risk Management Committee of the Board of Directors of the Company**

In terms of the provisions of Regulation 21 of the Listing Regulations, during the period from 15 August 2021 to 10 February, 2022, the Risk Management Committee was not constituted due to inadequate number of Independent Directors on the Board. However, as on 31st March 2022, the said Committee has been constituted as per the aforesaid Regulation w.e.f. 11th February 2022.

6. **Composition of the Corporate Social Responsibility & Sustainability Committee of the Board of Directors of the Company**

In terms of the provisions of section 135 of the Act, during the period from 15 August 2021 to 10 February, 2022, the CSR Committee was not constituted due to inadequate number of Independent Directors on the Board. However, as on 31st March 2022, the said Committee has been constituted as per the aforesaid provision w.e.f. 11th February 2022.

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.

7. **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.

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.

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

Sd/-
Pammy Jaiswal
ACS No.: A48046
C P No.: 18059

UDIN: A048046D000524555
Peer Review Certificate No.: 781/2020

Place: Kolkata
 Date: 29th June 2022

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 Stakeholders Relationship Committee;
 - 1.1.3 Corporate Social Responsibility Committee;
 - 1.1.4 General Meeting;
 - 1.2 Agenda Papers for Board and Committee Meeting along with Notices;
 - 1.3 Annual Report for the Financial year 2020-21;
 - 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/-
Cmde Hari P R, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

APPENDIX - E

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

I. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Corporate Social Responsibility (CSR) at GRSE is characterized by all round development of the communities rendering in the periphery of operational areas. GRSE views CSR 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. Over the years, GRSE's CSR initiatives have played a significant role in socio-economic development of the vast stretch of underprivileged segment mostly belonging to minority community, residing in the vicinity of our production units. The CSR strategies of our Company are aimed to improve the quality of life of the local community and aligned to the national priorities to meet the basic needs of the citizens.

The CSR initiatives of the company are governed by the Companies, Act 2013, DPE and MoD guidelines and CSR & Sustainability policy of the company. GRSE's CSR Policy lays down the requisite guidelines for identifying the areas of concern and needs of the local community, framing and implementing various CSR initiatives aimed to improve the quality of life of the target group of beneficiaries in the catchment areas. In view of the amendments notified by Ministry of Corporate Affairs vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company has revised its CSR & Sustainability Policy and the same was promulgated on 07 Sep 2021. All the CSR initiatives of GRSE are undertaken in conformity with the projects / activities specified in the Schedule VII of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 as well as various Govt. directives & guidelines issued from time to time. 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. 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 2021-22

HEALTH-CARE PROJECTS

(i) Setting up 03 PSA oxygen generating plants at 03 local hospitals

The entire nation had witnessed a shortage in availability of oxygen during the second wave of Covid-19 outbreak. GRSE responded proactively to address this crisis by installing 03 medical oxygen generator plants at following three city hospitals for an overall expenditure of approx. ₹ 227 lakh:

- (a) Plant with 90 cylinders per day generation capacity at Ramakrishna Mission Seva Pratishthan was inaugurated on 19 Nov 2021.
- (b) Plant with 40 cylinders per day generation capacity at Saroj Gupta Cancer Centre & Research Institute was inaugurated on 19 Nov 2021.
- (c) Plant with 40 cylinders per day generation capacity at Bharat Sevashram Sangha hospital was inaugurated on 31 Dec 2021.

(ii) Supporting DRDO for setting up makeshift hospitals and temporary Covid care facilities in Lucknow

To cope with huge influx of patients and augment additional Covid care facilities, GRSE supported DRDO for setting up 500 bedded Atal Bihari Vajpayee COVID 19 hospital in Lucknow. Financial support of ₹50.00 lakh was given to DRDO for this project.

(iii) Supply of 50 (fifty) medical oxygen cylinders to District Administration of South 24 Parganas, West Bengal

GRSE supported the State Government in its efforts to tackle acute crisis of oxygen cylinders by providing 50 medical oxygen cylinders to Additional District Magistrate, South 24 Parganas mainly for various Covid facilities and safe homes set-up by the Govt.

(iv) Donation of ambulance to Ramakrishna Mission, Belur Math

GRSE has donated 02 ambulances to Ramakrishna Mission, Belur Math to facilitate them for transportation of patients during the challenging times of the Covid Pandemic.

(v) Holistic Development of Under privileged Tribal Children of Aspirational District

GRSE has partnered with Ramakrishna Mission, Belur Math for holistic development of approx. 520 underprivileged tribal/ rural children from interior rural areas of South 24 Parganas, Sundarbans, Ranchi & Khunti District (both aspirational districts in Jharkhand) for a period of 03 years. This project includes provision of daily nutritive food supplements, books, study material, pens, pencils, school bags, uniform, shoes, socks, footwear, medicines, sports items, personal hygiene items like toothpaste, tooth brush, soap, hair oil etc to each beneficiary. Classes are run by the monks of Ramakrishna Mission along with support staff. Periodic medical check-up, health awareness classes are also undertaken for the students. This project is aimed to provide physical, mental and educational support to the marginalised children of the society. An amount of ₹ 67.57 lakh has been spent for this project in FY 2021-22.

CSR GALLERY



MoU with Bharat Sevashram Sangha Hospital to set up Medical Oxygen Plants



Inauguration of medical oxygen plant at Saroj Gupta Cancer Centre & Research Institute, Thakurpur



MoU with Ramakrishna Mission Seva Pratishthan for Installation of 26 NM3 Capacity Medical Oxygen



MoU with Saroj Gupta Cancer Centre & Research Institute, Thakurpur to set up Medical Oxygen plants



Handing over of 50 Medical Oxygen cylinders to ADM, South 24 Parganas



Handing over of 02 Ambulance to Ramakrishna Mission, Belur Math, West Bengal

CSR GALLERY



Class room study at GAP Unit for tribal area



Conducting Health check-up camp at Gadadhar Abhyuday Prakalp (GAP) Unit for tribal area



Handing over of Cheque to Indian Institute of Cerebral Palsy (IICP), Kolkata



Skill Development activities conducted at GAP Unit for tribal area



GRSE organised Blood Donation Camp



Empowering Differently Abled Children IICP, Kolkata

(vi) Empowering Differently Abled Children

GRSE has more than a decade long association with Indian Institute of Cerebral Palsy (IICP) and has been adopting 02 Education Development Units and 01 vocational training unit. The 03 classes cover approx. 40-45 special children who have severe multiple impairments. These children suffer from severe multiple impairments having average 80% disability. They are imparted training in basic academic and life-oriented language and numeracy skills for achieving minimum level of self-reliance.

The children of Life Skill Training Unit range between the age band of 14-18 years. They are trained in pre-vocation skills like block printing, making bead & junk jewellery, paper bags / packets from newspaper, greeting cards, decorated earthen lamps, diyas, rakhis etc. Such endeavours are targeted to make these special children more self-reliant and thereby make them able for mainstream activities.

(vii) Health Check - Up Camp

'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. Health check-up camps / clinics were held in RBD unit every month from Sep 2021 to Mar 2022. Each camp caters for an average 250-300 patients. This is a much

sought-after project which is successfully continuing for last one decade and has impacted around 35,000 beneficiaries.

(viii) Blood Donation Camp

Blood donation camp was conducted in association with the Ramakrishna Mission Seva Pratishthan on 23 Feb 2022. Approx. 80 donors comprising of GRSE employees, Trade Apprentice, CISF personnel and Contractors' workers donated blood.

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.

(i) Improvement of Apprenticeship training

During FY 2021-22, the company enhanced the intake of apprentices. A total of 260 in the category of Trade Apprentice, Graduate Apprentices and Technician Apprentice were imparted training. The Apprentices were provided training on safe-working practices, on-the-job training in various shops/ departments of the company as well as basic training at the company's training facility.

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)	Dr. Biswapriya Roychaudhary ^[1] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson	2	1
(b)	Shri Sanjay Dattatraya Panse ^[2] <i>Part-Time Non-Official (Independent) Director</i>	Chairperson	2	1
(c)	Cmde Sanjeev Nayyar, IN (Retd.) ^[3] <i>Director (Shipbuilding)</i>	Member	2	1
(d)	Cmde Hari P R, IN (Retd.) <i>Director (Personnel)</i>	Member	2	2
(e)	Shri R K Dash ^[4] <i>Director (Finance)</i>	Member	2	1

^[1] Retired as Independent Director of the Company w.e.f. 15 Aug 2021 and one Meeting held during his tenure.

^[2] Admitted as a chairperson of the Committee w.e.f. 11 Feb 2022 and one Meeting held during his tenure.

^[3] Superannuated as Director Shipbuilding of the Company w.e.f. 01 Jan 2022 and one Meeting held during his tenure.

^[4] Admitted as a member of the Committee w.e.f. 11 Feb 2022 and one Meeting held during his tenure.

Note: During the financial year 2021-22, there was no CSR Committee from 15 Aug 2021 to 10 Feb 2022 due to non-availability of Independent Director.

- 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- <https://grse.in/wp-content/uploads/2022/07/Board-of-Directors-and-its-Committees-GRSE.pdf>; <https://grse.in/csr-policy/>; <https://grse.in/csr-projects-of-fy-2021-22/>
- 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) –

₹405.5 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)

₹405.5 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
₹410 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.	Setting up Medical Oxygen plant in Ramakrishna Mission Seva Pratishthan	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata & neighboring districts	100 lakh	No	Ramakrishna Mission Seva Pratishthan	CSR00006101

(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
2.	Setting up Medical Oxygen plants in Saroj Gupta Cancer Centre and Research Institute	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata.	65 Lakh	No	Saroj Gupta Cancer Centre and Research Institute	CSR00000498
3.	Setting up Medical Oxygen plants in Bharat Sevashram Sangha Hospital	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata.	61.75 Lakh	No	Bharat Sevashram Sangha Hospital	CSR00000812
4.	Supporting DRDO for setting up makeshift hospitals and temporary Covid care facilities in Lucknow	Clause – (i) promoting healthcare including preventive healthcare		PAN India		50 lakh	No	GOI	-
5.	Supply of 50(fifty) medical oxygen cylinders to District Administration of South 24 Parganas	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata and neighboring districts.	13.57 lakh	Yes	GRSE Ltd.	-
6.	Donation of two ambulances to Ramakrishna Mission, Belur Math	Clause – (i) promoting healthcare including preventive healthcare	No	Jharkhand	Ranchi and neighbouring districts.	0.27 lakh	Yes	GRSE Ltd.	-
7.	Holistic development of 259 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, (Aspirational District)	33.02 lakh	No	Ramakrishna Mission, Belur Math	CSR00006101
8.	Holistic development of 264 under privileged children from tribal areas of Ranchi, Khunti District (Aspirational District), Jharkhand and Sunderban areas of W. Bengal	Clause – (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare Clause- (ii) promoting education among children	No	Jharkhand & West Bengal	Ranchi, Khunti District (Aspirational District) of Jharkhand & Sunderban areas of W. Bengal	34.55 lakh	No	Ramakrishna Mission, Belur Math	CSR00006101
9.	Adoption of 3 classes of 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.	17.68 lakh	No	Indian Institute of Cerebral Palsy (IICP)	CSR00001730

(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
10.	Health check- up camps and blood donation camp	Clause – (i) promoting healthcare including preventive health care.	Yes	West Bengal	Metiabruz area of Kolkata,	2.93 lakh	Yes	GRSE Ltd.	-
11.	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.	28.23 lakh	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		3.00 lakh	No	GOI	-
TOTAL						410 .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)- ₹ **410 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)	405.5 lakh
(ii)	Total amount spent for the Financial Year	410 lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.5 lakh
(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)]	4.5 lakh

- IX. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

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).

- 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.-
- 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	19 Nov 2021	100 lakh	Ramakrishna Mission Seva Pratishthan located at 99, Sarat Bose Road, Kolkata - 700 026	90 cylinders per day capacity medical Oxygen generation plant at Ramakrishna Mission Seva Pratishthan	Ramakrishna Mission Seva Pratishthan located at 99, Sarat Bose Road, Kolkata - 700 026
2.	19 Nov 2021	65 lakh	Saroj Gupta Cancer Centre & Research Institute located at Mahatma Gandhi Road, Thakurpukur, Kolkata – 700063	40 cylinders per day capacity medical Oxygen generation plant at Saroj Gupta Cancer Centre & Research Institute	Saroj Gupta Cancer Centre & Research Institute located at Mahatma Gandhi Road, Thakurpukur, Kolkata – 700063
3.	31 Dec 2021	61.75 lakh	Bharat Sevashram Sangha Hospital, located at Diamond Harbour Road, Joka, Pailan, Kolkata- 700104	40 cylinders per day capacity medical Oxygen generation plants at Bharat Sevashram Sangha Hospital	Bharat Sevashram Sangha Hospital, located at Diamond Harbour Road, Joka, Pailan, Kolkata- 700104
4.	22 Jan 2008	Rs. 0.27 lakh	Ramakrishna Mission, Belur math at Belur, P.O. Belur Math, P.S. – Bally, District - Howrah, West Bengal - 711202	02 Maruti Omni ambulances	Ramakrishna Mission, Belur math at Belur, P.O. Belur Math, P.S. – Bally, District - Howrah, West Bengal – 711202

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/-
Shri Sanjeeb Mohanty
 Chairperson, CSR & SD Committee
 DIN: 09559883

Sd/-
Cmde Hari P R, IN (Retd.)
 Chairman & Managing Director
 DIN No. 08591411

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY SCENARIO

1.1 Global Scenario

Shipbuilding

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.

The market is being driven by global events and technological developments such as growing tensions in the Asia-Pacific region that have already resulted in an increased emphasis on naval modernization programs and a resurgence of submarine inventory proliferation by countries in the region as well as NATO and the United States. These tensions are predominantly generated by Chinese threats of expansionism into the East and South China Seas, especially over the “nine-dash line”, and a large majority of global maritime trade passing through the region.

However, market growth is 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.

Ship Repair

Global ship repair market is currently dominated by shipyards in China, Singapore and Middle East largely due to the availability of a skilled workforce and latest technology. The global market for ship repair and maintenance service is expected to witness significant growth, reaching a market value of USD 40 Billion by 2030 supported by developments in the markets in South East Asia and India. Though India's share in global ship repair is less than 1%, the country's location is favourable with 7% to 9% of the global trade passing within 300 NM of the coastline. Additionally, India is poised well to offer repair services to Indian Navy and the allies US Navy's 5th and 7th fleet in Indian Ocean & Arabian Sea.

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.

The untapped potential in the Indian ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kind of vessels. Other reasons of cost disadvantages include high cost of financing, lack of supply of ship spares in India and technology related issues increasing ship repair execution cycle time. To address the above gaps, under MIV 2030 the government is giving a strong push with initiatives such as channelizing the domestic demand leveraging *Atmanirbhar* Policy, increase and improve infrastructure through better access to financial instruments, ease of doing business and improve efficiencies by creating free trade depots, maritime clusters etc.

Ship repair industry being labour intensive, India has got the advantage of having strong work force to cater for the requirement. However, the untapped potential in the Indian ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kinds of vessels.

2. ORGANISATION STRUCTURE

GRSE is primarily associated with design and construction of warships for Indian Navy & Indian Coast Guard. 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.

GRSE has created its Ship Repair Division focusing on ship repair business both in commercial and defence sphere.

In exploring new business opportunities in Ship repair & refit of defence and commercial segment, GRSE has signed a Concession Agreement with Syama Prasad Mookherjee Port, Kolkata (SMPK). The agreement aims to play a vital role in abetting the strategic growth plans for both the companies in addition to the revenue generation from the ship repair and refit work of Defence and Commercial segments, predominantly in the Eastern Region. This collaboration will also contribute to the future strategy of GRSE to take on additional shipbuilding activities including repair & refit of ships.

3. PRODUCTS AND SERVICES

Being a Defence PSU, GRSE is primarily engaged in construction of warships for Indian Navy and 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.

GRSE has built around 788 platforms which include 107 warships to Indian Navy, Indian Coast Guard, Govt. of Mauritius & Govt. of Seychelles which is the highest number of warships built & delivered by any shipyard in the country. From building of 05-ton boats to 24600-ton Fleet Tanker, GRSE has proved its mettle as a pioneer warship builder of the nation. Over the years, GRSE has established well proven capabilities for in-house ship design & ship building and has made significant contribution to the success of indigenous warship construction program by successfully designing and building a multitude of complex warships such as Frigates, Anti-Submarine Warfare Corvettes, Missile Corvettes, Fleet Tanker, Landing Ship Tank (Large), Landing Craft Utility (LCU), Offshore Patrol Vessel, Fast Patrol Vessels, Inshore Patrol vessel, Water Jet Fast Attack Crafts, etc.

Apart from shipbuilding & ship repairs, GRSE has diversified into Engineering Business. Engineering product profile includes pre-fabricated steel bridges of various ranges & types, various deck machinery items such as Anchor Capstans, Boat Davits, Pumps etc. The Engine Division of the company is involved in Assembly/ Testing/ Overhauling of MTU Diesel Engines.

