



# 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/25/24-25

28 Aug 2024

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 2023-24 of Garden Reach Shipbuilders & Engineers Limited**

Dear Sir / Madam,

1. This is to inform that the 108<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on **Friday, 20<sup>th</sup> September, 2024 at 1030 hours** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the business as set out in the AGM Notice dated 08<sup>th</sup> August, 2024 in accordance with the applicable circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The deemed venue for the 108<sup>th</sup> 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 2023-24 of the Company** along with the Notice of 108<sup>th</sup> AGM which is being sent through electronic mode to the Members of the Company.

3. The Annual Report 2023-24 along with the Notice of the 108<sup>th</sup> AGM is also uploaded on the Company's website at [www.grse.in](http://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 2023-24



## ANNUAL REPORT 2023-24



# NAVIGATING NEW PATHS



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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





# Message from **CMD**

## **DEAR SHAREHOLDERS,**

At the outset, let me welcome each one of you to this Annual General Body Meeting, and it is my pleasure to share the Annual Report of our Company for FY 2023-24.

It is often said that, "You have to have a big Vision and take small steps to get there". GRSE's Vision 2030 is definitely ambitious and we intend taking quick steps to achieve our Vision. Towards this, the year 2023-24, marked by significant achievements and the launch of numerous important initiatives has certainly set the right tempo.

Even as the world experienced chaos and disruption due to highly volatile macroeconomic environment owing to conflicts in Russia - Ukraine region and the Middle East, "Team GRSE" has shown exceptional resilience and delivered our best ever financial performance during FY 2023-24. Our focus on continuous process improvement, innovation,

sustainable shipbuilding practices, new technology adoption and steadfast commitment to customer delight has reinforced our pole position in shipbuilding and Defence sectors. Here, I would like to state that it is your continued support and trust over the years, that has given us the confidence to take challenges head on and push past all complexities to deliver consistent value for you each year.

## **THE YEAR IN PERSPECTIVE - FINANCIAL PERFORMANCE**

FY 24 has been a landmark year for GRSE, and I am happy to inform you that despite supply chain problems and rising costs, GRSE delivered outstanding financial results across all key metrics. The 'Revenue from Operations' stood at ₹3,592.64 crore as against ₹2,561.15 crore in the previous fiscal year, registering a growth of 40%. Our 'Profit Before Tax' and 'Net Profit' recorded were ₹480.92 crore and ₹357.27 crore respectively, both registering a 57%

increase over the previous financial year. All these key parameters (Revenue from Operations, Profit Before Tax & Net Profit) have been highest ever in history of the company. Furthermore, 'Earnings per Share' were ₹31.19 compared to ₹19.91 in FY 23. This strong financial performance was driven by a healthy order book and an effective project execution strategy.

I would like to make a special mention on our Q4/FY 24 results, where the 'Net Profit' doubled to ₹112 crore and 'Revenue from Operations' recorded a growth of 70% to ₹1,016 crore, over the corresponding quarter of FY 23. Our operational performance was also strong, where EBITDA surged by 343% to ₹90.60 crore.

## **PHYSICAL PERFORMANCE HIGHLIGHTS**

The shipbuilding execution milestones that we achieved during FY 24 reflect continued focus on fulfilling contractual commitments

to our customers. This is exemplified by the delivery of INS Sandhayak, the largest survey vessel to be built in India, and launch of seven ships during the year. 'Vindhyagiri', the 3<sup>rd</sup> P17A Advanced Frigate, 'Sanshodhak' the 4<sup>th</sup> Survey Vessel (Large) and four Anti-Submarine Shallow Water Crafts (ASW SWC) 'Anjadip', 'Amini', 'Ajay' and 'Akshay' took to waters during the year. Besides these, GRSE's foray into green technology vessels also took a giant leap with launching of zero emission NG Electric Ferry 'Dheu', the largest vessel of its kind in this country.

We are currently building 18 warships for the Indian Navy, and delivering these vessels to the satisfaction of our customer is of utmost priority. The first ship of Project 17A, which is the flagship project for GRSE, is on target for delivery in FY 26. The second and third ships of the projects are expected to follow closely at six-month intervals. The first Survey Vessel (Large) was delivered on 04 Dec 23 and following her wake, the remaining three ships of the project are at various stages of progress. The second ship is being readied for delivery during Q2/FY 25. Six out of eight ASW Shallow Water Crafts have already been launched and the last two are scheduled for launch during this year. Construction of all four Next Generation Ocean Going Patrol Vessels have also commenced and this project progressing on schedule.

We started focusing on ship repair segment two years back, when we took over three dry-docks in Kolkata on a strategic lease from Syama Prasad Mookerjee Port and since then, we have been moving from strength to strength, having completed 14 refits for the Indian

Coast Guard. We are also, currently executing a major refit for the Indian Navy, and these accomplishments underscore our commitment to deliver comprehensive maritime solutions across the spectrum.

The Bailey Bridge division despite being a small vertical, leads the Indian market today. Determined efforts to leverage the expertise in this niche segment, coupled with introduction of new products and a proactive marketing strategy has resulted in revenue from this division surging from ₹69 crore in FY 23 to ₹140 crore in FY 24. MoUs which are in place with the Indian Army and other key national organisations such as Border Roads Organisation, National Highways and Infrastructure Development Corporation, have raised prospects of additional growth opportunities in FY 25.

### **EMBRACING INNOVATION & ADVANCED TECHNOLOGIES**

This year saw us take major strides in embracing innovation and advanced technologies. The launch of zero-emission Next-generation battery-powered electric ferry, Dheu, for West Bengal Government heralds a new area of expertise for the shipyard. The design and construction of this vessel not only emphasizes our commitment to sustainable and environmentally friendly maritime solutions, but also throws open the doors to an emerging lucrative green energy vessel market.

Realising the need to leverage our complimentary skillsets and experience, GRSE has entered into MoUs with a number of industry partners to make forays into new and exciting market segments. Launch of "Neerakshi" a Man Portable Autonomous Underwater

Vehicle (MP-AUV) in Jul 2023 with multi-role capabilities is an outcome of one such partnership. We are also working on the development of Unmanned Surface Vehicles (USVs) and are looking forward to delivering our first USV to NSTL in the second quarter of FY 25. These advanced technology vessels have demonstrated the capability of GRSE to be future ready, and we intend to pursue development of such platforms to keep up with the rapidly evolving technology landscape and emerging customer aspirations.

MoU for production, sale, and service of medium-speed engines for the Indian Navy and Coast Guard with M/s Caterpillar Inc., and a license agreement with M/s Rolls-Royce for the production and localisation of MTU Series 4000 Marine Engines, enhancing our manufacturing capabilities at Diesel Engine Plant in Ranchi, are significant efforts that are expected to bring critical marine propulsion technology to the country.

Further, towards nurturing the spirit of innovation and leveraging our thriving start-up eco system in the country, the GRSE Innovation Nurturing Scheme (GAINS) was introduced and first edition of this National open challenge scheme was held in May 23. The participation and support we received from innovators have been encouraging and two projects (in AI and Robotics) are currently being funded through this scheme. This exciting engagement with innovators' community is set to continue and we have already launched the 2nd edition of GAINS recently.

## FUTURE OUTLOOK

Our order book position is healthy, which as of 31 March 24, stood at ₹22,652 crore. This includes major warship-building contracts for the Indian Navy: the prestigious P17A project, the Anti-Submarine Shallow Watercraft project, the Survey Vessel (Large) project, and the Next Generation Offshore Patrol Vessel project.

Additionally, we have secured a ₹840 crore order from the Ministry of Earth Sciences for an Oceanographic Research Vessel and have also signed export contracts with the Government of Bangladesh for ₹340 crore and a European client for ₹450 crore.

Our primary focus remains on domestic warship building to meet the needs of Indian Government and enhance National Defence capabilities. We are eagerly looking forward to several upcoming bidding opportunities for warship building projects for Indian Navy and Indian Coast Guard, including an RFP from the Indian Navy for eight Next-Generation Corvettes. We also anticipate tenders for 5 Next-Generation Survey Vessels, 2 Multi Purpose Vessels, 21 Water Jet Fast Attack Crafts, 6 NOPVs, 22 IBs and 120 Fast Interceptor Crafts in the coming years.

On the non-defence front, another significant opportunity is the Geological Survey of India's tender for two Coastal Research Vessels valued at approximately ₹500 crore. We are also looking towards getting more orders for green energy platforms that various state governments like West Bengal and Kerala are likely to procure. Further, Government of India has prioritised growth of the maritime sector by

introducing a slew of initiatives and policies. Initiatives such as the Sagar Mala Project, Jal Marg Vikas Project, Harit Sagar and Green Tug Transition Plan are focused on accelerating growth and they present themselves as opportunities for GRSE.

At a Global level, there is a strong demand from Europe and the Middle East for various types of vessels including Short Sea Ships, Offshore Support Vessels, Wind Farm Support Vessels, Product Tankers etc. In the defence sector, current geopolitical scenario, characterised by regional tensions with impacts at a global level, together with growing need to safeguard the integrity of international energy and communications infrastructure, is likely to increase demand for defence vessels. Tapping these emerging opportunities, we aim to secure more export orders for warships and commercial vessels by forming strategic alliances with global shipbuilders and defence contractors, helping us leverage joint expertise and access new markets.

We are taking several steps towards expanding shipbuilding capacity and upgrading infrastructure in preparation to take on the emerging demand. The shipyard has adopted state-of-art shipbuilding techniques including use of AI, Virtual Reality and Robotics to enhance efficiency and cut production time. Investments are planned to develop new facilities and upgrade existing ones, including revitalisation of a new dry dock and additional assembly workshops. As part our strategy to expand shipbuilding capacity on the west coast, GRSE has entered into a MoU with a leading private shipyard for building commercial ships at their shipyards in Bhavnagar and Goa.

Green shipping and greening of ports are key focus areas of the government of India. Besides building on the expertise gained through execution of the zero emission NG Ferry project, GRSE is also endeavouring to make forays into design and construction of hydrogen powered vessels and hybrid tugs. The shipyard is also adopting renewable energy sources and implementing energy-saving measures towards sustainable shipyard operations.

Autonomous platforms are finding increasing application in both commercial and military domains. GRSE has developed the expertise in developing autonomous vehicles for aerial, surface and subsurface applications in collaboration with industry partners and is ready to take on the upcoming challenges and opportunities in this domain.

Continued investments are planned for R&D in design of next-generation ships and advanced maritime technologies including stealth and unmanned/autonomous vessels. Establishment of an innovation hub to foster collaboration with startups, research institutions and technology firms in shipbuilding and defence technologies is also on the anvil.

## PEOPLE, DIVERSITY AND TALENT MANAGEMENT

Human resources are our biggest strength, who work diligently to advance our company's mission, vision and values every day. At GRSE, our people-first culture and staying invested in training and retaining talent is of paramount priority. We are embracing agile ways to ensure upskilling and reskilling of people to prepare us for the challenges of tomorrow.



The passion, dedication, and commitment of our people drives our progress and we consistently focus on creating a supportive and inclusive work environment that empowers them to achieve their full potential. GRSE strives to provide a blend of empowerment, respect and dignity, which intrinsically bolsters diversity and supports aspirations and ambitions of a heterogeneous team.

Women are increasingly taking on leadership roles and are meticulously included in succession plans. Their development plans are closely tracked and supported across all levels. We also prioritise inclusivity by hiring differently-abled and socio-economically disadvantaged individuals.

Our efforts to continuously engage and retain our diverse work force, and to drive a culture of safety, ethics and performance are key pillars of our strategy.

### CREATING TRUST AND VALUE FOR STAKEHOLDERS

As your company navigates complexities of the dynamic shipbuilding sector, we are focused on creating long-term value for shareholders, customers, employees, and communities. It is a matter of pride that share prices of your company soared to its highest in six years, with a value of 22 times over the last issued price. Our market capitalisation touched an all-time high at ₹25,000 crore, reflecting the abiding trust and confidence of our shareholders.

Delivering as per our long-term strategy, rewarding our shareholders remains a priority for your Company. To this effort, your Company

proposes a dividend distribution of ₹107.22 crore for FY 24, including a final dividend of ₹16.50 crore in addition to the interim dividend of ₹90.72 crore.

### SUSTAINABLE DEVELOPMENT & ESG

We have always believed that in order to generate long term value, we need to look beyond profits and care for all our stakeholders, including customers, business partners, shareholders and above all, the planet and society. We firmly believe that our future growth will depend on our multi-stakeholder model and embedding sustainability across the value chain is indeed non-negotiable.

Strengthening its commitment to humanity, your Company has touched beneficiaries through societal interventions, in the area of health, nutrition, education, sanitation, environment and livelihood.

Your Company takes pride in constantly adopting and maintaining values and principles, following the standards of corporate governance practices. We remain committed to uphold the highest standards of governance, transparency and accountability; the interest of our stakeholders will be safeguarded at every step.

The Company 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 requisite number of Independent Directors. Your Company has been continuously rated "Excellent" for its compliances with DPE Guidelines on Corporate Governance.

### CONCLUDING REMARKS

Dr APJ Abdul Kalam once said, "Small aim is a crime...have great aim." Yes, our aim is big, and we shall leave no stone unturned till we achieve our aim.

FY 24 was defined by extraordinary achievements driven by our commitment to progress and sustainability. The results we delivered and resilience we have displayed in the face of difficulties prove that we are ready to take on challenges of the future. I assure you that our Company will not rest on its laurels and will continue to pursue excellence with a renewed sense of purpose, as we seize the opportunities that lie before us.

I extend my sincere gratitude to the Ministry of Defence, Department of Defence Production and the Central & State Governments for their vision, support and guidance. I am also grateful for the trust and unstinted support of Indian Navy, Indian Coast Guard and the Border Roads Organisation. I also thank the Board of Directors, our employees, supply chain partners and technology partners for their unwavering support in this voyage of excellence. I would like to thank you, our shareholders, for continued trust and confidence in GRSE. I look forward to your unstinted encouragement as we leap ahead with anticipation and optimism.

Jai Hind

**CMDE PR HARI, IN (RETD.)**  
Chairman & Managing Director







## About GRSE

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GRSE is a premier shipbuilding company in India under the administrative control of the Ministry of Defence, primarily serves the shipbuilding requirements of the Indian Navy and the Indian Coast Guard. As a diversified, profit-making, and dividend-paying company, GRSE holds the distinction of being the first shipyard in the country to export warships and has delivered over 100 warships to the Indian Navy and Coast Guard. The company's extensive product range spans from 'Warships to Weapons', including Commercial ships, various Deck Machinery, Marine Diesel Engines, Naval Surface Guns, and Bailey-type Portal Steel Bridges.



# Business MODEL





## VISION

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



## MISSION

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".

Expand operations into new geographical areas and enhance product portfolio through innovations.



# VALUES

## FAIRNESS

GRSE visualises 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 organisation.

## GENEROSITY

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

## PURSUIT OF EXCELLENCE

The Company does not wish to bask 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 organisation. 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 organisation 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.

## COMMUNITY INVOLVEMENT

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

## INNOVATION

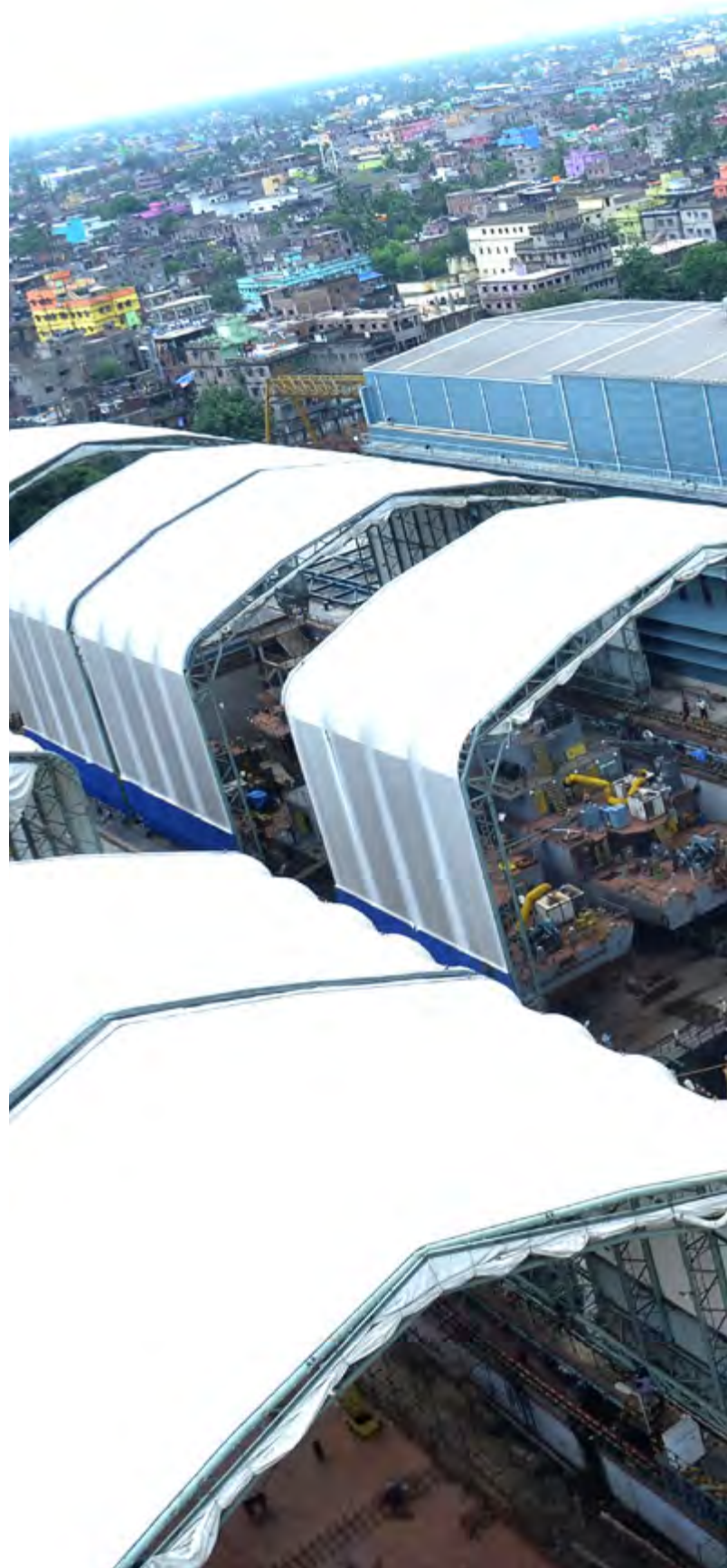
Innovators in business are constantly looking for emerging customer needs and designing best-in-class solutions to address those needs. Innovation allows a company to improve the value delivered to its customers for its customers. Making constant innovation a core value helps corporations grow in the 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.



# SHIPBUILDING Prowess

**GRSE's Ship Building Division is a beacon of India's maritime manufacturing capabilities.**

With an impressive product range and even more remarkable clientele, the division is a testament to India's self-reliance and prowess in shipbuilding. As the seas continue to be a crucial frontier for global geopolitics, establishments like GRSE is a major contributor in to ensuring that India remains ever-prepared and ever-resilient. The Ship Building Division of GRSE showcases the company's excellence in constructing diverse naval and commercial vessels. Operating predominantly for the defence sector shipping industry, GRSE has earned a name for building state-of-the-art vessels that testify to India's naval strength and maritime expertise.









# A deep dive into our **IMPRESSIVE PORTFOLIO**



## **FRIGATE**

These warships are the guardians of the sea. They are a formidable part of the naval fleet, with advanced weaponry and surveillance systems.



## **ANTI-SUBMARINE WARFARE CORVETTE**

Tailored to detect and counteract submarine threats, these vessels are vital for maritime security.



## **MISSILE CORVETTE**

Compact yet lethal, these vessels are armed with missiles and play a crucial role in naval defence strategies.



## **LANDING SHIP TANK & LANDING CRAFT UTILITY**

These vessels facilitate the transportation of troops, equipment, and vehicles during amphibious operations.



### **SURVEY VESSEL**

Essential for maritime exploration, these vessels chart the oceans and provide critical navigational data.



### **FLEET REPLENISHMENT TANKER**

Playing a supportive role, they ensure that the fleet remains operational by supplying fuel and provisions.



### **PATROL VESSEL**

From Fast Patrol to Offshore and Inshore Patrol Vessels, these ensure the territorial integrity of the nation's waters.



### **WJ -FAC, HOVER CRAFT, AND FAST INTERCEPTOR BOAT**

Designed for rapid response, these vessels are essential for rapid engagement and coastal defence. The Indian Navy and the Indian Coast Guard remain the principal customers of GRSE. A significant portion of the company's revenue emanates from its dealings with these two esteemed establishments, underlining the trust and quality assurance that GRSE brings to the table.



# Ship Repair - ENSURING FLEET MAINTENANCE







GRSE, with its in-house design capability and vast pool of expertise and modern assets, has built and repaired ships for countries including Sri Lanka, Maldives, Mauritius and Seychelles. GRSE now has a dedicated Ship Repair vertical to focus on the demand for repairs in the Indian maritime sector. The Ship Repair department has considerable expertise in the repair/refit of Naval warships, Coast Guard ships and Commercial vessels. The team steering this very important vertical of GRSE has over 25 years of experience both ashore and afloat. GRSE is well placed to undertake both scheduled as well as unscheduled/emergency repairs and maintenance with a sturdy pool of vendors, well established supply chain system, expert design & technical support.

### **DEFENCE AND COMMERCIAL SHIP REPAIR SERVICES**

- Scheduled dry docking & refit management in any of the facilities
- Complete Spectrum of work involving mechanical, electrical, steel fabrication works, piping, hydraulic systems, etc for maintenance/repair
- In-service-support to ensure maintenance and availability of vessel or fleet in IOR region
- Technical studies and failure analysis

# Engineering Division: **A LEGACY OF INNOVATION**

**GRSE is renowned for its expertise in shipbuilding and cutting-edge engineering solutions.** The Engineering Division of GRSE embodies the company's dedication to diversification and innovation. GRSE is pivotal in enhancing India's engineering prowess by prioritising indigenous solutions, ranging from portable bridges to specialised deck machinery. As the maritime industry progresses, the Engineering Division is set to continue advancing, providing unmatched solutions and solidifying GRSE's status as a global frontrunner.

## **A Diverse Portfolio**

### **PORTABLE BRIDGES**

An epitome of mobility and structural innovation, GRSE's portable bridges have revolutionised connectivity solutions. Designed to be easily assembled and disassembled, these bridges play a critical role in emergencies, facilitating movement in challenging terrains and ensuring seamless transportation when traditional infrastructures are lacking or compromised.



### **DECK MACHINERY ITEMS**

A testament to GRSE's commitment to indigenisation, deck machinery produced by GRSE are robust and technologically advanced. These integral components, designed to operate in the challenging maritime environment, ensure efficient functioning of ships, making them indispensable to the maritime industry.



## MARINE DIESEL ENGINES: A STEP TOWARD SELF-SUFFICIENCY

GRSE's Engine Division, operating out of its state-of-the-art facility in Ranchi and bolstered by a longstanding partnership with MTU, Germany, is defining the future of marine diesel engines. This collaboration merges top-tier global technologies with local manufacturing strengths. The division does more than produce engines—it drives India's vision for self-sufficiency and maritime excellence forward.

Located in Ranchi, GRSE's advanced Diesel Engine Plant exemplifies the company's dedication to cutting



edge technology and superior quality. This facility handles a wide range of operations, from detailed assembly of engines to their thorough testing and maintenance. Featuring a state-of-the-art test bench, the plant guarantees that each MTU diesel engine produced meets the exacting quality standards synonymous with GRSE and MTU.

The plant contains sophisticated machinery and employs a skilled team of professionals. Their expertise guarantees that every engine is crafted for peak performance, durability, and dependability.



# INDIGENISATION

## Indigenisation

In alignment with India's "Make in India" initiative, GRSE has made significant strides in indigenisation efforts through a variety of approaches, including licensed production via Transfer of Technology (ToT), co-production, assembly, and design and manufacture in India with ToT



### TRIUMPH OF INDIGENISATION

GRSE has achieved remarkable success by integrating a high percentage of locally sourced equipment into ships constructed for the Indian Navy and Indian Coast Guard. The Anti-Submarine Warfare Corvette and Landing Craft Utility, for instance, feature over 85% indigenous content. Additionally, through the recent modernization of the Diesel Engine Plant (DEP) in Ranchi, GRSE has launched an ambitious initiative to localize 40% of engine parts manufacturing.

**40%** Localised engine parts manufacturing



### ADVANCED WEAPONS / SENSORS

GRSE is currently advancing the indigenisation of State-of-the-Art naval technology, including the 30mm Naval Surface Gun for the Indian Navy. Moreover, the company is driving efforts to indigenise the Low Frequency Variable Depth Sonar, intended for use on Indian Navy ships.

**80%** Indigenous Content in Anti-Submarine Warfare Corvette and Landing Craft Utility

## INNOVATION AND NEW TECHNOLOGY ADOPTION

Autonomous systems and green/renewable energy are two technological fields with the potential to radically transform the maritime domain. Leveraging its extensive experience in designing and constructing complex platforms, GRSE, along with the innovative capabilities of startups, has successfully advanced these critical technologies.

### GREEN ENERGY VESSELS

GRSE is pioneering the country's efforts in the development of Green Energy Vessels. The company has designed and built a 150-passenger catamaran hull electric ferry, the largest zero-emission craft of its kind in India. Additionally, GRSE is working on the design and development of Green Tugs in line with the Green Tug Transition Programme (GTTP) of Government of India.

### AUTONOMOUS PLATFORMS

GRSE, in collaboration with its industry partner, M/s AEPL, has developed and launched a Man-Portable Autonomous Underwater Vehicle (AUV). This modular AUV can be adapted for a wide range of roles, including mine detection, anti-submarine warfare (ASW) training, underwater inspection, search and rescue missions, and scientific exploration.



### THE 5M 'SWADHEEN'

GRSE's venture into Unmanned Surface Vessel (USV) is marked by the design and construction of a 53 USV for bathymetric surveys and mine-hunting operations. Besides, GRSE is also at the cusp of delivering a USV to NSTL. The company is also in the advanced stages of developing ship-based Unmanned Aerial Vehicles (UAVs).



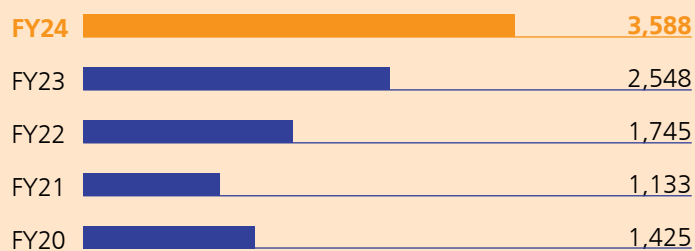


# 10 YEARS FINANCIAL HIGHLIGHTS

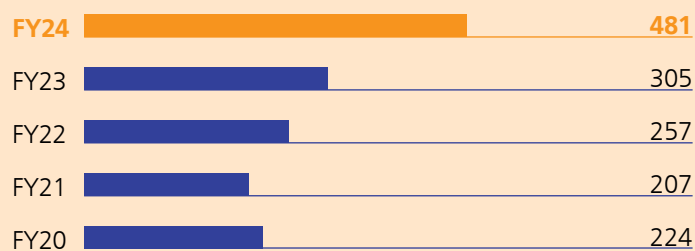
₹ in Lakh

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>FINANCIAL POSITION:</b>										
Equity Share Capital	12384	12384	12384	11455	11455	11455	11455	11455	11455	11455
Reserve & Surplus	84391	101042	95767	90698	92376	92568	102257	114334	129927	155889
Net Worth	96775	113426	108151	102154	103831	104023	113712	125789	141382	167344
Capital Employed	90810	110613	98112	102154	103831	104023	113712	125789	141382	167344
Gross Block	56381	56640	60454	47233	39959	43081	49614	68703	72970	75421
Net Fixed Assets	36574	34370	35834	38917	30225	30369	34020	50065	50761	49257
Working Capital	54236	76243	62278	60249	68476	56100	54298	56904	72497	98943
<b>OPERATING RESULTS:</b>										
Sales	230805	30668	22162	23390	14677	21784	51573	21262	33234	112758
Value of Production	161266	166075	92784	134552	137877	142470	113276	174528	254784	358846
Value Added	62356	63970	47487	62659	61398	68734	66966	81088	95381	133521
Profit/(Loss) Before Tax	7602	24915	2089	12775	17896	22387	20712	25724	30522	48092
Provision for Tax	3257	8710	865	3535	6902	6039	5365	6771	7709	12365
Profit/(Loss) after Tax	4345	16205	1223	9240	10994	16348	15347	18953	22812	35727
<b>APPROPRIATION</b>										
CSR Reserve	2	-	94	-	-	-	-	-	-	-
General Reserve	435	1607	-	9554	-	-	-	-	-	-
Proposed Dividend on Equity	2477	5322	5408	5080	7,961	8179	5728	6644	7102	10722
Tax on Proposed Dividend	504	1083	1101	1034	1636	1352	-	-	-	-
<b>RATIOS</b>										
PBT/ Capital Employed	0.08	0.23	0.02	0.13	0.17	0.22	0.18	0.20	0.22	0.29
PBT/ Production (VOP)	0.05	0.15	0.02	0.10	0.13	0.16	0.18	0.15	0.12	0.13
Production (VOP)/ Capital Employed	1.78	1.50	0.95	1.32	1.33	1.37	1.00	1.39	1.80	2.14
Value Added/ Production (VOP)	0.39	0.39	0.51	0.47	0.45	0.48	0.59	0.46	0.37	0.37
No. of Employees	2834	2592	2401	2214	2100	1973	1900	1790	1747	1649

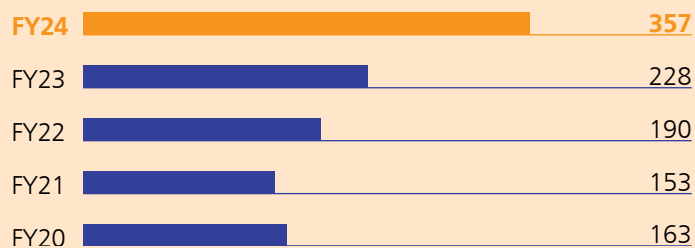
## TURNOVER (VOP) ₹In Crore



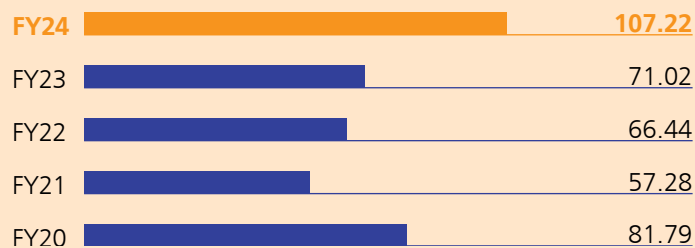
## PBT ₹In Crore



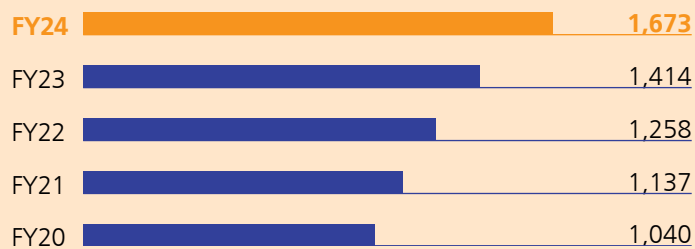
## PAT ₹In Crore



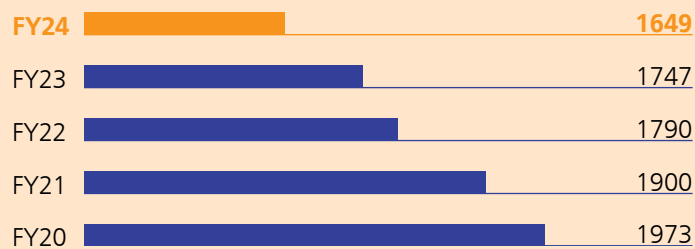
## DIVIDEND ₹In Crore



## NETWORTH ₹In Crore



## MANPOWER (NO)





# Our RELATIONSHIP CAPITAL





### **EXPERIENCED WORKFORCE:**

GRSE employs a highly qualified and seasoned workforce, including a senior management team composed of technically skilled professionals with extensive experience in shipbuilding, design, engineering, order management, operations, human resources, finance, and after-sales services.