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 eco 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 Shipyards 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 2021-22, your Company has bagged the export contract for 06 Patrol/ Surveillance Boats for Govt. of Bangladesh for a Value of 1.82 Million USD (₹13.66 crore approx.). The contract was signed on 01 Jul 2021. This is the first export order from Bangladesh through global competitive bidding.

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) followed by a concession agreement have been signed between GRSE & SMP (KoPT) to develop and utilize 03 existing dry docks of SMP which are strategically located. Based on the Concession Agreement, the facility named GRSE-KPDD Unit was inaugurated and taken over from SMPK by GRSE on 01 Dec 21. The close proximity of this facility provides a boost to the Ship repair efforts of GRSE. Docking and repair /refit of commercial ships were successfully done in this newly acquired facility during FY 2021-22. Another credible achievement in the domain of ship repair is the completion of the repair/ refit work of an Offshore Patrol Vessel for Govt. of Mauritius in Oct 2021.

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

The Company maintains adequate internal controls, appropriate to the nature and size of the business. The internal control 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, 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 each of its functions, to ensure integrity in conducting its business, ensuring compliance with policies, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors. The efficacy of the various policies is evaluated for the dynamic and evolving business environment. Process owners are responsible to ensure compliance with these policies and procedures. Continuous internal monitoring mechanisms ensure timely identification of risks and issues.

The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies. The Audit Committee of the Board reviews the annual internal audit plan covering core business operations, corporate departments as well as support functions and significant audit observations are reported to the Audit Committee of Board of Directors. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Company is also subject to Audit by Comptroller & Auditor General of India. The Audit Committee reviews adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

10. RISK MANAGEMENT

The Company has in place a Board approved Risk Management Policy and Charter and implemented a structured risk management system. The Company's Enterprise Risk Management ('ERM') process is based on ISO 31000 standards. Risk Management Committee ('RMC') of the Board provides oversight and sets the tone for implementing the ERM framework across the organisation. It reviews the status of key risks, progress of ERM implementation across locations, as well as risk governance. 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 RMC & 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 Committee updates the Board from time to time on risk management and mitigation 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 2022 are as follows:

(₹ in crore)

Particulars	As on 31 Mar 2022	As on 31 Mar 2021
Gross Income	1,918.17	1,326.56
Revenue from Operations	1,757.51	1,140.83
Value of Production	1,748.34	1,132.76
Gross Margin	293.71	236.89
Profit Before Exceptional Items & Tax	264.93	227.87
Exceptional Item	(7.69)	(20.75)
Profit Before Tax	257.24	207.12
Tax Expense	67.71	53.65
Profit After Tax	189.53	153.47
Net Worth	1,257.89	1,137.12
Book Value per Share (in ₹)	109.80	99.27
Earnings Per Share (in ₹)	16.55	13.40
Dividend Per Share (in ₹)	5.80	5.00

Ratios Analysis:

Ratios	As at 31 March, 2022	As at 31 March, 2021	% of Variance
Debtors Turnover	10.55	3.20	230%
Inventory Turnover	1.68	1.79	-6%
Interest Coverage Ratio	384.39	347.39	11%
Current Ratio	0.93	0.99	-6%
Debt Equity Ratio	0.008	0.002	300%
Operating Profit Margin (%)	6	4	50%
Net Profit Margin (%)	11	13	-15%
Return on Net Worth (%)	15	13	15%

(₹ in crore)

Import and Export	As on 31 Mar 2022	As on 31 Mar 2021
Imports made during the year	194.88	78.89
Exports made during the year	60.94	87.49

- **Debtor Turnover:** Debtors turnover ratio in FY 21-22 has been improved to 10.55 as compared to 3.20 in FY 20-21. Payment of ₹ 320 Crore of Yard 3020 which delivered in Feb 2020 and other projects were outstanding as at 31.03.2020, and the same were realized during FY 20-21 which is reflected in as overall reduction of average trade receivables by 53 % in FY 21-22 from FY 20-21.
- **Debt Equity Ratio:** Debt of the current year increased substantially from 2.01 Crore in FY 20-21 to 9.74 Crore in FY 21-22 due to increase in the lease holdings of properties for the company from KOPT and EESL and the same has reflected in variation of the ratio.
- **Operating profit margin:** Operating Profit in FY 21-22 has been increased to ₹ 104.27 Crore from ₹ 42.14 Crore in Previous year with a growth of 147%. Operating profit margin has been improved due to effective cost control and internal efficiency and fixed expenses are reduced comparatively.
- **Return on Net Worth:** During the current financial year, the Company has registered a growth of 54% in Revenue from Operation and Net profit has also been improved significantly by 24%. Ultimately the same has resulted into improvement in return on Net worth. Net Worth has increased from ₹1,137.12 crore in 2020-21 to ₹ 1,257.89 crore in 2021-22, with an increase of 10.62%.

- **Gross Revenue** registered a rise of 44.60 % from ₹ 1,326.56 crore in 2020-21 to ₹ 1,918.17 crore in 2021-22.
- **Value of Production** has increased from ₹ 1,132.76 crore in 2020-21 to ₹ 1,748.34 crore in 2021-22.
- **Net Profit (PBT)** registered a rise of 24.20 % from ₹ 207.12 crore in 2020-21 to ₹ 257.24 crore in 2021-22.
- **Value Addition per Employee** has increased from ₹25.00 lakh in 2020-21 to ₹31.00 lakh in 2021-22.
- **Book Value per share** has increased from ₹99.27 in 2020-21 to ₹ 109.80 in 2021-22.

12. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' report.

13. MANPOWER

The employee strength of your Company was 1790 persons as on 31 Mar 2022.

Total Employees as on 31 Mar 2022	Officers	Supervisors	Office Assistants	Direct	Workmen Indirect	Total
1790	483	146	61	869	231	1100

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 2021-22)

ADOPTED CORPORATE GOVERNANCE PHILOSOPHY

1. Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practices. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's governance philosophy. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.
2. The Company is in compliance with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as applicable, with regard to Corporate Governance and the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (DPE Guidelines).

BOARD OF DIRECTORS

3. In terms of the Companies Act, 2013, your Company is a 'Government Company' as 74.50% of the total paid-up capital is being held by President of India. Your Company being a Government Company, the appointment/ tenure of all Directors

is done by the President of India, through the Ministry of Defence. Directors are not *inter se* related to each other.

4. 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

5. 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 2022, 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 04 Directors comprising 02 Whole-Time Directors, 01 Government Nominee Director and 01 Part-Time Non-Official (Independent) Director.

6. The details of the Members of the Board of Directors of your Company during the period from 01 Apr 2021 to 31 Mar 2022 are given below:

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies [#]		No. of Board Committee positions held in other Companies ^{##}		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	
Whole-Time Directors						
RAdm Vipin Kumar Saxena ^[1] IN (Retd.) <i>Chairman & Managing Director</i>	01 Mar 2017	-	-	-	-	-
Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i>	01 Jul 2020	-	-	-	-	-
Cmde Sanjeev Nayyar ^[2] IN (Retd.) <i>Director (Shipbuilding)</i>	16 Dec 2017	-	-	-	-	-
Cmde Hari P R ^[3] IN (Retd.) <i>Director (Personnel)</i>	21 Oct 2019	-	-	-	-	-
Government Nominee Director (Non-Executive)						
Shri Surendra Prasad Yadav <i>Joint Secretary (Naval System)</i>	14 Sep 20	-	3	-	-	Bharat Earth Movers Limited (Government Nominee Director, Non-Executive)

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies [#]		No. of Board Committee positions held in other Companies ^{##}		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	

Part-Time Non-Official (Independent Directors) (Non-Executive)

Dr. Biswapriya Roychoudhury ^[4]	15 Aug 2018	-	-	-	-	-
Shri Sanjay Dattatraya Panse ^[5]	27 Dec 2021	-	2	-	2	-

[#] Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

^{##} In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015, Membership / Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee are considered.

^[1] Completed his tenure as Chairman & Managing Director of the Company on 28 Feb 2022

^[2] Superannuated as Director (Shipbuilding) of the Company w.e.f. 01 Jan 2022

^[3] The Government has entrusted the Additional Charge of the post of Chairman & Managing Director of the Company w.e.f. 01 Mar 2022

^[4] Completed his tenure as Independent Director of the Company w.e.f. 15 Aug 2021

^[5] Appointed as an Independent Director of the Company w.e.f. 27 Dec 2021

7. One (1) Part-Time Non-Official Director (Independent Director) has been inducted to the Board of Directors during the year under review. Brief Resume of the newly appointed Director is provided below:

Shri Sanjay Dattatraya Panse

Shri Sanjay Panse (DIN: 02725875) is a Fellow Chartered Accountant and also the founder and Senior Partner of S Panse & Co LLP, Chartered Accountants., Mumbai. He has experience of over 35 years, and a professional of repute having vast experience in the Financial and Capital Market.

He has deep understanding of Accounting, Audit and functioning of Financial Markets Sector Participants and has spearheaded practice of S Panse & Co LLP in the area of Audit, Quality Assurance Services, Due Diligence, Internal Audits, Advisory Services to the Mutual funds, Portfolio Managers, Banks, Insurance Companies and Other Intermediaries in Capital Market. He is a frequent speaker and writer on Economic and Financial Matters. He has served as Independent Director on the board of various companies.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships:

Sl. No.	Name of the Companies / bodies corporate / firms / association of individuals	Nature of interest or concern / Change in interest or concern	Date on which interest or concern arose / changed
1	ECA Trading Services Limited	Independent Director	28/06/2016
2	SBICAP Trustee Company Limited	Independent Director	29/09/2021
3	Saraswat Infotech Private Limited	Independent Director	13/08/2008

Committee Membership of other Companies:

Sl. No.	Name of Company	Nature of Directorship	Whether a Member of Audit Committee	Whether a Chairperson of Audit Committee	Whether a Member of Stakeholder Relationship Committee	Whether a Chairperson of Stakeholder Relationship Committee	Details of membership/ chairmanship in other Committees
1	ECA Trading Services Limited	Independent Director	Yes	No	No	No	Member, Nomination and Remuneration Committee
2	SBICAP Trustee Company Limited	Independent Director	Yes	No	No	No	Nil
3	Saraswat Infotech Private Limited	Independent Director	No	No	No	No	Nil

8. Four (4) new Directors have been inducted to the Board of Directors of the Company after the financial year ended 31 Mar 2022. Brief Resume of the newly appointed Directors are provided below:

Shri Sanjeeb Mohanty

Shri Sanjeeb Mohanty (DIN 0955988) was appointed as a Part-Time Non-Official Director (Independent Director) on the Board of the Company for a term of three (3) years with effect from 06 April 2022. He has completed BA degree from Utkal University in the year 1984 and law graduation from University Law College, Bhubaneswar, Odisha, India, and enrolled as a member of Odisha State Bar Council in the year 1990. He is a practicing advocate having more than 32 years' of experience in the State of Odisha, India. His broader areas of practice are criminal and civil law. He regularly appears before High Court, District Courts/ Sessions Courts, and other forums.

He has served as President of Odisha Cooperative Tassar and Silk Federation Limited (SERIFED), Govt. of Odisha from 2002-2008. Further, he is a social activist from his college days.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

Smt. Darshana Singh

Smt. Darshana Singh, (DIN 09567496) was appointed as a Part-Time Non-Official Director (Independent Director) on the Board of the Company for a term of three (3) years with effect from 12 April 2022. She has completed M.A. in History from V B S Purvanchal University, Uttar Pradesh in the year 1996 and Post Graduate Diploma in Journalism from Allahabad University in the year 2006. Further, she is a dedicated social worker.

However, Smt. Darshana Singh vide her letter dated 30 May 2022 has tendered her resignation from the post of Part-time Non-Official Director (Independent Director) on the Board of the Company with immediate effect. In her resignation letter, she has mentioned that due to upcoming new roles and responsibilities, she would not be able to justify her role and position of Part-Time Non-Official Director (Independent Director) in the Company. Further, she has confirmed that there is no material reason for her resignation other than mentioned above. The letter was received through email on 01 Jun 2022. The effective date for her resignation has been considered as 01 Jun 2022 as the letter received on that date.

Cdr. Shantanu Bose, IN (Retd.)

Cdr. Shantanu Bose, IN (Retd.) (DIN: 09631817) has assumed the charge of Director (Shipbuilding) of our Company w.e.f 08 Jun 2022. Cdr. Shantanu Bose, IN (Retd.), after serving in the Indian Navy for 23 years, joined Garden Reach Shipbuilders & Engineers Limited (GRSE) in 2013. Cdr Bose is a highly qualified and experienced naval architect who has been in charge of several projects undertaken by GRSE since 2013. Before assuming charge as Director (Shipbuilding), he was working as General Manager (MW & P17A).

He has completed his B. Tech in Naval Architecture & Shipbuilding from Cochin University of Science and Technology, and

Diploma from IIT, Delhi. He also holds Post Graduate Diploma in Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. Further, he holds membership of the Institution of Engineering (India) and Institution of Naval Architecture.

Cdr. Shantanu Bose, IN (Retd.) has deep technical insight and hands on working experience in all aspects of Shipbuilding, managing men, and motivating them to take on new challenges has been his forte. In GRSE, he has been the forefront of adoption of the Integrated Construction (IC) methodology, usage of the Virtual Reality Laboratory (VRL) for design and the Product Data Model (PDM) & Product Life Cycle Management (PLM). His current focus areas include R&D Projects and greater thrust towards Indigenization. The infrastructure upgradation planning, execution and exploitation of the RBD Unit of GRSE has been done under his oversight. It is now being exploited gainfully for the construction of ongoing projects.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

Cmde Hari P R, IN (Retd.)

Cmde Hari P R, IN (Retd.) (DIN: 08591411) having an experience of over 33 years, assumed charge as Chairman & Managing Director of the Company w.e.f. 10 Jun 2022. Before assuming charge as C&MD of the Company, he was working as Director (Personnel) of the Company w.e.f. 21 Oct 2019. He has over 28 years of commissioned service in the Indian Navy with varied experience onboard warships, Naval repair Organizations' 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 alumni of the Defence Services Staff College, Wellington, the officer has also undergone the 5th Higher Defence Orientation Course at AWC Mhow, and the prestigious Naval Higher Command Course at the Naval War College, Goa.

Cmde Hari P R, IN (Retd.) has joined the Company as Chief General Manager in 2016 and has been in charge of Production Planning of all the new construction ships built at the shipyard. During the tenure of Cmde Hari P R, IN (Retd.) as Director (Personnel), he was headed the Human Resources & Administration, Corporate Planning and technical functions of the Company.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

KEY BOARD EXPERTISE AND SKILLS

9. 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.

10. 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.

11. 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	√	√	√	√	-	√
Shri Sanjay Dattatraya Panse	√	√	√	√	-	√

BOARD PROCEDURE

12. 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.
13. 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

14. During the year 2021-22, seven (07) Board Meetings were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	17 May 21	06	06
2.	26 Jul 21	06	06
3.	13 Aug 21	06	06
4.	08 Oct 21	05	05
5.	13 Nov 21	05	04
6.	24 Dec 21	05	05
7.	11 Feb 22	05	05

15. The maximum interval between any two Board Meetings held during the year was (73) days. Details of Directors' attendance at the Board Meetings and Annual General Meeting held during the FY 2021-22 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 10 Sep 21
	17 May 21	26 Jul 21	13 Aug 21	08 Oct 21	13 Nov 21	24 Dec 21	11 Feb 22		
RAdm Vipin Kumar Saxena ^[1]								100	
Cmde Sanjeev Nayyar ^[2]							NA	100	
Shri Ramesh Kumar Dash								100	
Cmde Hari P R								100	
Shri Surendra Prasad Yadav					×			85.7	NA
Dr. Biswapriya Roychoudhury ^[3]				NA	NA	NA	NA	100	NA
Shri Sanjay Dattatraya Panse ^[4]	NA	NA	NA	NA	NA	NA		100	NA

- Present × - Absent NA - Not Applicable

^[1] Completed his tenure as Chairman & Managing Director of the Company on 28 Feb 2022.

^[2] Superannuated as Director (Shipbuilding) of the Company on 31 Dec 2021.

^[3] Completed tenure as Independent Director of the Company w.e.f. 15 Aug 2021.

^[4] Appointed as an Independent Director of the Company w.e.f. 27 Dec 2021.

COMMITTEES OF THE BOARD

16. Currently, the Board has constituted ten (10) 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) Stakeholders Relationship Committee;
- (e) Risk Management Committee
- (f) Project Review Sub-Committee;

(g) Procurement Committee;

(h) Business Strategy & Capacity Augmentation Committee;

(i) MoU Committee;

(j) Legal Committee

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

MANDATORY COMMITTEES OF THE BOARD

Audit Committee

18. As on 31st March 2022 and during the FY 2021-22, the Audit Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with Section 177 of the Companies Act, 2013,

the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations.

19. 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.
20. 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.
21. 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. Further, all the recommendations made by the Audit Committee are placed before the Board.
22. During the year 2021-22, no meeting of Audit Committee could be held.