### **STRONG AND ENDURING RELATIONSHIPS WITH THE INDIAN NAVY AND INDIAN COAST GUARD:**

GRSE has maintained long-standing relationships with the Indian Navy and Indian Coast Guard since constructing INS Ajay, the first indigenous warship for the Indian Navy in 1961. To date, the company has delivered 109 warships to the Indian Navy and Coast Guard, as well as friendly foreign nations, and has built over 790 vessels to fulfil India's maritime needs. The design and construction of a wide range of warships, from Advanced Stealth Frigates to Waterjet Fast Attack Crafts, have required close coordination with various directorates of the Indian Navy and Coast Guard, fostering enduring relationships.

### **BUSINESS DIVERSIFICATION**

The addition of the Ship Repair vertical and the Commercial warship building division enhances GRSE's primary Warship building operations. The company has expanded its Portable Steel Bridges and Deck Machinery product range and is also engaging in the Assembly, Overhaul, and Testing of Marine Diesel Engines. These new business lines are being developed by introducing innovative products and targeted marketing strategies to boost revenue. Moreover, diversifying into Deck Machinery and Diesel Engines represents a vertical integration with the core business, allowing GRSE to construct warships more efficiently and swiftly.





# Board of **DIRECTORS**



## **COMMODORE P R HARI, IN (RETD.)**

*Chairman & Managing Director*

Cmde P R Hari, IN(Retd.) (DIN: 08591411), with over 35 years of experience, assumed the charge of the Company on 10 Jun 2022. He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Defence & Strategic Studies. An alumnus of the Defence Services Staff College, Wellington, he has also completed the 5th Higher Defence Orientation Course at AWC Mhow and the prestigious Naval Higher Command Course at the Naval War College, Goa.

He has had an illustrious Naval career during which he held various key appointments in Strategy and Operations, Technical Administration, and Tactical Decision-Making. His professional experience includes nine afloat appointments, seven of which were on frontline warships of the Indian Navy. He has also served in staff roles at the Eastern Naval Command and as Command Engineer Officer for the Southern Naval Command. A notable highlight of his career was his role as the Commissioning Engineer Officer of India's first indigenously built stealth frigate, INS Shivalik. He holds the unique distinction of serving in afloat appointments for a continuous span of eleven years and six months.

Cmde Hari joined the Company as a Chief General Manager (PP&C) in 2016, , overseeing Production Planning for all new construction ships at that time. He also served as Director (Personnel) from 21 October 2019 to 10 June 2022, where he led 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) was 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, Hindustan Aeronautics Limited, Gliders India Limited and BEML Limited. He is a Government Nominee Director on the Board of Troop Comforts Limited since 14 Sep 2022.



### **SHRI RAMESH KUMAR DASH**

*Director (Finance) & CFO*

CMA Ramesh Kumar Dash (DIN: 08511344) has taken over charge as Director (Finance) of GRSE Ltd on 01 July 2020. He is a post graduate in Commerce, Bachelor of Law and Associate Member of The Institute of Cost Accountant of India. Shri Dash started his career as Finance Officer in M/s. Paradeep Phosphate Ltd. (PPL), Govt. of India, Enterprise in April 1992. During his tenure in Paradeep Phosphate Ltd. his first assignment was in Marketing Finance at Bhopal and subsequently transferred to the Plant at Paradeep (Odisha). He continued to work for eight years in various positions and left M/s. Paradeep Phosphate Ltd. in 1999 and joined Hindustan Aeronautics Limited, Bangalore as Manager (Finance). After completing almost 20 years in various divisions of HAL (including divisional finance heads), Mr. Dash was transferred to Corporate Office in 2018 to utilize his manufacturing experience in a corporate environment. He has extensive experience in Finance, Taxation, Accounts, Pricing, Budgeting, Treasury Management, Receivable Management, MoU, Contracts, Negotiations, Audit Functions and Corporate Governance. Mr. Dash has got Best CFO Award 2022 (Public-Manufacturing-Medium-Male) from The Institute of Cost Accountants of India towards his outstanding achievements in various areas of financial management of GRSE.



# Board of **DIRECTORS**



## **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, 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.



## **DIG SUBRATO GHOSH, ICG (RETD.)**

*Director (Personnel)*

DIG Subrato Ghosh, ICG (Retd.), after serving in the Indian Coast Guard (ICG) for more than 25 years, joined Company in 2016. He has assumed charge as Director (Personnel) of the Company on 20 June 2023. Before assuming charge as Director (Personnel), he was working as Chief General Manager (BB & DEP). DIG Subrato Ghosh, ICG (Retd.) is a Mechanical Engineer with Bachelor Degree from Dayalbagh Educational Institute, Agra and has done his Masters in Engineering (Mechanical Marine) from Pune University. He also holds Masters in Business Administration from Jamia Millia Islamia University, New Delhi. He has also undergone Advance Marine Engineering Course from Institute of Armament Technology, Pune.

He has had an illustrious career in ICG during which he held various prestigious appointments which included Chief Staff Officer (Technical), Principal Director (TS & IT) and Project Officer (PCVs). He has also held six afloat appointments during his career in the Indian Coast Guard.

During his tenure in the Company, he played key role in delivery of three ships each to Indian Navy & Indian Coast Guard. He steered the doubling of Bailey Bridge Unit turnover and ensured about 20% year on year revenue growth thereafter. He has proven experience and ability to work with multiple stakeholders under conflicting priorities and stringent deadlines, and deliver results in consistent with stated objectives. He has vast experience in ship building as well as in ship repairs.



### **SHRI SANJAY DATTATRAYA PANSE**

*Part-Time Non-Official (Independent) Director*

Shri Sanjay Dattatraya Panse (DIN: 02725875) was 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 37 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) was 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 34 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.



# Corporate INFORMATION

## BOARD OF DIRECTORS

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

**Shri Ramesh Kumar Dash**  
Director (Finance) & CFO

**Cdr. Shantanu Bose**, IN (Retd.)  
Director (Shipbuilding)

**DIG Subrato Ghosh**, ICG (Retd.)  
Director (Personnel)  
(From 20 Jun 23)

**Shri Rajeev Prakash**, IP&TAFS  
Government Nominee Director

**Shri Sanjay Dattatraya Panse**  
Part-Time Non-Official (Independent) Director

**Shri Sanjeeb Mohanty**  
Part-Time Non-Official (Independent) Director

## INDEPENDENT EXTERNAL MONITORS

**Shri Pidatala Sridhar**, IRS (Retd.)

**Shri B B Singh**, Ex-CMD, MSTC Ltd.

## ADVISOR

**Cmde. Jayanta Chowdhury**, IN (Retd.)

## SENIOR MANAGEMENT

**Shri Venkatesh Murthy**  
Chief General Manager (CSB)

**Cmde. Rajat Manchanda**, IN (Retd.)  
Chief General Manager (PP&C)

**Cdr. B Sengupta**, IN (Retd.)  
Chief General Manager (CP, CC & BDM)

**Capt. P Sunilkumar**, IN (Retd.)  
Chief General Manager (FOJ)

**Cdr. B Mishra**, IN (Retd.)  
Chief General Manager (Technical)

**Cmde. Rajiv Sreedharan**, IN (Retd.)  
Chief General Manager (PS-NGOPV, I&NT)

**Cmde. Indrajit Dasgupta**, IN (Retd.)  
Chief General Manager (SR&TU)

**Cmde. Vikas Kaushal**, IN (Retd.)  
Chief General Manager (PS-17A)

**Shri Gulshan Ratan**  
General Manager (QA, VD & Ind)

**Shri Sujoy Chakravorty**  
General Manager (Commercial)

**Cmde. Vinith Aerat**, IN (Retd.)  
General Manager (Design)

**Smt. Lipi Das**  
General Manager (HR&A)

**Smt. Aparajita Ghosh**  
General Manager (Finance)

**Shri N Partheepan**  
General Manager (BB)

**Cdr. M K Gupta**, IN (Retd.)  
General Manager (SCC, HP & IP)

**Shri Rajeev Shrivastava**  
General Manager (HR)

**Shri Sanjay Kumar**  
General Manager I/C (Finance – Banking)

**Cdr. Satish Chandra Jha**, IN (Retd.)  
Addl. General Manager (I/C RBD)

**Shri M K Pandey**  
Addl. General Manager (I/C MW)

## 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  
Yes Bank  
RBL Bank  
Federal Bank  
IndusInd Bank

## STATUTORY AUDITORS

**M/s. Guha Nandi & Co.**  
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

# Strategic **INITIATIVES**

As we look toward the future, Garden Reach Shipbuilders & Engineers Limited (GRSE) is poised to embark on a series of strategic initiatives designed to enhance our capabilities, drive innovation, and secure our position as a global leader in shipbuilding and defence solutions. Our forward-looking strategies encompass several key areas:





# Strategic **INITIATIVES**

## **EXPANSION AND CAPACITY BUILDING**

### **New Facilities**

In our commitment to expanding our shipbuilding capacity, GRSE is investing in the establishment of new facilities and the upgradation of existing infrastructure. This ambitious expansion includes the construction of a new dry dock and the addition of assembly workshops. These enhancements are expected to significantly boost our production capabilities, enabling us to meet the growing demand for our advanced maritime products.

### **Technological Advancements**

Embracing the latest technological innovations is at the core of our strategy. We aim to integrate cutting-edge digital shipbuilding techniques, automated welding processes, and robotic assembly into our operations. These advancements will not only improve our production efficiency but also reduce lead times, ensuring that we remain competitive in the global market.

## **SUSTAINABILITY INITIATIVES**

### **Green Shipbuilding**

GRSE is dedicated to promoting sustainable practices within the maritime industry. We are increasing our focus on the production of green ships, including battery-powered ferries and hydrogen fuel cell vessels. These initiatives are aligned with global environmental standards and support India's vision of sustainable maritime development.

### **Energy Efficiency**

Enhancing the energy efficiency of our shipyards is a priority. We plan to adopt renewable energy sources and implement energy-saving measures across our operations. These steps will reduce our carbon footprint and contribute to a more sustainable future.



## MARKET EXPANSION

### International Markets:

Expanding our presence in international markets is a strategic priority for GRSE. We are actively pursuing export orders for warships and commercial vessels, targeting key regions such as Southeast Asia, Africa, and Latin America. By entering these markets, we aim to increase our global footprint and diversify our revenue streams.

### Strategic Partnerships:

Forming strategic alliances with global shipbuilders and defense contractors is another key component of our strategy. These partnerships will allow us to leverage joint expertise, access new markets, and enhance our technological capabilities.

## INNOVATION AND R&D

### Research and Development:

Investing in research and development is critical to our long-term success. GRSE is committed to developing next-generation ship designs and advanced maritime technologies. Our R&D efforts will focus on stealth technology, unmanned surface vessels, and autonomous navigation systems.

### Innovation Hub:

To foster innovation, we plan to establish an innovation hub that will facilitate collaboration with startups, research institutions, and technology firms. This hub will be a breeding ground for new ideas and technologies that will drive the future of shipbuilding and defense solutions.

## WORKFORCE DEVELOPMENT

### Skill Enhancement:

The development of our workforce is a cornerstone of our strategy. We will enhance the skills of our employees through comprehensive training programs and collaborations with leading educational institutions. These initiatives will ensure that our team remains at the forefront of industry advancements.

### Talent Acquisition:

Attracting top talent from across the country is essential for our growth. We are focused on strengthening our engineering and management teams to support sustained innovation and excellence in all our endeavours.





# BOARD REPORTS

# DIRECTORS' REPORT

## Dear Shareholders,

Your Board of Directors is delighted to present the Annual Report on the performance of your Company and its Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2024, along with the Reports of the Statutory Auditors and the Comptroller & Auditor General of India (C&AG) thereon.





# FINANCIAL PERFORMANCE

## FINANCIAL PERFORMANCE

The financial performance of your Company has been exceptional during the financial year 2023-24. During the year, the Company has registered an improvement in Revenue from Operation by 40%, by registering ₹3,592.64 crore against ₹2,561.15 crore in the previous year. Furthermore, EBIDTA and PAT experienced robust growth, increasing by 52% and 57%, respectively, underscoring our strong operational performance and profitability.

The financial highlights for the financial year 2023-24 and 2022-23 are summarized below:

(₹ in crore)

Particulars	2023-24	2022-23
Value of Production	3,588.46	2,547.84
Revenue from Operation	3,592.64	2,561.15
Profit Before Depreciation, Interest and Tax	533.74	350.86
Finance Cost	11.49	6.48
Depreciation	41.33	39.17
Profit Before Tax	480.92	305.22
Provision for Tax	123.65	77.09
Profit After Tax	357.27	228.12
Other Comprehensive Income (Net of Tax)	1.10	0.54
Total Comprehensive Income	358.37	228.67

The financial position of your Company as on 31 March 2024 and 31 March 2023 is appended below:

(₹ in crore)

Particular	As on 31 March 24	As on 31 March 23
Capital Employed	1,673.44	1,413.82
Gross Block	754.21	729.70
Net Block	492.57	507.61
Working Capital	989.43	724.97
Net Worth	1,673.44	1,413.82
Value Added	1,335.21	953.81
Value of Production	3,588.46	2,547.84
Profit Before Tax	480.92	305.22

Particular	As on 31 March 24	As on 31 March 23
Ratios: (%)		
Profit before interest and tax: Capital Employed (%)	29.43	22.05
Profit after tax: Net Worth (%)	21.35	16.14
Gross Profit: Capital Employed (%)	31.89	24.82
Profit Before Tax: Value of Production (%)	13.40	11.98
Value of Production: Capital Employed (%)	214.44	180.21
Current Ratio (In times)	1.12	1.08
Return on Equity (%)	23.14	17.08
Trade Receivables Turnover Ratio (In times)	29.32	25.33
Trade Payable Turnover Ratio (In times)	3.73	4.78

### Value of Production

Your company has achieved a record Value of Production ('VoP') of ₹3,588.46 crore as against ₹2,547.84 crore during the previous year. The comparative VoP for the three Divisions of the Company are as follows:

(₹ in crore)

Year	Ship Division	Engineering Division	Engine Division	Misc.	Total
2023-24	3,373.22	167.17	47.90	0.17	3,588.46
2022-23	2,454.89	69.82	22.97	0.16	2,547.84

### Net Worth

During the year under review, your Company reported a Net worth of ₹1,673.44 crore as on 31 March 2024 against ₹1,413.82 crore as reported on 31 March 2023.

### Value Addition

The Value added during the financial year under review was ₹1,335.21 crore as against ₹953.81 crore during the previous year. The Value added per employee rose to ₹80.97 lakh compared to ₹54.60 lakh in the previous year.

### Appropriations

Considering the financial performance of your Company in the year 2023-24, the Board of Directors are pleased to recommend the following appropriations from the disposable surplus:

	(₹ in crore)
Profit After Tax	357.27
Other Comprehensive income for the year, Net of Tax	1.10
Total Comprehensive income for the period	358.37
<b>Less:</b>	
Final Dividend of FY 2023-24 on the Paid-up Capital	8.02
Interim Dividend of FY 2023-24	90.73
Balance retained in Statement of Profit & Loss	259.62

### Contribution to the Exchequer

During the financial year 2023-24, your Company contributed ₹53.41 crore to the National Exchequer by way of Income Tax and GST.

### Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of the

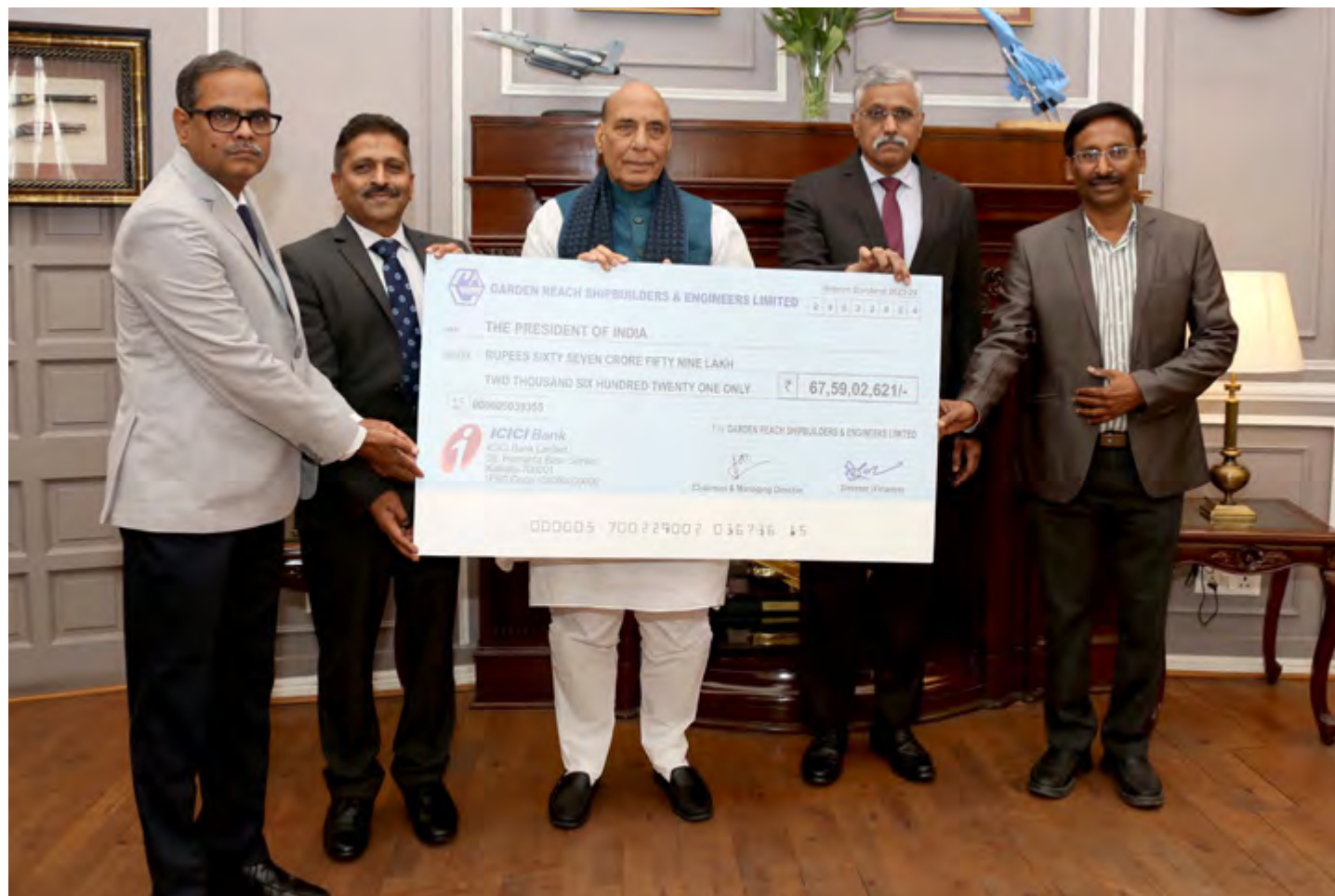
Company has formulated a Dividend Distribution Policy keeping in view the provisions of SEBI Listing Regulations, the Companies Act, 2013 and Guidelines issued by the Department of Public Enterprises (DPE) and the Department of Investment and Public Asset Management (DIPAM). The Policy is available on the Company's website at <https://grse.in/wp-content/uploads/2022/04/GRSE-Dividend-Distribution-Policy.pdf>.

### Dividend

Pursuant to the approval of the Board of Directors on 13 February 2024, your Company has paid an interim dividend of ₹7.92/- per equity share of face value of ₹10/- each to Shareholders who were on the Register of Members as on 23 February 2024, being the record date fixed for this purpose. Further, the Board, at its meeting held on 22 May 2024 has recommended final dividend of ₹1.44/- per equity share of face value of ₹10/- each for the financial year 2023-24. Thus, the total dividend for the financial year 2023-24, if approved by the Shareholders, would be ₹9.36/- per equity share.

### MOU Rating

Your Company achieved "Excellent" rating with a score of 90 out of 100 for FY 2022-23 under MoU Evaluation by the Department of Public Enterprises. Further, on the basis of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government of India, your Company is expected to maintain "Excellent" rating once again for its performance during the FY 2023-24.





# PERFORMANCE OF THE COMPANY DURING THE YEAR

## A. SHIPBUILDING

The Company has achieved a total shipbuilding income of ₹3,373.22 crore during 2023-24 as against ₹2,454.89 crore in 2022-23. Notably, the Company delivered a Survey Vessel (Large) to Indian Navy on 04 Dec 2023, which was commissioned on 03 Feb 2024 at Vizag. Further, the details of vessels under construction in your Company as on 31 Mar 2024 are as follows:

Project / Vessel Type	No. of Vessels
Project P-17A for Indian Navy	03
Survey Vessel (Large) for Indian Navy	03
ASW-SWC for Indian Navy	08
NG OPV for Indian Navy	04
<b>Total Ships</b>	<b>18</b>
Patrol Boats for Govt. of Bangladesh	6
NG Ferry for Govt of West Bengal	1

Technical Acceptance of NG Ferry for Govt. of West Bengal was successfully completed on 22 Mar 24.

The Shipyard also completed major milestones on various projects during the financial year as follows:

## Commissioning

Sl. No.	Ship	Yard	Date
(a)	Survey Vessel (Large)	3025	03 Feb 2024

## Delivery

Sl. No.	Ship	Yard	Date
(a)	Survey Vessel (Large)	3025	04 Dec 2023

## Launching

Sl. No.	Ship	Yard	Date
(a)	3 <sup>rd</sup> Project P-17A	3024	17 Aug 2023
(b)	3 <sup>rd</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3030	13 Jun 2023
(c)	4 <sup>th</sup> Survey Vessel Large (SVL)	3028	13 Jun 2023
(d)	4 <sup>th</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3031	16 Nov 2023
(e)	5 <sup>th</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3033	13 Mar 2024
(f)	6 <sup>th</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3036	13 Mar 2024
(g)	Next Generation Electric Ferry	2120	11 Jan 2024



### Keel Laying

Sl. No.	Ship	Yard	Date
(a)	7 <sup>th</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3032	13 Jun 2023

### Start Production

Sl. No.	Ship	Yard	Date
(a)	8 <sup>th</sup> Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3034	01 May 2023
(b)	1 <sup>st</sup> Next Generation Offshore Patrol Vessel (NGOPV)	3037	25 Sep 2023
(c)	2 <sup>nd</sup> Next Generation Offshore Patrol Vessel (NGOPV)	3038	25 Sep 2023
(e)	3 <sup>rd</sup> Next Generation Offshore Patrol Vessel (NGOPV)	3039	24 Feb 2024
(d)	4 <sup>th</sup> Next Generation Offshore Patrol Vessel (NGOPV)	3040	24 Feb 2024

### B. SHIP REPAIR

The Ship Repair Division of your Company has effectively utilised all the three dry-docks taken from Syama Prasad Mukherjee Port (SPMK), Kolkata and successfully completed docking of 18 Ships and Crafts at SPMK, Kolkata and Okha during the FY 2023-24. Additionally, it successfully conducted refits for 12 ships and Crafts, amounting to a total order value of ₹91.20 crore.

The revenue from Ship Repair activities surged to ₹ 92.89 crore in the year 2023-24 from ₹33.98 crore in the year 2022-23, reflecting substantial growth and operational efficiency.

### C. ENGINEERING DIVISION

The Value of Production (VoP) achieved by the Engineering Division during the financial year 2023-24 amounted to ₹167.17 crore in comparison to ₹69.82 crore in financial year 2022-23.

#### Portable Steel Bridge Unit

During the financial year 2023-24, the Bailey Bridge unit has achieved a Value of Production (VoP) totalling ₹140.24 crore, marking a significant increase from ₹69.30 crore in the previous year. This included the production of 90 bridges totalling 6,750 MT, compared to 78 bridges totalling 5,850 MT in the preceding year.

In addition, the Company exported seven sets of 80-feet single-lane modular bridges to the Bangladesh Army under DLOC, amounting to ₹8.92 crore. Furthermore, one set of 120-feet double-lane modular bridge was delivered to Project Dantak (BRO) in Bhutan during the fiscal year 2023-24.

During the year, your Company swiftly delivered 12 sets of various spans of Bailey Bridges to PWD, Himachal Pradesh in a short span of only two months to restore immediate and critical geo-connectivity in the flood affected regions of Himachal Pradesh.

Your Company also achieved a commendable milestone by delivering 26 sets of double-lane MSBs to BRO under the MoU with DGBR (BRO). Notably, GRSE successfully launched 25 double-lane MSBs across various projects in remote areas of Arunachal Pradesh and the Union Territory of Ladakh.

Additionally, the Company delivered three sets of Bailey Suspension bridges and two sets of 200-feet single-lane modular bridges to Project Swastik (BRO) under the MoU with DGBR (BRO). These strategic installations significantly contributed to the restoration of geo-connectivity in flash flood-affected areas in North Sikkim.

Under its R&D initiatives, the Bailey Bridge Unit of your Company has successfully conducted Load Testing of a 5.30 M Carriageway 200-feet





Single Lane Modular Bridge at Belur, under the supervision of CSIR-SERC, Chennai. This bridge, a first of its kind in India, complies with the requirements of IRC: 6 provisions.

### Deck Machinery Unit

Deck Machinery Unit of your Company specialises in manufacturing and supplying various Deck Machinery equipment such as 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, Helicopter Traversing System (Both Rail based and Rail Less type), etc. Also, the unit is providing product support for all deck machinery equipment under exploitation by the customers and furnishing spares apart from refurbishment of equipment based on the requirements of Indian Navy and Indian Coast Guard.

In FY 2023-24, the Deck Machinery Unit achieved a Value of Production (VoP) amounting to ₹26.93 crore which was ₹0.52 crore last year. During the year, total of thirty-four (34) Nos. of different types of deck machinery equipment have been supplied to various new construction yards and operational ships of the Indian Navy. The division has achieved certain major firsts to its credit which are highlighted in the succeeding paragraphs.

### Major Evolutions

The Rail Less Helicopter Traversing System (RLHTS) has been successfully indigenised and proven on twin hangar platform (P15B vessel INS Imphal). This pioneering achievement is a first of its kind in a Naval platform across the globe with indigenous Ground Support Equipment (GSE) fabricated suitably for ALH MK-I helicopters. The success has been noteworthy as the Sea Acceptance Tests (SATs) were completed without any observations and has earned accolades from the agencies of Indian Navy.

Notably, the Telescopic Helicopter Hangar, complete with hangar doors originally planned for import from overseas firms, has been designed, developed, manufactured, and validated in-house by way of Factory Acceptance Trials (FATs) followed by successful trials at harbour and sea to the satisfaction of Indian Navy.

GRSE DKMC takes pride in design, development, manufacturing and providing product support of the largest shipboard mooring capstan of 15T capacity. A contract for three years has been put in place for providing unhindered support to this equipment.

The development of a 3-ton Deck Crane with telescopic capabilities, boasting a maximum reach of 13 meters, for the Survey Vessel Large (SVL) project has been completed successfully. This crane has been validated on the first two SVL vessels, with installation on the remaining two ships currently in progress.

### D. ENGINE DIVISION

The Diesel Engine Plant (DEP) of your Company at Ranchi has achieved successful completion of Factory Acceptance Trials and delivery of fourteen (14) in number 1 MW Diesel Alternators (DAs) during the year for the P17A project.

DEP Ranchi has also delivered two (02) MTU 4000 series engines to the Indian Coast Guard following the completion of W6 routines and successful Factory Acceptance Trials.

The Engine division achieved a notable Value of Production of ₹47.90 crore during the financial year 2023-24 in comparison to ₹22.97 crore last year.