HR, Nomination and Remuneration Committee

23. As on 31st March 2022 and during the FY 2021-22, the HR, Nomination and Remuneration Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with Section 178 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations. Hence, no meeting of HR, Nomination and Remuneration Committee could be held.
24. However, the terms of reference of HR, Nomination and Remuneration Committee are as follows: -
 - (a) To decide the annual bonus / variable pay pool Performance Related Pay (PRP) and policy for its distribution across the executives (including Board Level executives) and non-unionised supervisors within the prescribed limits for each financial year;
 - (b) To examine all the proposals related to HR issue and give its recommendations;
 - (c) The recommendations of the HR, Nomination and Remuneration Committee are placed before the Board of Directors for approval.

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

25. 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.

26. 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.
27. The composition of the CSR & SD Committee of the Board of Directors as on 31 Mar 2022 is as follows:

(a) Shri Sanjay Dattatraya Panse ^[1]	Chairperson
<i>Part-Time Non-Official (Independent) Director</i>	
(b) Shri R K Dash ^[2]	Member
<i>Director (Finance) & CFO</i>	
(c) Cmde Hari P R, IN (Retd.)	Member
<i>Director (Personnel)</i>	

^[1] Admitted as a chairperson of the Committee w.e.f. 11 Feb 2022

^[2] Admitted as a member of the Committee w.e.f. 11 Feb 2022

28. The Company Secretary is Secretary to the Committee.
29. During the financial year 2021-22, two (2) Meetings of the CSR & SD Committee were held. The attendance of the members at the CSR & SD Committee meetings during the financial year 2021-22 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	04 Aug 21	16 Mar 22	
Dr. Biswapriya Roychoudhury ^[1]		NA	___ 100
Shri Sanjay Dattatraya Panse ^[2]	NA		___ 100
Cmde Sanjeev Nayyar ^[3]		NA	___ 100
Cmde Hari P R			___ 100
Shri R K Dash	NA		___ 100

 - Present; x - Absent; NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 15 Aug 2021.

^[2] Admitted as a Chairperson & member of the Committee w.e.f. 11 Feb 2022.

^[3] Superannuated as Whole-time Director of the Company on 31 Dec 2021.

Stakeholders Relationship Committee

30. 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.
31. 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.
32. The composition of the Stakeholders Relationship Committee of the Board of Directors as on 31 Mar 2022 is as follows:

(a)	Shri Sanjay Dattatraya Panse <i>Part-Time Non-Official (Independent) Director</i> ^[1]	Chairperson
(b)	Cmde Hari PR <i>Director (Personnel)</i>	Member
(c)	Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i>	Member

^[1] Admitted as a chairperson & member of the Committee w.e.f. 11 Feb 2022

33. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee, and he is also the Compliance Officer.
34. During the year 2021-22, two (2) 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 2021-22 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	04 Aug 21	16 Mar 22	
Dr. Biswapriya Roychaudhry ^[1] Part-Time Non-Official (Independent) Director		NA	___ 100

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	04 Aug 21	16 Mar 22	
Shri Sanjay Dattatraya Panse ^[2] Part-Time Non-Official (Independent) Director	NA		___ 100
Cmde Hari PR Director (Personnel)			___ 100
Shri Ramesh Kumar Dash Director (Finance) & CFO			___ 100

^[1] Ceased as Independent Director of the Company w.e.f. 15 Aug 2021

^[2] Admitted as a Chairperson & Member of the Committee w.e.f. 11 Feb 2022

35. Status of Investor Complaints as on 31 Mar 2022 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on 01 Apr 2021	0
Received during the year	0
Resolved during the year	0
Not solved to the satisfaction of shareholders	0
Pending as on 31 Mar 2022	0

Risk Management Committee

36. The Risk Management Committee was constituted in line with the Regulation 21 of the SEBI Listing Regulations.
37. The roles and responsibilities of the Risk Management Committee include the following:
- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber-security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks;
 - Business continuity plan.
 - To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; 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 periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (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 keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; assist the Board in setting risk strategies, policies, framework, models and procedures.
- (vii) The appointment and removal of the Chief Risk Officer (if any) shall be recommended / reviewed by the Risk Management Committee.
- (viii) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

38. The composition of the Risk Management Committee of the Board of Directors as on 31 Mar 2022 is as follows:

(a)	Cmde Hari P R, IN (Retd.) Director (Personnel)	Chairperson
(b)	Shri Sanjay Dattatraya Panse ^[1] Part-Time Non-Official (Independent) Director	Member
(c)	Shri R K Dash, Director (Finance) & CFO	Member
(d)	Shri Subrato Ghosh Chief Risk Officer	Member
(e)	Shri S Ghose Choudhury Risk Coordinator	Member Secretary

^[1] Admitted as a member of the Committee w.e.f. 11 Feb 2022

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

40. During the year 2021-22, two (2) Meetings of the Risk Management Committee were held. The attendance of the members at the Risk Management Committee during the financial year 2021-22 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	13 Aug 21	16 Mar 22	
Cmde S Nayyar, IN (Retd.) ^[1] Director (Shipbuilding)		NA	___ 100

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	13 Aug 21	16 Mar 22	
Cmde Hari P R, IN (Retd.) Director (Personnel)			___ 100
Shri R K Dash Director (Finance) & CFO			___ 100
Shri Biswapriya Roy Choudhury ^[2] Part-Time Non-Official (Independent) Director		NA	___ 100
Shri Sanjay Dattatraya Panse ^[3] Part-Time Non-Official (Independent) Director	NA		___ 100
Shri Subrato Ghosh Chief Risk Officer			___ 100
Shri S Ghose Choudhury Risk Coordinator			___ 100

 - Present × - Absent NA - Not Applicable

^[1] Superannuated as Whole-time Director of the Company w.e.f. 01 January 2022

^[2] Ceased as Independent Director of the Company w.e.f. 15 August 2021

^[3] Admitted as a member of the Committee w.e.f. 11 Feb 2022

OTHER COMMITTEES OF THE BOARD

Procurement Committee

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

- (a) 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.
- (b) 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.
- (c) 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.

- (d) All the procurement proposals approved by Procurement Committee are placed before the Board for information.

42. The composition of the Procurement Committee of the Board of Directors as on 28 Feb 2022 is as follows:

(a)	RAdm V K Saxena, IN (Retd.) Chairman & Managing Director ^[1]	Chairperson
(c)	Shri Sanjay Dattatraya Panse Part-Time Non-Official (Independent) Director ^[2]	Member
(d)	Cmde Hari P R, IN (Retd.), Director (Personnel)	Member
(e)	Shri Ramesh Kumar Dash, Director (Finance) & CFO	Member

^[1] Retired as Chairman & Managing Director of the Company w.e.f. 01 March 2022.

^[2] Admitted as a member of the Committee w.e.f. 11 Feb 2022.

43. The composition of the Procurement Committee of the Board of Directors as on 31 Mar 2022 is as follows:

(b)	Cmde Hari P R, IN (Retd.) Chairman & Managing Director (officiating) & Director (Personnel) ^[1]	Chairperson
(c)	Shri Sanjay Dattatraya Panse Part-Time Non-Official (Independent) Director ^[2]	Member
(e)	Shri Ramesh Kumar Dash, Director (Finance) & CFO	Member

^[1] Admitted as a Chairperson & Member of the Committee w.e.f. 01 Mar 2022

^[2] Admitted as a member of the Committee w.e.f. 11 Feb 2022.

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

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

46. During the financial year 2021-22, four (4) Meetings of the Procurement Committee were held. The attendance of the members at the Procurement Committee meeting during the financial year 2021-22 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors				% of attendance
	07 May 21	09 Sep 21	30 Dec 21	16 Mar 22	
RAdm Vipin Kumar Saxena ^[1]				NA	100
Shri Surendra Prasad Yadav ^[2]	NA		×	NA	50
Shri R K Dash					100
Cmde Hari P R ^[3]	NA	NA	NA		100

Name of the Director	Meeting held and attended during respective Tenure of Directors				% of attendance
	07 May 21	09 Sep 21	30 Dec 21	16 Mar 22	
Cmde Sanjeev Nayyar ^[4]				NA	100
Dr. Biswapriya Roychoudhury ^[5]		NA	NA	NA	100
Shri Sanjay Dattatraya Panse ^[6]	NA	NA	NA		100

- Present × - Absent NA - Not Applicable

^[1] Retired as Chairman & Managing Director of the Company w.e.f. 01 March 2022.

^[2] Admitted as member of the Committee w.e.f. 13 Aug 2021.

^[3] Admitted as member of the Committee w.e.f. 11 Feb 2022.

^[4] Superannuated as Whole-time Director of the Company w.e.f. 01 January 2022.

^[5] Ceased as Independent Director of the Company w.e.f. 15 Aug 2021.

^[6] Admitted as member of the Committee w.e.f. 11 Feb 2022

MoU Committee

47. 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.

48. Due to non-availability of requisite number of Independent Directors on the Board of the Company, MoU Committee could not be reconstituted during the financial year 2021-22. Hence, no meeting of MoU Committee was held.

Project Review Sub-Committee

49. The Project Review Sub-Committee could not be reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company during the financial year 2021-22. Hence, no meeting was held during the year.

50. The Project Review Sub-Committee of the Board of Directors is 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.

Business Strategy and Capacity Augmentation Committee

51. 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 constitute 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.

52. 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.
53. The recommendations of the Committee are placed before the Board for consideration and approval.
54. Due to non-availability of Independent Directors on the Board of the Company, the Business Strategy and Capacity Augmentation Committee could not be reconstituted during the financial year 2021-22 and no Meeting of the Committee was held.

Legal Committee

55. 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.
56. The Board could not reconstitute the Legal Committee during the financial year 2021-22, due to non-availability of Independent

Directors on the Board of the Company. Hence, no committee meeting was held.

Appointment and Remuneration of Whole-Time Directors

57. 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.
58. 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 of 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 i.e. Performance Related Pay (PRP) are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

59. The details of remuneration of Whole-Time Directors during the FY 2021-22 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.) ^[1] Chairman & Managing Director	42.75	0.79	15.25	2.64	61.43
Cmde S Nayyar, IN (Retd.) ^[2] Director (Shipbuilding)	29.90	3.34	4.73	2.05	40.02
Cmde Hari P R, IN (Retd.) Director (Personnel)	42.06	6.49	6.22	1.64	56.41
Shri Ramesh Kumar Dash Director (Finance) & CFO	31.88	2.91	4.74	-	39.53

*Salary includes arrears

^[1] Completed tenure as Chairman & Managing Director of the Company on 28 Feb 2022

^[2] Superannuated as Director (Shipbuilding) of the Company on 01 Jan 2022

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

Appointment and Remuneration of Part-Time Directors

61. 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.
62. 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.
63. The criteria for making payments to Non-Executive Directors of the Company are disclosed on the Company's website at <https://grse.in/wp-content/uploads/2022/04/Terms-and-Conditions-of-Appt-of-Non-Executive-Directors.pdf>

64. The sitting fees paid to the Independent Directors during the FY 2021-22 is as follows: (₹ in lakh)

Name of Independent Director	Board Meetings	Committee Meetings	Total Remuneration
Dr. Biswapriya Roychoudhury	0.60	0.60	1.20
Shri Sanjay Dattatraya Panse	0.20	0.60	0.80

65. 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.
66. Non-Executive Directors do not hold any Shares in the Company during the Financial Year 2021-22.

Evaluation Criteria

67. 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.

Independent Directors' Meeting

68. During the year 2021-22, Meeting of Independent Directors could not be held due to non-availability of requisite number of independent directors.

Confirmation of Independence of the Independent Directors

69. 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.
70. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations and are independent of the management.

ANNUAL GENERAL MEETINGS

71. 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
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
2020-21	10 Sep 21 0.30 Hrs.	Registered Office at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	No special resolution passed in the meeting

POSTAL BALLOT

72. 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

73. No postal ballot was conducted during the FY 2020-21 and FY 2021-22.
74. None of the business proposed to be transacted at the ensuing AGM requires the passing of a Special Resolution through Postal Ballot.

Procedure for Postal Ballot

75. The postal ballot is conducted in accordance with the provisions contained in Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, with Rules framed thereunder and Circulars issued by the Ministry of Corporate Affairs. 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 and SEBI Listing Regulations.
76. Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot form 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 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

77. 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.

78. Details of the familiarization programme for Independent Directors can be accessed at <https://grse.in/wp-content/uploads/2022/06/Familiarisation-Programme-2021-22.pdf>

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

79. 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 2022. 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

80. 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 <https://grse.in/wp-content/uploads/2022/08/Insider-Trading-Code-GRSE.pdf>

SHAREHOLDER INFORMATION

81. 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

82. (a) **Conflict of Interest:** During the year 2021-22, 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 2021-22, 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 <https://grse.in/wp-content/uploads/2022/04/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 <https://grse.in/wp-content/uploads/2022/04/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 held 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 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, due to non-availability of Audit Committee, no personnel have been denied access to the Members of the Board of Directors or the Chairman & Managing Director of the Company.

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	2021-22	2020-21
(a)	Total Expenditure (Other than materials)	709.29	616.19
(b)	Administrative & Office Expenses	6.02	5.38
(c)	Percentage of (b) on (a)	0.85	0.87
(d)	Finance expenditure as a % of total expenditure	0.04	0.06

- (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 ₹38,13,760/- imposed by NSE vide its notice(s) dated 15 Feb 21, 17 May 21, 20 Aug 21, 22 Nov 21, 21 Feb 22, for not having requisite number of Independent Directors and Woman Independent Director, and not having Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Risk Management Committee on the Board of Directors of the Company for the period ended 31 Dec 20, 31 Mar 21, 30 Jun 21, 30 Sep 21, 31 Dec 21, as required under Regulation 17(1), 17 (2A), 18(1), 19(1)/19(2), 20 and 21 of the SEBI Listing

Regulations. Further, fine amounting to ₹28,52,060/- has also been imposed by BSE vide its notice(s) dated 20 Aug 21, 22 Nov 21, 21 Feb 22, for the period ended 30 Jun 21, 30 Sep 21, 31 Dec 21, as required under Regulation 17(1), 17 (2A), 18(1), 19(1)/19(2), 20 and 21 of the SEBI Listing Regulations.

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 which remains unpaid, and exemptions have been sought in accordance with the provisions of Stock Exchange's Policy for Exemption of Fines Levied. Further, in terms of the said policy, the Stock Exchanges only can consider the exemption proposal once the company complied with the non-compliances.

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) and (t) of Sub-Regulation (2) of Regulation 46 of the SEBI 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 non-availability of requisite number of quorum non constitution of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Risk Management Committee on the Board of Directors of the Company 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 <https://grse.in/financial-results/> 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 eighteen years (2003-2004 to 2020-21) there have been no audit qualifications. Your Company has also received "Nil" comments from the CAG during this year. Further, for the FY 2021-22, 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. During the year, due to non-availability of Audit Committee, head of Internal Audit Department of the Company and the Internal Auditors of the Company were invited to the Meeting of Board of Directors to discuss the Internal Audit Report.
- (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 at <https://grse.in/corporate-governance-report/>.
- (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 2021-22, 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 2021-22 aggregate to ₹8,60,000/-. 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, 2022.

For Garden Reach Shipbuilders & Engineers Limited

Place: Kolkata
Date: 26 July, 2022

Sd/-
Cmde Hari P R, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

ANNEXURE - I

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2021-22

Date	Monday, 26th September, 2022
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 31st March 2022, if approved at the AGM, will be paid on or after 26th September, 2022. 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)
2021-22*	5.80	66.44
2020-21	5.00	57.28
2019-20	7.14	81.79
2018-19	6.95	79.61
2017-18 [#]	4.44	50.80

* Includes interim dividend of ₹4.95 per equity share of ₹10/- each.

^ 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.

[#] 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, 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, etc. are published in the Financial Express (in English), Prabhat Khabar (in Hindi), Business Standard (Hindi), Ei Samay (in Bengali) and Bartaman (in Bengali). The quarter and year ending 31 Mar 2022 results were published in Financial Express, Business Standard (Hindi) and Ei Samay (in Bengali). The financial results were published as under:
- | | |
|-------------------------------------|--------------------------|
| Quarter ending 30 Jun 2021 | In the month of Aug 2021 |
| Quarter ending 30 Sept 2021 | In the month of Nov 2021 |
| Quarter ending 31 Dec 2021 | In the month of Feb 2021 |
| Quarter and Year ending 31 Mar 2022 | In the month of May 2022 |
- 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 2022-23 are as given below:

Quarter Ending	Release of Results
For the Quarter ending 30 Jun 2022	Second week of Aug 2022
For the Quarter and half year ending 30 Sep 2022	Second week of Nov 2022
For the Quarter and nine months ending 31 Dec 2022	Second week of Feb 2023
For the year ending 31 Mar 2023	Second/ Third week of May 2023

DEMATERIALISATION 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 2022, 11,45,52,000 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 | 10,78,56,372 | 94.15 |
| Demat Form with CDSL | 66,95,513 | 5.85 |
| 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 2022 stood at ₹2,596.89 crore as against ₹2,117.49 crore on 31 Mar 2021.

DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31 MAR 2022

No. of Equity Shares	Shareholders		Shareholding	
	No.	%	No.	%
1-500	33043	92.28	2836246	2.48
501-1000	1351	3.77	1099089	0.96
1001-2000	632	1.77	957979	0.84
2001-3000	245	0.68	633653	0.55
3001-4000	117	0.33	423138	0.37
4001-5000	99	0.28	470025	0.41
5001-10000	155	0.43	1168323	1.02
>10000	164	0.46	106963547	93.38
Total	35806	100.00	114552000	100.00

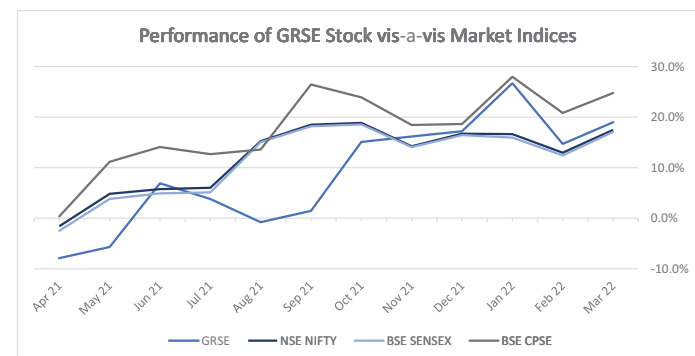
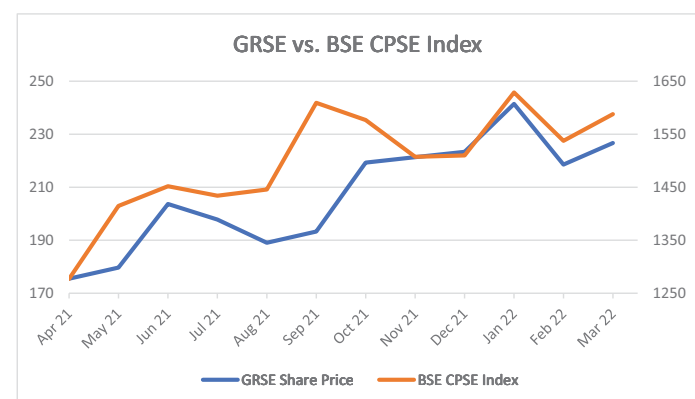
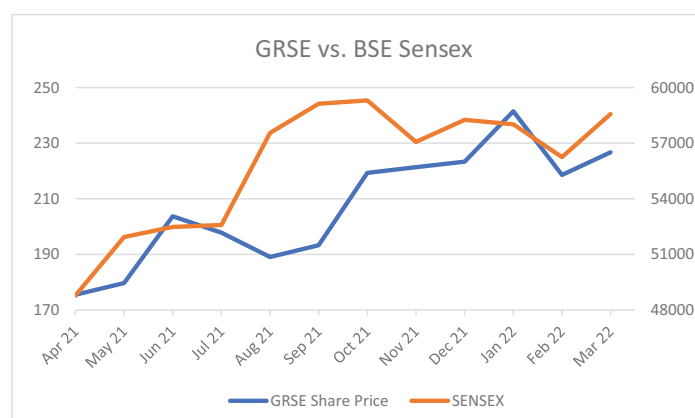
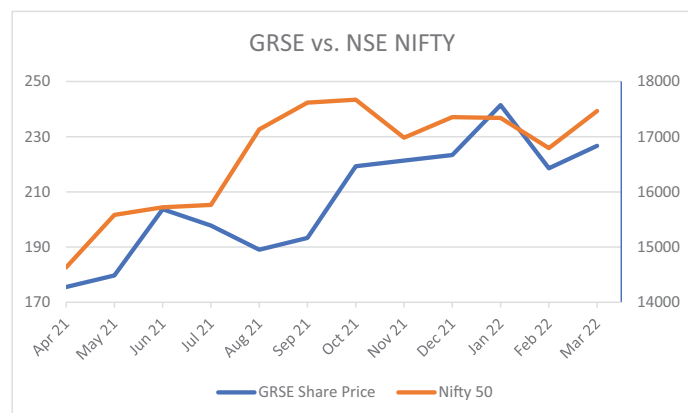
SHAREHOLDING PATTERN AS ON 31 MAR 2022

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
Public Shareholding				
Institutional				
a	Mutual Funds	3	1,22,18,360	10.67
b	Financial Institutions / Banks	-	-	-
c	Foreign Portfolio Investors	29	17,79,277	1.55
d	Insurance Companies	1	9,412	0.01
(A)	Total Institutional Shareholding	34	1,40,11,049	12.23
Non-Institutional				
a	Bodies Corporate	220	19,61,594	1.71
b	Public and Others	35,551	1,32,38,117	11.76
(B)	Total Non-Institutional Shareholding	35,771	1,51,99,711	13.27
(2)	Total Public Shareholding (A)+(B)	35805	2,92,10,760	25.5
Total Shareholding (1)+(2)		35806	11,45,52,000	100.00

PRICE AND VOLUME OF SHARES TRADED

Year & Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
2021 Apr	193	173.05	19,39,295	191.85	167.65	215067
May	190.5	170.1	77,73,201	190.45	170.75	745982
Jun	219.35	181.2	1,82,73,443	219	181.25	1761006
Jul	212.45	197.1	78,19,646	212.5	197.5	714618
Aug	208.4	181.4	44,85,498	208.25	180.8	573618
Sep	200.4	187.3	27,21,720	200.95	187.75	353649
Oct	239.3	185.5	1,86,00,762	239.35	186.3	2000729
Nov	279.8	218	1,95,25,155	279.8	217.55	1342209
Dec	248.45	208	45,22,729	248.2	205.95	508868
2022 Jan	274	220.75	1,34,82,352	274	220.8	1208511
Feb	249.95	199	39,33,954	249.55	199	410947
Mar	244	215.1	35,38,110	244	215.45	296293

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



RECONCILIATION OF SHARE CAPITAL AUDIT

10. 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

11. Your Company had no exposure to commodity and commodity risks for the financial year 2021-22. Further, your Company does not involve in hedging activities.
12. 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

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

SHARE TRANSFER SYSTEM

14. 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.
15. The Share Transfer Committee of the Company met twenty-three (23) times during the Financial Year 2021-22 to approve share transfers. The Committee as on 31 Mar 2022, comprises the following:

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

16. 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 2022, 115 equity shares of the Company were held in physical form.
17. 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

18. 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. No unclaimed dividend from previous years is due to be transferred to the IEPF as on 31 Mar 2022.
19. The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at <https://grse.in/iepf/>. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31 Mar 2022 on the website of the Company at <https://grse.in/iepf/> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

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

INVESTOR SERVICES

21. 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

22. During the financial year 2021-22, the Company does not have received any complaints from the Investors.
23. 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	Taratola Unit P-2/2, Taratola 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

24. 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).
25. 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 Physical Form

26. Shareholders holding shares in the physical 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) and (t) 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 ended 31st March, 2022.

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 from 01 April 2021 to 31 March 2022.
- (b) Regulation 17(1)(a) of SEBI LODR, with regard to appointment of Woman Independent Director for during the period from 01 April 2021 to 31 March 2022.
- (c) Regulation 17(2A) of SEBI LODR, with regard to quorum for Board meetings held during the quarter ended 31 December 2021.
- (d) Regulation 18(1) & (2) of SEBI LODR, with regard to constitution of Audit Committee and meetings of the said Committee during the year 2021-22.
- (e) Regulation 19(1) & 19(2) of SEBI LODR, with regard to constitution of HR, Nomination and Remuneration Committee and meetings of the said Committee during the year 2021-22.
- (f) Regulation 20(2) & 20(2A) of SEBI LODR, with regard to constitution of Stakeholder Relationship Committee during the period from 15 August 2021 to 10 February 2022.
- (g) Regulation 21 of SEBI LODR, with regard to constitution of Risk Management Committee during the period from 15 August 2021 to 10 February 2022.
- (h) Certain corporate governance requirements as provided in the SEBI LODR i.e., sub-regulations 17(4), Regulation 18(3) read with Part C Para A of Schedule II and Regulation 19(4) read with Part D Para A of Schedule II 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.
- (i) 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: F005126D000675499

Place: 23rd July, 2022
Date: Kolkata

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 and corporate 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, 2022 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.	Cmde Hari P R, IN (Retd.)	08591411	21 st October, 2019
2.	Shri Ramesh Kumar Dash	08511344	1 st July, 2020
3.	Shri Surendra Prasad Yadav	02267582	14 th September, 2020
4.	Shri Sanjay Dattatraya Panse	02725875	27 th December 2021

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: F005126D000675488

Place: 23rd July, 2022
Date: Kolkata

ANNEXURE - IV

CEO AND CFO COMPLIANCE CERTIFICATE

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

Dear Members of the Board,

We, Cmde Hari P R, IN (Retd.), 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, 2022 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 the Audit Committee and steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that:
 - (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
25th May, 2022

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

Sd/-
Cmde Hari P R, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

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
	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	:	2021-22
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)	:	₹1,748.34 crore
3	Total profit after taxes (INR)	:	₹189.53 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	: cmd@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? If 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.								

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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: https://grse.in/policies/ .								
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	Not Applicable as the Company has formulated policies based on all the nine 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									
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 https://grse.in/annual-reports/

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 2021-22, no investor complaints/grievances have been received by the Company and through SEBI Scores Platform, NSE, BSE and Registrar & Transfer Agent.

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 & ship repair, 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.
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)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	: 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. 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.

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

4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	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. 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. 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 2021-22, in which GRSE representatives made presentations on GRSE's requirement of product and services from MSMEs.
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.	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.

Principle 3 - Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees.	1790 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.	89 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><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><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></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?	<table><tr><th>No</th><th>Category</th><th>% of Persons trained on Safety Aspects</th><th>% of Persons trained for skill upgradation</th></tr><tr><td>1</td><td>Permanent Employees</td><td>1.67</td><td>33</td></tr><tr><td>2</td><td>Permanent Women Employees</td><td>0</td><td>57.30</td></tr><tr><td>3</td><td>Casual/ Temporary/ Contractual Employees</td><td>55.65</td><td>Data not available</td></tr><tr><td>4</td><td>Employees with Disabilities</td><td>1.96</td><td>29.41</td></tr></table>	No	Category	% of Persons trained on Safety Aspects	% of Persons trained for skill upgradation	1	Permanent Employees	1.67	33	2	Permanent Women Employees	0	57.30	3	Casual/ Temporary/ Contractual Employees	55.65	Data not available	4	Employees with Disabilities	1.96	29.41
No	Category	% of Persons trained on Safety Aspects	% of Persons trained for skill upgradation																			
1	Permanent Employees	1.67	33																			
2	Permanent Women Employees	0	57.30																			
3	Casual/ Temporary/ Contractual Employees	55.65	Data not available																			
4	Employees with Disabilities	1.96	29.41																			

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.
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- | | | | |
|---|---|---|--|
| 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 relate 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 1500kWp i.e. 1.5 MW Rooftop solar power plant at Main, FOJ & RBD Units. During the year, total generation power from the above 1.5 MW solar rooftop power plant was 12.56 Lakh unit (kWh) out of which 1.8 Lakh unit (kWh) was injected to CESC grid. Further this facility help reduction in emission of greenhouse gas by about 1300 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 : No
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)

Principle 8 - Businesses should support inclusive growth and equitable development

- 1 Does the company have specified : Yes. The Company is pursuing its cherished value of "endeavouring to fulfil its
programmes/ initiatives/ projects in pursuit of : Corporate Social Responsibilities". The Company has formulated CSR & Sustainability
the policy related to Principle 8? If yes details : Policy of the Company in line with the provisions of Companies Act 2013, Companies
thereof. : (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 : The majority of Company's programs are done in-house and in some cases the
through in-house team/own foundation/ : Company collaborates with various NGOs, foundations, government agencies, and
external NGO/government structures/any : other professional agencies for execution of the project on the ground.
other organization?
- 3 Have you done any impact assessment of : Yes. Impact assessment is crucial to view the effect of the activity conducted. The
your initiative? : 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 : During the financial year 2021-22, the contribution to community development
community development projects- Amount in : projects was ₹410 lakh. Please refer to the Annual Report on CSR Activities forming
INR and the details of the projects undertaken : part of this Annual Report.
- 5 Have you taken steps to ensure that : Yes, the Company conducts impact assessment for majority of the projects
this community development initiative is :
successfully adopted by the community?
Please explain in 50 words, or so.

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

- 1 What percentage of customer complaints/ : NIL
consumer cases are pending as on the end of :
financial year.
- 2 Does the company display product information : GRSE being a Defence Public Sector Undertaking, the product information is sensitive
on the product label, over and above what is : and classified. Hence, there is no display of product information.
mandated as per local laws? Yes/No/N.A. / :
Remarks (additional information)
- 3 Is there any case filed by any stakeholder : No
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.
- 4 Did your company carry out any consumer : GRSE has not undertaken any structured survey during the year 2021-22. However,
survey/ consumer satisfaction trends? : 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

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, 2022, 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, 2022 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 48 of the accompanying financial statements as at March 31, 2022 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 ₹ 768.54 lakh shown as Exceptional Item (Note no 49) due to loss of production hours and non-usage of Plant and Machinery during the days of non-operation due to COVID 19 during the 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 Matter	Our Response
1	Contract revenue from shipbuilding Referred to in Note No.1.2(i)(A)(i) and No.20 of the financial statements. 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:	Our audit procedures on revenue recognized from shipbuilding contracts included: 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: 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 Matter	Our Response
	(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. (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. (c) There is significant involvement of IT systems. At the year-end, a significant amount of work-in-progress related to these contracts is recognized in the balance sheet.	c) Evaluated the appropriateness of the disclosures provided under the new accounting standard. Recognition of work-in-progress 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.

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 (A) (Contingent Liabilities) does not include interest/ penalty that may be payable on final settlement of claims.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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. 30A - 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 ₹ 783.32 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013.

As stated in note 36 (b) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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
Membership No. 059159
ICAI UDIN: 22059159AJODXZ2847

Place: Kolkata
Date: May 25, 2022

Annexure - A to the Independent Auditor's Report

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

- i. In respect of the Company's Property, Plant and Equipment:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, Property, Plant and Equipment 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) 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. However, there were no discrepancies of 10% or more in the aggregate for each class of inventory.
 - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. The original working capital limit sanctioned by banks in earlier years were revised during the year to ₹11,001 Lakh for Fund Based and ₹ 4,56,500 Lakh for Non Fund Based. However, the Company at present doesn't have any Fund Based utilization. The returns filed quarterly with the bank are in agreement with the books of account of the Company.
- iii. The Company has not made any other investments in companies, firms, Limited Liability Partnerships or any other parties except in the form of investment in mutual funds, and equity shares of a Company as disclosed in Note no 6(a) & 10(a) of the financial statements. The Company has not provided any guarantee or security. The Company has provided advances to companies, firms, Limited Liability Partnerships or any other parties, which are not in the nature of loan.
 - (a) The Company has not provided any guarantee or security. The Company has provided advances to companies, firms, Limited Liability Partnerships or any other parties in the ordinary course of business, which are not in the nature of loan Hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) The Investments made by the Company in mutual funds and equity shares of a Company [Disclosed in Note no 6(a) & 10(a)] are not prejudicial to the interest of the Company. The Company has not made any other investments in companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year.
 - (c) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (e) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(e) of the Order is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- 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, 2022, 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, 2022 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, 2022:

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	Income Tax Act, 1961	Income Tax	2008-09	1,624.58	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax	2013-14	1.92	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Income Tax	2016-17	8.61	Commissioner of Income Tax (Appeals)
Total				2,141.94	

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

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has working capital limits sanctioned by banks (Both Funded & Non-Funded facilities). The Company at present doesn't have any Fund Based utilization. The Company has not defaulted in repayment of loans or other borrowings in the payment of interest thereon.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, joint venture or associate companies Hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (f) The Company does not have any subsidiary, joint venture or associate companies and has not raised any loan from such entities during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations received, no whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. The provisions of clause 3(xii) are not applicable and hence not commented upon.
- 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. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report

and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) In respect of other than ongoing projects, the Company has no unspent funds towards Corporate Social Responsibility (CSR) required to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company does not have any ongoing projects. Hence, this clause is not applicable.