Bailey Bridge Components are also being manufactured at DEP unit at Ranchi, where Bailey Bridge Division of DEP Unit achieved a VoP of approx. ₹22.56 crore and production of 1573 MT during the financial year 2023-24.

DEP Ranchi is also executing a running rate contract with NSRY Karwar for the W5 routines of 4000 Series MTU engines.

### ORDER BOOK POSITION

The total order book position of your Company for the three (3) divisions as on 31 Mar 2024 is as follows:

(₹ in crore)

Sl. No.	DIVISION / DEPTS	Closing order Value as on 31 Mar 2024
<b>A</b>	<b>Ship Division</b>	
	Ship (including B&D Spares)	22,511.12
	Ship Repair & AMCs	82.51
	<b>Total Ship Division</b>	<b>22,593.63</b>
<b>B</b>	<b>Engineering Division</b>	
	Bailey Bridge	4.16
	Deck Machinery & Pump	25.89
	<b>Total Engineering Division</b>	<b>30.05</b>
<b>C</b>	<b>Engine Division</b>	<b>29.00</b>
	<b>Total (A+B+C)</b>	<b>22,652.68</b>

### NEW INITIATIVES

To foster long-term business growth and embrace new technologies, your company has taken up the following major initiatives through signing of Memoranda of Understanding (MoUs) during FY 2023-24:

- Lloyd's Register Marine and Offshore India LLP, Mumbai, Maharashtra for collaboration in the Design & Development of Hydrogen Fuel Cell Ferry.
- M/s Syama Prasad Mookerjee Port, Kolkata, West Bengal to design and construct Green Vessels that meet the specific operational and environmental requirements of the Port Authority (SMPK).
- M/s Border Roads Organization (BRO) for manufacture, supply, transport, launch and erection of 10 sets of 400 feet span Bailey Suspension Bridges (40T Single Vehicle) reinforced with Timber Decking and Galvanized Finish.
- M/s Steel Authority of India (SAIL) for availability of raw materials like special grade DMR steel in time for GRSE.
- M/s. KONGSBERG Maritime Sweden AB for license production with localization of the *Kongsberg* waterjets to support the indigenous content / Indigenous Assembly of Water Jets.
- M/s Caterpillar Inc., USA for Transfer of Technology regarding development of a Medium Speed Marine Diesel Engine – 6 MW for Indian Navy.
- Individual License Agreement with M/s Rolls-Royce Solutions GmbH, 88040 Friedrichshafen, Germany, as a part of the Framework License Agreement for Diesel Engine defining the business relationship, included products, conditions, duties, and responsibilities of the Parties.

- (h) M/s Crawley & Ray (F & E) Pvt. Ltd for collaboration in design and manufacture of type tested marine valves under the brand name of GRSE.
- (i) M/s. Artson Engineering Ltd. Mumbai and M/s. Vishwakarma Salvage Pvt. Ltd., Porbandar, Gujarat to undertake ship repair / refit and allied activities at GRSE / GRSE-KPDD / elsewhere in India as ship repair associate.
- (j) M/s Syama prasad Mookerjee Port, (SMPK), Kolkata for Establishment of Portal to provide repair services to vessels calling at ports of Kolkata & Haldia.
- (k) Modest Infrastructure Private Limited of the Ultimate Holding Company V S DEMPO HOLDINGS PVT. LTD., Panaji, Goa for 'Cooperation in Shipbuilding on West Coast'.
- (l) Naval Group SA, France for Collaboration in design for warship construction.
- (m) Hooghly Cochin Shipyard Ltd. (HCSL), Kolkata, West Bengal for collaboration in resource utilisation (engineering, procurement) and construction of ships by GRSE.
- (n) M/s Seatech Solutions International (S) PTE Ltd. & Shift Clean Solutions Ltd. and American Bureau of Shipping for collaboration on development and construction of the 50T BP Electric Tug – E-VOLT 50 ("Vessel").
- (o) M/s Rudram Infotech, Ahmedabad, Gujarat for the purpose of Business Development and marketing of GRSE products.
- (p) M/s Maritime Tactical Systems Inc., Florida, USA to define the rights and obligations of the Parties with respect to the use, handling, protection, and safeguarding of proprietary Information which is disclosed by MARTAC to GRSE.
- (q) MoU with Indian Register of Shipping (IRS) for collaboration to jointly pursue and execute contracts for the development of autonomous and green energy vessels, leveraging the complementary capabilities of GRSE and IRS.
- (r) MoU with Eurotech Pivot Solutions Pvt Ltd., Coimbatore for collaboration on the Development of Air Cushion Vehicles.

## RESEARCH & DEVELOPMENT

**Next Generation Electric Ferry:** Your Company has developed the design for a fully electric, battery-operated ferry for passenger transportation in the inland waters. This 24m long catamaran hull aluminium vessel with FRP superstructure shall have a max speed of 8 Knots and a capacity to carry up to 150 passengers. This pioneering effort promotes green technologies in the inland water transportation sector, marking a significant step towards replacing diesel ferries and reducing environmental pollution. The Company has successfully built and delivered one vessel to the Government of West Bengal as a pilot project.

**Unmanned Surface Vessel (USV):** Your Company has developed a 5m USV prototype called 'SWADHEEN'. The potential roles of the USV are bathymetric survey and mine-hunting. The remote-control capabilities have been successfully demonstrated, and the prototype is being enhanced further with collision avoidance capabilities with required payloads for defined potential roles. In September, 2023, GRSE received an order from NSTL, DRDO for the design and development of USV to communicate between various submerged vehicles. Your company has also been issued a project sanction order under Make II project ASV MCM by Indian Navy in Nov 23 for the design and development of Autonomous Surface Vessel – Mine

Counter Measure (ASV MCM) which will play a critical role in securing maritime territories by effectively countering the threat of sea mines.

**Autonomous Underwater Vehicle (AUV):** GRSE has developed an Autonomous Underwater Vehicle of length 2.15m for Mine Counter Measure operations, Reusable ASW training target, and passive acoustic monitoring. Integration of payloads is under progress.

**Unmanned Aerial Vehicle (UAV):** Technology for UAVs (Drones) which can be successfully launched and recovered by ships at sea is still in a nascent stage. GRSE in association with M/s Tunga Aerospace is in the process of developing Indigenous Ship Based Aerial Unmanned Drones (UAV) in the country, which will be of great use to the Navy, Coast Guard as well as Coastal Police. This UAV is designed to operate seamlessly offering round-the-clock surveillance capabilities from a ship. One of the key features of this UAV is its ability to autonomously recover on the ship's deck, further enhancing its operational efficiency. The UAV will transmit real-time surveillance video feeds to a ground control station located on the mother ship, allowing for quick and informed decision-making during missions. With its autonomous capabilities and mission-driven design, this UAV represents a significant leap in technological innovation for maritime operations.



Shipborne UAV

## 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 and has achieved over 80% indigenisation for the recently completed and ongoing shipbuilding projects (Landing Craft Utility (LCU) Ships, Anti-Submarine Warfare Corvettes, Anti-Submarine Shallow Water Craft (ASW-SWC), Survey Vessel Large (SVL) and P-17A Stealth Frigate ) for Indian Navy, which is a major step towards achieving self-reliance in state-of-the-art warship design and construction.

Ministry of Defence through Department of Defence Production (DDP) published 04 Positive Indigenisation List (PIL) and through Department of Military Affairs (DMA) published 05 PILs respectively for which there would be an embargo on the import beyond the timeline indicated against them. This is a big step towards self-reliance in defence. This offers a great opportunity to the Indian defence industry to manufacture these items using own design and development capabilities to meet the requirements of the Armed Forces. GRSE has identified total 62 items (37 items from DDP-MoD List & 25 items from DMA-MoD list) for indigenisation. GRSE has already indigenised 27 items out of 37 items specified in 04 PILs promulgated by MoD-DDP and indigenization of rest 10 items are scheduled to be completed by year 2027.



GRSE has uploaded 58 items for Public View (37 PIL Items, 17 Non-PIL items and 4 items proposed for PIL-5 of DDP-MoD) at SRIJAN Defence Portal for public view, which were earlier imported or indigenous vendors not available. GRSE has successfully indigenized 35 items of this list (27 are PILs and 08 are non-PILs). GRSE has identified 17 Non-PIL items and of them 08 Non-PIL items are already indigenised.

The Make-II framework (Industry funded prototype development) was implemented at GRSE on 09 Jul 22. As on date, GRSE has 08 items identified under Make-II project, of which 04 are non-PIL and 04 are PIL items. *02 non-PIL and 01 PIL items have already been indigenised*, whereas, indigenization / development of rest 05 items scheduled to be completed by Dec 2027.

With regard to Innovations for Defence Excellence (iDEX), GRSE has identified 04 iDEX projects, namely, (a) Active Roll Stabilization System (IDEX DISC-05), (b) AI Enable Welding Helmet (IDEX DISC-06), (c) Implementing Industry 4.0 for shipyard without Wi-Fi connectivity (IDEX DISC-09), and (d) Heavy Duty Non-Slip Epoxy Wearing Surface for Modular Steel Bridge Decks (IDEX DISC-10).

The contract for manufacturing and supply of 30 mm Naval Surface Guns worth ₹248.50 crore for the Ministry of Defence (MoD) / Indian Navy was signed on 24 May 23 as a step towards indigenisation of weapon system for Indian Armed Forces

Self-reliance in defence manufacturing is a crucial component of effective defence capability to maintain national sovereignty and achieve military superiority. As a part of these initiatives, a framework, the "Mission Raksha Gyan Shakti" was instituted in 2018 by the Ministry of Defence. This impetus from Ministry has become key driver, stimulating innovation as well as ingenuity in the GRSE ecosystem. GRSE has filed 143 IPRs (139 IPRs post MRGS launching) out of which 95 IPRs are granted/ registered (15 Patents, 64 Copyrights & 16 Trademarks) as on date. GRSE trained around 1385 personnel (own employees as well as vendors personnel) with an objective to imbibe technology and innovation driven work culture. Further, to promote and encourage employees towards innovation "Employee Innovation Scheme" has been promulgated at the company level in Jan 2019 which includes monetary and career encouragement benefits.

**GRSE Accelerated Innovation Nurturing Scheme – 2023 (GAINS 2023):** In pursuance of 'Make in India' and 'Start-up India' initiatives of the Government of India, your company has taken an initiative of identifying and encouraging development of innovative solutions, as part of the shipyard's technology development efforts, by leveraging the vast Start-up ecosystem created in the country. The GRSE Accelerated Innovation Nurturing Scheme (GAINS) is envisaged as a means to leverage this eco system for addressing present and emerging challenges in the ship design and construction industry, while also achieving the objectives of 'Atmanirbharata'. GAINS 2023, an Open Innovation Challenge, was launched by the Honourable Minister of State for Skill Development, Entrepreneurship, Electronics & IT, Shri Rajeev Chandrashekar on 22 May 23. Artificial Intelligence, Renewable/ Green Energy, and Energy Efficiency and Efficiency Enhancement, which are key focus areas for GRSE were the thematic areas for this challenge. This open challenge received an overwhelming response from innovators all across the country, from which six promising proposals were selected for detailed evaluation in Stage II and paid incentives of upto ₹4 Lakh each for their efforts. After a rigorous down selection process, following proposals received from M/s Smart Machines and Structures (MSME) and M/s Bodkin Technologies Pvt Ltd (Start-up) were declared winners of GAINS 2023

on 29 Sep 23 and shall be funded by GRSE. Development orders to GAINS 2023 winners were handed over on 26 Mar 24 during the "GAINS-2023 Funding Award Ceremony".

## 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 Mar 22. Your Company also exported 01 No. Ocean Going Vessel (OGV) to Republic of Guyana at a value of 12.73 Million USD.

Your Company has taken initiatives to export Naval ships to the friendly foreign countries and has identified SAARC, ASEAN, African & Latin American countries. Countries such as Bangladesh, Guyana, Philippines, Seychelles, Malaysia, Mauritius, UAE, Vietnam, etc. are in focus.

GRSE regularly supplies Portable Steel Bailey Bridges and its components to the neighboring countries such as Nepal, Bhutan, and Bangladesh. Efforts are on to further enhance the export of Bailey Bridges and their components to other friendly foreign countries as well.

During FY 2023-24, your Company has generated revenue of ₹46.90 crore from export orders which includes ₹33.60 crore from Shipbuilding and ₹13.30 crore from the Bailey Bridges.

Your Company is presently executing the following Export Orders:

- (a) Supply of 06 Patrol/ Surveillance Boats for Govt. of Bangladesh for a value of 1.82 Million USD.
- (b) Short Refit of Fast Patrol Vessel (FPV) 'SCG PS Zoroaster' of the Govt. of Seychelles (Basic Refit Cost ₹23 crore received on 22 Mar 2024) to be completed by 06 months.
- (c) 02 Nos. Pre-Fabricated Portable Steel Bridge worth ₹1.82 crore of Nepal and 01 No. Pre-Fabricated Portable Steel Bridge worth ₹0.09 crore of Bhutan.

## INFRASTRUCTURE AND TECHNOLOGICAL MODERNIZATION

In continuation of thrust on infrastructure modernisation & technological upgradation in line with the functional & production necessities, the Company has spent ₹50 crore as a part of CAPEX investment during the year 2023-24. Some of the major facilities created/modernised during FY 2023-24 and currently in progress are as under:

- (a) **Upgradation of Main Unit**
  - (i) **Installation of Robotic Welding M/C at Ship Building Shop:** Installed Robotic Welding M/C at Bay-4 for continuous automatic welding of flat panel to enhance production capacity.
  - (ii) **Renewal of Groundways of Building Berth-1:** Renewal of Old existing groundways for launching of ship is under completion.
  - (iii) **DA Manifold & piping network of Building Berth-1:** Complete revamping of DA Manifold & Piping Network to facilitate production effectively has been completed.
  - (iv) **Tower Cranes:** Case for installation of Tower Crane on Jetty at Main & RBD Unit is underway to facilitate outfitting work of ships.

- (b) **Upgradation of DEP Unit:** The test bed No.1 is being upgraded for testing MTU engine upto 4500 KW at 3000 engine speed. Under this upgradation, Hydraulic Pressure Controlled Dynamometer has been procured and is under installation along with installation of other accessories required for testing of the engines. The total estimated cost towards upgradation is ₹ 6.00 crore.
- (c) **Rooftop Solar Plant:** As a part of green energy initiative for reducing the impact of atmospheric climate change, 300 KWp roof top solar power plant has been commissioned in this year at RBD Unit. With this, the total capacity of rooftop solar plant of the Company is now 2250 KW i.e. 2.25 MW, which is more than 50% of total agreement load.
- (d) **New Steel Stockyard at RBD Unit:** Construction of a new steel stockyard at RBD with relocation of a portal crane is in progress.
- (e) **Concrete Hardstand at RBD Unit:** About 4,000 sqm of area has been developed at RBD Unit with concrete hardstand for production support, storage of ship materials & hull blocks.
- (f) **Retrofitting of Old Buildings at Main & 61-Park:** Retrofitting & structural refurbishment/repair of old building of Main (Security Building, ES Building & Time Office) and 61-Park (Block-D & Block-A partially) has been completed.
- (g) **Refurbishment of Shops & Stores** - Refurbishment of major Shops & Stores at RBD, 61-Park & Taratala Units is under completion by replacing old asbestos sheet with metal sheet, structural strengthening and allied jobs.

## FUTURE OUTLOOK

A strong order book for design and construction of 18 warships for Indian Navy at this juncture holds exciting times ahead for GRSE. With all the policy initiatives taken by the Government of India in the recent times for encouraging & supporting 'Atmanirbharta', the overall scenario for warship building looks quite positive in coming years. The defence shipbuilding segment continues to look promising on account of ambitious acquisition plan of the 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 of 2024-25 augurs well for all of us. GRSE also plans to enter in to the highly competitive commercial shipbuilding segment in order to address domestic as well as global demands for ships. A dedicated Commercial Shipbuilding Department headed by one CGM level officer has been constituted to explore the vast opportunities prevalent in this sector. Your company has identified Ocean going Ferry (Cargo + Passenger), Tugs, Dredger, Barges, and E-Ferry as targeted non-defence products to promote Export Market in Friendly Foreign Countries (FFCs).

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. The company has taken steps to adopt Industry 4.0 practices in its core areas of functioning such as 'Design', 'Planning', 'Production' and 'Supply Chain Management'.

GRSE has strengthened its green energy footprint with inauguration

of another 300 kWp capacity of solar power at RBD Unit on 04 Apr 2024. The total capacity of rooftop solar plants at GRSE is now 2250 kWp which is 56% of agreement load of 4MW. GRSE plans to install new Roof-Top Solar Plants of 300 kWp capacity at 61 Park Unit and 200 kWp capacity at Taratala Unit during FY 2024-25. GRSE has plans to further enhance the solar power plant capacity as part of its Green initiatives.

Technical Acceptance of India's largest "Fully Electric 150 Passenger Catamaran Ferry" built by GRSE for Government of West Bengal was signed on 22 Mar 24. This zero-emission ferry is poised to revolutionise passenger transport across River Hooghly as well as National Waterways – 1 and other Metro waterways of the country. GRSE also received a Letter of Intent on 09 Nov 2023 towards construction and delivery of an Ocean Research Vessel for National Centre for Polar & Ocean Research (NCPOR) Goa, under the Ministry of Earth Sciences. The contract value is ₹Rs 839.55 crore. The newly formed "Innovation & New Technology" department at GRSE is also working on several projects incorporating new technologies such as Unmanned Surface Vessel, Autonomous Underwater Vessel, Ship based drones, Green platforms etc.

GRSE has a glorious past and the company's credentials and achievements are unmatched in the Indian Warship building arena. GRSE presently has a world class infrastructure and amongst the best talent that is needed to scale newer heights in shipbuilding.

Presently, the company is at the cusp of transformation to embark upon an unprecedented growth trajectory. This entails a mindset change, coupled with efficient project management, strategic partnerships, new technology adaptation and most importantly effective management of resources. GRSE has set its aspirations on "Upgradation as a "Navaratna" Company by 2030 and be Globally recognized as the Best Indian Shipyard".

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

- To become a Global player by increasing export 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 avenues to increase geo-strategic reach for exports of defence as well as commercial ships to friendly foreign countries.
- 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.
- Continuous endeavour towards assessment of tentative & likely opportunities from the Indian Navy, Indian Coast Guard, Indian Army, BRO, Ministry of Home Affairs, Ministry of Earth Sciences, National Centre for Polar and Ocean Research, Naval Physical and Oceanographic Laboratory, Inland Waterways Authority of India, Kochi Water Metro, Government of West Bengal and other State Governments over the next five Years.
- Your Company is targeting orders from the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Govt. of West Bengal, Odisha and Tamil Nadu for AMC & Refits of GRSE built vessels & vessels of other companies, and has plans to further strengthen and expand the refit & repair business verticals.
- Towards diversification, growth of the Engineering and Engine business segments is also being aggressively pursued.



## VENDOR DEVELOPMENT

### VENDOR DEVELOPMENT WITH IMPETUS TO MICRO, SMALL AND MEDIUM ENTERPRISES

Our vendor base has played a pivotal role in achieving sustainable growth of GRSE and your company is in constant endeavour to strengthen the MSME footprints in different aspect of business growth through various vendor meets, seminars, webinars, etc. organized by various important fora like CII, BCCI, MSME, etc. In the post pandemic chapter too, webinars are being continued to be leveraged for identifying capable entrepreneurs to the GRSE fold.

In post Covid19 scenario, when resurgence with time was a real challenge throughout the world, GRSE has continued their production excellency with the delivery of warships within a very short interval. It was only possible when the organization is equipped with world class commercial and best industrial practises and a robust vendor base. The close monitoring of the major vendor's performance, introduction of vendor grievance redressal system, and online performance rating system for the vendors are the other major verticals of such performance. Further, the 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.

In order to develop vendor base, your Company is in constant search for competent vendors including MSMEs through organizing & participating in various Vendor Meets, Seminars, Webinars, etc., organized by various important fora like; BCC (Bharat Chamber of

Commerce), MSME-DFO (MSME-Development & Facilitation Office), NSIC-NSSHO (National Small Industries Corporation-National SC ST Hub office), EEP (Engineering Export Promotion Council of India), MCCI (Merchants' Chamber of Commerce & Industry), SIDBI (Small Industries Development Bank of India).

As a special initiative, your Company had organised an event, "Vendors Meet 2023" - An interactive session with Business Partners for detailed interaction with stakeholders. Several business partners participated in the programme, making it a grand success.

Your company has made significant improvement in production 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.

Your Company has been providing increased thrust on enhancing procurement from Micro and Small Enterprises (MSEs) and has strictly adhered to the restriction/preference on MSME vendors wherever applicable in line with MSMED Act, and same are being strictly followed and monitored closely.

Your Company extends technical guidance and requisite support to these industries wherever required by regularly conducting MSE Vendor Development programmes in association with CII and MSME Ministry, Government of West Bengal. In order to meet the requisite quality standard of the product, our quality control personnel are visiting these industries to assist them.



During the financial year 2023-24, your Company procured items worth ₹987.50 crore from the MSEs, which is approx. 73.76% of the total annual procurement value (considering exclusions as applicable for MSEs). The list of items reserved for procurement from MSEs is available on your Company's website at <https://grse.in/policies-for-msme/>.

Your company is continuously increasing the permanent vendor base after due assessment as per laid down company policy & procedure abiding by directive of MSME Public Procurement Policy.

Being a DPSU, your Company has on-boarded on TReDS Platform and MSME Sambandh & MSME Samadhaan portals complying with Government guidelines/ directives.

### GOVERNMENT e-MARKETPLACE (GeM)

Since inception of the Government e-Market (GeM) (from 2017), Your company has consistently achieved highest procurement volume on GeM amongst all the shipyards.

During the financial year 2023-24, your Company has recorded GeM procurement volume of ₹572.00 crore.

### INFORMATION TECHNOLOGY

Your company has prioritized SAP implementation and IT initiatives extensively across its operations. This includes establishing a robust IT infrastructure with a state-of-the-art on-premise Data Centre in Kolkata and a Disaster Recovery Centre in Mumbai. Since 2010, key business processes such as Supply Chain, Finance, HR, Payroll, Vendor Management, and Plant Maintenance have seamlessly integrated into SAP ERP. Moreover, the company employs advanced technologies like AVEVA CAD, VR LAB, and PDM-PLM to enhance design operations.

Cyber Security remains a top priority with a well-defined organizational structure overseen by the Chief Information Security Officer (CISO). The company has implemented AIR-GAP and ILL-based internet LAN across all units, conducted comprehensive Cyber Security Enhanced Awareness Training, and centralized SAP-ERP management to optimize IT infrastructure efficiency. Innovations in Product Data Management (PDM) and Product Lifecycle Management (PLM) software are set to revolutionize operations, particularly in modular construction for P17A ships. Additionally, the company facilitates remote work through secure VPN access and high-end Video Conferencing solutions. The Company also has company-wide comprehensive CCTV surveillance system ensuring effective monitoring, control and enhancing safety and security measure.

## HUMAN RESOURCE & ADMINISTRATION

### Manpower

The total Manpower strength in the roll of the Company as on 31 Mar 2024 was 1,649 including 473 Board level & below Board level Officers on regular roll, 11 Officers and 60 Supervisors on Fixed Term contract.

Statements showing the representation of SC/ ST/ OBC / PWD / Women, etc., as on 31 Dec 2023 as well as the total recruitment made during the period from January to December 2023 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.

The Management and GRW Mazdoor & Staff Union signed a Memorandum of Understanding on Promotion policy for operative category of employees on 16 May 23 upon receipt of Board approval, Memorandum of Settlement in the same matter was signed on 29 May 23.

The Management and 03 Unions representing Unionized employees of DEP, Ranchi signed a Memorandum of Settlement on Promotion policy for operative category of employees on 03 June 23.

### Human Resource Development

The 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 2023-24, your company has prepared and implemented a well-defined Annual Training Plan covering technical, leadership, managerial effectiveness, functional, cross-functional and behavioural competencies development topics for all categories of employees. During the year, 3,860 training man-days (approx.) were achieved through various training programmes. Training programmes were conducted by nominating participants in various online and offline 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, as well as through in-house faculty.





## Employee Engagement Initiatives

### (A) GRSE DAY CELEBRATION:

The 65<sup>th</sup> GRSE Day was celebrated on 22 Apr 2024. 'GRSE Shri' and 'CMD's Commendation' were conferred to employees for their outstanding performance in the year 2023. GRSE Merit Awards were given to the employees' children who excelled in their academic performance in the year 2022-23. 'GRSE Varta 2024', an Annual In-House Journal was released on this occasion. Employees who retired between 01 April 2023 to 31 March 2024 and completed 40 years of service were also felicitated. Taratala Unit was adjudged as cleanest unit and conferred Swachh Unit Award. Prizes for Group Events of the Annual Sports viz Cricket & Volleyball were given to the Runners-up and Winner teams during the event. Employees staged cultural programme which was appreciated by all.





**(B) CELEBRATION OF GRSE FAMILY DAY "AHOBAN"**

AHOBAN is a day filled with joy and gaiety for recreation of the entire GRSE family. The family members eagerly wait for this annual event. This year AHOBAN was held on 14 Jan 2024 with well thought-out events for each and every family member of GRSE employees. Around 1000 employees and their family members participated in this event. Cultural event was performed by the in-house talents.





**(C) VANITA 2024: INTERNATIONAL WOMEN'S DAY**

GRSE celebrated International Women's Day in a creative and thoughtful manner. A day-out programme filled with fun and frolic was organized for all the female employees of the company on 06 March 2024. The programme comprised of various activities and scintillating cultural performances by employees.



**(D) REVIEW AND REVISION OF HR POLICIES**

Keeping in view the organizational requirement, HR policies are reviewed for talent acquisition, talent management, welfare and career progression of employees. The Company has formulated policies for engagement of project-based manpower on contractual basis, re-designation of senior officers as General Manager In-charge, absorption of Fixed term Supervisors in permanent roll and Child adoption leave. In addition, a number of existing policies such as Compensation package scheme, Recruitment and promotion Rules for various category of employees, Foreign TA/DA rules for non-executives, leave entitlement for new joinees were reviewed and revised as per organizational requirement.

**(E) CAREER ADVANCEMENT SCHEME FOR NON-EXECUTIVE CATEGORY EMPLOYEES**

Internal induction was conducted for career upgradation of deserving employees of GRSE from non-executive category

working in permanent roll of the company under 'Abhyudaya Scheme for Career Advancement of Non-Executives Category of Employees' in 2023. As per the scheme, selection process consists of knowledge test, skill test and personal interview.

**(F) LEADERSHIP DEVELOPMENT PROGRAMMES**

Orientation Programme for Capacity Building of Functional Directors of CPSEs was conducted for Officers in Senior Management Level. It aimed to enhance the skills of Functional Directors in fields of corporate governance, finance, risk management, strategic management etc.

**(G) MID-CAREER TRAINING PROGRAM**

Mid-Career Training Program on "Leading and Managing in the 21st Century" was conducted for Managers and Senior Managers coming in the zone of promotion. It aimed to develop and sharpen the managerial and leadership skills of mid-level managers.



**(H) MANAGEMENT DEVELOPMENT PROGRAM**

Management Development Program was conducted for newly inducted Assistant Managers in which the officers were groomed in areas of Personality Development, Managerial Skills, Soft skills, Teambuilding etc.

**(I) SAFETY TRAINING**

Safety Training was conducted for employees as per MoU directives through GST- K in which around 350 employees were trained.

**(J) SKILL UPGRADATION AND CERTIFICATION TRAINING PROGRAM**

Skill Upgradation and Certification Training Program in various technical trades was conducted in order to improve the efficiency of the operatives in which around 130 employees were trained and certified.

**(K) Apprentice Training**

The company has trained 210 apprentices during FY 2023-24. Apprentices were engaged under Trade Apprentice, Graduate Apprentice and Technician Apprentice categories and their total strength was approx. 13% of total manpower strength.

The company has a dedicated Apprentice Training Department named Technical Training Centre for conducting Apprenticeship training at Taratala Unit. 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 were placed for on-job-training in the yard.

**PERSONS WITH DISABILITIES (PWD)**

The Company extended all necessary relaxations /concessions to the employees with disabilities as per the Statute / Govt. directives.

**EMPOWERMENT OF WOMEN**

The women representation is 5.2% of the total strength in the Company at the end of FY 2023-24. During 2023, out of total recruitment of 51 employees 05 were female employees which is 9.8%.



Safety Awareness Program by the expert of external agency (M/s. Mallcom India Limited)



### SAFETY AT WORK

The Shipyard has strived to ensure safe working environment at the company, and in order to achieve the goal, 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 1.24 (for permanent workers) and 0.66 (for contractor workers) during the year 2023-24.

In order to maintain high safety standard, your Company has imparted system-based Safety Training to all employees including contractor employees through Group Safety Training Kiosk (GSTK), where more than 167 batches of Safety Awareness Programme on different topics like Material Handling, Hot Work, Electrical Safety, Painting Activity, Height Work Activity, Work at Confined Space etc. have been organized.

As a promotional measure, different safety competitions were conducted like drawing competition, picture composition competition and safety quiz competition by arrangement of mobile safety display van

On Spot Safety Quiz Competition conducted at different units of GRSE for all workers



## INDUSTRIAL SECURITY

GRSE is a Public Sector Undertaking functioning under the administrative control of the Ministry of Defence, Govt of India. The shipyard has been declared a "Prohibited Place" under the Indian Official Secret Act 1923. Sec-2 clause 8 sub clause (a) published under Govt. of West Bengal Gazette Notification Bo. 2145/ (I) (7)-P dated 30th Mar 2004. It is also placed in Category 'A' i.e. "Highly Sensitive" from security point of view by the IB, Ministry of Home Affairs.

The physical security of the production units of our Company has been entrusted to the Armed Guards of Central Industrial Security Force (CISF). Further, twenty-four hours water-front patrolling with armed personnel and a robust CCTV system covering all critical and important locations are in place. The Entry / Exit of all Employees is being done through Facial Recognition System. The Police Clearance Certificate of all Contractor Labourers are being obtained before issue of the Gate Pass.

## OFFICIAL LANGUAGE

GRSE is committed to adhere to the Official Language (OL) policy of the Government of India (Gol). During the year 2023-24, the Company has achieved the various targets prescribed in the Annual Programme 2023-24 issued by Dept. of OL, Ministry of Home Affairs (MHA), Gol 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-October month in all the Units and Offices of the Company. During the Hindi month, employees of the Company participated enthusiastically in various programs and competitions.
- (b) **Official Language Implementation Committee:** Official Language Implementation Committee (OLIC) meetings were conducted on quarterly basis under the chairmanship of Chairman & Managing Director, to review the progress made by various departments.
- (c) **Incentives:** Incentive Schemes are propagated among all employees and number of employees who took part in these schemes were awarded with cash prize.
- (d) **Hindi competitions in local schools to encourage the use of Hindi:** Use of Official Language is not restricted within the four walls of GRSE but is also publicized outside the Company, by conducting Hindi competitions in Schools. Hindi Essay competition was conducted on 17<sup>th</sup> October 2023 in Brahma Hindi Primary School and Hindi Quiz competition was organized on 11<sup>th</sup> December 2023 in Fatehpur Hindi Nagri Pracharak Vidyalaya and prizes distributed to best three participants.
- (e) **Hindi competition under the aegis of TOLIC:** GRSE organized Hindi Essay competition under the aegis of Town Official Language Implementation Committee on 20<sup>th</sup> December 2023. Nominated employees of more than 30 PSUs of Kolkata including GRSE participated in this competition.
- (f) **Rajbhasha Awards:**
  - (i) **TOLIC RAJBHASHA SHIELD:** Rajbhasha Shield has been awarded to GRSE for the year 2022-23 for Excellence in Implementation of Official Language in the company by Town Official Language Implementation Committee (PSU), KOLKATA. The award presented by Honourable Chairman of TOLIC was received by Director (Personnel) of GRSE at a grand ceremony held at Kolkata on 25<sup>th</sup> August, 2023.







- (ii) **Certificate of appreciation by MHA-OL** : GRSE was awarded a certificate of appreciation by Smt. Anshuli Arya, IAS, Secretary, Official Language Department, MHA-OL in the presence of Union Minister of State for Home Affairs, Shri Nishith Pramanik. This recognition was given to the Company for its special contribution in the successful organization of Joint Regional Official Language Conference of East and North-Eastern Regions, organized by the Department of Official Language, Ministry of Home Affairs in Siliguri (West Bengal) on March 08, 2024.
- (iii) **TOLIC Active Participation Award:** Active Participation Award has been awarded to GRSE for the year 2023-24 by The Town Official Language Implementation Committee. The Award presented by Honourable Chairman of TOLIC was received by Director (Personnel) of GRSE at a ceremony held at Kolkata on 31<sup>st</sup> January 2024.
- (iv) **Prizes in Various Inter-PSU Hindi Competitions:** Our GRSE employees have made us proud by winning 04 different prizes in Various Hindi Competitions organized during the year 2023 by different PSUs under the aegis of TOLIC (PSU), KOLKATA.
- (v) Manager (OL) has been awarded appreciation letter by TOLIC for Excellence in Implementation of Official Language in the GRSE on 25 Aug 2023.
- (a) Governance Now 10<sup>th</sup> PSU Award for “Communication Outreach”, “Nation Building” and “Reskilling of Employees (Training & Development)” on 22 Mar 24.
- (b) “Sakriya Sahbhagita Samman” from the Town Official Language Implementation Committee for the year 2023-24 on 31 Jan 24.
- (c) 91<sup>st</sup> SKOCH Awards for “Unique Transfer & Loading of Fully Built 250 T Goliath Crane” on 27 May 23.
- (d) Durga Bharat Param Samman on 18 Oct 23.
- (e) PRSI National Awards 2023 for “Coffee Table Book”, “Best PSU for Implementing CSR”, “Best PSU for Childcare Project”, “Best Organisational Effort for Atmanirbhar Bharat” and “New R&D Efforts in Defence Sector” on 25 Nov 23.
- (f) 13<sup>th</sup> ICC PSE Excellence Award 2023 for “Company of the Year”, “Contribution of Women &/ Differently Abled in PSEs”, “CSR & Sustainability”, “Operational Performance Excellence” and “Corporate Governance” on 20 Dec 23.
- (g) “Best Strategic Central Public Sector Enterprise of India – Defence (Naval & Shipbuilding)” at 6<sup>th</sup> IPSE Awards 2024 on 10 Feb 24.
- (h) WIPS Award 2024 in the Category “Best Performing Enterprise 2024” on 12 Feb 24.
- (i) Cmde PR Hari, IN (Retd), CMD GRSE recognized with ‘CEO of the Year Award’ at the 22<sup>nd</sup> Global Edition - Business Leader of the Year 2024 & the ‘CEO with HR Orientation Award’ at the World HRD Congress 2024 on 26 Feb 24.
- (j) CII AI Award in the Project “AI Enabled NDT” on 26 Feb 24.

## AWARDS & RECOGNITIONS

During the year, your Company has received various awards and recognitions. Some of the important accolades conferred to the Company are as under:

## Directors' Report

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activity carried out by your Company and continues to lay strong emphasis on transparency, accountability and integrity. Your Company complies with the applicable regulations under the Companies Act, 2013, the SEBI Listing Regulations and also the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), except with respect to the composition of Board of Directors viz. appointment of Independent Directors including a Woman Director. GRSE being a Government Company, the power to appoint Directors vests with the Government of India and the Company has made 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, DPE Guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the Guidelines. DPE has graded GRSE as "Excellent" for the year 2023-24.

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 2023-24, 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
(a)	DIG Subrato Ghosh, ICG (Retd.)	Director (Personnel)	20 Jun 2023	-

**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), 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 2023-24, 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 2023-24, a separate meeting of Independent Directors was held on 20 Jan 2024 in which all the Independent Directors were present.

**MEETINGS OF THE BOARD**

Nine (09) meetings of the Board of Directors were held during the year. 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. The Directors of the Company are appointed by the President of India and their remuneration is fixed in accordance with the DPE Guidelines by the Administrative Ministry. The Article 194 and 216 of the Articles of Association of your Company also 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**

During the year, the Audit Committee had proper composition in accordance with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations.

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:-

- In the preparation of the Annual Accounts for the year ended 31 March, 2024, 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;
- The Directors have 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, 2024 and of the profit of your Company for the year ended on that date;
- The Directors have 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 have prepared the Annual Accounts on a 'going concern' basis;
- (e) The Directors have 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

Your Company being a CPSE, the Comptroller & Auditor General of India (C&AG) has, under Section 139(5) of the Companies Act, 2013, appointed M/s. Guha, Nandi & Co., Chartered Accountants, Kolkata, as the Statutory Auditors of the Company for the financial year 2023-24.

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 2023-24 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 2023-24 to conduct audit of cost records maintained by your Company.

#### SECRETARIAL AUDITOR

In terms of Section 204(1) of the Companies Act, 2013, the Board of your Company has appointed M/s. Mehta & Mehta, Company Secretaries to conduct Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report of M/s. Mehta & Mehta, Company Secretaries is placed at **Appendix - "C"** to this Report. The Secretarial Audit Report has no adverse remarks. However, 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 2023-24 from M/s. Mehta & Mehta, Company Secretaries, 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. S Guha & Associates, Chartered Accountants for carrying out Internal Audit of the Company for the financial year 2023-24.

#### 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 32 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/policies/GRSE\\_Policy\\_for\\_Related\\_Party\\_Transactions.pdf](https://grse.in/policies/GRSE_Policy_for_Related_Party_Transactions.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

Corporate Social responsibility is an integral part of GRSE's Corporate strategy. Fulfilment of social and environmental responsibilities are accorded equal importance alike business operations.

GRSE continuously endeavours to align its CSR initiatives with national mission and Sustainable Development Goals. The CSR initiatives were primarily implemented in the areas surrounding the production units with the aim to improve the quality of life and bring about inclusive growth for the marginalised segment.

The CSR projects are carefully selected to address the concerns of the communities residing in the vicinity and is in consonance with the social fabric of the local community.

GRSE's CSR initiatives have played a significant role in mainstreaming the differently abled children, holistic development of underprivileged and vulnerable children, empowering the youth by providing employment oriented vocational trainings, health camps for the disadvantaged segment etc. These initiatives have played significant role in socio-economic development of the vast stretch of underprivileged segment. The detailed outline of the Annual Report on CSR initiatives undertaken during the FY 2023-24 has been annexed at "Appendix- E"

### RISK MANAGEMENT

Pursuant to 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 AND SUSTAINABILITY REPORT

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility and Sustainability Report (BRSR) 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 and Sustainability Report in the format specified by the SEBI. Accordingly, the Business Responsibility and Sustainability Report for the year 2023-24 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

RTI matter are being executed as per the provisions of the Right to Information Act, 2005 and Rules made therein. During the year 2023-24, a net total of 144 number RTI requests through online/offline mode were received to provide 'information', while opening balance number from previous year was brought forwarded as 12 in number. A total of 128 number of RTI applications were replied to during the year and 01 RTI application transferred to other concerned public authority and remaining 27 number of RTI applications were taken as "carried forward" to the year 2024-25.

13 No. of RTI First Appeals were received during 2023-24 through online/offline mode and 02 No. First Appeal was carried forward as "opening balance" from previous year. A total of 14 number of RTI First Appeals were decided and replied and remaining 01 of RTI First appeal were taken as 'carried forward' to the year 2024-25.

In this financial Year 2023-24, No RTI Second Appeal were filed with Central Information Commission (CIC), while opening balance from

previous year was brought forwarded as 01 in number. The said second appeal has since been heard and decided on 24 Apr 2024.

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 2023-24.

### 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 & Redressal) Act 2013, the Internal Committee was reconstituted on 31<sup>st</sup> August, 2023 comprising of 10 members for West Bengal based units. A separate Internal Committee is in existence for DEP Unit, Ranchi. The Internal Committee of DEP was reconstituted on 29 Mar 23 comprising of 5 members.

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

(i)	Number of complaints of sexual harassment received during the year	NIL
(ii)	Number of complaints disposed of during the year	NIL
(iii)	Number of complaints pending more than ninety days	NIL
(iv)	Number of workshops or awareness programme against sexual harassment carried out	03
(v)	Nature of action taken by the employer	NA

### 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](http://www.pgportal.gov.in) (PG Portal).

During the year 2023-24, a total of 19 number of Public Grievance Petitions through online/offline mode were received and no grievance was brought forward as "opening balance" from previous year. Total 13 number of Public Grievance were resolved and remaining 06 number of Public Grievance Petitions are under different stages of action and carried forward to the year 2024-25.

### VIGILANCE ACTIVITIES

Your Company has a well-established vigilance department headed by Chief Vigilance Officer (CVO). 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 Surveillance & Detection as well as Punitive & Preventive vigilance. To make preventive vigilance function more effective, the Department has given thrust to leverage technology. 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) CTE Type Intensive Examinations were conducted in the FY 2023-24
- (b) An awareness cum sensitization program for all Officers and Supervisors on filing of Annual Property Return was conducted in Jan 2024.
- (c) Several Preventive Vigilance Measures were undertaken as below:
- (i) Files were randomly picked and scrutinized;
  - (ii) CVC's Online complaint handling mechanism is linked with GRSE Web Site in addition to the GRSE's own online Complaint handling system;
  - (iii) Complaint boxes are installed in all units of GRSE;
  - (iv) During Vigilance Awareness Week (VAW) 2023 following activities were conducted:
    - Integrity Pledge was taken by all employees.
    - Gram Sabha was held at Gosaba Village.
    - CBI Kolkata conducted an awareness session on Preventive Vigilance.
    - Different awareness activities involving GRSE Employees and their family members were conducted.
    - Vendor's Meet was conducted wherein Vendors participated.
  - (v) Periodic/ surprise rounds by CVO & Vigilance officials at different locations of GRSE were conducted.
- (d) Investigations were conducted on the complaints received from various sources and appropriate actions were taken.
- (e) Scrutiny of 20 % of the Annual Property Returns (APR) have been completed for the Year 2023.
- (f) Inputs on the vigilance status/ Clearance of officers below board level were conveyed for around 1,515 cases. The inputs on the vigilance profile of the Board level officers were also conveyed as desired by the Ministry.
- (g) Several System Improvements were suggested for the interest of the organization.
- (h) Structured meetings were conducted between CVO and C&MD in every quarter.
- (i) Sensitive posts have been reviewed and identified.
- (j) The following Vigilance Activities have been made and/or continuing online:
  - (i) Submission of Annual Property Return
  - (ii) Processing of Vigilance Clearance of employees

#### **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 and only those vendors/bidders, who commit themselves to IP with the Company would be considered competent to participate in the bidding process.

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 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 2023-24, the IEMs monitored 162 contracts and held quarterly meetings with commercial department and half yearly 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, Indian Army and Indian Coast Guard Headquarters, Border Road Organisation (BRO), Ministry of Home Affairs, 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 Warship Production Superintendent, Coast Guard Refit Production Superintendent and their dedicated teams under whose oversight our ships are being built/ refitted. 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: Aug, 2024

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 31<sup>st</sup> DECEMBER, 2023 UNDER PERMANENT & CONTRACT CATEGORIES

Group/Category	Total Strength	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	464	79	31	128	66	13	31
Group-B	28	3	1	10	4	-	4
Group-C	1181	292	49	181	49	36	51
Group-D (Excluding Safaiwalas)	6	2	-	-	1	-	1
Group-D (Safaiwalas)	3	3	-	-	-	-	-
<b>Total</b>	<b>1682</b>	<b>379</b>	<b>81</b>	<b>319</b>	<b>120</b>	<b>49</b>	<b>87</b>

## APPENDIX - B

DETAILS OF RECRUITMENT MADE DURING 2023 UNDER PERMANENT CATEGORY & CONTRACT CATEGORIES (FIXED TERM / JOURNEYMEN)

Group/ Category	Total Recruitment	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	26	3	4	9	10	2	-
Group-B	2	-	-	2	2	-	-
Group-C	23	5	-	8	1	1	5
Group-D (Excluding Safaiwalas)	-	-	-	-	-	-	-
Group-D (Safaiwalas)	-	-	-	-	-	-	-
<b>Total</b>	<b>51</b>	<b>8</b>	<b>4</b>	<b>19</b>	<b>13</b>	<b>3</b>	<b>5</b>

# APPENDIX - C

## FORM MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024

{ Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 }

To,  
The Members,  
**GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**  
GRSE Bhavan 61, Garden Reach Road,  
Kolkata, West Bengal - 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"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(during the period under review not applicable to the company);**
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the company);**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the company);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(during the period under review not applicable to the Company);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations)
- (iii) Other laws specifically applicable to the Company namely:
  - a) The Environmental Protection Act, 1986;
  - b) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
  - c) The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder;
  - d) The Air (Prevention & Control of Pollution) Act, 1981;
  - e) Indian Electricity Act, 2003 (amended later on as Indian Electricity Act, 2005) and rule made thereunder
  - f) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises (DPE);
  - g) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.



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

**We further report that:**

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 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 period under review. 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 on its Board from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 for which requisite letters has been submitted by the management from time to time to Ministry of Defence.

**2. Certain Corporate Governance requirements provided under the SEBI Listing Regulations**

As regards with certain other Corporate Governance provisions provided under the SEBI 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 SEBI 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 further 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 are given to all Directors to schedule the Board / 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 at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period the Company has not incurred any specific events / actions that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**We further report that** during the FY 2023-24:

- (a) The Company at its Annual General Meeting held on 22 September, 2023 declared final dividend of 7% i.e. ₹ 0.70 per equity share of face value of ₹ 10 each for the FY 2022-2023.
- (b) The Board of Directors of the Company at its meeting held on 13 February, 2024 declared an interim dividend at 79.20 % i.e. ₹ 7.92 per equity share of face value of ₹ 10 each for FY 2023-24.

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

Sd/-  
**Raveena Dugar Agarwal**  
Partner  
ACS No: 51836  
CP No.: 26055  
PR No. 3686/2023  
UDIN: A051836F000926138

Place: Kolkata  
Date: 08 August, 2024

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

# ANNEXURE A

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
**GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**  
GRSE Bhavan 61, Garden Reach Road,  
Kolkata, West Bengal - 700024

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and 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) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) 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.

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

Sd/-  
**Raveena Dugar Agarwal**  
Partner  
ACS No: 51836  
CP No.: 26055  
PR No. 3686/2023  
UDIN: A051836F000926138

Place: Kolkata  
Date: 08 August, 2024



# 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 2023-24

### I. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Company's dedication to advancing inclusive development and social equity is evident from various impactful projects completed so far and CSR is deeply embedded in GRSE's Corporate Governance. By targeting the marginalized groups such as vulnerable children, differently abled, unemployed youth and indigenous community, the company aligns with the vision of promoting dignity, equity, social justice and human rights for all.

As a socially responsible corporate entity, GRSE uses CSR to positively impact the economic and social conditions of the communities in which it operates. The CSR initiatives for FY 2023-24 were focused on Health and Nutrition, Skill Development, Mainstreaming Differently-abled Children, Swachh Bharat, Swachh Vidyalaya Abhiyan etc.

The CSR policy operates within the overall ambit of CSR provisions contained in Section 135 of the Companies Act, 2013 and the Rules framed thereunder. All the CSR initiatives were undertaken as per the Schedule VII of the Companies Act, 2013 as well as various Government directives & guidelines received from time to time. Details of such activities are also available in the GRSE website.

The Board Level CSR & Sustainability Committee is headed by an Independent Director. This Committee meticulously examined all the prospective projects as well as the implementation modalities and thereafter recommended the Annual CSR Action Plan for approval of the Board of Directors. All the projects were implemented as per the Annual CSR Action Plan of FY 2023-24. The projects were also reviewed from time-to-time by the Board Level CSR & Sustainability Committee and the Key Management Personnel during implementation to ensure desired achievement as well as for mid-course modification, if any.

### II. CSR PROJECTS UNDERTAKEN DURING FY 2023-24

#### (A) PROJECTS BASED ON ANNUAL THEME – HEALTH AND NUTRITION

##### (a) Project "Arogya" - Monthly Health Check-up Camps

People in the rural areas particularly villagers as well as slum dwellers in the city lack accessibility and affordability of quality healthcare. These health camps have brought easy access to the quality healthcare for the marginalized segment. Monthly Health Camps were conducted to provide basic diagnostics, medical examinations and curative healthcare for the economically and socially deprived population from the locality of Garden Reach Area of Kolkata as well as remote villages like Naora in South 24 Parganas District of West Bengal and Agarhati Area of Sundarbans. Each camp catered to an average of 220 patients who were provided free medicines for a month. Total 34 nos. health camps were conducted during FY 2023-24 and 7413 patients got access to the quality healthcare.

##### (b) Blood Donation Camp

GRSE organized 02 nos. blood donation camps during FY 2023-24. One camp was arranged on World Blood Donor Day i.e. 14 June 2023 in association with Saroj Gupta Cancer Centre (Thakurpukur Cancer Centre) where 46 volunteers donated blood for the cancer patients. Another camp was arranged on 26 Feb 2024 in association with the Thalassemia Society of India where 94 volunteers donated blood for the thalassemia affected patients. Employees and other stakeholders responded positively to this noble cause and whole heartedly participated in the blood donation camps.

##### (c) TB Nikshay Mitra

Tuberculosis is an infectious disease, which affects the lungs and other parts of the body. Poor nutritional status predisposes an individual to get infected by the disease, which leads to depletion of nutrient reserves and aggravation of undernutrition of the patients. Nutritional support to TB patients improves weight gain, muscle strength etc. As a part of the Government's TB Nikshay Mitra initiative to eliminate Tuberculosis from India, GRSE provided nutritional support to 107 nos. multi-drug-resistance TB patients on monthly basis to improve their health, weight gain, muscle strengthening etc.

##### (d) Cataract Surgery for the Marginalized Segment

The overall prevalence of vision impairment is high and one of the basic causes is cataract. This problem is more acute in case of leprosy patients. The people from marginalized segment cannot afford cataract surgery due to their financial constraints. The cataract, which if addressed at the right time, can restore vision and enable the persons to earn their livelihood and lead their life with dignity. GRSE in association with The Leprosy Mission Trust India (TLMTI) arranged cataract surgery at Premananda Memorial Leprosy Hospital in Kolkata. The project was a wholesome package that included cataract screening, pre-surgery clinical examination, surgery, post-surgery checkup, medicines, spectacles, food, transportation etc. This project improved vision of 314 nos. patients coming from the lower strata of the society including patients affected with leprosy.

##### (e) Holistic development of underprivileged children of tribal villages

GRSE partnered with Ramakrishna Mission, Belur Math for holistic development of around 530 underprivileged children from interior rural and tribal villages such as Kuturloba, Getalsud, Badri at Ranchi and Malyada in Khunti (Aspirational Districts) of Jharkhand and Gholapara, Ajgara and Naora in Sundarbans of West Bengal. This initiative fulfilled the needs of the children mostly belonging to the tribal and minority community who are caught in jaws of



extreme poverty. The project focused on improving the quality life of these children for their three-fold development i.e. physical, mental and intellectual growth. Under this project periodic health check-ups were conducted. In addition, daily nutritional supplements, study materials, school bags, uniforms, footwear, items of personal hygiene, sports items etc. were provided for holistic development of the children. Coaching classes were conducted on digital literacy, spoken English, arts & crafts, yoga etc. This project has helped to develop physical, mental and intellectual abilities of the children.

**(f) Provided Medical Equipment to Ramakrishna Sarada Mission**

Ramakrishna Sarada Mission runs a 100 bedded hospital i.e. 'Matri Bhavan' at 7A, Sree Mohan Lane, Kolkata. The hospital is rendering dedicated healthcare services to women and children from the marginalized segment. GRSE as part of the social responsibility, provided 01 set laparoscopic machine, 01 set universal ventilator machine, 01 no. ceiling mounted OT light and 20 nos. bed side lockers to the Matri Bhavan Hospital to enable the hospital for rendering better services to the patients coming from marginalized segment of the society.

**(g) Provided Medical Equipment to Islamia Hospital**

Islamia Hospital located at 73, Chittaranjan Avenue, Poddar Court, Tiretti, Kolkata is a 200 bedded hospital which provides healthcare services to the patients coming from marginalized segment mostly from minority community. The hospital has OPD facility and various departments. GRSE provided 01 set heart lung machine and 01 set hemotherm machine which helped the hospital to render better service to the needy patients.

**(h) Skill Development Training to Medical Technicians**

In the aftermath of Covid, lack of trained medical technicians, specially phlebotomist and trained medical care giver, emerged as a major cause of concern in the health sector. GRSE in association with Ramakrishna Math, Baghbazar provided vocational skill trainings to youths to bridge the present skill gaps in the medical sector and make the youths ready for medical services. Phlebotomy training was provided to 60 youths and General Duty Assistance (Nursing) was given to 30 youths at Ma Sarada Swanirvar Kendra at Chitpur, Kolkata. These trainees got certificates from NSDC after successful completion of the course. Most of the trainees got placed immediately after completion of the training.

**(i) GRSE Project Akansha - Bringing lasting change in the lives of vulnerable children in Khidderpur, Kolkata**

It was seen that there were hundreds of children belonging to specific community in Kidderpore and Watgunj areas of Kolkata who were suffering from low self-esteem, host of insecurities and held back by adversities and circumstances. These children growing up in this vulnerable community were used to live the toughest life due to lack of stable livelihood options for their parents. Due to the above circumstances, these children did not get the opportunity to achieve their dreams and desires. Though they had skills

and capabilities, but did not get a platform and opportunity to express them.

The project Akansha was implemented in association with 'Child Rights and You' (CRY) with an aim to provide these vulnerable children a healthy and safe environment to study, participate in extra-curricular activities, learn and grow etc. Around 300 children were supported through this initiative. Nutrition packages, comprising soya-bean, peanuts, pulses, sooji, saattu and legumes were provided to these children on regular basis. Regular health check-ups for the children were also a major part of the project. Special focus was given to support their studies through coaching classes with teachers to prevent school drop-outs. There were also separate classes for art and craft, life-skill lessons and karate coaching etc. The project team reached out to the families about the need for education for children, alert parenting and important life-skills.

In over a year, project Akansha has lived up to its name. It has imbibed the children (including their parents) with the yearning to study, learn and live a better life. It has also given them the confidence to face adversities – a sense of empowerment that's going to stand them in good stead in the journey ahead. As class V student Rahul (name changed) said: "The sessions at the centre have changed my thoughts. The karate classes have boosted my confidence. I am not fearful anymore."

**(j) Daily Cleaning of School Toilets**

Taking cognizance of the National Mission 'Swachh Bharat Swachh Vidyalaya' and the needs of the schools' children, mainly from the Govt. aided Schools, GRSE has adopted the mechanism for daily cleaning and upkeep of school toilets in association with Sulabh International Social Service Organization. Total 235 toilets, 148 urinals, 100 wash basins, 07 drinking water taps, 02 bathrooms, incinerator, ground etc. were maintained in 20 local govt. schools, with special focus on girls' schools. Around 25,000 students were benefited from this project.

**(k) Empowering Differently Abled Children**

Cerebral palsy is a disorder which affects movement and posture, causing severe limitations of physical and mental activities. This project is implemented with the intent to empower these differently abled children and to enable them to lead their life with dignity.

GRSE has supported three classes of Indian Institute of Cerebral Palsy, Kolkata viz. Education Development Unit - IV, Education Development Unit - V and Life Skill Training Unit to provide comprehensive educational and rehabilitational services. These 03 classes covered 43 special children with severe multiple impairments including cerebral palsy and having around 80% disability. They were trained in basic academic courses and life-oriented language and numeracy skills for achieving minimum level of self-reliance. The children of Life Skill Training Unit were trained in pre-vocational skills.

Cerebral palsy in children hinder their ability to move and impede body functions more as they get older and bigger. GRSE supported IICP to run their Early Interventions Clinic.

# CSR GALLERY



Project "Arogya" - Monthly Health Check-up Camps



Project "Arogya" - Monthly Health Check-up Camps



Blood Donation Camp



Blood Donation Camp



TB Nikshay Mitra



TB Nikshay Mitra



# CSR GALLERY



Cataract Surgery for the Marginalized Segment



Cataract Surgery for the Marginalized Segment



Holistic development of underprivileged children of tribal villages



Holistic development of underprivileged children of tribal villages



Provided Medical Equipment to Ramakrishna Sarada Mission



Provided Medical Equipment to Ramakrishna Sarada Mission



# CSR GALLERY



Provided Medical Equipment to Islamia Hospital



Provided Medical Equipment to Islamia Hospital



Skill Development Training to Medical Technicians



Skill Development Training to Medical Technicians



GRSE Project Akansha - Bringing lasting change in the lives of vulnerable children in Khidderpur, Kolkata



GRSE Project Akansha - Bringing lasting change in the lives of vulnerable children in Khidderpur, Kolkata



# CSR GALLERY



Empowering Differently Abled Children



Empowering Differently Abled Children



Equipment to Kolkata Traffic Police



PRSI National Awards 2023 for 'Best PSU for Implementing CSR'



Swachhta Pakhwada



13th ICC PSE Excellence Award 2023 for 'CSR & Sustainability'

This clinic provided customized individual therapy, starting from neonatal stage upto 10 years. The Early Intervention Therapy aims to set the right foundation so that it helps the child to develop communication skills, motor skills and enable them to move forward in their life with minimum dependence on others.

India is a signatory to the "United Nation Declaration on the Rights of Disabled Persons, 1975" adopted by the General Assembly Resolutions 3447 (XXX) on 09 Dec 1975 and this project contributed towards achieving the goal.

## **(B) OTHER PROJECTS**

### **(a) Equipment for ITI**

Industrial Training Institute (ITI) is the backbone of technical education in the Country and provides technical trainings for bridging the demand-supply gap of skilled workforce. GRSE has supported 03 ITI for skill development of youths with focus on female and physically challenged students. GRSE has provided equipment to Women ITI, ITI for Physically Challenged Boys & Girls and ITI Gariahat in Kolkata. This has ensured that the students received training in accordance with industry standard which has increased employability rate of the students.

### **(b) Skill Development Training to ITI**

GRSE supported skill development activities for the students of Women ITI and ITI for Physically Challenged Boys & Girls in Kolkata. Under this initiative guest lectures & advanced training were imparted in Basic Cosmetology, COPA, Secretarial Practice, Solar Technician (Electrical) and Electronic Mechanic trade. Guest lecture & advanced training were also organized in Computer Aided Embroidery and Designing (CAED), Desk Top Publishing Operator (DTPO), Dress Making (DM) and Fashion Design & Technology (FDT) trades.

### **(c) Apprenticeship Training Program**

GRSE provided training to around 165 Apprentices over and above the statutory requirement of 42 apprentices (2.5%) stipulated under the Apprentices Act, 1961. The Apprentices from various disciplines were provided on-the-job training in different workshops shops / departments of the Company.

### **(d) Skill Development Training to Youths**

Promoting employment enhancing vocational skills and livelihood enhancement project was one of the focus areas. In compliance with the Government's Kushal Bharat – Kaushal Bharat Mission, GRSE in association with Ramakrishna Math, Baghbazar has provided vocational training duly accredited by NSDC. The training was provided in Air Conditioning & Refrigeration to 30 trainees at Ma Sarada Swanirvar Kendra at Chitpur, Kolkata. These trainees got certificate from NSDC upon successful completion of the course and most of them got placed immediately after completion of the training.

### **(e) Equipment to Kolkata Traffic Police**

GRSE as part of its commitment to social responsibility provided road safety equipment to Kolkata Traffic Police. Normal Guard Rails and Prismatic Guardrails were provided to Metiabruz Traffic Guard to promote road safety in the Garden Reach Area of Kolkata.