For **Mookherjee Biswas & Pathak**

Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)
Partner
Membership No. 059159
ICAI UDIN: 22059159AJODXZ2847

Place: Kolkata

Date: May 25, 2022

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, 2022 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, 2022, 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 **For Mookherjee Biswas & Pathak**

Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)

Partner
Membership No. 059159
ICAI UDIN: 22059159AJODXZ2847

Place: Kolkata

Date: May 25, 2022

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 2021-22 for specific schemes from Central/ State 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: 22059159AJODXZ2847

Place: Kolkata

Date: May 25, 2022

COMMENTS OF C&AG

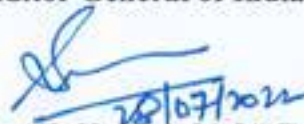
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of **Garden Reach Shipbuilder & Engineers Limited, Kolkata** for the year ended 31 March 2022 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 25 May 2022.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Garden Reach Shipbuilder & Engineers Limited, Kolkata** for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's 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: 28 July 2022.**

BALANCE SHEET

As at 31 March, 2022

(₹ in Lakh)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3		
(i) Property, plant and equipment-other than RoU		48,295.69	33,107.79
(ii) Right-of-use -assets (RoU)		1,161.04	389.63
(b) Capital work-in-progress	4	965.98	15,129.72
(c) Intangible assets	5	608.69	522.86
(d) Financial assets			
(i) Investments	6(a)	0.44	0.44
(ii) Other financial assets	6(b)	1,14,126.63	69,455.90
(e) Non-current tax assets	7	15,393.76	11,714.77
(f) Other non-current assets	8	10.78	254.30
Total non-current assets		1,80,563.01	1,30,575.41
(2) Current assets			
(a) Inventories	9	1,17,226.80	78,787.45
(b) Financial assets			
(i) Current Investments	10(a)	19,667.82	82,581.96
(ii) Trade receivables	10(b)	15,494.33	17,813.74
(iii) Cash and cash equivalents	10(c)	971.26	932.05
(iv) Bank balances other than (iii) above	10(d)	2,54,802.63	2,27,185.14
(v) Other financial assets	10(e)	12,751.30	14,380.03
(c) Other current assets	11	1,62,036.32	1,26,021.92
(d) Assets classified as held for sale	12	45.87	43.39
Total current assets		5,82,996.33	5,47,745.68
TOTAL ASSETS		7,63,559.34	6,78,321.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13(a)	11,455.20	11,455.20
(b) Other equity	13(b)	1,14,333.87	1,02,256.56
Total equity		1,25,789.07	1,13,711.76
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		973.54	200.89
(ii) Trade payables	14		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues other than micro enterprises and small enterprises		818.92	722.78
(b) Provisions	15	8,907.43	8,286.66
(c) Deferred tax liabilities (net)	16	1,078.13	550.87
Total non-current liabilities		11,778.02	9,761.20
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		146.88	168.43
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	17(a)	228.52	95.36
(B) total outstanding dues other than micro enterprises and small enterprises	17(a)	40,940.31	78,176.14
(iii) Other financial liabilities	17(b)	2,393.35	2,234.24
(b) Other current liabilities	18	5,65,676.92	4,57,982.07
(c) Provisions	19	16,606.27	16,191.89
Total current liabilities		6,25,992.25	5,54,848.13
TOTAL EQUITY AND LIABILITIES		7,63,559.34	6,78,321.09
SIGNIFICANT ACCOUNTING POLICIES			
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 55 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 : 25th day of May, 2022

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director (Officiating)
DIN - 08591411

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, 2022

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from operations	20	1,75,751.37	1,14,083.53
Other income	21	16,065.38	18,572.35
Total income		1,91,816.75	1,32,655.88
EXPENSES			
Cost of materials consumed	22(a)	93,520.37	44,724.89
Purchase of products for resale (B & D spares)		836.50	2,392.27
Changes in inventories of work-in-progress and scrap	22(b)	38.71	1,132.90
Sub-contracting charges		25,459.35	12,992.60
Employee benefits expense	23	29,028.60	26,938.04
Finance costs	24	76.41	68.19
Depreciation and amortisation expense	25	3,571.01	2,908.76
Other expenses - project related	26	2,348.80	7,531.11
Other expenses	27	10,444.30	11,180.44
Total expenses		1,65,324.05	1,09,869.20
Profit before exceptional items and tax		26,492.70	22,786.68
Exceptional items	28	(768.54)	(2,074.94)
Profit before tax		25,724.16	20,711.74
Tax expense	29(a)		
- Current tax		6,282.00	5,887.11
- Deferred tax		489.48	(522.49)
Total tax expense		6,771.48	5,364.62
Profit for the year		18,952.68	15,347.12
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		150.08	475.10
- Income tax relating to above item		(37.78)	(119.58)
Other comprehensive income for the year, net of tax		112.30	355.52
Total comprehensive income for the year		19,064.98	15,702.64
Earnings per equity share:			
(Nominal value per share ₹ 10)			
Basic and diluted earnings per share		16.55	13.40
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 55 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 : 25th day of May, 2022

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director (Officiating)
DIN - 08591411

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, 2022

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
A. Cash flow from operating activities:		
Profit before taxation	25,724.16	20,711.74
Adjustments for -		
Interest income	(13,019.00)	(15,268.23)
Unrealised Fair Value gain (Net)	(421.70)	(317.96)
Actuarial Gain/ Loss on remeasurements of defined benefit plan	112.30	355.52
Depreciation & amortisation expense	3,629.60	2,908.76
Retirement /Write off of Assets -Net	(28.22)	(153.97)
Finance costs	76.41	68.19
Unrealized loss/ (gain) on foreign exchange fluctuation	(44.90)	(86.47)
Liquidated Damages written back	-	(339.70)
Liabilities no longer required written back	(654.55)	894.93
Operating profit before working capital changes	15,374.10	8,772.81
Adjustments for changes in working capital :		
(Increase)/Decrease in Trade and other receivables	2,741.11	36,032.22
(Increase)/Decrease in Other financial assets (Current & Non Current)	(43,042.00)	(55,442.76)
(Increase)/Decrease in Other non-current assets	(3,435.47)	2,499.01
(Increase)/Decrease in Other current assets	(36,014.40)	(30,203.48)
(Increase)/Decrease in Assets held for sale (current assets)	(2.48)	9.43
(Increase)/Decrease in Inventories	(38,439.35)	(34,685.23)
Increase/(Decrease) in Trade payables	(36,210.53)	23,528.80
Increase/(Decrease) in Provisions	1,689.70	1,001.96
Increase/(Decrease) in Other financial liabilities	159.11	(23.74)
Increase/(Decrease) in Other current liabilities	1,07,813.20	1,05,806.12
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	527.26 (44,213.85)	(402.91) 48,119.41
Cash generated from/ (used in) operations	(28,839.75)	56,892.22
Taxes paid (net of refunds)	(6,771.48)	(5,364.62)
Net cash from/(used in) operating activities	(35,611.23)	51,527.60
B. Cash flow from investing activities		
Purchase of Property, plant and equipment,intangibles and capital work in progress)	(5,482.78)	(16,384.40)
Investments in Mutual Fund (Net)	62,914.14	(77,181.53)
Investments in Fixed Deposit (Net)	(27,617.49)	(38,975.76)
Interest received	13,019.00 42,832.87	15,268.23 (1,17,273.46)
Net cash from/(used in) investing activities	42,832.87	(1,17,273.46)

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
C. Cash flow from financing activities:		
Interest	(13.79)	(28.34)
Principal Component of Lease Rent	(118.35)	(162.67)
Interest component of Lease Rent	(62.62)	(39.85)
Dividend paid	(1,317.35)	(1,603.73)
Interim Dividend	(5,670.32)	(4,410.25)
Net cash from/(used in) financing activities	(7,182.43)	(6,244.84)
Net Increase/(Decrease) in Cash and cash equivalents	39.21	(71,990.70)
Opening Cash and cash equivalents at the beginning of the period	932.05	72,922.75
Closing Cash and cash equivalents at the end of the period	971.26	932.05

- 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, 2022	Year ended 31 March, 2021
Balances with banks		
Current accounts	971.25	932.05
Cash in hand	0.01	-
Cash and cash equivalents	971.26	932.05

- The figure in brackets represent cash outflow from respective activities.

The accompanying notes 1 to 55 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 : 25th day of May, 2022

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director (Officiating)
DIN - 08591411

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, 2022

(₹ in Lakh)

A. Equity share capital

Balance as at 1 April, 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2021	Changes in equity share capital during the year	Balance as at 31 March, 2022
11,455.20	-	11,455.20	-	11,455.20
Balance as at 1 April, 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
11,455.20	-	11,455.20	-	11,455.20

B. Other equity

(₹ in Lakh)

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at 1 April, 2021	928.80	6,064.86	95,262.90	1,02,256.56
Profit for the year (a)	-	-	18,952.68	18,952.68
Other comprehensive income for the year (b)	-	-	112.30	112.30
Total comprehensive income for the year (a + b)	-	-	19,064.98	19,064.98
Dividend paid [Refer Note 13 (b)]	-	-	(1,317.35)	(1,317.35)
Interim dividend paid [Refer Note 13 (b)]	-	-	(5,670.32)	(5,670.32)
Balance as at 31 March, 2022	928.80	6,064.86	1,07,340.21	1,14,333.87

(₹ in Lakh)

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
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	1,02,256.56

Note: Gain of ₹ 112.30 lakh and ₹ 355.52 on remeasurements of defined employee benefit plans (net of tax) is recognized as a part of retained earnings for the years ended 31 March 2022 and 2021, respectively.

The accompanying notes 1 to 55 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 : 25th day of May, 2022

For and on behalf of the Board of Directors

Sd/-
Omde Hari PR, IN (Retd.)
Chairman & Managing Director (Officiating)
DIN - 08591411

Sd/-
R.K Dash
Director (Finance) & CFO
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-700024 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 warships.

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:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 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:

- 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.
- In case of other business activities, normal operating cycle is 12 months.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,

- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- 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

- Property, Plant and Equipment are shown at cost, less accumulated depreciation and impairment, if any.
 - 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 of 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 be ready for their intended use.
 - 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.
 - 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	Goliath Crane (250 Ton Capacity)	25
Plant & equipment	Hand power tools like grinders, chippers, drilling machines;	08
	Fastening tools like bottle screws, clamps & slings, hoist/chain-pulley blocks, hooks, shackles, Measuring and testing devices	

Asset Class	Description	Years
Plant & equipment	Miscellaneous tools/tackles and accessories thereof;	05
	Welding Torches, Gas Torches, Portable Electrode Ovens, Masks & helmets; Small instruments, measurements /control devices	
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 is 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 off 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 unamortized 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 of 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 amortized cost. Amortized 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 amount 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 2.1: Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) rules as issued from time to time. On March 23, 2022 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property, Plant and Equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental cost of fulfilling that contract (example would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of Property, plant and equipment use in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

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, 2021	Addition	Deductions / Adjustments	As at 31 March, 2022	As at 1 April, 2021	Charge for the year	Deductions / Adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Other than RoU										
Land - Freehold	5,125.72	-	-	5,125.72	-	-	-	-	5,125.72	5,125.72
Building - Freehold	9,756.89	452.18	12.60	10,196.47	952.03	348.23	4.54	1,295.72	8,900.75	8,804.86
Plant & equipment	10,650.67	17,019.61	209.49	27,460.79	4,220.17	1,097.75	140.23	5,177.69	22,283.10	6,430.50
Electrical installations	1,160.56	221.04	0.22	1,381.38	320.03	123.06	-	443.09	938.29	840.53
Docks & jetties	5,572.71	-	0.67	5,572.04	1,918.54	361.59	-	2,280.13	3,291.91	3,654.17
Furniture & fixtures	1,874.15	281.68	8.38	2,147.45	567.37	195.04	7.05	755.36	1,392.09	1,306.78
Office equipment	696.82	48.43	6.02	739.23	137.68	76.40	2.93	211.15	528.08	559.14
Computer	2,556.16	470.98	9.51	3,017.63	1,638.20	302.82	3.55	1,937.47	1,080.16	917.96
Launches, barges & boats	117.29	-	-	117.29	13.96	6.16	-	20.12	97.17	103.33
Vehicles	36.06	8.85	-	44.91	19.69	4.75	-	24.44	20.47	16.37
Motor lorries, trailers, mobile cranes etc.	164.35	-	-	164.35	56.71	17.54	-	74.25	90.10	107.64
Sub-total (1)	37,711.38	18,502.77	246.89	55,967.26	9,844.38	2,533.34	158.30	12,219.42	43,747.84	27,867.00
Previous Year	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	
<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	325.92	54.32	-	380.24	911.56	965.88
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	1,357.13	226.19	-	1,583.32	875.95	1,102.14
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	2,481.84	412.43	-	2,894.27	2,760.34	3,172.77
Sub-total (a+b+c) (2)	9,405.68	-	-	9,405.68	4,164.89	692.94	-	4,857.83	4,547.85	5,240.79
Previous Year	9,405.68	-	-	9,405.68	3,471.96	692.93	-	4,164.89	5,240.79	
Total Property, plant and equipment - other than RoU (1+2)	47,117.06	18,502.77	246.89	65,372.94	14,009.27	3,226.28	158.30	17,077.25	48,295.69	33,107.79
<i>Right of Use Asset (RoU)</i>										
Land -Leasehold	633.21	472.82	348.34	757.69	269.84	99.76	348.34	21.26	736.43	363.37
Vehicles - Leasehold	78.74	483.04	78.74	483.04	52.48	84.69	78.74	58.43	424.61	26.26
Total Right of Use Assets (RoU) (3)	711.95	955.86	427.08	1,240.73	322.32	184.45	427.08	79.69	1,161.04	389.63
Previous Year	711.95	-	-	711.95	161.16	161.16	-	322.32	389.63	
Total property, plant and equipment (1+2+3)	47,829.01	19,458.63	673.97	66,613.67	14,331.59	3,410.73	585.38	17,156.94	49,456.73	33,497.42
Previous Year	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	

Note :

- Current year deductions includes adjustment for scrapping of assets valued ₹ 27.91 Lakh (Deemed Cost ₹ 66.08 Lakh) , retirement of assets valued ₹ 7.00 Lakh (Deemed cost ₹ 35.05 Lakh). Further it also includes assets valued ₹ 53.68 Lakh (Deemed Cost ₹ 146.53 Lakh) retired and sold during the year 2021-22. Scrapping of assets and retirement of assets in FY 2020-21 were ₹ 15.51 Lakh (Deemed Cost ₹ 43.62 Lakh) and ₹ 4.13 Lakh (Deemed Cost ₹ 28.81 Lakh) respectively. Further , previous year deductions includes assets valued ₹ 16.03 Lakh (Deemed Cost ₹ 41.02 Lakh) retired and sold during the year 2020-21.
- Jointly funded assets - Plant & Machinery as at 31 March, 2022 of ₹ 875.95 Lakh (₹ 1102.14 Lakh as at 31 March, 2021) also includes Electrical installation of New Dry Dock valued ₹ 199.03 Lakh (31 March, 2021: ₹ 328.05 Lakh).
- Property, plant and equipment as at 31 March, 2022 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, 2022 exclusively funded by Navy (original Cost) not included in Property, plant and equipment is ₹ 801.23 Lakh. (31 March, 2021: ₹ 801.23 Lakh).
- Land of 61, Garden Reach Road, Kolkata is owned by Government of India, Ministry of Defence.
- Building as at 31 March, 2022 includes ₹ 95.96 Lakh (original cost) (31 March, 2021: ₹ 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 2021	Addition	Deductions / Adjustments	As at 31 March, 2022
Plant & equipment	14,926.10	1,651.28	16,577.38	-
Docks & jetties	-	867.39	-	867.39
Furniture, fixtures, office equipment	191.24	-	191.24	-
Computer	0.34	86.55	0.34	86.55
Civil construction	12.04	-	-	12.04
Total capital work-in-progress	15,129.72	2,605.22	16,768.96	965.98
Previous Year	5,151.52	14,060.66	4,082.46	15,129.72

CWIP aging schedule

As at 31 March 2022

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	953.94	12.04	-	-	965.98
Projects temporarily suspended	-	-	-	-	-
Total	953.94	12.04	-	-	965.98

Project Completion Schedule

As at 31 March 2022

(₹ in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Computer	112.00	-	-	-
Projects temporarily suspended	-	-	-	-
Total	112.00	-	-	-

CWIP aging schedule

As at 31 March 2021

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,338.68	791.03	-	-	15,129.72
Projects temporarily suspended	-	-	-	-	-
Total	14,338.68	791.03	-	-	15,129.72

Project Completion Schedule

As at 31 March 2021

(₹ in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Furniture, fixtures, office equipment	243.18	-	-	-
Projects temporarily suspended	-	-	-	-
Total	243.18	-	-	-

Note 5: Intangible assets

(₹ in Lakh)

Particulars	Gross Block				Amortisation			Net Carrying Amount		
	As at 1 April 2021	Additions	Deductions / Adjustments	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions / Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	a	b	c	d=(a+b-c)	e	f	g	h=(e+f-g)	i=(d-h)	
Software (acquired)	1,785.20	304.68	0.77	2,089.11	1,262.34	218.85	0.77	1,480.42	608.69	522.86
Total Intangible assets	1,785.20	304.68	0.77	2,089.11	1,262.34	218.85	0.77	1,480.42	608.69	522.86
Previous Year	1,489.76	297.58	2.14	1,785.20	1,044.20	220.28	2.14	1,262.34	522.86	

Note 6: Financial assets (Non-current)**Note 6(a): Investments - Non-current**

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity instruments		
Fully Paid up, Unquoted		
At Fair value through Profit and Loss		
6,145 shares of Woodlands Multispecialty Hospital Ltd (31 March, 2021: 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

Note : 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, 2022	As at 31 March, 2021
Bank Deposits with maturity more than 12 months	99,900.00	61,400.00
Leave Encashment invested with LIC	6,967.54	6,111.01
Deposits with electricity board and others	759.41	775.58
Deferred credit recoverable from Navy	818.92	722.78
Interest accrued but not due on deposits	5,680.76	446.53
Total other financial assets (non - current)	1,14,126.63	69,455.90

Note 7: Non-current tax assets

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax	9,021.96	5,652.25
Add : TDS & TCS Receivable	26,713.74	20,122.46
	35,735.70	25,774.71
Less: Provision for income tax	(20,341.94)	(14,059.94)
Total non-current tax assets	15,393.76	11,714.77

Note 8: Other non-current assets

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advances	7.43	251.35
<i>Advances other than capital advances</i>		
Prepaid expenses	3.35	2.95
Total other non-current assets	10.78	254.30

Note 9: Inventories

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw materials & equipments	77,950.24	49,090.97
Variable items of P17A (Refer note 18)	33,675.24	17,324.45
	1,11,625.48	66,415.42
Less: Provision for obsolescence & non-moving	(956.70)	(1,367.59)
Provision for material	(184.98)	-
	1,10,483.80	65,047.83
Stock in transit	102.16	7,068.90
Work in progress	5,587.15	5,826.50
Stores, Spares & Consumables	250.03	241.19
Scrap	803.66	603.03
Total inventories	1,17,226.80	78,787.45

Note : Raw Material and Equipment includes ₹ 17,332.15 Lakh (31 March, 2021 : ₹ 3,076.54 Lakh) lying with third parties out of which ₹ 184.98 Lakh (31 March ,2021 : Nil) has been provided in absence of confirmation from vendor.