### **(f) Computers to Ramakrishna Mission**

GRSE provided 41 nos. used computers to Ramakrishna Mission Ashrama, Narendrapur for their various outreach centers. This project was implemented with the intent to eliminate digital divide and enable technology to reach the children from marginalized segment.

### **(g) Swachhta Pakhwada**

As a part of Swachh Bharat Abhiyan, GRSE celebrated Swachhta Special Campaign from 01 to 31 Oct 2023 and Swachhata Pakhwada from 01 to 15 Dec 2023. Several events and activities were conducted inside and outside GRSE like picking of 'Single Use Plastic', Swachhta painting competition, sapling distribution seminar on Importance of cleanliness in daily, Hindi essay writing competition on importance of Swachhta, etc.

### **(h) Clean Ganga Fund**

GRSE contributed ₹ 2 lakh to Clean Ganga Fund to enable NMCG to take up various activities for rejuvenating river Ganga & its tributaries.

## **III. CSR AWARD**

GRSE received PRSI National Awards 2023 for 'Best PSU for Implementing CSR' on 25 Nov 2023 and 13<sup>th</sup> ICC PSE Excellence Award 2023 for 'CSR & Sustainability' on 20 Dec 2023.



### 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)	Shri Sanjeeb Mohanty <i>Part-Time Non-Official (Independent) Director</i>	Chairperson	3	3
(b)	Shri R K Dash <sup>[1]</sup> Director (Finance)	Member	3	0
(c)	Cdr Shantanu Bose, IN (Retd) <i>Director (Shipbuilding)</i>	Member	3	2
(d)	DIG Subrato Ghosh, ICG (Retd) <sup>[2]</sup> Director (Personnel)	Member	3	3

<sup>[1]</sup> Ceased as a member of the Committee w.e.f. 28 Jun 2023 and no Meetings were held during his tenure.

<sup>[2]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023 and three Meetings were held during his tenure.

- 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/csr-projects-and-policy/>
- 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) –  
₹ **510.88 lakh**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year  
**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)  
₹ **511 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
₹511 lakh	NIL				

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

(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

There is No Ongoing Project in FY 2023 - 24

(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	Holistic development of 530 under privileged children of Tribal Villages of Jharkhand and West Bengal	Item No. (i) – eradicating malnutrition, promoting healthcare including preventive healthcare.	Yes	Jharkhand West Bengal	Ranchi & Khunti Districts (Aspirational Districts) – 380 children  North 24 Parganas, South 24 Parganas - 150 children	66.15	No	Ramakrishna Mission, Belur Math	CSR00006101
2	Providing medical equipment to Matri Bhavan Hospital, Kolkata	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	54.33	No	Ramakrishna Sarada Mission	CSR00005055
3	Providing medical equipment to Islamia Hospital, Kolkata	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	70.00	No	Islamia Hospital	CSR00009943
4	Monthly health check-up camps at Rajabagan Dockyard (Kolkata), Naora (South 24 Parganas) and Agarhati (Sundarban)	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata, South 24 Parganas and North 24 Parganas	25.93	Yes	GRSE Ltd.	-



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation on - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
5	TB Nikshay Mitra	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	12.32	Yes	GRSE Ltd.	-
6	Blood Donation Camps	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	01.25	Yes	GRSE Ltd.	-
7	Cataract Surgeries	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata, North 24 parganas, South 24 Parganas, Howrah, Hooghly	13.03	No	The Leprosy Mission Trust India	CSR00001796
8	Skill training to medical technicians – Phlebotomy & General Duty Assistant (Nursing)	Item No. (i) – promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	28.77	No	Ramakrishna Math, Baghbazar, a branch of Ramakrishna Math, Belur Math	CSR00002806
9	Holistic Development of Children from Vulnerable Communities at Hastings, Kolkata	Item No. (i) – eradicating malnutrition, promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	25.52	No	Child Rights and You	
10	Daily cleaning and Maintenance School of toilets in 20 schools/ institutions	Item No. (i) - promoting healthcare including preventive healthcare, sanitation	Yes	West Bengal	Kolkata, Howrah & South 24 Parganas	49.38	No	Sulabh International Social Service Organization, WB Branch and GRSE	CSR00000185
11	Adoption of 03 classes & Early Intervention Project of IICP	Item No. (i) – eradicating malnutrition, promoting healthcare including preventive healthcare.	Yes	West Bengal	Kolkata	49.97	No	Indian Institute of Cerebral Palsy, Kolkata	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
12	Development of training facility, infrastructure of ITI and skill development	Item No. (ii) promoting education including special education and employment enhancing vocation skills among differently abled children	Yes	West Bengal	Kolkata	37.84	No	Women ITI Kolkata ITI Gariahat, Kolkata ITI PCBG	CSR00023668 CSR00024173 CSR00057421
13	Stipend paid to the apprentices engaged over and above the statutory requirement	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata (benefitting trainees from PAN India)	62.71	Yes	GRSE Ltd.	-
14	Vocational Skill Development training to Youths – AC & Other home appliances technician	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	01.23	No	Ramakrishna Math, Baghbazar, a branch of Ramakrishna Math, Belur Math	CSR00002806
15	Provided Traffic Equipment to Kolkata Traffic Police	Item No. (ii) – promoting education.	Yes	West Bengal	Kolkata	06.85	Yes	GRSE Ltd.	-
16	Provided Old Computer to Ramakrishna Mission Ashrama, Narendrapur	Item No. (i) – promoting employment enhancing vocational skills.	Yes	West Bengal	South 24 Parganas	0.00006	Yes	GRSE Ltd.	Ramakrishna Mission, Belur Math - CSR00006101
17	Special Campaign, Swachhata Pakhwada	Item No. (i) – promoting sanitation.	Yes	Jharkhand West Bengal	Ranchi & Khunti Districts (Aspirational Districts) Kolkata, North 24 Parganas, South 24 Parganas	03.72	Yes	GRSE Ltd.	-
18	Contribution to Clean Ganga Fund	Item No. (iv) – contribution to the Clean Ganga Fund setup by the Central Government	No	-	PAN India	02.00	Gol	Gol	-
<b>TOTAL</b>						<b>511 .00</b>			

(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)- ₹ **511 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)	510.88
(ii)	Total amount spent for the Financial Year	511.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	00

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

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 year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.							00

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(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
00								
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.-

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in lakh)	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	18 Nov 2023	54.33	Matri Bhavan Hospital (branch of Ramakrishna Sarada Mission)	01 set Laparoscopic Machine, 01 set Universal Ventilator Machine, 01 no. Ceiling Mounted OT Light and 20 nos. Bed Side Lockers.	Matri Bhavan Hospital at 7A, Sree Mohan Lane, Kolkata – 700 026.
2	02 Jan 2024	70.00	Islamia Hospital, Kolkata	01 set Heart Lung Machine and 01 set Hemotherm Machine	Islamia Hospital at 73, Chittaranjan Avenue, Poddar Court, Tiretti, Kolkata – 700 012.
3	06 Feb 2024	07.71	Women ITI Kolkata	05 nos. Lab table, 01 no. Working table, 32 nos. high stool, 02 nos. special table, 03 nos. chairs, 01 no. revolving chair, 86 sqft. Storage MDF board	Women ITI at 2/1, Anil Moitra Road, Kolkata-700019.
4	18 Mar 2024	12.05	Government ITI Gariahat, Kolkata	01 set Universal Milling Machine, 02 sets Bench Drill Machines, 01 set SS & SC Centre Lathe	ITI Gariahat at 10 & 10/1 Gariahat Road, Ballygunge, Kolkata – 700019.
5	18 Mar 2024	16.03	ITI for Physically Challenged Boys & Girls, Kolkata	10 sets Desktop Computers, 01 set CIS Sheet Fed & Flat Bed Scanner, 01 set Colour Jet Printer, 02 sets Sewing & Quilting Machines, 01 set PA System, 01 set Multifunctional Colour Printer, 02 nos. Laptops, 01 set Sewing Machine with Artistic Digitizer	ITI PCBG at 110, S. N. Banerjee Road, Kolkata – 700 013.
6	27 Mar 2024	06.85	Metiabruz Traffic Guard, Kolkata Traffic Police	58 nos. Normal Guardrails and 50 nos. Prismatic Guardrails	Metiabruz Traffic Guard, Z-3/103, Dr. A. K. Road, Kolkata – 700 044..
7	06 Oct 2023	0.00006	Ramakrishna Mission Ashrama, Narendrapur (branch of Ramakrishna Mission, Belur Math)	41 nos. old Desktop Computers	Ramakrishna Mission Ashrama, Narendrapur, Kolkata – 700 103.

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: 08591411



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. INDUSTRY SCENARIO

### 1.1 Global Scenario

#### Shipbuilding:

The global shipbuilding market is projected to grow significantly, with estimates indicating a value of approximately \$ 149.76 billion in 2023, expanding to \$191.67 billion by 2023., reflecting a CAGR of about 3.6%. Naval Shipbuilding market has also shown consistent growth and this is expected to continue over the next five years. Latest research data indicates that the market size was valued at about \$ 96.85 billion in 2022 and this is expected to expand at a CAGR of 2.16% reaching upto about \$ 110.11 billion by 2028. This steady growth being driven by international events and developments such as growing tensions in the Asia-Pacific region have 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. Market growth is also expected due to 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 inevitable transition to Green Energy and the potential disruptive changes driven by emerging digital technologies have presented themselves as opportunities for the industry. The shipyard is well poised to capitalize on these opportunities to develop green and state-of the art digital ships for Defense and Commercial applications.

#### Ship Repair

Ship repair market across defence & commercial customers which together presents an opportunity worth ₹15,000 to ₹16,000 crore globally in the next 6 years. 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. 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.

Ship repair industry being labour intensive, India has the advantage of having a 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.

### 1.2 The Indian Scenario

#### Shipbuilding

Indian defence shipbuilding presents a large opportunity worth more than ₹1.5 – ₹2 lakh crore over the next 12-15 years. Additionally, commercial shipbuilding also presents an opportunity worth ₹12000 – ₹15000 crore/year with coastal shipping, dredgers, ferries & cruises and gas carriers emerging as the biggest segments. Further, the Maritime India Vison 2030 (MIV 2030') targets major increase in the utilization of National Waterways and coastal routes for increased movement of cargo and passengers. With the number of operational waterways targeted to increase from 16 to 23 by 2030, the annual cargo movement on these waterways is expected to grow from 73

MT per Annum to over 200 MT per Annum. Annual passenger movement by ferry operations is also projected to increase from 14 crore to 70 crore by 2030. To achieve objectives of the Government of India's Sagarmala program, it is estimated that India's existing coastal and inland waterways fleet would need to be tripled over the next decade. This has the potential to create a shipbuilding demand of about 12.75 million CGT. These opportunities, along with the National thrust to transition to Green Shipping also presents a new opportunity for shipbuilders in the country. Defence shipbuilding in India continues to remain 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 Armed Forces. 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. The Indian shipbuilding industry's order book is expected to receive a boost on account of the Indian Navy and Indian 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 next 14-15 years, indicates that they would place orders for more than 150 warships in the coming years.

The shipbuilding policy announced by the Government of India granting financial assistance to the shipbuilding industry (for non-defence ships) aims to help Indian Shipbuilders to be more cost competitive at a global level. Our government has recognised the need for further developing transportation network of the rivers and various initiatives including those under the new 'National Logistics Policy' is expected to provide a thrust to Inland Water Transport (IWT) and create demands for Indian built ships.

#### Ship Repair

To capitalize on the market opportunities anticipated in the area of maintenance, repairs, refits and upgrades of Indian Navy and Indian Coast Guard warships, GRSE intends to increase focus on repair and refitting of Indian Navy and Indian Coast Guard vessels.

The untapped potential in the Indian commercial 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. However, the present global economic scenario provides a window of opportunity to Indian ship repairers.

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.

## 2. PRODUCTS AND SERVICES

Being a Defence PSU, GRSE is primarily engaged in construction of warships for Indian Navy and Indian Coast Guard. Over the last 64 years, GRSE has built around 790 platforms which include 109 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 the premier 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. The shipyard has also embarked on a mission to develop the capability to design and construct zero emission vessels and one such vessel is currently under construction with delivery scheduled by the third quarter of 2023-24. Unmanned Surface Vessels, Autonomous Underwater Vehicles and Ship Based Drones are some of the other focus areas for the shipyard.

GRSE has created its Ship Repair Division focusing on ship repair business both in commercial and defence segments. Towards augmentation of infrastructure for undertaking ship repair and refits on a large scale, GRSE had signed a Concession Agreement with Syama Prasad Mookerjee Port, Kolkata (SMPK) on 07 Oct 2021 towards development & utilisation of three existing dry docks of Khidderpore Dry Dock (KPDD) complex of SMPK located at Khidderpore, Kolkata.

Apart from shipbuilding & ship repairs, GRSE has diversified into Engineering Business. The 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 and manufacture of Diesel Alternators.

GRSE has also diversified into weapons. An order for 30 mm Naval Gun is under execution in collaboration with local firm with technical support from an established foreign entity.

## 3. SWOT ANALYSIS

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

### Strengths

- (a) Dedicated Fitting out Jetty to concurrently undertake post-launch outfitting of four large ships.
- (b) ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 & ISO 50001:2018 Certification.
- (c) Proven capability to produce a wide spectrum of ships ranging from 5-ton boats to 24600-ton fleet tankers.
- (d) Proven in-house capability for ship design in terms of good infrastructure with a seamless IT Network including Design Software.
- (e) Dedicated Virtual Reality (VR) Lab for detailed design and evaluation.
- (f) E-Procurement and e-auction system.
- (g) GRSE is a Profit making, Dividend paying, and Zero Debt Company.
- (h) Financially strong company with a good order book visibility.
- (i) Long-standing relationships with main customers like Indian Navy and Indian Coast Guard.
- (j) Well-established PP&C Department leveraging the latest Project Management Software.
- (k) Dedicated Export Cell for a multi-fold increase in the export of defence & commercial ships and engineering products.
- (l) Leveraging the immense potential of startup eco system in the country for development of innovative solutions in shipbuilding, through GRSE Accelerated Innovation Nurturing Scheme(GAINS).
- (m) MoUs with Centres of Excellence to enhance R&D capabilities.
- (n) MoU with global firms for Indigenous development of High-Speed Diesel Engines and Waterjet propulsion systems.
- (o) Having State of Art Infrastructure for performing various operational activities.

### Weaknesses

- (a) Constraints of a riverine shipyard due to limitations in the depth and width of navigable channels with effects of silting in rivers.
- (b) Location of the company in densely populated residential areas having narrow roads.
- (c) Weak shipbuilding ecosystem in the 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 and thrust given by Gol initiatives such as Sagarmala and Jal Marg Vikas.
- (c) Government policy on thrust for exports including extension of Line of Credit (LoC).
- (d) Export potential especially for small and medium-size warships and patrol vessels to South East Asia, West Asia, African Countries, and Latin America.
- (e) Core competency in Warships and Amphibious ships for Export.
- (f) Repair and Refit of Ships for the Indian Navy and Indian Coast Guard has significant business potential.
- (g) Capacity and Capability enhancement through collaboration with private shipyards.
- (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 centre.

- (j) Growing market for autonomous vessels and green ships.
- (k) Leveraging strategic collaboration with other shipyards, such as the MoU with Modest shipyard to expand capacity.

#### Threats

- (a) Competition from Private and Public Shipyards.
- (b) Large dependency on customers at every stage of shipbuilding.
- (c) Relatively low availability of ancillary industry locally to support major shipbuilding activities.
- (d) Equipment delivery delays due to nomination of specific firms by customer, with potential impact of timelines.
- (e) Lack of congruence with respect to the accepted Build specification of the customer.
- (f) Competition for Engineering Products from small players.
- (g) Emerging private sector firms in the Indian shipbuilding industry and their impact on shipbuilding/ship repair for the Indian Navy and Coast Guard.

From the above SWOT analysis, it emerges that the Company needs to leverage its strengths through Technology driven processes to create a competitive advantage for maximizing available opportunities, while continuously improving internal efficiencies and modern HR practices towards becoming a well-diversified, globally competitive and growth focused shipyard. There are good opportunities available to the Company to build Defence, Commercial, Coastal Security and Inland Water Vessels and also in the field of ship repairs. New opportunities are emerging in the export market for Defence as well as Commercial Shipbuilding which needs to be leveraged through a competitive approach. 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 continuously support shipbuilding in order to address the emerging opportunities and reducing the impact of prevailing threats.

#### 4. 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 internal efficiency leading to enhanced productivity.
- (b) Leverage New age technology in operations.
- (c) Adopt Industry 4.0 suitably in business operations of the Shipyard.
- (d) Focus on enhancement of Customer satisfaction through "On-time" deliveries and exceed Quality expectations.
- (e) Maximise indigenous content in warship construction.
- (f) Optimise utilization of space and integrated construction facility to bring down Build Period.
- (g) Business Development through concerted marketing effort, focusing on Exports.

- (h) Developing allied engineering Businesses with focused approach.
- (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) Facilitate development of vibrant eco system for Shipbuilding activities in Eastern region.
- (k) Product Diversification with focus of New technology products including Green Energy Platforms and Autonomous Vehicles.

#### 5. 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.

#### 6. OUTLOOK

Defense Shipbuilding segment continues to look 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 109th warship (Survey Vessel Large to Indian Navy) on 04 Dec 2023 thereby achieving the distinction of being the only Shipyard in the country which has achieved the 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.

In order to move forward the ship repair activity, the recently concluded Concession agreement with SMP (KoPT) to develop and utilize 03 existing dry docks of SMP is being effectively utilized to boost the Ship repair efforts of GRSE. Docking and repair/refit of a number of commercial as well as Indian Coast Guard Ships were successfully done in this newly acquired facility during FY 2023-24. Under the said agreement, both GRSE & SMPK, Kolkata look forward to developing a dynamic partnership in exploring new business opportunities in Ship repair & refit of defence & commercial segments, leading to revenue generation and contributing to skill development, infrastructural up-gradation and employment generation in Kolkata. This collaboration will also contribute to the future strategy of GRSE to take on additional shipbuilding activities including repair & refit of ships. The Company is also giving additional thrust to its ship repair activities by strengthening the teams.



## 7. MEASURES TO TACKLE CHALLENGES

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

- a) Revamping of Material Management / Supply Chain Management.
- b) Vendor development & building long term Partnerships.
- c) Improve Project Management System for shipbuilding projects through creation of dedicated Project Management Teams.
- d) Upgrade shipbuilding technology / processes through new technology adoption
- e) Upgrade products of Bridges Unit, Deck Machinery Unit and Diesel Engine Plant
- f) Business Development through concerted marketing effort for Exports, specifically by appointing MRs in targeted nations.
- g) Product diversification
- h) Creating Strategic Partnership for Export / Special Projects
- i) Measures for increasing VoP from Ship Repair (SR) Business
- j) Measures for increasing VoP of Portable Bridges, Deck Machinery, marine pump and Diesel Engine Businesses
- k) Achieve 100% compliance for working on PLM software
- l) Reduction in Revenue Expenditures
- m) Improvement of Ease of Doing Business (EoDB)
- n) Efficient Risk Analysis and Mitigation Plans
- o) Leverage new age Technology (ICT) for better management of operations
- p) Shipyard Capacity Enhancement
- q) Creation of a "Innovation & New Technology" department
- r) Leverage Indian Startup eco system to facilitate new technology adaptation
- s) Creation of Commercial Shipbuilding Department.

## 8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains adequate internal control implemented towards achieving effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations which is 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.

## 9. RISK MANAGEMENT

The Company has in place a Board approved robust Risk Management Policy and Charter. 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.

## 10. DISCUSSION AND ANALYSIS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Performance Highlights of the Company during the year ended 31 Mar 2024 are as follows:

(₹ in crore)

Particulars	As on 31 Mar 2024	As on 31 Mar 2023
Gross Income	3,892.26	2,762.98
Revenue from Operations	3,592.64	2,561.15
Value of Production	3,588.46	2,547.84
Gross Profit	533.74	350.87
Profit Before Tax	480.92	305.22
Tax Expense	123.65	77.09
Profit After Tax	357.27	228.12
Net Worth	1,673.44	1,413.82
Book Value per Share (in ₹)	146.09	123.42
Earnings Per Share (in ₹)	31.19	19.91
Dividend Per Share (in ₹)	9.36	6.20

## Ratios Analysis:

Ratios	As at 31 March, 2024	As at 31 March, 2023	% of Variance
Debtors Turnover	29.32	25.33	16
Inventory Turnover	0.99	1.20	-18
Interest Coverage Ratio	42.86	48.10	-11
Current Ratio	1.12	1.08	4
Debt Equity Ratio	0.005	0.007	-24
Gross Profit Margin (%)	13.71	12.70	8
Net Profit Margin (%)	9.94	8.26	12
Return on Net Worth (%)	23.14	17.08	36

(₹ in crore)

Import and Export	As on 31 Mar 2024	As on 31 Mar 2023
Imports consumed during the year	332.88	461.24
Exports made during the year	46.90	59.78

- **Gross Revenue** registered a rise of 40.87% from ₹2,762.98 crore in 2022-23 to ₹3,892.26 crore in 2023-24.
- **Value of Production** has increased by 40.84% from ₹2,547.84 crore in 2022-23 to ₹3,588.46 crore in 2023-24.
- **Net Profit (PBT)** registered a rise of 57.57%, increased from ₹ 305.22 crore in 2022-23 to ₹480.92 crore in 2023-24.
- **Return on Net Worth:** The Profits After Tax (PAT) increased from ₹ 228.12 Crore in 2022-23 to ₹ 357.27 Crore in 2023-24 resulting into increase in Return on Net Worth.
- **Value Addition per Employee** has increased from ₹54.60 lakh in 2022-23 to ₹80.97 lakh in 2023-24.
- **Book Value per share** has increased from ₹123.42 in 2022-23 to ₹146.09 in 2023-24.

## 11. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

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

## 12. MANPOWER

The employee strength of your Company was 1649 persons as on 31 Mar 2024.

Total Employees as on 31 Mar 2024	Officers	Supervisors	Office Assistants	Workmen		
				Direct	Indirect	Total
1649	484	171	56	758	180	938

## 13. 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.

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

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

## 15. 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 2023-24)

## 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 has complied 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 2024, 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 07 Directors comprising 04 Whole-Time Directors, 01 Government Nominee Director and 02 Part-Time Non-Official (Independent) Directors.

6. The details of the Members of the Board of Directors of your Company during the period from 01 Apr 2023 to 31 Mar 2024 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	
<b>Whole-Time / Functional Directors (Executive)</b>						
Cmde Hari P R, IN (Retd.), Chairman & Managing Director	10 Jun 2022	-	-	-	-	-
Shri Ramesh Kumar Dash, Director (Finance) & CFO	01 Jul 2020	-	-	-	-	-
Cdr Shantanu Bose, IN (Retd.), Director (Shipbuilding)	08 Jun 2022	-	-	-	-	-
DIG Subrato Ghosh, ICG (Retd.), Director (Personnel) <sup>[1]</sup>	20 June 2023	-	-	-	-	-
<b>Government Nominee Director (Non-Executive)</b>						
Shri Rajeev Prakash Government Nominee Director, Joint Secretary (Naval System) <sup>[2]</sup>	23 Jun 2022	-	02	-	-	BEML Limited (Government Nominee Director, Non-Executive)
<b>Part-Time Non-Official (Independent Directors) (Non-Executive)</b>						
Shri Sanjay Dattatraya Panse	27 Dec 2021	-	03	1	04	-
Shri Sanjeeb Mohanty	06 Apr 2022	-	-	-	-	-



# 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.

<sup>[1]</sup> Appointed as Director (Personnel) of the Company w.e.f. 20 June 2023

<sup>[2]</sup> Ceased as Government Nominee Director of BEML Limited w.e.f. 29 Apr 2024

7. One (1) Executive (Whole Time Director), has been inducted to the Board of Directors during the year under review. Brief Resume of the newly appointed Director are provided below:

**DIG Subrato Ghosh, IN (Retd.)**

DIG Subrato Ghosh, ICG (Retd.), after serving in the Indian Coast Guard (ICG) for more than 25 years, joined GRSE as General Manger (Rajabagan Dockyard Unit) in the year 2016. He has assumed charge as Director (Personnel) of the Company on 20 June 2023. Before assuming charge as Director (Personnel), he was working as Chief General Manager (BB & DEP).

DIG Subrato Ghosh, ICG (Retd.) is a Mechanical Engineer with Bachelor Degree from Dayalbagh Educational Institute, Agra and has done his Masters in Engineering (Mechanical Marine) from Pune University. He also holds Masters in Business Administration from Jamia Milia Islamia University, New Delhi. He has also undergone Advance Marine Engineering Course from Institute of Armament Technology, Pune.

He has had an illustrious career in the Indian Coast Guard during which he held various prestigious appointments which included Chief Staff Officer (Technical), Principal Director (TS & IT) and Project Officer (PCVs). He has also held six afloat appointments during his career in

the Indian Coast Guard.

During his tenure as General Manager in GRSE, he played key role in delivery of three ships each to Indian Navy & Indian Coast Guard. The 100th Warship from GRSE was delivered from Rajabagan Dockyard Unit during his tenure. He has also been instrumental in doubling of Bailey Bridge Unit turnover and ensured about 20% year on year revenue growth thereafter.

DIG Subrato Ghosh, ICG (Retd.) has proven experience and ability to work with multiple stakeholders under conflicting priorities and stringent deadlines, and deliver results in consistent with stated objectives. He has vast experience in ship building as well as in ship repairs.

He has no inter-se relationship with other Directors in the Company. Further, he holds 200 equity shares of the Company.

**Other Directorships:** Nil

**Committee Membership of other Companies:** Nil

**KEY BOARD EXPERTISE AND SKILLS**

8. 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.
9. The Board of your Company comprises of 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 judgement, 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.

10. 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
Cmde Hari P R, IN (Retd.)	√	√	√	√	√	√
Shri Ramesh Kumar Dash	√	√	√	√	√	√
Cdr. Shantanu Bose, IN (Retd.)	√	√	√	√	√	√
DIG Subrato Ghosh, ICG (Retd.)	√	√	√	√	√	√
Shri Rajeev Prakash	√	√	√	√	-	√
Shri Sanjay Dattatraya Panse	√	√	√	√	-	√
Shri Sanjeeb Mohanty	√	√	√	√	-	√

### BOARD PROCEDURE

11. The 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.
12. 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

13. During the year 2023-24, Nine (09) Board Meetings were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	24-May-23	06	4
2.	21-Jul-23	07	07
3.	11-Aug-23	07	06
4.	10-Nov-23	07	06
5.	20-Dec-23	07	06
6.	29-Dec-23	07	07
7.	22-Jan-24	07	07
8.	13-Feb-24	07	07
9.	26-Mar-24	07	07

14. The maximum interval between any two Board Meetings held during the year was (90) days. The details of Directors' attendance at the Board Meetings and Annual General Meeting held during the FY 2023-24 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 22 Sep 23
	24-May-23	21-Jul-23	11-Aug-23	10-Nov-23	20-Dec-23	29-Dec-23	22-Jan-24	13-Feb-24	26-Mar-24		
Cmde Hari P R, IN (Retd.)										100	
Shri Ramesh Kumar Dash										100	
Cdr. Shantanu Bose, IN (Retd.)	x			x						77.7	
DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup>	NA									100	
Shri Rajeev Prakash	x		x		x					66.66	
Shri Sanjay Dattatraya Panse										100	
Shri Sanjeeb Mohanty										100	

- Present    x - Absent    NA - Not Applicable

<sup>[1]</sup> Appointed as Director Personnel of the Company w.e.f. 20 Jun 2023.

## COMMITTEES OF THE BOARD

15. Currently, the Board has constituted seven (7) 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:

- Audit Committee;
- HR, Nomination and Remuneration Committee;
- CSR & Sustainability Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee
- Procurement Committee;
- Legal Committee

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

## MANDATORY COMMITTEES OF THE BOARD

### Audit Committee

17. The composition of the Audit Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a)	Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Chairperson
(b)	Shri Sanjeeb Mohanty <i>Independent Director</i>	Member
(c)	Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>	Member

18. Director (Finance) is the Permanent Special Invitee to the Audit Committee. The Company Secretary is the Secretary to the Audit Committee. General Manager (Finance), Additional General Manager (Internal Audit), Statutory Auditors (when quarterly and annual accounts discussed) and Internal Auditors (when internal audit report discussed) of the Company also attend the Meetings of the Audit Committee regularly.
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. All the recommendations made by the Audit Committee were accepted by the Board during the year.



22. During the financial year 2023-24, Seven (07) Meetings of the Audit Committee were held. The attendance of the members at the Audit Committee meetings during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors							% of attendance
	23-May-23	21-Jul-23	11-Aug-23	06-Oct-23	10-Nov-23	29-Dec-23	13-Feb-24	
Shri Sanjay Dattatraya Panse <i>Independent Director</i>								___ 100
Shri Sanjeeb Mohanty <i>Independent Director</i>								___ 100
Cdr Shantanu Bose, IN (Retd.) <sup>[1]</sup> <i>Director (Shipbuilding)</i>					x			___ 85.7

- Present x - Absent NA - Not Applicable

#### HR, Nomination and Remuneration Committee

23. The HR, Nomination and Remuneration Committee consists of three (3) Non-Executive Directors. The composition of the HR, Nomination and Remuneration Committee of the Board of Directors as on 31 Mar 2024 was as follows:

(a)	Shri Sanjeeb Mohanty <i>Independent Director</i>	Chairperson
(b)	Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Member
(c)	Shri Rajeev Prakash <i>Government Nominee Director</i>	Member

24. Director (Personnel) is a Permanent Special Invitee to the Committee. The Company Secretary is the Secretary to the Committee.

25. The terms of reference of HR, Nomination and Remuneration Committee are as follows: -

- 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;
- To examine all the proposals related to HR issues and give its recommendations;
- The recommendations of the HR, Nomination and Remuneration Committee are placed before the Board of Directors for approval.

26. During the financial year 2023-24, Seven (07) Meetings of the HR, Nomination and Remuneration Committee were held. The attendance of the members at the HR, Nomination and Remuneration Committee meetings during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors							% of attendance
	23-May-23	21-Jul-23	27-Sep-23	10-Nov-23	29-Dec-23	12-Feb-24	26-Mar-24	
Shri Sanjeeb Mohanty <i>Independent Director</i>								___ 100
Shri Sanjay Dattatraya Panse <i>Independent Director</i>								___ 100
Shri Rajeev Prakash <i>Government Nominee Director</i>	x					x		___ 71.43

- Present x - Absent NA - Not Applicable

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

28. **Performance Evaluation of Directors** - Ministry of Corporate Affairs has exempted Government Companies from complying with the provisions of Section 178(2) & para VIII of Schedule IV of the Companies Act, 2013 with regard to performance evaluation of Board, its committees and individual directors. The performance evaluation of Functional Directors, Government Nominee Directors and Independent Directors of your company is done by Ministry of Defence (Administrative Ministry) as per applicable Rules and Procedures.

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

29. 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.

30. The terms of reference of the CSR & SD Committee are as follows:-
- 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;
  - Recommend amount of expenditure to be incurred on CSR activities;
  - Monitor the Corporate Social Responsibility and Sustainability Policy of your Company and its effective implementation from time to time.
31. The composition of the CSR & SD Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a)	Shri Sanjeeb Mohanty <i>Independent Director</i>	Chairperson
(b)	Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>	Member
(c)	DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>	Member

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

32. The Company Secretary is Secretary to the Committee.
33. During the financial year 2023-24, three (3) Meetings of the CSR & SD Committee were held. The attendance of the members at the CSR & SD Committee meetings during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors			% of attendance
	20-Jul-2023	9-Nov-2023	12-Feb-2024	
Shri Sanjeeb Mohanty <sup>[1]</sup> <i>Independent Director</i>				___ 100
Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>		X		___ 66.66
DIG Subrato Ghosh, ICG (Retd.) <sup>[2]</sup> <i>Director (Personnel)</i>				___ 100

- Present x - Absent NA - Not Applicable

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

### Stakeholders Relationship Committee

34. 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.

35. 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.
36. The composition of the Stakeholders Relationship Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a)	Shri Sanjeeb Mohanty <i>Independent Director</i>	Chairperson
(b)	Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Member
(c)	DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>	Member

37. The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee, and he is also the Compliance Officer.
38. During the year 2023-24, One (1) Meeting of the Stakeholders Relationship Committee of the Board of Directors was held. The attendance of the members at the Stakeholders Relationship Committee meeting during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	12-Feb-2024		
Shri Sanjeeb Mohanty <i>Independent Director</i>			___ 100
Shri Ramesh Kumar Dash <i>Director (Finance)</i>			___ 100
DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>			___ 100

- Present x - Absent NA - Not Applicable

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

39. **Name and Designation of Compliance Officer** - In accordance with the SEBI Listing Regulations, the Board has appointed Shri Sandeep Mahapatra, Company Secretary, as the Compliance Officer.

40. Status of Shareholders/ Investor Complaints as on 31 Mar 2024 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on 01 Apr 2023	0
Received during the year	4
Resolved during the year	4
Not solved to the satisfaction of shareholders	0
Pending as on 31 Mar 2024	0

#### Risk Management Committee

41. The Risk Management Committee was constituted in line with the Regulation 21 of the SEBI Listing Regulations.
42. 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;
  - 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.
  - To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  - 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.
  - 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.
  - The appointment and removal of the Chief Risk Officer (if any) shall be recommended / reviewed by the Risk Management Committee.
  - 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.

43. The composition of the Risk Management Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a) Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Chairperson
(b) Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>	Member
(c) DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>	Member
(d) Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Member
(e) Shri Sunil Kumar Panangadan <sup>[2]</sup> <i>Chief Risk Officer</i>	Member
(e) Smt. Madhumita Khasnobis <sup>[3]</sup> <i>Risk Coordinator</i>	Member Secretary












<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

<sup>[2]</sup> Admitted as a member of the Committee w.e.f. 23 Jun 2023

<sup>[3]</sup> Admitted as a member and secretary of the Committee w.e.f. 17 Apr 2023

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

45. During the year 2023-24, two (2) Meetings of the Risk Management Committee were held. The attendance of the members at the Risk Management Committee during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	11 Aug 23	05 Feb 24	
Shri Ramesh Kumar Dash <i>Director (Finance)</i>			___ 100
Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>			___ 100
DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>		X	___ 50
Shri Sanjay Dattatraya Panse <i>Independent Director</i>			___ 100
Shri Sunil Kumar Panangadan <sup>[2]</sup> <i>Chief Risk Officer</i>			___ 100
Smt. Madhumita Khasnobis <sup>[3]</sup> <i>Risk Coordinator</i>			___ 100

 - Present    X - Absent    NA - Not Applicable

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

<sup>[2]</sup> Admitted as a member of the Committee w.e.f. 23 Jun 2023

<sup>[3]</sup> Admitted as a member and secretary of the Committee w.e.f. 17 Apr 2023



## OTHER COMMITTEES OF THE BOARD

### Procurement Committee

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

- Approval of proposals in excess of ₹30 crore and up to value ₹100 crore for placement of orders for procurement of materials, equipment, tools, stores and spares, imports including from Russian Sources, approval of works, sub-contracts and facility hire, etc. for sanctioned projects.
- Approval of proposals for capital expenditure in excess of ₹5 crore in respect of the items provided for in the Capital Budget approved by the Board / Government.
- The Procurement Committee examines all the procurement proposals in conformity with and compliance of the Purchase Manual of your Company, CVC Guidelines, Government Regulations etc. and give its approval for such proposals. In the event of any deviations from procedures, the proposal with the recommendations of the Committee is placed before the Board for approval. However, if the Committee feels that a particular proposal requires

50. During the financial year 2023-24, six (6) Meetings of the Procurement Committee were held. The attendance of the members at the Procurement Committee meetings during the financial year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors						% of attendance
	04 May 2023	24 May 2023	11 Aug 2023	12 Sep 2023	06 Oct 2023	13 Feb 2024	
Cmdr Hari P R, IN (Retd.) <i>Chairman &amp; Managing Director</i>				X			83.33
Shri Sanjay Dattatraya Panse <i>Independent Director</i>							100
Shri Ramesh Kumar Dash, Director (Finance)							100
Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>		X					83.33

- Present    X - Absent    NA - Not Applicable

### Legal Committee

51. 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.

52. The composition of the Legal Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a) Shri Sanjeeb Mohanty <i>Independent Director</i>	Chairperson
(b) Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Member
(c) DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>	Member

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

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

54. During the year 2023-24, three (3) Meetings of the Legal Committee were held. The attendance of the members at the

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.

47. The composition of the Procurement Committee of the Board of Directors as on 31 Mar 2024 is as follows:

(a) Cmdr Hari P R, IN (Retd.) <i>Chairman &amp; Managing Director</i>	Chairperson
(c) Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Member
(d) Shri Ramesh Kumar Dash, <i>Director (Finance)</i>	Member
(e) Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i>	Member

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

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

Legal Committee meetings during the year 2023-24 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors			% of attendance
	21-Jul-2023	27-Sep-2023	12-Feb-2024	
Shri Sanjeeb Mohanty <i>Independent Director</i>				100
Shri Sanjay Dattatraya Panse <i>Independent Director</i>				100
DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> <i>Director (Personnel)</i>				100

- Present X - Absent NA - Not Applicable

<sup>[1]</sup> Admitted as a member of the Committee w.e.f. 28 Jun 2023

## Senior management

55. In terms of Clause 5B of Schedule V of SEBI Listing Regulations, the particulars of Senior Management as on March 31, 2024 are provided below:

Sl. No.	Name	Designation	Changes during the year
<b>CFO and CS</b>			
1.	Shri Ramesh Kumar Dash	Director (Finance) and Chief Financial Officer	-
2.	Shri Sandeep Mahapatra	Company Secretary and Compliance Officer	-
<b>Senior Management</b>			
3.	Shri Venkatesh Murthy	Chief General Manager (Tech)	-
4.	Cmdr. Rajat Manchanda, IN (Retd.)	Chief General Manager (Planning – SVL & ASW - SWC)	-
5.	Cdr. Bhaskar Sengupta, IN (Retd.)	Chief General Manager (CP&CC)	-
6.	Capt. P Sunilkumar, IN (Retd.)	Chief General Manager (BDM & CSB)	-
7.	Shri Srinivas Samavedam	Chief General Manager (HR & A)	Promoted on 01 Jul 2023 Superannuated on 31 Jul 2023
8.	Cdr. B Mishra, IN (Retd.)	Chief General Manager (MW)	Promoted on 01 Aug 2023
9.	Cmdr Rajiv Sreedharan, IN (Retd.)	Chief General Manager (PS-NGOPV, I&NT)	-
10.	Cmdr. Indrajit Dasgupta, IN (Retd.)	Chief General Manager (SR&TU)	-
11.	Cmdr Vikas Kaushal, IN (Retd.)	Chief General Manager (PS-P17A)	Appointed on 03 Oct 2023
12.	Cmdt. A K Biswas, ICG (Retd.)	General Manager (RBD)	Superannuated on 31 Oct 2023
13.	Shri Gulshan Ratan	General Manager (QA, VD & Ind)	-
14.	Shri Sujoy Chakravorty	General Manager (Commercial)	-
15.	Cmdr. Vinith Aerat, IN (Retd.)	General Manager (Design)	-
16.	Smt. Suchita Nandi	General Manager (Contract)	Superannuated on 31 Oct 2023
17.	Smt. Lipi Das	General Manager (HR & A)	-
18.	Smt. Aparajita Ghosh	General Manager (Finance)	-
19.	Shri N Partheepan	General Manager (Bailey Bridge)	Promoted on 01Jul 2023
20.	Cdr. Gaurav Pande, IN (Retd.)	GM (PMT- P-17A)	Promoted on 01Jul 2023
21.	Cdr. Manoj Kumar Gupta, IN (Retd.)	GM (MTL.SCC.HP&IP)	Promoted on 01 Aug 2023
22.	Shri Rajeev Shrivastava	GM (HR)	Appointed on 03 Oct 2023
23.	Shri Sanjay Kumar	GM (I/C) – (Finance - Banking)	Promoted on 20 Oct 2023
24.	Cdr. Satish Chandra Jha, IN (Retd.)	AGM I/c (RBD Unit)	Assumed Charge on 01 Nov 2023

## Appointment and Remuneration of Whole-Time Directors

56. 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.
57. 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.

58. The details of remuneration of Whole-Time Directors during the FY 2023-24 are given below:

(₹ in lakh)

Name of Director	Salary*	Perquisites	Company's Contribution to PF / Gratuity / Pension	Performance Related Pay	Total
Cmde Hari P R, IN (Retd.) Chairman & Managing Director	58.50	0.82	7.53	9.63	<b>76.48</b>
Shri Ramesh Kumar Dash Director (Finance) and CFO	34.23	3.22	5.65	6.31	<b>49.41</b>
Cdr. Shantanu Bose, IN (Retd.) Director (Shipbuilding)	67.98	0.32	8.44	6.28	<b>83.02</b>
DIG Subrato Ghosh, ICG (Retd.) <sup>[1]</sup> Director (Personnel)	38.89	0.27	5.41	4.84	<b>49.41</b>

\*Salary includes arrears

<sup>[1]</sup>Appointed as Director (Personnel) (Whole-time Director) of the Company w.e.f. 20 Jun 2023.

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

#### Appointment and Remuneration of Part-Time Directors

60. 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.

61. 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. During the year, the Company has increased the sitting fees of Independent Directors to ₹25,000/- for attending each meeting of the Board of Directors and ₹20,000/- 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.

62. 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>.

63. The sitting fees paid to the Independent Directors during the FY 2023-24 is as follows:

(₹ in lakh)

Name of Independent Director	Board Meetings	Committee Meetings	Total Remuneration
Shri Sanjay Dattatraya Panse	1.95	3.90	<b>5.85</b>
Shri Sanjeeb Mohanty	1.95	3.45	<b>5.40</b>

64. 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.

65. Non-Executive Directors do not hold any Shares in the Company during the Financial Year 2023-24.

#### Evaluation Criteria

66. 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

67. During the year 2023-24, one Meeting of Independent Directors was held on 20 Jan 2024.

#### Confirmation of Independence of the Independent Directors

68. 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.

69. 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**

70. 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
2020-21	10 Sep 21 10.30 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
2021-22	26 Sep 22 10.30 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
2022-23	22 Sep 23 10.30 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**

71. No postal ballot was conducted during the FY 2021-22 and FY 2023-24.

72. During the FY 2022-23, the Company sought the approval of the shareholders by way of postal ballot, the details of which are given below:

**(i) Postal Ballot Dated 12 May 2022**

Sl. No.	Type of Resolution	Description of the Resolution(s)
1	Special Resolution	Appointment of Shri Sanjay Dattatraya Panse (DIN: 02725875) as an Independent Director of the Company
2	Special Resolution	Appointment of Shri Sanjeeb Mohanty (DIN: 09559883) as an Independent Director of the Company

The Board of Directors of the Company have appointed Mr. A. K. Labh, Practising Company Secretary (FCS: 4848 / CP No.: 3238) of M/s. A. K. Labh & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The e-voting period commences on Thursday, 26 May, 2022 (9.00 a.m.) and ends on Friday, 24 June, 2022 (5.00 p.m.). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutiniser on Saturday, 25 Jun, 2022. The aforesaid resolutions were duly passed with the requisite majority and the results of e-voting were announced on 25 Jun 2022.

The details of e-voting on the aforementioned resolution(s) are provided hereunder:

Resolutions	In Favour			Against		
	No. of members voted	No. of valid votes cast	%	No. of members voted	No. of valid votes cast	%
Appointment of Shri Sanjay Dattatraya Panse (DIN: 02725875) as an Independent Director of the Company	370	9,65,65,370	99.98	22	17,100	0.02
Appointment of Shri Sanjeeb Mohanty (DIN: 09559883) as an Independent Director of the Company	351	9,47,33,870	98.10	41	18,31,600	1.90

**(ii) Postal Ballot Dated 26 July 2022**

Sl. No.	Type of Resolution	Description of the Resolution(s)
1	Ordinary Resolution	Confirmation of the Appointment of Cdr. Shantanu Bose, IN (Retd.) (DIN: 09631817) as Whole Time Director designated as Director (Shipbuilding) of the Company
2	Ordinary Resolution	Confirmation of the Appointment of Cmde Hari P R, IN (Retd.) (DIN: 08591411) as Chairman & Managing Director of the Company
3	Ordinary Resolution	Confirmation of the Appointment of Shri Rajeev Prakash (DIN: 08590061) as Government Nominee Director of the Company
4	Special Resolution	Borrowing Powers of the Company
5	Special Resolution	Creation of Security / Charge on the Company's Assets with respect to Borrowing

The Board of Directors of the Company have appointed Mr. A. K. Labh, Practising Company Secretary (FCS: 4848 / CP No.: 3238) of M/s. A. K. Labh & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The e-voting period commences on Sunday, 31 July, 2022 (9.00 a.m.) and ends on Monday, 29 Aug 22 (5.00 p.m.). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutiniser on Tuesday, 30 Aug 22. The aforesaid resolutions were duly passed with the requisite majority and the results of e-voting were announced on Tuesday, 30 Aug 22.

The details of e-voting on the aforementioned resolution(s) are provided hereunder:

Resolutions	In Favour			Against		
	No. of members voted	No. of valid votes cast	%	No. of members voted	No. of valid votes cast	%
Confirmation of the Appointment of Cdr. Shantanu Bose, IN (Retd.) (DIN: 09631817) as Whole Time Director designated as Director (Shipbuilding) of the Company	481	1,05,05,593	97.64	38	2,54,334	2.36
Confirmation of the Appointment of Cmde Hari P R, IN (Retd.) (DIN: 08591411) as Chairman & Managing Director of the Company	483	1,07,18,389	99.62	34	40,968	0.38
Confirmation of the Appointment of Shri Rajeev Prakash (DIN: 08590061) as Government Nominee Director of the Company	472	86,74,235	80.62	44	20,85,022	19.38
Borrowing Powers of the Company	482	107,56,808	99.97	34	3,438	0.03
Creation of Security / Charge on the Company's Assets with respect to Borrowing	481	107,56,727	99.97	35	3,519	0.03

73. 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

74. 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 with 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.
75. 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

76. 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.

77. Details of the familiarization programme for Independent Directors can be accessed at [https://grse.in/board-of-directors-and-committees/Familiarisation\\_Programme\\_2023-24.pdf](https://grse.in/board-of-directors-and-committees/Familiarisation_Programme_2023-24.pdf)

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

78. 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 2024. 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

79. 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

80. 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

81. (a) **Conflict of Interest:** During the year 2023-24, 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 2023-24, 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 Listing Regulations, 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/policies/GRSE\\_Policy\\_for\\_Related\\_Party\\_Transactions.pdf](https://grse.in/policies/GRSE_Policy_for_Related_Party_Transactions.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:** 200 Equity Shares of the Company are being held by Director (Personnel).

(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 on any violations of legal or regulatory requirements, suspected misconduct of anyone concerned with the Company to come forward and express their concerns without fear of punishment/ victimization or unfair treatment.

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

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

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

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

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

(₹ in crore)

Sl. No.	Particulars	2023-24	2022-23
(a)	Total Expenditure (Other than materials)	562.71	476.73
(b)	Administrative & Office Expenses	12.79	9.39
(c)	Percentage of (b) on (a)	2.27	1.97
(d)	Finance expenditure as a % of total expenditure	0.34	0.26

(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 the following:



Fine Imposed by NSE:

Financial year	Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount of Penalty Imposed (includes GST)
2020-21	15 Feb 21	Quarter Ended 31 Dec 2020	Reg 17(1)	₹ 4,30,700
	17 May 21	Quarter Ended 31 Mar 2021	Reg 17(1)	₹ 5,31,000
2021-22	20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 9(1)/ 19(2)	₹ 6,40,740
	22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 9(1)/ 19(2)	₹ 9,77,040
	21 Feb 22	Quarter Ended 31 Dec 2021	Reg 17 (1), 17 (2A), 18(1), 19(1)/ 19(2), 20 and 21	₹ 12,34,280
2022-23	20 May 22	Quarter Ended 31 Mar 2022	Reg 17(1), 18(1), 19(1)/ 19(2), 20 & 21	₹ 11,49,320
	22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/ 19(2)	₹ 6,50,180
	21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	₹ 5,42,800
2023-24	21 Feb 23	Quarter ended 31 Dec 2022	Reg 17(1)	₹ 5,42,800
	22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	₹ 5,31,000
	21 Aug 23	Quarter Ended 30 Jun 2023	Reg 17(1)	₹ 5,36,900
	21 Nov 23	Quarter Ended 30 Sep 2023	Reg 17(1)	₹ 5,42,800
	22 Feb 24	Quarter ended 31 Dec 2023	Reg 17(1)	₹ 5,42,800
	22 May 24	Quarter Ended 31 Mar 2024	Reg 17(1)	₹ 5,36,900
<b>Total</b>				<b>₹ 93,89,260/-</b>

Fine Imposed by BSE:

Financial year	Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount of Penalty Imposed (includes GST)
2021-22	20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 19(1)/ 19(2)	₹ 6,40,740
	22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 19(1)/ 19(2)	₹ 9,77,040
	21 Feb 22	Quarter Ended 31 Dec 2021	Reg 17 (1), 17 (2A), 18(1), 19(1)/ 19(2), 20 (2)/ (2A) and 21(2)	₹ 12,34,280
	20 May 22	Quarter Ended 31 Mar 2022	Reg 17(1), 18(1), 19(1)/ 19(2), 20(2)/ (2A) & 21(2)	₹ 11,49,320
2022-23	22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/ 19(2)	₹ 6,50,180
	21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	₹ 5,42,800
	21 Feb 23	Quarter ended 31 Dec 2022	Reg 17(1)	₹ 5,42,800
2023-24	22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	₹ 5,31,000
	21 Aug 23	Quarter Ended 30 Jun 2023	Reg 17(1)	₹ 5,36,900
	21 Nov 23	Quarter Ended 30 Sep 2023	Reg 17(1)	₹ 5,42,800
	22 Feb 24	Quarter ended 31 Dec 2023	Reg 17(1)	₹ 5,42,800
	22 May 24	Quarter Ended 31 Mar 2024	Reg 17(1)	₹ 5,36,900
<b>Total</b>				<b>₹ 84,27,560/-</b>

The aforesaid fines are imposed by the Stock Exchanges for not having requisite number of Directors including Independent Directors and Woman Independent Director on the Board of Directors of the Company for the different period.

In response to the aforesaid notices, the Company wrote to the Stock Exchanges 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 Stock Exchanges 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, during the year, 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 Regulation 46 (2) 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 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:** 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 at <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, wherever required.
  - (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 twenty years (2003-2004 to 2022-23) there have been no audit qualifications. Your Company has also received "Nil" comments from the CAG during this year. Further, for the FY 2023-24, the Statutory Auditors have issued an unmodified opinion on the financial statements of the Company.
  - (iv) **Reporting of Internal Auditor:** The Head of Internal Audit Department of the Company administratively reports to the Chairman & Managing Director. He is regularly invited to attend the Audit Committee meetings. Further, the Internal Auditors of the Company are also invited to the Audit Committee meetings to discuss their Internal Audit Report on a quarterly basis.
- (l) **Quarterly Compliance Report on Corporate Governance:** The Company has submitted the quarterly compliance report on corporate governance in the prescribed format to the stock exchange(s) within the prescribed time period. The same is also hosted on the website of the Company 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 2023-24, 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 2023-24 aggregate to ₹17,30,000/-. 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 14<sup>th</sup> 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 31<sup>st</sup> March, 2024.

**For and on behalf of the Board of Directors**

Place: Kolkata  
Dated: 08 Aug, 2024

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

# ANNEXURE - I

## SHAREHOLDER INFORMATION

### ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2023-24

<b>Date</b>	<b>Friday, 20<sup>th</sup> September, 2024</b>
<b>Venue</b>	<b>AGM through Video Conferencing/Other Audio-Visual Means.</b> <b>[Deemed Venue for Meeting: Registered and Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700024]</b>
<b>Time</b>	<b>10:30 A.M.</b>

### DIVIDEND PAYMENT

- The final dividend for the year ended 31<sup>st</sup> March 2024, if approved at the AGM, will be paid on or after 20<sup>th</sup> September, 2024. 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)
2023-24*	9.36	107.22
2022-23	6.20	71.02
2021-22	5.80	66.44
2020-21	5.00	57.28
2019-20	7.14	81.79

\* Includes interim dividend of ₹7.92 per equity share of ₹10/- each.

### 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
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>	GRSE
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	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](http://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 2024 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 2023	In the month of Aug 2023
Quarter ending 30 Sept 2023	In the month of Nov 2023
Quarter ending 31 Dec 2023	In the month of Feb 2024
Quarter and Year ending 31 Mar 2024	In the month of May 2024

- The 'Investors Corner' tab on your Company's website contains the annual reports, financial results, presentations made to the analysts, transcription 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 1<sup>st</sup> day of April and ends on 31<sup>st</sup> day of March of next year. Our tentative calendar for declaration of results for the financial year 2024-25 are as given below:

Quarter Ending	Release of Results
For the Quarter ending 30 Jun 2024	Second week of Aug 2024
For the Quarter and half year ending 30 Sep 2024	Second week of Nov 2024
For the Quarter and nine months ending 31 Dec 2024	Second week of Feb 2024
For the year ending 31 Mar 2025	Second/ Third week of May 2025

### DEMATERIALISATION OF SHARES AND LIQUIDITY

- 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 2024, 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	10,62,00,502	92.71
Demat Form with CDSL	83,51,493	7.29
Physical Form	5	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 2024 stood at ₹8,764.37 crore as against ₹5,217.27 crore on 31 Mar 2023.

#### DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31 MAR 2024

No. of Equity Shares	Shareholders		Shareholding	
	No.	%	No.	%
1-500	1,21,677	96.85	66,88,954	5.84
501-1000	2,211	1.76	17,02,839	1.49
1001-2000	930	0.74	13,85,790	1.21
2001-3000	283	0.23	7,14,878	0.62
3001-4000	115	0.09	4,10,288	0.36
4001-5000	91	0.07	4,22,621	0.37
5001-10000	172	0.14	12,70,537	1.11
>10000	152	0.12	10,19,56,093	89.00
<b>Total</b>	<b>1,25,631</b>	<b>100.00</b>	<b>11,45,52,000</b>	<b>100.00</b>

#### SHAREHOLDING PATTERN AS ON 31 MAR 2024

Sl. No.	Category & name of the Shareholder	Number of Shareholders	Total No. of Shares held	Shareholding % calculated as per SCRR 1957
<b>Promoter Shareholding</b>				
	Central Government	1	8,53,41,240	74.50
<b>(1)</b>	<b>Total Promoter Shareholding</b>	<b>1</b>	<b>8,53,41,240</b>	<b>74.50</b>
<b>Public Shareholding</b>				
<b>Institutional</b>				
a	Mutual Funds	8	61,18,224	5.34
b	Alternate Investment Funds	3	8,99,960	0.79
c	Financial Institutions / Banks	-	-	-
d	Foreign Portfolio Investors	73	37,36,049	3.26
e	Insurance Companies	2	16,067	0.01
(A)	<b>Total Institutional Shareholding</b>	<b>86</b>	<b>1,07,70,300</b>	<b>9.4</b>
<b>Non-Institutional</b>				
a	Bodies Corporate	498	23,03,004	2.01
b	Public and Others	1,25,046	16,137,456	14.09
(B)	<b>Total Non-Institutional Shareholding</b>	<b>1,25,544</b>	<b>1,84,40,460</b>	<b>16.10</b>
<b>(2)</b>	<b>Total Public Shareholding (A)+(B)</b>	<b>1,25,630</b>	<b>2,92,10,760</b>	<b>25.5</b>
<b>Total Shareholding (1) + (2)</b>		<b>1,25,631</b>	<b>11,45,52,000</b>	<b>100.00</b>

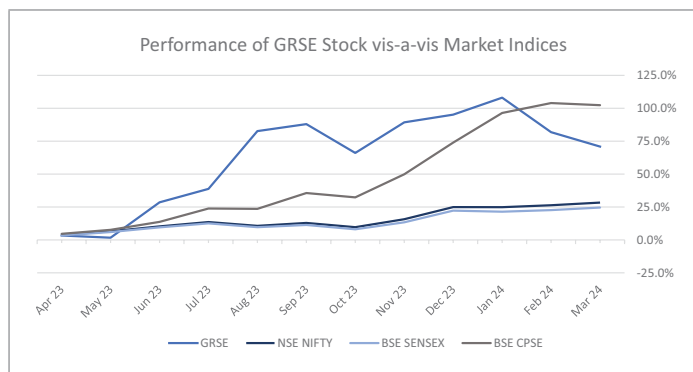
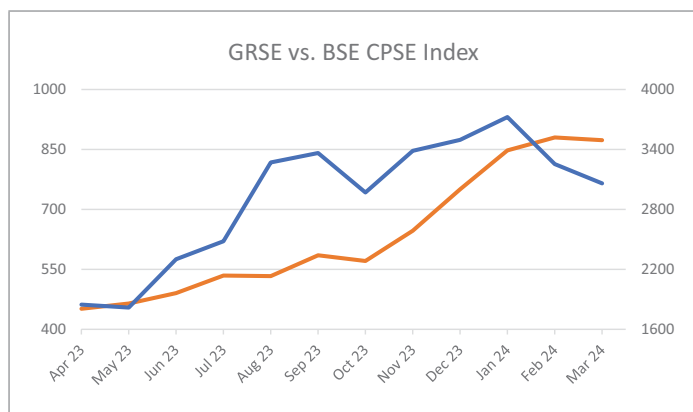
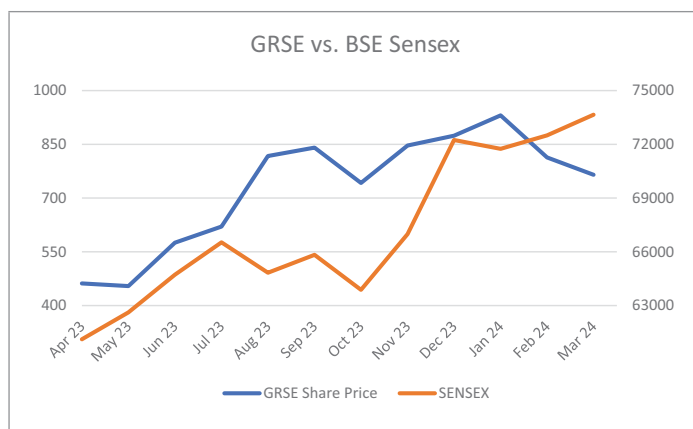
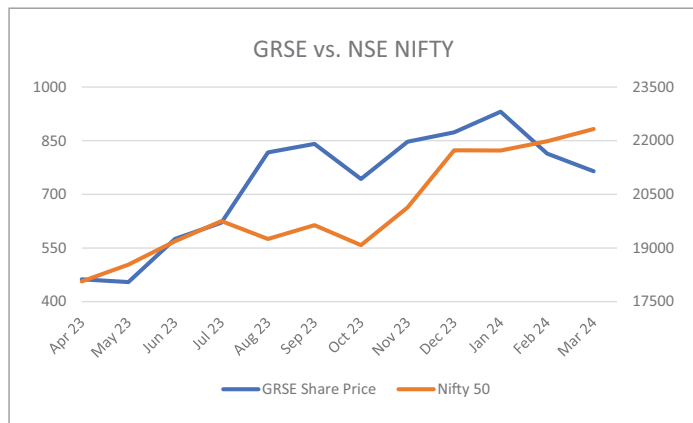
#### PRICE AND VOLUME OF SHARES TRADED

10. Company's share price on BSE Limited and NSE for each month during the year 2023-24 was as follows:

Year & Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr, 2023	482	442.55	481.3	442.95
May, 2023	529.8	446	529.9	448.05
Jun, 2023	619	454.8	619.1	451.15
Jul, 2023	636.8	559	636.75	558.6
Aug, 2023	843.9	577.05	844.45	575
Sep, 2023	974.8	776.1	973.95	777
Oct, 2023	844.95	648.3	847.25	648.05
Nov, 2023	849.9	730.1	849.35	730.55
Dec, 2023	904.5	790	904.45	790.1
Jan, 2024	951	851.1	950.3	851.3
Feb, 2024	947.35	750	946.6	750.5
Mar, 2024	849.45	673.45	849	674.25



## PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



## RECONCILIATION OF SHARE CAPITAL AUDIT

11. 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

12. Your Company had no exposure to commodity and commodity risks for the financial year 2023-24. Further, your Company does not involve in hedging activities.