Note 10: Financial assets (Current)**Note 10(a): Current Investment**

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment in mutual funds measured at FVTPL	19,667.82	82,581.96
Total current investment	19,667.82	82,581.96
Aggregate value of quoted investment	Nil	Nil
Aggregate value of unquoted investment	19,667.82	82,581.96

Note 10(b): Trade receivables - Current

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables		
Unsecured, considered good	15,494.33	17,813.69
Unsecured, considered doubtful	86.78	86.73
	15,581.11	17,900.47
Less: Provision for doubtful trade receivable	86.78	86.73
Total trade receivables - Current	15,494.33	17,813.74

Trade receivables ageing schedule

As at 31 March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	283.31	5,986.30	1,173.21	6,855.10	953.12	243.29	15,494.33
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	86.78	86.78
Disputed Trade Receivables -considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	283.31	5,986.30	1,173.21	6,855.10	953.12	330.07	15,581.11
Less: Allowance for doubtful debt							(86.78)
Total trade receivables - Current							15,494.33

As at 31 March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	2,781.22	9,215.16	1,597.53	3,620.13	260.31	339.39	17,813.74
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	86.73	86.73
Disputed Trade Receivables -considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	2,781.22	9,215.16	1,597.53	3,620.13	260.31	426.12	17,900.47
Less: Allowance for doubtful debt							(86.73)
Total trade receivables - Current							17,813.74

Note 10(c): Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks		
- in current accounts	971.25	932.05
Cash in hand	0.01	-
Total cash and cash equivalents	971.26	932.05

Note 10(d): Other bank balances

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Bank Deposits with original maturity from 3 months to 12 months	2,11,800.00	1,96,600.00
Flexi bank deposits earmarked for variable item of P17A (Refer note 18)	42,992.48	30,583.69
Unpaid dividend account	10.15	1.45
Total other bank balances	2,54,802.63	2,27,185.14

Note 10(e): Other financial assets - Current

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposit with Customs and Port trust	3.69	3.69
Leave Encashment invested with LIC	588.77	679.11
Interest accrued but not due on deposits	3,216.73	5,596.90
Contract Assets	8,818.15	7,994.41
Current portion of deferred credit recoverable from Navy	123.96	105.92
Total other financial assets - Current	12,751.30	14,380.03

Note : The amount of contract assets is not yet due.

Note 11: Other current assets

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<i>Advances recoverable in kind or for value to be received</i>		
- Employees	132.15	118.13
- Excise	26.20	132.74
- Sales Tax /VAT	67.08	67.08
- Goods and Services Tax	31,607.09	12,459.49
- Prepaid expenses	1,349.84	1,800.85
- Tax on deemed sale	435.69	-
- Suppliers (others)	2,227.71	18,107.65
- Suppliers (for variable items of P17A)(Refer note 18)	1,24,539.30	92,155.08
Other receivables	1,651.26	1,180.90
Total other current assets	1,62,036.32	1,26,021.92

Note 12: Assets classified as held for sale

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Plant & equipment	15.90	12.72
Furniture & fixtures	28.25	28.23
Motor cars	1.32	1.59
Office equipments	0.40	0.85
Total assets classified as held for sale	45.87	43.39

Non-recurring fair value measurements

Note : 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 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10/- (31 March, 2021: ₹ 10/-) each	12,50,00,000	12,500.00	12,50,00,000	12,500.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- (31 March, 2021: ₹ 10/-) each	11,45,52,000	11,455.20	11,45,52,000	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, 2022		As at 31 March, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	11,45,52,000	11,455.20	11,45,52,000	11,455.20
Add: Issue of shares upon sub-division *	-	-	-	-
At the end of the period	11,45,52,000	11,455.20	11,45,52,000	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, 2021: ₹ 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, 2022		As at 31 March, 2021	
	Number of shares	% holding	Number of shares	% holding
The President of India	8,53,41,240	74.50%	8,53,41,240	74.50%
HDFC Trustee Company Limited	97,50,951	8.51%	97,27,951	8.49%
Nippon Life India Trustee Ltd.	-	-	58,62,524	5.12%

Disclosure of shareholding of promoters**Shares held by promoters as at 31 March, 2022**

Promoter name	As at 31 March, 2022		As at 31 March, 2021		% of change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The President of India	8,53,41,240	74.5%	8,53,41,240	74.5%	-

Shares held by promoters as at 31 March, 2021

Promoter name	As at 31 March, 2021		As at 31 March, 2020		% of change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The President of India	8,53,41,240	74.5%	8,53,41,240	74.5%	-

Note 13(b): Other Equity

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital redemption reserve	928.80	928.80
General reserve	6,064.86	6,064.86
Retained earnings	1,07,340.21	95,262.90
Total reserves and surplus	1,14,333.87	1,02,256.56

(i) Retained earnings

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening balance	95,262.90	85,574.24
Net profit for the period	18,952.68	15,347.12
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of defined benefit plans (net of tax)	112.30	355.52
Dividend paid	(1,317.35)	(1,603.73)
Interim Dividend paid	(5,670.32)	(4,410.25)
Closing balance	1,07,340.21	95,262.90

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, 2022	As at 31 March, 2021
<i>Trade payable</i>		
- Russian deferred credit - foreign supplier	818.92	722.78
Total trade payables (non-current)	818.92	722.78

Trade payables aging schedule
As at 31 March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	123.96	123.96	123.96	447.04	818.92
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	123.96	123.96	123.96	447.04	818.92

As at 31 March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	105.92	105.92	105.92	405.02	722.78
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	105.92	105.92	105.92	405.02	722.78

Note 15: Provisions (non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Accrued leave liability	7,421.46	6,825.42
Post retirement medical benefits	1,485.97	1,461.24
Total provisions (non-current)	8,907.43	8,286.66

Note 16: Deferred tax liabilities (net)
The balance comprises temporary differences attributable to:

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred tax liability		
Property, plant & equipment and intangible asset	3,711.48	3,152.04
Gain on fair valuation of Mutual Fund	6.31	-
Total deferred tax liabilities	3,717.79	3,152.04
Deferred tax asset		
Defined benefit obligation	2,420.66	2,283.09
Allowance for doubtful trade receivables	21.84	21.83
Provision for onerous contract	197.16	296.25
Total deferred tax assets	2,639.66	2,601.17
Net deferred tax liabilities	1,078.13	550.87

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, 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
Charged/(credited):				
- to profit or loss	559.44	(175.35)	105.39	489.48
- to other comprehensive income	-	37.78	-	37.78
At 31 March, 2022	3,711.48	(2,420.66)	(212.69)	1,078.13

Note 17: Financial liabilities (current)**Note 17(a): Trade payables (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<i>Trade payables</i>		
- Micro and small enterprises	228.52	95.36
- Russian deferred credit	123.96	105.92
- Others	40,816.35	78,070.22
Total trade payables (current)	41,168.83	78,271.50

Trade payables aging schedule

As at 31 March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	228.52	-	-	-	228.52
Others	31,573.05	3,839.99	4,396.10	1,131.17	40,940.31
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total trade payables (current)	31,801.57	3,839.99	4,396.10	1,131.17	41,168.83

As at 31 March, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	95.36	-	-	-	95.36
Others	72,107.64	4,400.65	1,667.85	-	78,176.14
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total trade payables (current)	72,203.00	4,400.65	1,667.85	-	78,271.50

Note 17(b): Other financial liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposit	387.49	397.90
Accrued expenses		
- Accrued salaries and benefits	585.95	562.95
- Rent	36.27	211.06
Unpaid dividend	10.15	1.45
Other payables	1,373.49	1,060.88
Total other financial liabilities	2,393.35	2,234.24

Note 18: Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract liabilities	3,64,250.39	3,16,441.79
Contract liabilities for P17A variable items	2,01,207.02	1,40,063.22
Statutory liabilities	203.54	165.70
Other liabilities	15.97	1,311.36
Total other current liabilities	5,65,676.92	4,57,982.07

Note :

In case of Variable items of "P17A", the company pay advances to suppliers, procures components and bought out items and also maintains balances in corporate liquid term deposits accounts with the fund received/reimbursed by customer (Indian Navy) which is lying in contract liabilities shown under other current liabilities.

Note 19: Provisions (current)

(₹ in Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Guarantee repair	2,325.25	2,712.79
Provision for liquidated damages	370.73	120.81
Accrued Leave Liability	588.77	679.11
Post retirement medical benefits	121.04	104.91
Onerous Contract	783.32	1,177.00
Other provisions	12,417.16	11,397.27
Total provisions (current)	16,606.27	16,191.89

*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 had been booked in previous financial year under Note 27.

Provision of Onerous loss of ₹ 393.68 lakhs has been adjusted in current year against cost incurred till date which has been considered as revenue recognition, accordingly movement of onerous loss liability is reflected under "Movement of Provision".

Other Provisions

Other Provisions represent employee related provisions based on the management's assessment.

Movements in provisions

Movements in major 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, 2020	1,891.77	3,508.21	-	9,045.36
<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)	(1,423.38)	-	(63.83)
As at 31 March, 2021	120.81	2,712.79	1,177.00	11,397.27
<i>Charged/(credited) to profit or loss</i>				
additional provision recognised	306.24	1,429.32	-	3,682.58
Amount used during the year	(56.32)	(1,816.86)	(393.68)	(2,662.69)
As at 31 March, 2022	370.73	2,325.25	783.32	12,417.16

Note 20: Revenue from operations

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
a) Contract revenue		
- Shipbuilding	1,57,101.33	1,01,032.81
- General engineering	577.78	393.03
- Diesel engines	5,527.51	1,775.94
b) Sale of products		
- B & D spares	899.27	2,571.70
- Bailey bridge	5,498.18	4,804.79
- General engineering	602.69	1,257.35
- Diesel engines	-	4.89
(c) Sale of services		
- Ship repair	4,049.12	1,198.15
- Bailey bridge	504.75	212.20
- General engineering	-	1.60
- Diesel engines	20.50	23.94
(d) Misc. Project	53.39	-
(e) Other operating revenue		
- Scrap sales	868.72	807.13
- Training Fees	48.13	-
Total revenue from operations	1,75,751.37	1,14,083.53

Note :

- Above includes Revenue from operation from export contracts ₹ 6,094.42 Lakh (FY 20- 21 : ₹ 2,851.66 Lakh).
- Export sales ₹ 3,485.12 Lakh (FY 20-21 : ₹ 8,749.00 Lakh).
- 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, 2022	Year ended 31 March, 2021
Interest income	13,019.00	15,268.23
Profit on sale of mutual fund	1,368.59	716.44
Gain on fair valuation		
- mutual fund	25.07	235.02
- others	459.25	122.79
Rental income	18.30	6.28
Net foreign exchange gains	44.90	86.47
Insurance claims	207.95	9.31
Liability/provision written back	654.55	894.93
Profit/(Loss) on retired assets (net)	56.03	169.35
Other items	211.74	1,063.53
Total other income	16,065.38	18,572.35

Note 22(a): Cost of materials consumed

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Raw materials	16,881.64	15,431.48
Equipments & components	76,638.73	29,293.41
Total cost of materials consumed	93,520.37	44,724.89

Note 22(b): Changes in inventories of work-in-progress and scrap

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening balance		
- Bailey bridge unit	5,057.88	5,593.16
- Engine unit	309.05	578.03
- Others	459.56	675.23
Total opening balance	5,826.49	6,846.42
Closing balance		
- Bailey bridge unit	4,339.84	5,057.88
- Engine unit	292.22	309.05
- Others	955.09	459.56
Total closing balance	5,587.15	5,826.49
Total changes in inventories of work-in-progress	239.34	1,019.93
Change in inventories of scrap	(200.63)	112.97
Total changes in inventories of work-in-progress and scrap	38.71	1,132.90

Note 23: Employee benefits expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries and wages	23,669.68	22,193.45
Less: Transfer to exceptional item	(709.95)	(1,920.22)
	22,959.73	20,273.23
Contribution to provident fund and other funds	3,298.82	3,313.61
Staff welfare expenses	2,770.05	3,351.20
Total employee benefit expense	29,028.60	26,938.04

Note 24: Finance costs

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense		
- Interest expense on lease liability	62.62	39.85
- Interest on dues to Micro & Small Enterprises	13.79	28.34
Total finance costs	76.41	68.19

Note 25: Depreciation and amortisation expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property, plant and equipment	3,410.74	2,843.20
Less: Transfer to exceptional item	(58.59)	(154.72)
	3,352.15	2,688.48
Amortisation of intangible assets	218.86	220.28
Total depreciation and amortisation expense	3,571.01	2,908.76

Note 26: Other expenses - project related

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Facility hire	121.56	336.11
Insurance	325.89	207.18
Travelling expenses	255.71	138.53
Technicians' fees	1,365.59	5,120.92
Launching & commissioning expenses	86.70	64.88
Bank Charges	1.25	926.63
Miscellaneous expenses	192.10	736.86
Total other expenses - project related	2,348.80	7,531.11

Note 27: Other expenses

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Consumption of stores and spares parts	71.30	61.51
Power and fuel	863.48	630.15
Rent	128.31	64.30
Repair and maintenance		
- buildings	601.81	640.88
- plant & equipments	560.08	329.32
- other	1,199.34	1,166.00
Insurance	630.94	781.01
Rates and taxes	124.70	257.75
Marketing expenses	91.18	110.74
Stores clearing & dispatch expenses	29.07	35.77
Liquidated damages	306.50	191.40
Provision for non moving & obsolete inventory	231.34	240.78
Provision for materials	184.98	-
Transport hire charges	336.58	398.55
Travelling expenses	125.55	79.39
Advertisement & publicity	289.28	240.52
Bank charges & commission	38.90	14.70
Printing & stationary	8.09	9.43
Postage & courier	5.85	5.31
Telephone & fax	33.78	64.45
Legal expenses	11.00	18.88
Corporate social responsibility	410.00	370.00
Auditor's remuneration:		
(a) Audit Fees	8.60	7.83
(b) Tax audit fees	1.25	1.25
(c) Fees for other services	5.10	4.60
CISF Expenses	3,499.57	3,501.15
Property plant & equipment written off	27.81	15.38
Loss on onerous contract	-	1,177.00
Other miscellaneous expenses	619.91	762.39
Total other expenses	10,444.30	11,180.44

Expenditure on Research and Development aggregating to ₹ 1,292 Lakh (previous year ₹ 1,376 Lakh) is reflected under respective various heads in the above notes.

Note 28: Exceptional Item

(₹ in Lakh)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Salary and wages/Depreciation of P&M during lockdown	768.54	2,074.94
Total exceptional item	768.54	2,074.94

Note 29 (a): Income tax expense

(₹ in Lakh)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Income tax expense		
Current tax		
Current tax on profits for the year	6,282.00	5,887.11
Total current tax expense	6,282.00	5,887.11
Deferred tax		
Deferred tax (benefit)/expense	489.48	(522.49)
Total deferred tax expense	489.48	(522.49)
Income tax expense	6,771.48	5,364.62

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	Year ended 31 March, 2022	Year ended 31 March, 2021
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Profit before tax	25,724.16	20,711.74
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	6,474.26	5,212.73
Effect of expenses that are not deductible in determining taxable profit	1,674.52	1,877.78
Effect of expenses that are allowable in determining taxable profit	(1,969.97)	(1,353.08)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	103.19	93.12
Adjustments for changes in estimates of deferred tax assets	489.48	(522.49)
Effect of Interest u/s 234B & C	-	56.56
Total income tax expense recognised in Profit and Loss	6,771.48	5,364.62

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, 2022	As at 31 March, 2021
(i) Claims against the Company not acknowledged as debts	7,471.65	7,298.62
(ii) Guarantees		
a) Guarantees given by Banks	2,74,099.33	2,41,508.91
b) Indemnity Bonds for Performance & Warranties	1,64,976.63	1,66,593.60
c) Unexpired Letters of Credit	15,919.12	25,985.73
(iii) Other money for which the Company is contingently liable		
a) Sales Tax	506.83	506.83
b) Excise Duty	-	106.54
c) Income Tax	1,635.11	363.38

- (a) Contingent Liability on account of Sales Tax amounts to ₹ 506.83 Lakh (31 March, 2021 ₹ 506.83 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 amounts to NIL (31 March, 2021: ₹ 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. It was considered as Contingent Liability last year since the Company has made appeals before respective Appellate Authorities against the impugned demand. Appellate authority has dismissed the appeal in current year, but subsequently CIWTC has agreed to reimburse the said amount of ₹ 106.54 Lakh, as part of amicable settlement under process as per instruction by Ministry of Shipping. Accordingly contingent liability has been withdrawn.
- (c) Contingent liability on account of Income Tax amounts to ₹1,635.11 Lakh (31 March, 2021 : ₹ 363.38 Lakh) towards , Arbitrary increase by the Income Tax Authority in taxable income based on Form 26AS for AY 2009-10 - ₹ 1624.58 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. Arbitrary increase by the Income Tax Authority in taxable income based on Form 26AS for AY 2009-10 has been increased from ₹ 352.85 Lakh to ₹ 1624.58 Lakh due to an apparent arithmetical error in the computation sheet. The company believes on the basis of relevant documents that it would succeed in the appeal. As per section 199 of Income Tax Act the company is entitled to the credit and expects a favourable order. Above disputes have not been acknowledged as debt and accordingly not provided for in the Accounts as all the issues are under first stage 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

- (i) 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.

GRSE raised claim as Ground Rent on the Vessels and Cranes not removed by CIWTC amounts to ₹ 351.92 Lakh and ₹ 1964.16 Lakh respectively till disposal of the Vessels up to 2010 and Cranes up to 2017 (Cranes not yet disposed). Claim on reimbursement of ₹ 106.54 Lakh which was recovered by Central Excise Dept. towards alleged arrear interest claimed on excise liability of CIWTC which was included in sale consideration received as per Sale Agreement for payment to Excise Authority.

Ministry of Ports, Shipping and waterways, GOI decided to strike-off the name of CIWTC from ROC under section 248 of the Companies Act, 2013 in 2021 and the matter was mandated to Conciliation and Settlement Committee (CSC) to spear head the formalities of closure to settle the pending disputes. CSC has examined the case and proposed a settlement of ₹ 165.64 Lakh as final settlement considering the terms of Sale agreement and relevant documents pertaining to this case which includes refund by CIWTC the entire amount of ₹ 106.54 Lakh recovered from GRSE by Central Excise as arrear interest on dues payable by CIWTC to Central Excise considered as "Claim Receivables" and balance of ₹ 59.10 Lakh towards ground rent (net of disposal proceeds of the assets) due to non removal of assets as per terms of "Sale Agreement" of 2006 which is considered as Contingent Asset.

Note 31: Commitments

(₹ in Lakh)

Particulars	As at 31 March,2022	As at 31 March,2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,341.67	4,945.58
Advance paid against above	7.43	251.35

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 ₹ 588.77 Lakh (31 March, 2021 ₹ 679.11 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.

Note 32: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Leave obligation
As at 31 March, 2021	
Current portion	679.11
Non-current portion	6,825.42
Total	7,504.53
As at 31 March, 2022	
Current portion	588.77
Non-current portion	7,421.46
Total	8,010.23

(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 ₹ 720.31 Lakh (31 March, 2021: ₹ 860.52 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 ₹ 1,737.98 Lakh for the year 2021-22 (₹ 1,661.64 Lakh for the year 2020-21).

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 31 March, 2022.

Note 32: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2021	37,313.64	(37,318.58)	(4.94)
Current service cost	3,413.38	-	3,413.38
Interest expense/(income)	2,879.33	(3,022.80)	(143.47)
Total amount recognised in profit or loss	6,292.71	(3,022.80)	3,269.91
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	111.97	111.97
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(141.61)	-	(141.61)
Actuarial (gain)/loss from unexpected experience	126.24	-	126.24
Total amount recognised in other comprehensive income	(15.37)	111.97	96.60
Employer contributions/ premium paid	-	(2,021.98)	(2,021.98)
Benefit payments	(3,532.61)	3,532.61	-
Participant Contributions	-	(1,391.40)	(1,391.40)
Transfer in	-	(95.91)	(95.91)
31 March, 2022	40,058.37	(40,206.09)	(147.72)

From FY 2020-21 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.

(iii) Defined Contribution Plan:
Superannuation Pension Fund:

The Pension Scheme is administered by a Trust. The Company has transferred an amount of ₹ 454.81 Lakh for officers and non-unionised supervisors to LIC towards employer's contribution for the year 2021-22 (₹ 432.40 Lakh for the year 2020-21).

The pension scheme for unionised employees has been introduced w.e.f. 01 January 2012. An amount of ₹ 371.47 Lakh has been transferred to LIC for the year 2021-22 (₹ 353.19 Lakh for the year 2020-21) 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, 2020	1,669.24
Current service cost	52.48
Interest expense/(income)	115.18
Total amount recognised in Profit or Loss	167.66
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	(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

Note 32: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2021	1,566.16
Current service cost	51.61
Interest expense/(income)	110.72
Total amount recognised in Profit or Loss	162.33
<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	(38.49)
Experience (gains)/losses	(82.99)
Total amount recognised in other comprehensive income	(121.48)
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2022	1,607.01

(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, 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)	-

Note 32: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2021	11,879.33	(11,879.33)	-
Current service cost	694.90	-	694.90
Interest expense/(income)	791.27	(839.87)	(48.60)
Total amount recognised in profit or loss	1,486.17	(839.87)	646.30
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(18.39)	(18.39)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	174.97	-	174.97
Actuarial (gain)/loss from unexpected experience	(185.16)	-	(185.16)
Total amount recognised in other comprehensive income	(10.19)	(18.39)	(28.58)
Employer contributions/ premium paid	-	(617.72)	(617.72)
Benefit payments	(1,374.78)	1,374.78	-
31 March, 2022	11,980.53	(11,980.53)	-

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March, 2022	31 March, 2021
Discount rate	7.07%	6.90%
Expected return on plan asset	7.07%	6.90%
Salary growth rate	7.00%	6.50%
Attrition rate	1.00%	1.00%
Mortality rate	IALM (2012-2014) Ultimate	IALM (2012-2014) 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, 2022		31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	11,539.63	12,451.95	11,440.68	12,348.65
% change compared to base due to sensitivity	-3.68%	3.93%	-3.69%	3.95%
Salary growth rate (-/+ 0.5%)	12,292.01	11,648.85	12,238.55	11,510.71
% change compared to base due to sensitivity	2.60%	-2.77%	3.02%	-3.10%
Attrition rate (-/+ 0.5%)	11,980.72	11,980.34	11,879.36	11,879.32
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%
Life expectancy/ mortality rate (-/+ 10%)	11,981.47	11,979.59	11,879.66	11,879.02
% change compared to base due to sensitivity	0.01%	-0.01%	0.00%	0.00%

Note 32: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Impact on Post-retirement medical benefits			
	31 March, 2022		31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/ + 0.5%)	1,562.65	1,650.56	1,522.93	1,608.60
% change compared to base due to sensitivity	-2.76%	2.71%	-2.76%	2.71%
Attrition rate (-/ + 0.5%)	1,645.09	1,568.12	1,603.27	1,528.25
% change compared to base due to sensitivity	2.37%	-2.42%	2.37%	-2.42%
Life expectancy/ mortality rate (-/ + 10%)	1,604.59	1,609.42	1,563.81	1,568.50
% change compared to base due to sensitivity	-0.15%	0.15%	-0.15%	0.15%

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, 2023 are ₹ 700 Lakh.

The weighted average duration of the defined benefit obligation (gratuity) is 11 years (31 March, 2021 – 12 years) and Post-retirement medical benefits is 37 years (31 March, 2021 – 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, 2022		
Defined benefit obligation (gratuity)	1,294.22	22,181.13
Post-retirement medical benefits	125.15	5,443.84
Total	1,419.37	27,624.97
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

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, 2022	31 March, 2021
Short-term employee benefits	210.01	221.69
Post-employment benefits	18.59	9.84
Total compensation	228.60	231.53

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, 2022	31 March, 2021
Sales of goods and services		
Sale of goods (owned by Govt. of India)	10,447.05	46,624.81
Sale of services (owned by Govt. of India)	525.60	68.71
Other transactions		
Final Dividend paid to shareholder	981.42	1,194.78
Interim Dividend paid to shareholder	4,224.39	3,285.64

(c) Outstanding balances arising from sales/purchases of goods and services

(₹ in Lakh)

Particulars	31 March, 2022	31 March, 2021
Trade receivables (sale of goods and services)	13,327.67	5,104.04
Entities (owned by Govt. of India)		

Note 34: Fair value measurements**Financial instruments by category**

(₹ in Lakh)

Particulars	31 March, 2022			31 March, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments	0.44	-	-	0.44	-	-
Mutual Funds	19,667.82			82,581.96		
Trade receivables	-	-	15,494.33	-	-	17,813.74
Security deposits	-	-	763.10	-	-	779.27
Deferred credit recoverable from Navy	-	-	942.88	-	-	828.70
Contract Assets	-	-	8,818.15	-	-	7,994.41
Cash and cash equivalents	-	-	971.26	-	-	932.05
Other bank balances			2,54,802.63			2,27,185.14
Other financial assets:						
Bank Deposits with maturity more than 12 months	-	-	99,900.00	-	-	61,400.00

Particulars	31 March, 2022			31 March, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Interest accrued but not due on deposits	-	-	3,216.73	-	-	5,596.90
Total financial assets	19,668.26	-	3,84,909.08	82,582.40	-	3,22,530.21
Financial liabilities						
Lease liability			1,120.42	-	-	369.32
Trade payables	-	-	41,987.75	-	-	78,994.28
Security deposits	-	-	387.49	-	-	397.90
Other payables	-	-	2,005.86	-	-	1,836.34
Total financial liabilities	-	-	45,501.52	-	-	81,597.84

(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, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial investments at FVPL</i>				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund	-	19,667.82	-	19,667.82
Total financial assets	-	19,667.82	0.44	19,668.26
Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy	-	-	942.88	942.88
Trade receivables	-	-	15,494.33	15,494.33
Total financial assets	-	-	16,437.21	16,437.21
Financial liabilities				
Trade payable				
LD deducted from vendors	-	-	1,903.76	1,903.76
Russian deferred credit	-	-	942.88	942.88
Total financial liabilities	-	-	2,846.64	2,846.64
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				
<i>Financial investments at FVPL</i>				
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 fair value - recurring fair value measurements At 31 March, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy	-	-	828.70	828.70
Trade receivables	-	-	17,813.74	17,813.74
Total financial assets	-	-	18,642.44	18,642.44
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

(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, 2022		As at 31 March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deferred credit recoverable from Navy	942.88	942.88	828.70	828.70
Total financial assets	942.88	942.88	828.70	828.70
Financial liabilities				
Trade payable				
LD deducted from vendors	1,903.76	1,595.70	1,126.84	1,135.84
Russian deferred credit	942.88	942.88	828.70	828.70
Total financial liabilities	2,846.64	2,538.58	1,955.54	1,964.54

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. For ageing of trade receivables please refer note 10(b).

(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, 2022 and 31 March, 2021 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 and re-scheduled 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, 2022	One year or less	More than 1 year	Total
Trade payables	41,168.83	1,735.51	42,904.34
Lease liabilities	146.88	973.54	1,120.42
Other financial liabilities	2,393.35	-	2,393.35
Total financial liabilities	43,709.06	2,709.05	46,418.11

(₹ 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
Lease liabilities	168.43	200.89	369.32
Other financial liabilities	2,234.24	-	2,234.24
Total financial liabilities	80,674.17	1,789.72	82,463.89

(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:

Particulars	31 March, 2022			31 March, 2021		
	EUR	GBP	USD	EUR	GBP	USD
Financial assets	-	-	-	-	-	-
Financial liabilities	829.02	81.75	256.19	893.17	94.89	381.09
Net exposure to foreign currency risk	(829.02)	(81.75)	(256.19)	(893.17)	(94.89)	(381.09)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	31 March, 2022	31 March, 2021
EUR sensitivity		
INR/EUR Increases by 8.91% (31 March 2021 -8.90%)*	(74)	(80)
INR/EUR Decreases by 2.66 % (31 March 2021 - 5.52%)*	22	49
GBP sensitivity		
INR/GBP Increases by 8.23% (31 March 2021 - 8.23%)*	(7)	(8)
INR/GBP Decreases by 1.64% (31 March 2021 - 8.16%)*	1	8
USD sensitivity		
INR/USD Increases by 6.61% (31 March 2021- 8.45%)*	(17)	(32)
INR/USD Decreases by 1.81% (31 March 2021 - 1.93%)*	5	7

* 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, 2022	31 March, 2021
(i) Equity shares		
Final dividend for the year ended 31 March, 2021 - ₹ 1.15 (31 March, 2020 - ₹ 1.40) per fully paid share	1,317.35	1,603.73
Interim dividend for the year ended 31 March, 2022 - ₹ 4.95 (31 March, 2021 - ₹ 3.85) per fully paid share	5,670.32	4,410.25
(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 ₹ 0.85 per fully paid equity share (31 March 2021: ₹ 1.15). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	973.69	1,317.35

Note 37: Earnings Per Share

Particulars	31 March, 2022	31 March, 2021
Profit attributable to equity share holders of the Company used in calculating basic and diluted earnings per share (₹ in Lakh)	18,952.68	15,347.12
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	11,45,52,000	11,45,52,000
Basic and diluted earnings per share (₹)	16.55	13.40

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.	361.09
ii) Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the differently abled.	45.91
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.	3.00
TOTAL		410.00

(₹ in Lakh)

Particulars	2021-22	2020-21
Amount required to be spent by the Company during the year	405.50	353.72
Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	410.00	370.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA

Nature of CSR activities undertaken	i. Promoting healthcare including preventive healthcare ii. Eradicating hunger, poverty and malnutrition iii. Promoting education among children including special education among differently abled children. iv. Employment enhancing vocation skills including differently abled children v. Contribution to clean Ganga fund set-up by Central Govt.	i. Promoting healthcare including preventive healthcare & sanitation ii. Eradicating hunger, poverty and malnutrition iii. Promoting education among children including special education among differently abled children. iv. Employment enhancing vocation skills including differently abled children v. Contribution to clean Ganga fund set-up by Central Govt. vi. Disaster management . vii. Contribution to technology incubators.
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard-	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation & the movements in the provision during the year	NA	NA

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, 2022	31 March, 2021
(i) Contract revenue recognized for the year	1,63,206.62	1,03,201.78
(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	4,58,524.00	3,04,897.68
(iii) Amount of customer advances outstanding (gross) for contracts in progress	934,454.18	6,88,590.90

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 Ruble 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-Ruble 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, 2022 and aggregated to ₹ 942.88 Lakh (Undiscounted amount being ₹ 1,859.47 Lakh) [31 March, 2021: ₹ 828.70 Lakh (Undiscounted amount being ₹ 1,694.75 Lakh)].

Note 41:

- 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 Rajabagan Dockyard (RBD), 61 Park unit, Medical dept., Production Planning & Control Dept., Industrial Engineering & Process (IE&P), Vender development Dept. Discrepancies found have been appropriately dealt with in the Accounts.
- 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 ₹ 1,138.09 Lakh (original value ₹ 3,202.04 Lakh) as on 31 March, 2022 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 ₹ 1488 Lakh as onetime 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/201801 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 ₹ 5,356.80 Lakh (Previous year ₹ 5,208.00 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 31 December, 2021 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. During the current financial year, total addition of Right of Use (RoU) is ₹ 955.86 Lakh with Lease Liability of ₹ 877.37 Lakh.

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 ₹ 36.23 Lakh (FY 2020-21: ₹ 133.20 Lakh) and vehicle of ₹ 82.12 Lakh (FY 2020-21: ₹ 29.47 Lakh) has been adjusted with corresponding lease liability. Finance cost includes unwinding of Interest on lease rent paid of ₹ 62.62 Lakh (FY 2020-21: ₹ 39.85 Lakh) and depreciation & amortisation expenses include amortisation of RoU Assets of ₹ 184.45 Lakh (FY 2020-21: ₹ 161.16 Lakh).

Details of Lease Liabilities are appended below:

(₹ In Lakh)

Particulars	As on 01.04.21	Addition/Adjustment	Unwinding of Interest	Total Cash Outflow	As on 31.03.22
Land	338.30	324.17	36.81	36.23	663.05
Vehicle	31.02	482.66	25.81	82.12	457.37
Total	369.32	806.83	62.62	118.35	1,120.42

Details of Contractual maturity of Assets on an undiscounted basis:

(₹ In Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	-	-
More than 1 year	1161.04	389.63
Total	1161.04	389.63

Details of Contractual maturity of liabilities on an undiscounted basis:

(₹ In Lakh)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	176.35	113.88
1 year to 5 years	664.35	99.47
More than 5 years	1,998.24	1,121.74

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	2021-22	2020-21
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	228.52	99.46
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	1.33	2.58
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	12.46	25.76
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year	13.79	28.34
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:

The total Fund Based limits ₹ 11,001.00 Lakh (March 31, 2021: ₹ 10,500 Lakh) and Non-Fund based limits ₹ 4,56,500 Lakh (March 31, 2021: ₹ 3,45,500 Lakh) sanctioned by consortium of bankers are interchangeable between Fund based and Non-fund-based limits. The said limits are secured by hypothecation of current asset i.e. inventories and receivables. The Company at present doesn't have any Fund based utilization. As on 31 March, 2022 guarantees given by Bank is ₹ 2,74,099.33 Lakh.

Note 47: Disclosure of recovery or settlement of assets and liabilities

(₹ in Lakh)

Particulars	31 March, 2022		31 March, 2021	
	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	-	49,456.73	-	33,497.42
(b) Capital work-in-progress	965.98	-	15,129.72	-
(c) Intangible assets	-	608.69	-	522.86
(d) Financial assets				
(i) Investments	-	0.44	-	0.44
(ii) Other financial assets	-	1,14,126.63	-	69,455.90
(e) Non-current tax assets	-	15,393.76	-	11,714.77
(f) Other non-current assets	-	10.78	-	254.30
(2) Current assets				
(a) Inventories	1,17,226.80	-	78,787.45	-
(b) Financial assets				
(i) Current Investment	19,667.82	-	82,581.96	-
(ii) Trade receivables	15,494.33	-	17,813.74	-
(iii) Cash and cash equivalents	971.26	-	932.05	-
(iv) Bank balances other than (iii) above	2,54,802.63	-	2,27,185.14	-
(v) Other financial assets	12,751.30	-	14,380.03	-
(c) Other current assets	1,62,036.32	-	1,26,021.92	-
(d) Assets classified as held for sale	45.87	-	43.39	-
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	-	973.54	-	200.89
(ii) Trade payables	-	818.92	-	722.78
(b) Provisions	-	8,907.43	-	8,286.66
(c) Deferred tax liabilities (Net)	-	1,078.13	-	550.87
(2) Current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	146.88	-	168.43	-
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises	228.52	-	95.36	-
(B) total outstanding dues other than micro enterprises and small enterprises	40,940.31	-	78,176.14	-
(iii) Other financial liabilities	2,393.35	-	2,234.24	-
(b) Other current liabilities	5,65,676.92	-	4,57,982.07	-
(c) Provisions	16,606.27	-	16,191.89	-

Note 48:

In preparation of the financial results for the year ended 31 March, 2022, the Company has taken into account the possible impact of COVID-19 and the related internal and external factors known to the management up to 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 COVID -19 pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.

Note 49:**Exceptional Items**

The Company was almost closed from mid of the month of May 2021 due to the then emerging second wave of the COVID-19 pandemic as per Government directives. The operations partially resumed almost after a month with requisite precaution, which has affected the revenue and financial performance of the Company. 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. Accordingly, manpower cost of Direct, Indirect Operatives, Office Assistants of Production Departments and Depreciation on Plant & Machinery of Production Department during non-operational period has been considered as expenditure under Exceptional Item.

(₹ In Lakh)

Particulars	Year Ended	
	As at 31 March, 2022	As at 31 March, 2021
Employee Cost	709.95	1920.22
Depreciation	58.59	154.72
Total	768.54	2074.94

Note 50:

Yard 3020, the 4th and last of Project 28 was delivered to Indian Navy on 18th Feb 2020 as against contractual delivery of April, 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.

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 Lakh in the books in Financial Year 2019-20.

The LD case has already been approved by MOD, Acquisition. Amendment of contract for delivery date extension is under process at MOD.

Note 51:**Title deed of Immovable Properties not held in the name of the company/Jointly held**

Relevant line item in Balance sheet	Description of Item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Building	₹ 95.96 Lakh	Jointly owned with Mazagon Dock Shipyard Limited and Goa Shipyard Limited. (1/3rd share each)	NA	15.06.1998	Jointly owned with Mazagon Dock Shipyard Limited and Goa Shipyard Limited. (1/3rd share each)

Note 52:

Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% of Variance	Reason for Variance
Current Ratio (In times)	Current asset	Current Liability	0.93	0.99	- 6%	
Debt Equity Ratio (In times)	Debt	Equity	0.008	0.002	300%	Debt of the current year increased substantially due to increase in the lease holdings of properties for the company from KOPT.
Debt Service Coverage Ratio (In times)	Earnings available for debt service (PAT, Depreciation & Interest)	Debt Service (Interest & lease payments + Principal repayments)	116.04	79.37	46%	Net principal component of leases comparatively decreased due to expiry of certain lease agreements during current FY.
Return on Equity (%)	Profit After Tax less preference dividend (if any)	Average Shareholder's Equity	16 %	14 %	14%	
Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	1.68	1.79	- 6%	
Trade Receivables Turnover Ratio (In times)	Credit sales	Average Trade receivables	10.55	3.20	230%	Payment of Yard 3020 on delivery in Feb, 2020 outstanding as at 31.03.2020 was realized during FY 20-21. Total realization of around ₹ 320 Crs. (₹ 280 Crs. towards Yard 3020 and balance related to other ships)
Trade Payable Turnover Ratio (In times)	Credit Purchase	Average Trade Payable	2.20	1.24	77%	Turnover increased by 54% over previous year where there is reduction of 47% in Trade payables.
Net Capital Turnover Ratio(In Times)	Revenue from Operation	Working Capital	-4.09	-16.06	75%	As turnover increased by 54% over previous year, ratio has improved
Net Profit Ratio(%)	PAT	Revenue from Operation	11%	13%	- 15%	
Return on Capital Employed (%)	EBIT	Capital Employed	20%	18%	12%	
Return on Investment (%)	Income from invested Fund	Average investment	4%	5%	- 20%	

Note 53:**Relationship with Struck off Companies**

(₹ in Lakh)

Name of Struck off Company	Nature of transaction with stuck off company	Balance Outstanding As at 31 March, 2022	Relationship with the Struck off company, if any to be disclosed	Balance Outstanding As at 31 March, 2021	Relationship with the Struck off company, if any to be disclosed
Simpac Marine (India) Private Limit	Payables	1.80	Vendor	1.80	Vendor
Pearl Filter Pvt. Ltd.	Payables	1.42	Vendor	1.42	Vendor
Alvin Marine Co. Pvt. Ltd.	Payables	0.94	Vendor	0.94	Vendor
Ilka Metal Industries Pvt. Ltd.	Payables	0.31	Vendor	0.31	Vendor
Halcyon Friends Projects Pvt. Ltd.	Payables	0.01	Vendor	0.01	Vendor

Note 54:

Figures for the previous year have been regrouped/rearranged 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 55:

The financial statements are authorised for issue by the Board of Directors on 25th May 2022.

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 : 25th day of May, 2022

For and on behalf of the Board of Directors

Sd/-

Cmde Hari PR, IN (Retd.)

Chairman & Managing Director (Officiating)

DIN - 08591411

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 106TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 106th Annual General Meeting of **Garden Reach Shipbuilders & Engineers Limited** will be held on **Monday, 26th September, 2022** 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, 2022 and the Reports of the Board of Directors and Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 4.95/- per equity share and to declare a Final Dividend of ₹ 0.85/- per equity share for the financial year 2021-22 (i.e. total Dividend of ₹ 5.80/- per equity share).
- (3) To appoint a Director in place of Shri Ramesh Kumar Dash (DIN: 08511344) 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 2022-23.

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 2022-23, as may deem fit.

SPECIAL BUSINESS:

- (5) To ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023 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 on the recommendation of the Audit Committee of the Company, as Cost Auditors to conduct audit of the cost records of the Company for the financial year ending 31st March, 2023,

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."

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
Membership No. ACS 10992

Date: 11th August, 2022
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 of the accompanying Notice, is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its circular No. 02/2022 dated 05th May, 2022 read together with circular(s) no. 21/2021 dated 14th December 2021, no. 02/2021 dated 13th January, 2021, no. 20/2020 dated 5th May, 2020, no. 14/2020 dated 8th April, 2020, no. 17/2020 dated 13th April, 2020 and the Securities and Exchange Board of India ("SEBI") vide its circular(s) no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 (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 106th AGM of the Company shall be conducted through VC/ OAVM. The deemed venue for the 106th 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 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 their respective Board or governing body resolution/ authorization to attend the AGM through VC/ OVAM and vote through e-voting, 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 **Monday, 19th September, 2022 ("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 Wednesday, 21st September, 2022** and will end at **5.00 p.m. on Sunday, 25th September, 2022**. 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 106th AGM along with the Annual Report 2021-22 is being sent to all the Shareholders, whose name appear in the Register of Members/list of Beneficial Owners on 26th August, 2022, as received from Depositories (NSDL / CDSL).
12. The Notice of 106th AGM along with the Annual Report 2021-22 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 2021-22 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. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. 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 login 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. 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 the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders effective from 1 April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to Members at the prescribed rates. To enable compliance with TDS requirements, Members are requested to complete and/or update their Residential status, PAN and category with their Depository Participants ("DPs"). 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.

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

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

- (b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in 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
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	- 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 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	To avail beneficial rate of tax treaty following tax documents would be required: 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 v) Self-declaration of beneficial ownership by the non-resident shareholder (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)
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

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
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

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

- 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, 23rd September, 2022. Any communication on the tax determination/ deduction received post Friday, 23rd September, 2022 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.
- 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.
- 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>.
- 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.
- 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.
- 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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained below at step 1 (I) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- 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

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND PROCURING USER ID AND PASSWORD

- In accordance with the circulars issued by MCA and SEBI, Notice of the 106th AGM along with Annual Report 2021-22 is being sent only through electronic mode to Members whose e-mail address is registered with the Company/ Depositories.

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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 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 latest by 5.00 p.m. on Wednesday, 21st September, 2022. 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, 21st September, 2022 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.
7. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

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, as amended from time to time, 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:

I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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.

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.	- 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 re-directed 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.jsp - 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 (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	- 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.

- 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 user ID is 101456001***

- 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 above 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 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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, who acquire shares and become Members of the Company after the sending of Notice and hold shares as on cut-off date i.e. 26 August, 2022, may obtain the USER ID and password by sending request at evoting@nsdl.co.in or to the RTA at their e-mail id rtalankit.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. 26 Aug, 2022, 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, you may refer the Frequently Asked Questions (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 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in. Members may also write to the Company Secretary at the Company's email address at 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, on the recommendation of Audit Committee, approved the appointment of M/s. Chatterjee & Co., Cost Accountants as the Cost Auditor of the Company, to conduct the audit of the cost records of the Company for the financial year ending

31st March, 2023 at an audit fees of ₹58,000/- plus taxes and out of pocket expenses incurred in connection with the aforesaid audit.

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, 2023.

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.

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

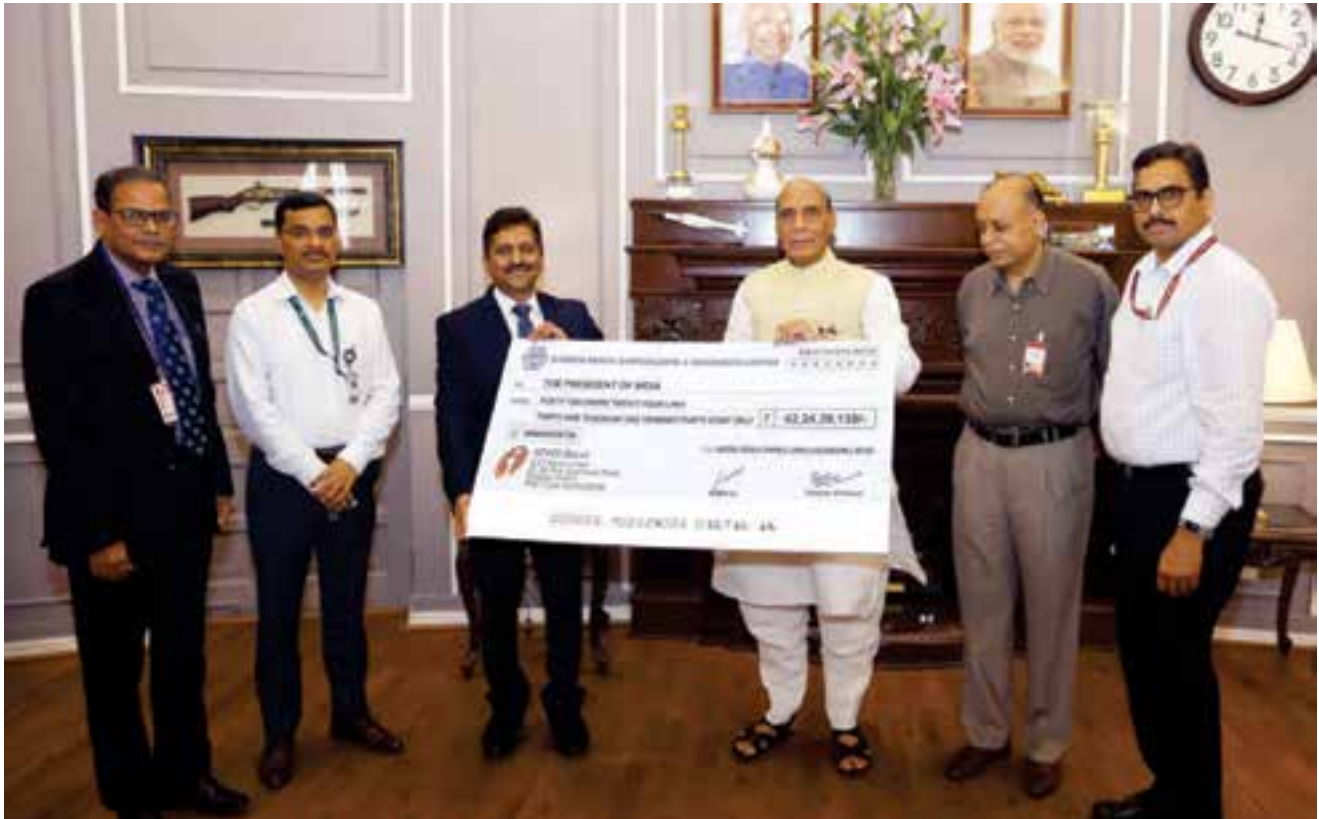
Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
Membership No. ACS 10992

Date: 11th August, 2022
Place: Kolkata

Annexure

Additional information on Directors Retiring by Rotation / Seeking Appointment / Re-Appointment at the 106th AGM as required under Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is as under:

Shri Ramesh Kumar Dash (DIN: 08511344)	
Date of Birth	02 May 1965
Date of Appointment	01 Jul 2020
Qualifications	• Master of Commerce (M.COM) • Associate Cost Accountant (ACMA) • Bachelor of law (LLB)
Experience and Expertise in specific functional areas	Shri Ramesh Kumar Dash was appointed as Director (Finance) & CFO of the Company w.e.f. on 01 July, 2022. He has over 30 years of extensive experience in Finance, Accounts, Pricing, Budgeting, Taxation and Audit Functions. Further, prior to GRSE, Shri R K Dash was working with Hindustan Aeronautics Limited (HAL) and he was also 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.
Listed entities in which the person also holds the directorship and the membership of Committees of the Board.	Garden Reach Shipbuilders & Engineers Limited
Resignation from the directorship of the listed companies in the past three years	NIL
Membership / Chairmanship of Committees across all listed companies	Garden Reach Shipbuilders & Engineers Limited • Audit Committee – Permanent Special Invitee • CSR & Sustainability Committee – Member • Stakeholder Relationship Committee – Member • Risk Management Committee – Member • Procurement Committee - Member
Directorship held in other unlisted companies	NIL
Membership / Chairmanship of Committees of other unlisted Companies	NIL
Terms and Conditions of Appointment	The Company being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment, vests with the Government of India.
Number of meetings of the Board attended since the date of appointment	16
Relationship with other Directors / Key Managerial Personnel	NIL
Number of shares held in the Company (self and as a beneficial owner)	NIL



Handing over of Interim Dividend Cheque 2021-22 to
Hon'ble Minister of Defence Shri Rajnath Singh



Launching of Indian Navy's 17A Frigates, Dunagiri
by The Hon'ble Defence Minister Shri Rajnath Singh.



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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