13. 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

14. During the year, M/s CARE Ratings Limited has granted your Company a credit rating of CARE AAA/Stable for Long Term facilities and CARE A1+ for Short Term Bank facilities.

## SHARE TRANSFER SYSTEM

15. The shares of the Company are traded in dematerialised form. The transfer of shares of the Company would be carried out in dematerialized form in accordance with Regulation 40 of the SEBI Listing Regulations.

16. The Board of the Company has delegated the authority for transfer, transmission and transposition of the securities of the Company to the Company Secretary and Compliance Officer of the Company. During the year 2023-24, no such request for transfer, transmission and transposition of the securities has been received from the shareholders of the Company. Further, Company Secretary and Compliance Officer regularly placed the report on Transfer, Transmission and Transposition of the Securities of the Company before the Board of Directors of the Company for its information.

17. Further, Annual certificate on the compliance of share transfer formalities obtained from the Practicing Company Secretaries were also submitted to Stock Exchanges pursuant to Regulation 40(9) & 40(10) of the SEBI Listing 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 2024.

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 2024 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](http://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 of the Company in respect of the equity shares.

##### Address for correspondence:

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

22. During the financial year 2023-24, the Company received four (04) complaints from the Investors which was disposed of in timely manner.
23. The e-mail ID earmarked by the Company for receiving investor complaints is [investor.grievance@grse.co.in](mailto: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 8101  
Fax: +91 (033) 2469 8150  
Email: [co.sec@grse.co.in](mailto:co.sec@grse.co.in)  
Website: [www.grse.in](http://www.grse.in)

#### PLANT LOCATIONS

Shipbuilding Activities	Engineering Activities	Engine Activities
<b>Main Works Unit</b> 43/46, Garden Reach Road Kolkata – 700 024	<b>61 Park Unit</b> 61, Garden Reach Road, Kolkata – 700 024	<b>DEP Ranchi Unit</b> Plant Plaza Road, Dhurwa, Ranchi – 834 004
<b>Rajabagan Dockyard Unit</b> 44, Garden Reach Road, Kolkata – 700 044	<b>Taratala Unit</b> P-2/2, Taratala Road, Kolkata – 700 088	
<b>Fitting Out Jetty Unit</b> 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 wish 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 service.



# 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, 2024.

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, in my opinion, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI LODR and DPE Guidelines, except:

- (a) Half of the Board of Directors of the Company was not Independent as required under Regulation 17(1) of SEBI LODR and para 3.1.4 of DPE Guidelines with regard to Composition of the Board of Directors.
- (b) The Company did not have Independent Women Director on the Board as required under Regulation 17(1)(a) of SEBI LODR.
- (c) Certain corporate governance requirements as provided in the SEBI LODR i.e., 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.
- (d) In view of exemption provided to Government Companies vide notification dated 05 June, 2015 issued by Ministry of Corporate Affairs, from complying the provisions of Section 134(3)(p) of the Companies Act, 2013, the Company has not complied with regulation 17 (10) of the SEBI LODR, which requires performance evaluation of Independent Directors by the entire Board of Directors and regulation 25 (4) of the SEBI LODR, which requires review of performance of Non-Independent Directors, the Chairperson and the Board of Directors as a whole by the Independent Directors.

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

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

**For Maheshwari R & Associates**  
Company Secretaries

Sd/-  
**Rashmi Maheshwari**  
C.P.No.: 3309 of ICSI  
FCS : 5126  
UDIN: F005126F000906444

Place: 06<sup>th</sup> August, 2024  
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](http://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 31<sup>st</sup> March, 2024 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	10 <sup>th</sup> June, 2022
2.	Shri Ramesh Kumar Dash	08511344	1 <sup>st</sup> July, 2020
3.	Cdr. Shantanu Bose, IN (Retd.)	09631817	08 <sup>th</sup> June, 2022
4.	DIG Subrato Ghosh, ICG (Retd.)	10205285	20 <sup>th</sup> June, 2023
5.	Shri Rajeev Prakash	08590061	23 <sup>rd</sup> June, 2022
6.	Shri Sanjay Dattatraya Panse	02725875	27 <sup>th</sup> December, 2021
7.	Shri Sanjeeb Mohanty	09559883	06 <sup>th</sup> April, 2022

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: F005126F000906301

Place: 06<sup>th</sup> August, 2024  
Date: Kolkata

# ANNEXURE - IV

## CEO AND CFO COMPLIANCE CERTIFICATE

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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 31<sup>st</sup> March, 2024 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 violates 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  
22<sup>nd</sup> May, 2024

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

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



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	:	L35111WB1934GOI007891
2.	<b>Name of the Listed Entity</b>	:	Garden Reach Shipbuilders & Engineers Limited
3.	<b>Year of incorporation</b>	:	26 Feb 1934
4.	<b>Registered office address</b>	:	GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal – 700 024
5.	<b>Corporate address</b>	:	GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal – 700 024
6.	<b>E-mail</b>	:	co.sec@grse.co.in
7.	<b>Telephone</b>	:	033-2469 8101
8.	<b>Website</b>	:	<a href="http://www.grse.in">www.grse.in</a>
9.	<b>Financial year for which reporting is being done</b>	:	2023-24
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	:	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11.	<b>Paid-up Capital</b>	:	₹1,14,55,20,000
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	:	Shri Sandeep Mahapatra (Company Secretary), Garden Reach Shipbuilders & Engineers Limited, GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700024, Telephone: 033-2469 8545 E-mail: <a href="mailto:co.sec@grse.co.in">co.sec@grse.co.in</a>
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).</b>	:	Standalone Basis
14.	<b>Name of assurance provider</b>	:	NA
15.	<b>Type of assurance obtained</b>	:	NA

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
01.	Manufacturing	(i) Shipbuilding	91.42%
		(ii) Engineering	4.66%
		(iii) Diesel Engine	1.33%
02.	Service	(iv) Ship Repair	2.59%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
01.	Shipbuilding	301	91.42%
02.	Engineering	281	4.66%
03.	Ship Repair	331	2.59%
04.	Diesel Engine	711	1.33%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6 (Six)	5 (Five)	11 (Eleven)
International	Nil	Nil	Nil

#### 19. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	Our product reach covers the entire Indian Territory through our Defence Forces.
International (No. of Countries)	Around 11 countries

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

1.31%

##### c. A brief on types of customer

GRSE supplies to both national and international customers catering to the Defence as well as Civil operations. However, majority of the company's supplies are for the Indian Defence Services namely, Indian Navy (IN), Indian Coast Guard (ICG), Indian Army (IA), and Border Road Organisation (BRO).

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	580	529	91.21	51	8.79
2.	Other than Permanent (E)	71	64	90.14	7	9.86
3.	<b>Total employees (D + E)</b>	<b>651</b>	<b>593</b>	<b>91.09</b>	<b>58</b>	<b>8.91</b>
<b>WORKERS</b>						
4.	Permanent (F)	993	965	97.18	28	2.82
5.	Other than Permanent (G)	1	1	100	0	0
6.	<b>Total workers (F + G)</b>	<b>994</b>	<b>966</b>	<b>97.18</b>	<b>28</b>	<b>2.82</b>

##### b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	14	13	92.86	1	7.14
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	<b>14</b>	<b>13</b>	<b>92.86</b>	<b>1</b>	<b>7.14</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	35	33	94.29	2	5.71
5.	Other than permanent (G)	1	1	100	0	0
6.	<b>Total differently abled workers (F + G)</b>	<b>36</b>	<b>34</b>	<b>94.44</b>	<b>2</b>	<b>5.56</b>

**21. Participation/ Inclusion/ Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	0	0
Key Management Personnel	1	0	0

**22. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.20 %	3.92%	3.30 %	2.60 %	0	2.60 %	1.86 %	0	1.86 %
Permanent Workers	0	0	0	0	0	0	0	0	0

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
01	NA	NA	NA	NA

**VI. CSR Details****24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

- Turnover - ₹3,59,264.23 Lakh
- Net worth - ₹1,67,343.89 Lakh

**VII. Transparency and Disclosures Compliances****25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

During the financial year 2023-24, investor complaints/grievances received by the Company and through SEBI Scores Platform, NSE, BSE and Registrar & Transfer Agent have been resolved within the prescribed time.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes (www.pgportal.gov.in)	19	6	These complaints are tracked through Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms and Public Grievances	18	0	These complaints are tracked through Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms and Public Grievances
Investors (other than shareholders)	No	0	0	NA	0	0	NA



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes*	4	0	NA	0	0	NA
Employees and workers	Yes (Grievances are received through email or letters. Hence, there is no web link available)	1	1	Service related matters	2	2	Service related matters
Customers	Yes**	0	0	The issues have been deliberated in Structured Meeting with Customers and have been attended.	0	0	The issues have been deliberated in Structured Meeting with Customers and have been attended.
Value Chain Partners	Yes (No web link available)	-	-	NA	-	-	NA
Other (please specify)	-	-	-	-	-	-	-

\* Shareholders queries / complaints are being handled by the Company both directly and with the support of RTA. Further, the Company has Stakeholder Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations. Hence, there is no web link

\*\* GRSE deals with Defence Customers and therefore all the communication is through confidential mode as per the requirement of Customer. So, there is no web link.

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Environmental Footprint – Water Management	Risk	Inadvertent non-compliance to existing and emerging regulations around recycling can result in economic penalties and reputation damage	Reduction in waste generation, maximization of recycling and reuse.	Negative
2.	Regulatory Compliance	Risk	Violating regulatory compliance often results in legal punishment, including fines and penalties	1. Creating a strong ethical organisational culture with focus on transparency and compliance 2. Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Corporate Governance - Board composition	Risk	GRSE being a CPSE, the appointment of Directors are made by Govt. of India and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act/ Rules / Regulations, to comply the same.	The Company is taking advance action with Administrative Ministry, i.e. Ministry of Defence to appoint Directors in time.	Negative
4.	Sustainable supply chain and sourcing	Opportunity	Ensuring a green, local, and socially sound supply chain can contribute to stability and diversity while also creating local employment	Not Applicable	Positive
5.	Human Capital Development	Opportunity	Opportunity towards talent development & retention leading to improvement in productivity and intellectual property.	Not Applicable	Positive
6.	Positive labour practices	Opportunity	Opportunity towards improving industrial relations leading to improvement in productivity	Not Applicable	Positive
7.	Health and Safety	Risk	Health & safety is an integral part of managing a business. Risk assessment is necessary to put measures in place to effectively control them to ensure that the hazards and risk do not cause harm to employees and workers.	Training / awareness / technological upgradation / review at senior level	Negative
8.	Waste Management	Opportunity	Opportunity to move towards reduction in waste generation, meeting statutory requirements and improving resource usage.	Not Applicable	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies are uploaded on the website of the Company at <a href="https://grse.in/policies/">https://grse.in/policies/</a> and on the Company's Intranet portal.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, TruTea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Provisions of SEBI Regulations and DPE Guidelines	ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018	ISO 45001: 2018 and DPE Guidelines	Section 135 of Companies Act, 2013, DPE Guidelines and SDGs	DPE Guidelines and SDGs	ISO 14001: 2015 and ISO 50001: 2018	DPE Guidelines and SDGs	Section 135 of Companies Act, 2013 and DPE Guidelines	ISO 9001: 2015 and SDGs
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	MoU has been signed between GRSE and Ministry of Defence for financial, non-financial targets and compliance parameters for the year 2023-24 with weightage of 100 marks.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	MoU for the year 2023-24 is under evaluation. On the completion of evaluation, the same will be submitted to MoD/DPE for further evaluation and award of rating.								
<b>7. Governance, leadership and oversight</b>									
Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements ( <i>listed entity has flexibility regarding the placement of this disclosure</i> )									
At GRSE, we have a long history of embedding sustainability in our operations. Over the years, we have made investments to adopt renewable energy, conserve natural resources, responsibly treat and dispose off solid and liquid waste, and optimize the use of water.									
We have also made process improvements and worked towards installation of Effluent Treatment Plant, Fume Extractors, Chillers/Air Conditioners, and LED Lights.									
On the Social front, we have practices to address issues such as human rights, human capital development, and health and safety of our employees, contractors, and customers.									
On the Governance side, being a CPSE, we are compliant with the various rules, regulations, and best practices prescribed by local and national regulatory bodies and have robust governance mechanisms to address the governance-related issues.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN Number		10205285						
	Name		DIG Subrato Ghosh, ICG (Retd.)						
	Designation		Director (Personnel)						
	Telephone No.		033-24691040						
	Email ID		dp@grse.co.in						
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Management Committee.								



## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
Performance against above policies and follow up action										Directors										Policies are reviewed periodically or on a need basis from time to time and necessary updates are made wherever required.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances*										Directors										As and when required.

\* Complied except with respect to composition of the Board of Directors & constitution of its Committee under SEBI (LODR) Regulations, due to non-appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by our concerned administrative ministry i.e. Ministry of Defence. Hence, the matter has been referred to the MoD for filling up the post and the same is pending with MoD/ DPE.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										No external evaluation was undertaken, however, the policies, processes and compliances are subject to scrutiny/ reviews by internal & external auditors, regulators, Parliamentary Committees, Administrative Ministry etc. Policies are periodically evaluated and updated by various department heads, business heads, and approved by the management and/or board.
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:										As the company has formulated policies based on all the nine Principles, hence Not Applicable.
The entity does not consider the Principles material to its business (Yes/No)										
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1:

#### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

##### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Corporate Governance, Finance, Risk Management, Strategic Management, etc.	25
Key Managerial Personnel	2	ESG and Governance	100
Employees other than BoD and KMPs	31	Training / Awareness Programs pertaining to wellness of the employees, CDA, safety, environment & sustainability, etc.	75.51
Workers	15	Training / Awareness Programs will enable the employees to acquire the knowledge / skills for enhancement of their capabilities.	19.11

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred (Yes/ No)
Penalty/ Fine	1	NSE* BSE*	21,59,400 21,59,400	Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2023-24	Yes
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred (Yes/ No)	
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
<p>The penalty imposed by the Stock Exchanges due to non-availability of adequate number of Independent Directors including Women Independent Director on the Board of the Company. Being a Government Company, the President of India appoints the Directors on to the Board of the Company.</p> <p>Further to the details of one penalty/fine case mentioned, the Company has submitted quarter wise response vide their letter dated 23 Aug 2023, 22 Nov 2023, 23 Feb, 2024 &amp; 23 May, 2024 respectively and has requested to waive off the penalty. However, as per the SOP of SEBI, the Stock Exchanges could not consider the case for waiver of penalty due to the non-compliances continued.</p>	NSE & BSE

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No fines/penalties/actions were imposed by regulators/law enforcement agencies or judicial institutions on cases related to corruption and conflict of interest on GRSE during the financial year.

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	90	113



## 9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NIL*	NIL*
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NIL	NIL
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	b. Sales (Sales to related parties / Total Sales)	NIL	NIL
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NIL	NIL
	d. Investments (Investments in related parties / Total Investments made)	NIL	NIL

\*GRSE material procurement is made through qualified suppliers, i.e., either directly through OEMs or their authorized distributor/ stockiest.

### Leadership Indicators

#### 1. Awareness programs conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
NIL	NA	NIL

#### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company receives disclosures/declarations from its Board Members regarding their Directorship/ Committee/ Shareholding on an annual basis and on joining. The Company ensures that all requisite approvals are in place as required under various statutes before transacting with such entities /individuals. The interested Directors do not participate in agenda items at the Board/Committee Meetings in which they are deemed to be interested.

## PRINCIPLE 2:

### BUSINESS SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### Essential Indicators

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	NIL	NIL	NA
Capex	4.68%	8.60%	Improvement in Green Energy

#### 2. (a) Does the entity have procedures in place for sustainable sourcing?

Yes. Under the Indian Government's "Make in India" policy, a minimum of 20% of the content from the supplier is mandated to be local content. Additionally, if there is an MSME among the bidders, subject to purchase preference margin conditions, they will be considered for 25% of procurement of the tender quantity. 3% from within the 25% target is earmarked for procurement from Micro and Small Enterprises owned by women.

All bidders are also advised to adhere to a code of conduct (clearly rejecting the use of bribes and ethical behavior) and integrity pacts are signed for procurement value beyond ₹2 crore.

**(b) If yes, what percentage of inputs were sourced sustainably?**

Though such condition of sustainable sourcing is not sought for compliance by our vendors, many of the vendors have already adopted the same in practice. Procurement to the extent of 73% of value of procurement during FY 2023-24 is sourced from such supply chain partners who have already adopted such conditions.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

GRSE products fall under capital goods category whose life goes beyond 25 years in majority cases. The main products of the Company are Warships, Vessels, Bailey Bridges, Ship Engines and other accessories for use in strategic/ national security applications. Once the products are sold they would not come back to the company. After end of fruitful life of Capital goods, they become unfit for reuse and hence being disposed as scrap by owner of the capital good products.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable to GRSE's activities.

**Leadership Indicators****1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not applicable as the main product of the Company is Ship and once the products are sold, they would not come back to the Company.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
NIL		

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
NIL		

Nil. The Company's manufacturing processes generate fair amount of metal scrap, however engineering measures are taken to minimize waste generation. Some of the metal scraps are reused and balance sold following proper process.

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

GRSE's business is B2B in nature and products /systems we supply falls under capital goods category with long life cycle (25 years and beyond). All the associated packaging material in which we supply our products become the property of our customer spread across the country and abroad. In this given situation, it is not feasible to reclaim the product (end of life) or packaging material from the customer.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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NA

There is no scope of reclaiming product packaging in case of ship building, ship repair and other products of the Company.

**PRINCIPLE 3**

**BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

**Essential Indicators**

1. (a) Details of measures for the well-being of employees:

% of employees covered by											
Category	Total (A)	Health insurance (*)		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	529	-	-	-	-	-	-	12	2.27	-	-
Female	51	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>580</b>	-	-	-	-	-	-	<b>12</b>	<b>2.07</b>	-	-
<b>Other than Permanent employees</b>											
Male	64	-	-	-	-	-	-	-	-	-	-
Female	07	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>71</b>	-	-	-	-	-	-	-	-	-	-

(b) Details of measures for the well-being of workers:

% of workers covered by											
Category	Total (A)	Health insurance (*)		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	965	-	-	-	-	-	-	10	1.04	-	-
Female	28	-	-	-	-	1	3.57	-	-	-	-
<b>Total</b>	<b>993</b>	-	-	-	-	<b>1</b>	<b>0.10</b>	<b>10</b>	<b>1.01</b>	-	-
<b>Other than Permanent workers</b>											
Male	1	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	-	-	-	-	-	-	-	-	-	-

(\*) Medical facility is administered by the Company through its own resources under Medical Attendance Rules of the Company.

(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.93%	0.74%



## 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	NA	100	100	NA
ESI	NA	NA	NA	NA	NA	NA
Others – (GRSE Pension scheme)	NA	NA	NA	NA	NA	NA

Note:

- Medical needs of permanent employees/ workers have been taken care by Company Industrial Health Centers set up in the Units of the company. In case of specialized treatment, employees/ workers are referred to empaneled Hospitals. Since medical needs of the permanent employees/ workers have been taken care by the Company, no separate Health Insurance is taken.
- As a retirement benefit apart from PF and Gratuity, all employees and workers are also covered under GRSE pension scheme.
- ESI is not applicable as GRSE extends medical facility scheme to all employees.

## 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, all our office premises/ units are accessible to the differently abled employees and workers. GRSE is continuously working towards improving accessibility of Infrastructure to the differently abled person and made in accordance to the requirements of the Rights of Persons with Disabilities Act, 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the web link to the policy is <https://www.grse.in/equal-opportunity-policy/>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/ No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Employees	Yes
Other than Permanent Employees	Yes

GRSE has multiple online grievances portal including Grievances Redressal System which allows its employees and worker to engage with the Company systemically and enables them to express their individual views and opinions.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in Respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>580</b>	<b>438</b>	<b>75.52</b>	<b>590</b>	<b>460</b>	<b>77.97</b>
▪ Male	529	402	75.99	539	421	78.11
▪ Female	51	36	70.59	51	39	76.47
<b>Total Permanent Workers</b>	<b>993</b>	<b>993</b>	<b>100.00</b>	<b>1075</b>	<b>1075</b>	<b>100.00</b>
▪ Male	965	965	100.00	1046	1046	100.00
▪ Female	28	28	100.00	29	29	100.00

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	593	91	15.35	441	74.37	607	77	12.69	417	68.70
Female	58	11	18.97	49	84.48	61	15	24.59	35	57.38
<b>Total</b>	<b>651</b>	<b>102</b>	<b>15.67</b>	<b>490</b>	<b>75.27</b>	<b>668</b>	<b>92</b>	<b>13.77</b>	<b>452</b>	<b>67.66</b>
<b>Workers</b>										
Male	966	309	31.99	187	19.36	1046	382	36.52	26	2.49
Female	28	8	28.57	3	10.71	30	5	16.67	2	6.67
<b>Total</b>	<b>994</b>	<b>317</b>	<b>31.89</b>	<b>190</b>	<b>19.11</b>	<b>1076</b>	<b>387</b>	<b>35.97</b>	<b>28</b>	<b>2.60</b>

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	%(B/ A)	Total (C)	No. (D)	%(D/ C)
<b>Employees</b>						
Male	593	593	100.00	607	607	100.00
Female	58	58	100.00	61	51	100.00
<b>Total</b>	<b>651</b>	<b>651</b>	<b>100.00</b>	<b>668</b>	<b>668</b>	<b>100.00</b>
<b>Workers</b>						
Male	966	966	100	1046	284	27.15
Female	28	28	100	30	6	20.00
<b>Total</b>	<b>994</b>	<b>994</b>	<b>100</b>	<b>1076</b>	<b>290</b>	<b>26.95</b>

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes. the coverage such system?**

Yes, GRSE has implemented Occupational Health and Safety Management System (OHSMS). GRSE aims to establish the highest standards necessary to meet and surpass any regulatory requirements for health and safety. All GRSE Units have ISO certification, and the coverage is as required by the system. In line with the statutory requirements/regulations/guidelines/policies, GRSE makes constant effort to avert all illnesses and accidents related to the workplace. Accordingly, health and safety are crucial components of all its operations. It aids in risk assessment and offers safeguards against health and safety issues in operations and activities. Internal and surveillance audits and evaluations are conducted on a regular basis, which leads to continuous improvement in safety standards and performance.

**b. What are the processes used to identify Work-related Hazards & Assess Risks on a routine and non-routine basis by the Company?**

The following process are used to identify work related Hazards & Assess Risks on a routine and non-routine basis by the Company:

- (i) Hazard Identification and Risk Assessment
- (ii) Aspect and Impact Register
- (iii) Check List
- (iv) Safety Inspections/ Observations
- (v) Drive & Campaigns
- (vi) Safety Audits

**c. Whether Company has process for Workers to report the work-related Hazards & to remove themselves from such risks? (Yes / No)**

Yes

**d. Do the Employees / Workers of the Company have access to non-occupational medical & healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident I Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.24	2.43
	Workmen (Contractor)	0.66	Nil
Total recordable work-related Injuries	Employees	03	08
	Workmen (Contractor)	06	Nil
No. of fatalities	Employees	Nil	Nil
	Workmen (Contractor)	01	02
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workmen (Contractor)	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The following measures taken by the entity to ensure a safe and healthy work place

- (i) Provisions of adequate Ventilations, Lighting, Machine Guards and Exhaust Systems at workplace;
- (ii) Provisions of Drinking Water, Rest Rooms and establishment of First Aid Center;
- (iii) Provisions of Personal Protective Equipment;
- (iv) Awareness created through display of signage, precautionary boards and trainings on Fire, Safety, Health & First Aid.
- (v) Implementation of work permit systems like Height Work, Hot Work;
- (vi) Periodical Health Check-up of Employees;
- (vii) Celebration of Safety Day by displaying safety banners., distribution of safety badges, taking safety pledge and displaying safety awareness posters, etc.



**13. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

**14. Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100
Working Conditions	100

During the year 2023-24, Safety Audit carried out at Main Unit by third party M/s Techno Consultant, Kolkata.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

- All safety related incidents are investigated and learnings from investigation are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment are checked during Safety Audits.
- Safety Manuals & SOPs are reviewed/revisited of the concerned area or function where the incident has taken place.
- Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through following risk control hierarchy i.e. elimination, substitution, engineering control (use of Technology/Digitization etc.), administrative control (Safety Capability Building, Monitoring and supervision, visual displays etc.) and usage of PPEs.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

A.	Employees	Yes
B.	Workers	Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Bills of the value chain partners are cleared after ensuring remittance of applicable statutory dues to the concerned authorities by verifying deposit / remittance challans submitted along with the bills.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	1	2	1	2

Note: Family members have been placed for suitable employment under contractual in all cases.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No.

## 5. Details on assessment of value chain partners:

All of the GRSE's value chain partners come under relevant labour laws and acts, because of which both Central and State labour department conduct periodic inspections related to health and safety practices and working conditions at the premise of value chain partners. Any gap identified is suitably addressed by the partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	NIL

## 6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not Applicable since the company currently does not undertake any assessment for its value chain partners.

## PRINCIPLE 4

### BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

#### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has system for identification of key stakeholders. Stakeholders engagement at GRSE is an ongoing process wherein the Company interacts with its stakeholders at different levels to understand and address their expectations and collaborates with them for creating shared value. The Company has built a constructive relationship with all its stakeholders based on mutual trust, transparency, ethics and accountability. Continuous two-way dialogue process with stakeholders along with their feedbacks on various issues concerning the company's operations has ended us to establish sustainable relationships with the stakeholders. Apart from Customers, Suppliers, Employees, Shareholders, Government, Regulatory & Statutory Bodies, Auditors, Bankers, all community members nearby locations of divisions/ units of the Company are considered as key stakeholder of the Company.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Letters, Meetings, Website etc.	Regularly	Assessment of customer needs, their requirement, complaints resolution, business enquiries etc.
Investors/ Shareholders	No	Website, Email, Letters, Meetings, Press Releases, Stock Exchange Disclosures, Annual Report, Investor Meets, Investor calls, etc.	Engagement is done on Quarterly, Half yearly & Annual basis as well as whenever the event occurs.	All events required shareholders approval, resolution of grievances and disclosures required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
Employees	No	Email, Notice Board, E-Newsletter, Magazine, C&MD's message on events, Shop council, Plant council, portal (Ask Anvesha), rewards and recognition, engagement through family activity program 'Ahoban', etc.	Weekly, Monthly, Yearly and Occasionally	Information on Company activities, Building strong employee engagement, recognition and rewards, building strong organization culture, leadership development, union engagement.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors/Suppliers	No	Website, Emails, GRSE website, Vendor meets etc.	Regularly	To make vendors/suppliers aware of: <ul style="list-style-type: none"> <li>Public Procurement Policy (Preference to Make in India)</li> <li>Import substitution</li> <li>Participating in tenders issued on GeM portal</li> <li>Lodging and tracking grievances on GRSE's grievance redressal portal.</li> <li>GRSE quality objectives</li> </ul>
Industry bodies & Regulators	No	Email, Letters, Meetings	As and when required.	Ensure 100% compliance to applicable laws
Experts / Academic and Research Institutions	No	Collaborative need-based engagements on mutually beneficial projects, case based Meetings.	Need basis	Ensuring technical, managerial and leadership alignment with customer requirement and regulatory needs
Governments, NGO, local Communities, Media Industry analysts, and society at large	No	As needed: Governance RFIs/ RFPs, presentations, project meetings, reviews, due diligence, calls and meetings, conferences and seminars, surveys, press releases, press conferences, media interviews and quotes, sponsored events, and Analyst meetings.	Monthly, Quarterly, Half Yearly and as and when needed.	<ul style="list-style-type: none"> <li>Communicate GRSE performance and strategy;</li> <li>Share and contribute to insight into public and business concerns;</li> <li>Discuss GRSE response to responsible business issues.</li> </ul>

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

GRSE firmly believes in maintaining ongoing dialogue with our Stakeholders, demonstrating our commitment to transparency and accountability. Our leadership actively engages with stakeholders through various platforms to ensure the feedback from stakeholders are incorporated on economic, environmental or social topics.

To facilitate this engagement, we have established several committees dedicated to key areas of concern. The Safety, Health and Sustainability (SHS) Committee assesses our performance in safety, health and sustainable issues and overseeing the implementation of Company's relevant policies.

The Corporate Social Responsibility (CSR) Committee plays a pivotal role in formulating and recommending CSR policies to the Board. Additionally, it meticulously monitors CSR Budget allocations, activities and expenditures to ensure alignment with our commitment to Social responsibility.

Furthermore, our Stakeholders' Relationship Committee is entrusted with evaluating statutory compliances and services related to dividend payments, security holders and the

performance of Registrar and Transfer Agent (RTA), thereby enhancing trust and transparency in our interactions.

In line with our dedication to Shareholders engagement, we offer shareholders the opportunity to interact with all Board Members annually during the AGM. This forum allows us to stay attuned to the evolving needs and concern of our stakeholders reinforcing our pledge to remain accountable and responsive to their interest.

#### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder consultation is key to identification of areas of improvement in corporate environmental & social efforts. Stakeholders have provided their support to various environmental & social endeavours of GRSE viz. indigenization under Atmanirbhar Bharat, development of import substitution equipment, utilisation of solar energy, empowerment of women employees etc. While undertaking CSR activities or for environment conservation projects outside the boundary of GRSE, stakeholder (community, regulatory bodies, etc) consultation & feedback is taken for better and effective utilisation of resources for larger benefit.



### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company's action to address the concerns of vulnerable / marginalized Stakeholder groups include some of the programs as follows:

- a) Reservation in appointment for socially disadvantaged sections of the society i.e. Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section and Physically Challenged.
- b) Through CSR activities the Company have been undertaken following activities:
  - i) Skill and Vocational Training to unemployed youths
  - ii) Adoption of ITI in the backward area.
  - iii) Empowering differently abled children supporting classes of Indian Institute of Cerebral Palsy (IICP), Kolkata.
  - iv) Apprenticeship program for students belonging to Below Poverty Line (BPL)
  - v) Bringing lasting change in the lives of vulnerable children in association with CRY by providing healthy and safe environment to study, learn and grow.
- c) MSMEs have been given priority in project tendering with women-owned and SC/ST owned MSMEs being given an earmarked portion of procurement.

## PRINCIPLE 5

### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	580	152	26.21	590	153	25.93
Other than Permanent	71	20	28.17	78	11	14.10
<b>Total Employees</b>	<b>651</b>	<b>172</b>	<b>26.42</b>	<b>668</b>	<b>164</b>	<b>24.55</b>
<b>Workers</b>						
Permanent	993	4	0.40	1075	0	0
Other than Permanent	1	0	0.00	1	0	0
<b>Total Workers</b>	<b>994</b>	<b>4</b>	<b>0.40</b>	<b>1076</b>	<b>0</b>	<b>0</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24				2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	<b>580</b>	-	<b>580</b>	<b>100</b>	<b>590</b>	-	<b>590</b>	<b>100</b>		
▪ Male	529	-	529	100	539	-	539	100		
▪ Female	51	-	51	100	51	-	51	100		
<b>Other than Permanent</b>	<b>71</b>		<b>71</b>	<b>100</b>	<b>78</b>		<b>78</b>	<b>100</b>		
▪ Male	64	-	64	100	68	-	68	100		
▪ Female	7	-	7	100	10	-	10	100		
<b>Workers</b>										
<b>Permanent</b>	<b>993</b>		<b>993</b>	<b>100</b>	<b>1075</b>		<b>1075</b>	<b>100</b>		
▪ Male	965	-	965	100	1046	-	1046	100		
▪ Female	28	-	28	100	29	-	29	100		
<b>Other than Permanent</b>	<b>1</b>	-	<b>1</b>	<b>100</b>	<b>1</b>	-	<b>1</b>	<b>100</b>		
▪ Male	1	-	1	100	0	-	0	0		
▪ Female	0	-	0	0	1	-	1	100		

3. Details of remuneration/salary/wages

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)
Board of Directors (BoD)				
▪ Functional Directors	4	62.95	0	NA
▪ Govt. Nominee Director	1	Nil	0	NA
▪ Independent Director	2	NA	1	
Key Managerial Personnel	1	38.87	0	0
Employees other than BoD and KMP:				
Officers	445	22.28	34	22.45
Supervisors	147	9.52	24	11.81
Workers	996	16.33	28	13.34

Note:

- Board of Directors and KMPs as on 31.03.2024 has been considered. Median Salary arrived based on Salary & perquisite as per Section 17(1) & 17(2) of the Income Tax Act, 1961 for the year 2023-24.
- Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2023-24.
- Government Nominee Director does not receive any remuneration from the Company.
- Independent Director receives the sitting fees for attending the meeting of Board and its Committees.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	4.89%	4.89%

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Head of HR Department is a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

No separate mechanism exists in the Company for Redressal of Human Rights Issues. However, Grievance mechanism is functioning to resolve employees' grievance on service-related matters and other issues.

The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Whistle Blower Mechanism or participates in the investigation. The Whistle Blower Policy, Code of Conduct and Grievance Policy holds a strong commitment to protect the identity of the complainant and maintain confidentiality through each stage of investigation. Further, Internal complaints committee has been founded as per statutory provisions to address and resolve the issues raised out of sexual harassment, works committee deals with complaints related to working conditions, safety issues etc. and grievance redressal policy provides mechanism to report and resolve employee grievances.

In the Company, no discrimination of any kind based on race, creed, gender, religion, language, physical characteristics, socio-economic status, place of birth etc. is done. The following Committees exist for resolving employees grievances on service related matters and other issues:-

- (a) Grievance Redressal Committee for employees
- (b) Public Grievance is addressed by the Public Grievance Officer in consultation with the concerned dealing Department.
- (c) Internal Complaints Committee to address sexual harassment.
- (d) Employee Connect Committee to address general issues
- (e) Employee Connect Committee for lady employees
- (f) Whistle Blower Mechanism to protect the whistle blower from any harassment / victimisation.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	3	3	Complaints were carried forward to FY 2024-25	2	2	Pending complaints were resolved during FY 2023-24
Human Rights related issue	Nil	Nil	-	Nil	Nil	-
Others	3	0	-	1	1	Pending complaint was resolved during FY 2023-24



**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Female employees/ workers	86	99
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	NA	NA

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In GRSE, there is a proper mechanism to prevent adverse consequence of the complainant in sexual harassment cases. Similarly, for there is a whistle-blower policy to raise complaint on different issues for which there are certain protections given to the complainant as per the Policy.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

Yes, human rights requirement forms part of business agreement or contract. The service contracts between GRSE and service provider contains clause, meeting human rights requirement like child labour, minimum wages etc.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

GRSE conducts comprehensive assessments of all its plants and offices to ensure compliance on Human rights standards. Internal teams rigorously evaluate each facility, supported by robust checks and controls designed to identify and rectify any violations. These are assessed as part of the regular ongoing reviews by the senior leadership team of the Company.

Further, all GRSE Units are periodically inspected by central and state labour departments, PF and ESI departments and other government institutions or department for the compliance related to relevant law/act/statue and identifying gaps.

**11. Provide details of any corrective action taken or underway to address significant risks/ concerns arising from the assessment at Question 10 above?**

Throughout FY 2023-24, the Company diligently monitored its operations and identified no significant risks or concerns. However, as part of our commitment to responsible corporate practices, we maintain a vigilant approach through continuous monitoring of our activities.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Nil. The Company did not receive any grievances/complaints regarding Human Rights principles and guidelines during 2023-24.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

All locations maintain 100% compliance of statutory provisions. Due reporting of the same is also done to the concerned Government Offices as per the statute. The due diligence for the same is also regulated through the periodic internal inspections.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners:**

GRSE didn't assess its value chain partners on Human Rights criteria as these entities come under labor related laws/acts/statutes and are assessed or inspected by relevant Govt. department/institution.

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

**PRINCIPLE 6****BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	6,537 GJ	5,657 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	6,537 GJ	5,657 GJ
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>6,537 GJ</b>	<b>5,657 GJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	31,703 GJ	29,906 GJ
Total fuel consumption (E)	Nil	Nil
Energy consumption through other sources (F)	Nil	Nil
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>31,703 GJ</b>	<b>29,906 GJ</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>38,240 GJ</b>	<b>35,563 GJ</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ Revenue from operations)	<b>10.64 GJ / Crore</b>	<b>13.89 GJ/ Crore</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	<b>215.14 GJ / Crore</b>	<b>280.78GJ / Crore</b>
<b>Energy intensity in terms of physical output</b>	<b>0</b>	<b>0</b>
Energy intensity (optional) – the relevant metric may be selected by the entity	0	0

Revenue from Operations (₹ Crore) : FY 2023-24: 3592.64 and FY 2022-23: 2561.15

For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.22 INR/USD as per World Bank has been considered.

(Source for PPP - <https://data.worldbank.org/indicator/PA.NUS.PPP?skipRedirection=true&view=map>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2,92,000	2,73,750
(ii) Ground water	3,07,560	2,69,564
(iii) Third party water	4,09,211	2,68,520
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	10,08,771	8,11,834
Total volume of water consumption (in kilolitres)	10,08,771	8,11,834
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	<b>280.79 KL/ Crore</b>	<b>316.98 KL / Crore</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	<b>5,677.57 KL/ Crore</b>	<b>6,409.34 KL/ Crore</b>
<b>Water intensity in terms of physical output</b>	<b>0</b>	<b>0</b>
<b>Water intensity</b> (optional)–the relevant metric may be selected by the entity	0	0

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
• No treatment	0	0
• With treatment – please specify level of treatment	41,834	54,936
(ii) To Groundwater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(iii) To Seawater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(v) Others		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>41,834</b>	<b>54,936</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. ETPs (upto 10 KLD capacity) and Soak Pits have been installed at our production locations for treating waste water/effluent. The treated water from the ETPs are used for gardening and other non-portable uses.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - NA



7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	-	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

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 2250 KWP i.e. 2.25 MW Rooftop solar power plant at Main, FOJ & RBD Units. During the year, total generation power from the above 2.25 MW Unit was 17,53,141 KWh out of which 74,364 KWh injected to CESC grid. Further this facility helps reduction in emission of greenhouse gas by about 14,90,169.85 Kg {KWh x 0.85 (i.e Emission factor) = Kg of Co2}

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0
E-waste (B)	0	11.19
Bio-medical waste (C)	0	0.04
Construction and demolition waste (D)	2900	4,000
Battery waste (E)	0	8.13
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	Cable – 11 Dirty Oil - 16	Cable - 5.39 Dirty Oil - 14.40
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2927</b>	<b>4,039.15</b>
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	<b>0.82 MT / Crore</b>	<b>1.58 MT / Crore</b>
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	<b>16.58 MT / Crore</b>	<b>31.95 MT / Crore</b>
<b>Waste intensity in terms of physical output</b>	<b>0</b>	<b>0</b>
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	<b>0</b>	<b>0</b>

Parameter	FY 2023-24	FY 2022-23
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	900	1500
<b>Total</b>	<b>900</b>	<b>1500</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Different production units have taken various measures towards environment protection and conservation, governed by various acts and rules like the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water Act 1974 (Prevention and Control of Pollution), etc. All Units are ISO 14001 certified and comply with the rules prescribed by respective State Pollution Control Boards. All emissions and waste generation are monitored as prescribed by the Pollution Control Boards.

In our manufacturing activity, reduction of waste generation is taken as a very important activity and our nesting plan for cutting of metal sheet is made in such a way to take care of this aspect. Across GRSE, solid wastes/scrap having resale value were collected, segregated, stored and sold.

Hazardous wastes generated at units are disposed as per the regulatory requirement.

The Company, as part of its operations, generates e-waste from old electrical and electronics systems, computer systems (IT) and communication systems, which needs to be disposed after their life expiry or damage. The e-waste generated and collected is stored in designated areas (under cover) and auctioned through with MSTC Limited for disposal through authorized dismantlers/recyclers/refurbishers.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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GRSE does not have any operations/offices in /around ecologically sensitive areas.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

There has been no plant expansion undertaken at any of our locations that would necessitate Environmental Clearance under the Environmental Impact Assessment ('EIA') Notification,2006 and its subsequent amendments.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law /regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable

Yes, GRSE is compliant with the applicable environmental law/regulations/guidelines in India.

#### Leadership Indicators

##### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area – Garden Reach, Kolkata
- Nature of operations – Shipbuilding
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Groundwater	79,280	95,430
(iii) Third party water	1,86,816.10	2,54,011
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Kilolitres)	2,66,096.10	3,49,441
Total volume of water consumption (in kilolitres)	2,66,096.10	3,49,441
Water intensity per rupee of turnover (Water consumed/ turnover)	<b>68.36 KL / Crore</b>	<b>136.44 KL / Crore</b>
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
• No treatment	0	0
• With treatment – please specify level of treatment	41,834	54,936
(ii) Into Groundwater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(v) Others		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	<b>41,834</b>	<b>54,936</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No



2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	0	0	0
<b>Total Scope 3 emissions per rupee of turnover</b>	0	0	0
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	0	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas alongwith prevention and remediation activities.

Not Applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

As a responsible global citizen, the organization acknowledges the relation between Green House Gas (GHG) emissions and climate change. To address the Global Challenge, GRSE has been putting efforts in reducing carbon footprint of its products and services, thereby enabling the customers to generate power in a sustainable manner with reduced environmental footprints over the life cycle of the product. In internal operations also, the organization is putting a major thrust in energy efficiency and use of renewable energy sources. The Company has established a total 2.25 MW Unit of solar photo voltaic (roof top) plants at various GRSE locations which has helped the company in making energy mix more sustainable. The Company has also taken a number of projects related to water and energy conservation, tree plantation, waste management, resource conservation, etc.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
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5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, GRSE has a business continuity and disaster management plan. Same was prepared and acted upon during COVID-19 outbreak. Business continuity plan and/or disaster management plan were not published on internet/public domain.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No adverse impact to environment is reported.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL. Value chain partners were assessed themselves for their respective environmental impact.

**PRINCIPLE 7**

**BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

**Essential Indicators**

1. (a) Number of affiliations with trade and industry chambers/ associations.

The Company has taken Corporate Membership with seven (07) Nos. of trade and industry chambers/ associations.

(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Standing Conference of Public Enterprises (SCOPE)	National
4	Bengal Chambers of Commerce and Industry (BCCI)	State
5	Society of Defence Technologists (SODET)	National
6	Indian Shipbuilders Association (ISBA)	National
7	Society of Indian Defence Manufacturers (SIDM)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No instance of anti-competitive conduct raised by regulatory authorities on GRSE.

Name of authority	Brief of case	Corrective action taken
NIL		

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

GRSE works closely with various trade and industry associations including industry representations to the Government and Regulators. The Company participate in the policy advocacy matters in a transparent and responsible manner taking into account larger national interest.

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/ No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Web Link, if available
NIL					

**PRINCIPLE 8**

**BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated In public domain (Yes/ No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
NIL						

3. Describe the mechanism to receive and redress grievances of the community.

Complaints can be received through Public Grievance Portal ([www.pgportal.gov.in](http://www.pgportal.gov.in)). In addition, The Company's CSR department has a community feedback mechanism across all its CSR projects. Any aggrieved individual/ groups can express their grievances through this annual exercise or on as and when required basis.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	73.76% (approx.)	63% (approx.)
Sourced directly from within India	0	0

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or works employed on a permanent or non-permanent / on contract basis) in the following locations as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi – Urban	-	-
Urban	-	-
Metropolitan	100%	100%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social Impact identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above):

Details of negative social Impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Jharkhand	Ranchi	32.46 lakh
2	Jharkhand	Khunti	13.23 lakh

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, preferential procurement happens as mandated in the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order for MSEs (issued by Ministry of MSME-Gol).

- (b) From which marginalized /vulnerable groups do you procure?

GRSE procures from marginalised/vulnerable groups like MSEs owned by women, SC/ST individual.

- (c) What percentage of total procurement (by value) does it constitute?

- Total procurement made from MSEs: FY 2023-24 – 73.74%, FY 2022-23 – 58.19%
- Procurement from Social Category (SC/ST) Entrepreneurs: FY 2023-24 – 1.69%, FY 2022-23 – 0.82 %
- Procurement from Women Entrepreneurs: FY 2023-24 – 5.51%, FY 2022-23 – 2.48 %

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes / No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
NIL				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NIL		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
i	Supporting Gadadhar Abhyuday Prkalp	534 approx.	100
ii	Medical Equipment to Ramakrishna Sarada Mission	NA	NA
iii	Medical Equipment to Islamia Hospital	NA	NA
iv	Health check- up camps	7413 approx.	100
v	TB Nikshay Mitra	107 approx.	100
vi	Blood Donation camp	140 approx.	100
vii	Cataract Surgeries	314	100
viii	Skill training to medical technicians	90	100
ix	CRY Project	300	100



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
x	Maintenance of School toilets	25000 approx.	100
Xi	Adoption of 3 classes of Indian Institute of Cerebral Palsy (IICP)	43 approx.	NA
xii	Development of training facility and infrastructure of ITI	250 approx.	100
xiii	Stipend, skill development and placement assistance to GRSE apprentices	200 approx.	NA
xiv	Skill training to youths	30	100
xv	Equipment to Kolkata Traffic Police	NA	NA
xvi	Old Computer to Ramakrishna Mission, Narendrapur	NA	NA
xvii	Special Campaign, Swachhata Pakhwada	NA	NA
xviii	Contribution to Clean Ganga Fund	PAN India	NA

## PRINCIPLE 9

### BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

#### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Defence forces have a well-established, structured and periodic meetings for raising issues. Same is being followed and complied by the Company.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As percentage to total turnover
Environmental and social parameters relevant to the product	The main products of the Company are Warships, Vessels, Bailey Bridges, Ship Engines and other accessories for use in strategic/ national security applications. Hence, Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	The main products of the Company are Warships, Vessels, Bailey Bridges, Ship Engines and other accessories for use in strategic/ national security applications. Once the products are sold they would not come back to the company.

#### 3. Number of consumer complaints in respect of the following:

	2023-24		Remarks	2022-23		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at end of year	
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-Security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. GRSE Cyber Security Policy is an internal confidential document, hence not uploaded in website.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The Company did not receive any significant complaint in the last financial year that may require any corrective action.

**7. Provide the following information relating to data breaches:**

- a) Number of instances of data breaches - NIL
- b) Percentage of data breaches involving personally identifiable information of customers - NA
- c) Impact, if any, of the data breaches - NA

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on products and services of GRSE can be accessed from web link - [www.grse.in](http://www.grse.in).

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Operational Manual and Training on equipment / systems are provided to customers as per contractual requirements.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company is in regular touch with its customers and any disruptions are informed by emails. Letter and any other communication mode agreed to in the contract.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Not Applicable. The products of the Company are such that does not require any standard information to display/stenciled.

# FINANCIAL STATEMENTS





# INDEPENDENT AUDITOR'S REPORT

## To the Members of Garden Reach Shipbuilders & Engineers Limited

### 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"), which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit Matter	How the matter was addressed in our audit
<p><b>1. Recognition of revenue from ship building contracts</b></p> <p>Company's revenue is mainly derived from ship building. Revenue on such contracts is recognised over time as performance obligations are fulfilled over time. The Company recognizes revenue from a performance obligation in accordance of Ind AS 115 only when it can reasonably measure its progress towards complete satisfaction of the obligation. Progress with respect to ship construction is recognized using input method i.e.by comparing the actual costs anticipated for the entire contract. As disclosed in Note 20 to the financial statements, during the year, the Company has earned ₹ 3,06,918.46 Lakh (₹ 2,30,196.88 Lakh) from ship building out of total revenue from operations of ₹ 3,59,264.23 Lakh (₹ 2,56,114.51 Lakh) during the year.</p> <p>This area was important to our audit due to the fact that significant estimates are involved in determination of stage of completion and measurement of progress towards satisfaction of performance obligations and estimating costs to complete of each contract.</p>	<p>We obtained an understanding of the Company's controls over the revenue and cost recognition process to assess the design of the key controls in place. Our substantive audit procedures included</p> <ul style="list-style-type: none"><li>• Review of the contracts and service orders to evaluate management's assessment of performance obligations in accordance with Ind AS 115;</li><li>• Obtaining cost estimation schedules approved by project teams and verifying the costs to complete by agreeing to evidence of committed expenditure, budgeted rates and actual costs incurred to date;</li><li>• Review of correspondences to corroborate management's assessment of liquidated damages payable that may arise as per terms of contract due to probable delivery time overrun.</li></ul>



Key Audit Matter	How the matter was addressed in our audit
<p><b>2. Inventories</b></p> <p>As at the year end the Company carries inventory valued ₹ 3,98,444.14 Lakh (₹ 291,850.49 Lakh) refer Note 9 to financial statements. The above includes raw materials and equipment valued at ₹ 3,86,725.80 Lakh (₹ 278,271.69 Lakh) which are mostly project specific. The Company maintains detailed item wise record of these inventories and the same are classified project wise for management and control of inventories. The Company carries out regular physical verification of inventories, including technical evaluation of the condition and usability of the such items and makes necessary provision in the books for unusable/ obsolete items identified if any. The basis of valuation of inventories is set out in Note 1.2(h) to the financial statements.</p> <p>We have considered inventory management as a key audit matter since inventory constitutes a significant part of the assets of the Company. Moreover, timely recognition of procurement, issue, consumption, accounting of inventory, identification of unusable, obsolete items by way of technical evaluation and physical verifications have major impact on the profitability of the Company.</p>	<p>Our audit procedures of inventory included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Understanding the basis followed for recognition of purchase and issue of materials and ensuring that the same are in accordance with normally followed accounting principles.</li> <li>Review of item wise/ contract wise record of inventories.</li> <li>Review of reports on physical verification/ technical evaluation of inventories carried out by the management and ensuring adequacy of year end provision for slow-moving / non-moving / obsolete items identified based on the same.</li> </ul> <p>We critically assessed the Company's inventory provisioning policy, with specific consideration given to aged inventory and their movement status;</p> <p>We have verified the value of few sample of inventory items to confirm whether they are held at the lower of cost and net realisable value in same accordance to Ind AS 2.</p>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Report on Corporate Governance, Business Responsibility & Sustainability Report and other information contained in the Annual Report, but does not include the financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

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

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

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility 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 and presentation 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 (Ind AS) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 are 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 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In compliance to directions of the Comptroller and Auditor General of India u/s.143(5) of the Act, we give in **Annexure "B"** to this report a statement on the matters specified therein.

3. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Statement of Changes in Equity and 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India.
- (f) The provisions of Section 197(16) of the Act regarding payment of managerial remuneration to Company's directors are not applicable in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- (g) 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 given in **Annexure "C"** to this report.
- (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 pending litigations, the liabilities in respect of which are either provided for or disclosed as contingent liabilities – Refer Note 29 to the financial statements. The impact of these pending litigations on the financial position of the Company is subject to their judicial outcome;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except Guarantee Repair and Onerous Contract in respect of which the Company holds adequate provision – Refer Note 19 to the financial statements.
  - iii. There has been no delay in transferring amounts, 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 have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 such audit procedures as we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made by the management in this regard contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance of with section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the Company has in place an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail is preserved by the Company as per the statutory requirements for record retention.

**For Guha Nandi & Co.**  
Chartered Accountants  
FRN: 302039E

Sd/-  
**(CA Dr. B. S. Kundu)**  
Partner  
Membership No. 051221  
UDIN: 24051221BKJSKS1004

Place: Kolkata  
Date: 22 May, 2024

## ANNEXURE - A

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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, which are not material, 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) The title deeds of all the 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, 2024 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 procedure followed for such verification, in our opinion, is appropriate. 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) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has the sanction of ₹ 21,000 Lakh for fund-based facilities and ₹ 8,30,800 Lakh for non-fund based facilities. The quarterly returns of stocks and book debts filed by the Company with the banks are in agreement with the books of account of the Company. However, the Company is yet to submit the book debt statements with the banks in respect of the last quarter of the year.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, Limited Liability Partnerships or any other parties other than the investment in equity shares and mutual funds as disclosed in Note 6(a) & 10(a) to the financial statements. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, or stood guarantee, or provide security to companies, firms, Limited Liability Partnerships or any other parties. The Investments made by the Company in mutual funds, and equity shares are not prejudicial to the interest of the Company. Other matters of the clause are not applicable to the Company.
- iv. The Company has not given any loan, guarantee or provided any securities where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Further, in terms of Notification No. G.S.R. 463(E) dated June 5, 2015, the provisions of section 185 are not applicable to a Government company if the loans or advance in the loan are pre-approved by the Government; and section 186 of the Companies Act, 2013 are not applicable to the Government companies engaged in defence production.
- v. According to the information and explanations given to us the Company has not accepted any deposits or accepted any amount which are deemed to be deposits during the year to which directives of Reserve Bank of India or provisions of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules made thereunder are applicable.
- vi. According to the information and explanations given to us, maintenance of cost records by the Company has been specified 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. There is no undisputed amount payable in respect of aforesaid dues as on March 31, 2024 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 statutory dues not deposited on March 31, 2024:



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	1624.58	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax	2016-17	8.61	Commissioner of Income Tax (Appeals)
4	Goods & Services Tax	Interest Liability	2017-18	266.52	Addl. Commissioner, LTU, Corporate Division
TOTAL				2406.54	

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 has availed short term borrowings from the bank. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon;
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender;
- (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 application of term-loan other than the purpose for which the loans were obtained does not arise;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis, prima facie, have not been utilized for long-term purposes by the Company during the year;
- (e) The Company does not have any subsidiary, joint venture or associate companies and hence taking any funds from any or person on account of them or meet their obligations or raising any loan on the pledge of securities held by them does not arise. As such, clauses 3(ix)(e) & (f) of the Order are not applicable to the Company.
- 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 clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence clause 3(x)(b) of the Order is not applicable to the Company.
- xi. To the best of our knowledge and according to the information and explanations given to us-
- (a) No fraud by the Company or 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;
- (c) No whistle blower complaints have been received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence clauses 3(xii)(a), (b) & (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and the nature of its business;
- (b) We have duly considered the internal audit reports for the year under audit received by the Company during the year in determining the nature and extent of our audit.
- xv. According to the information and explanations given to us and based on our examination of records, the Company has not entered into non-cash transactions with directors or persons connected with them and as such clause 3(xv) of the Order 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;
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities as per Reserve Bank of India Act, 1934 during the year;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- (d) The Company does not belong to any Group having more than one CIC as part of the Group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in 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 realization 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 report 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 be 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;

- (b) The Company does not have any ongoing projects on CSR and hence there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

**For Guha Nandi & Co.**  
Chartered Accountants  
FRN: 302039E

Sd/-  
**(CA Dr. B. S. Kundu)**  
Partner  
Membership No. 051221  
UDIN: 24051221BKJSKS1004

Place: Kolkata  
Date: 22 May, 2024

## ANNEXURE “B”

### ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

#### Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & Auditor General of India

According to the information and explanations given to us by the management and on the basis of our examination of books and records of the Company, we report that:

Sl. No.	Query	Reply
1.	Whether the company has system in place to process all the accounting transaction 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.	The Company has SAP system in place to process all the accounting transactions through IT system. As there is no processing of accounting transactions outside IT system, comment on the integrity of the accounts and financial implications of accounting transactions processed outside IT system does not arise.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	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 Governments and its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	During the year no fund has been received by the Company from the Central or any State Government or any Government agencies for any scheme and hence accounting of receipt of fund and utilization thereof as per terms and conditions does not arise.

**For Guha Nandi & Co.**  
Chartered Accountants  
FRN: 302039E

Sd/-  
**(CA Dr. B. S. Kundu)**  
Partner  
Membership No. 051221  
UDIN: 24051221BKJSKS1004

Place: Kolkata  
Date: 22 May, 2024

## ANNEXURE “C”

### ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

#### 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 SHIP BUILDERS & ENGINEERS LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both issued by ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of 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 the financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, 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, 2024, 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.

**For Guha Nandi & Co.**  
Chartered Accountants  
FRN: 302039E

Sd/-  
**(CA Dr. B. S. Kundu)**  
Partner

Membership No. 051221  
UDIN: 24051221BKJSKS1004

Place: Kolkata  
Date: 22 May, 2024



## 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 2024.**

The preparation of financial statements of **Garden Reach Shipbuilders & Engineers Limited, Kolkata** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 22 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Garden Reach Shipbuilders & Engineers Limited, Kolkata** for the year ended 31 March 2024 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**

*Rajesh Ranjan*  
**(Rajesh Ranjan)**  
**Principal Director of Audit  
(Defence-Commercial)**

**Bangalore  
Date: 25 July 2024.**

# BALANCE SHEET

As at 31 March, 2024

(₹ in Lakh)

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3		
(i) Property, plant and equipment-other than RoU		47,516.22	48,826.43
(ii) Right-of-use -assets(RoU)		981.72	1,098.65
(b) Capital work-in-progress	4	1,161.86	484.45
(c) Intangible assets	5	758.72	835.96
(d) Intangible assets under development	4(a)	1,314.39	119.60
(e) Financial assets			
(i) Investments	6(a)	0.44	0.44
(ii) Other financial assets	6(b)	9,016.45	9,044.06
(f) Non-current tax assets	7	19,842.75	20,584.35
(g) Other non-current assets	8	20.16	16.34
<b>Total non-current assets</b>		<b>80,612.71</b>	<b>81,010.28</b>
<b>(2) Current assets</b>			
(a) Inventories	9	3,98,444.14	2,91,850.49
(b) Financial assets			
(i) Current Investments	10(a)	-	23,366.40
(ii) Trade receivables	10(b)	19,420.70	5,084.50
(iii) Cash and cash equivalents	10(c)	527.00	1,398.55
(iv) Bank balances other than (iii) above	10(d)	3,71,506.84	4,31,382.07
(v) Other financial assets	10(e)	22,234.79	23,422.92
(c) Other current assets	11	1,32,428.74	2,20,070.17
(d) Assets classified as held for sale	12	15.99	7.90
<b>Total current assets</b>		<b>9,44,578.20</b>	<b>9,96,583.00</b>
<b>TOTAL ASSETS</b>		<b>10,25,190.91</b>	<b>10,77,593.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13(a)	11,455.20	11,455.20
(b) Other equity	13(b)	1,55,888.69	1,29,926.55
<b>Total equity</b>		<b>1,67,343.89</b>	<b>1,41,381.75</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities		828.84	923.16
(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		783.56	817.36
(b) Provisions	15	9,201.35	8,933.37
(c) Deferred tax liabilities (net)	16	1,398.39	1,451.90
<b>Total non-current liabilities</b>		<b>12,212.14</b>	<b>12,125.79</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17(a)	5,558.48	30,117.18
(ia) Lease liabilities		179.74	170.41
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	17(b)	50.32	236.15
(B) total outstanding dues other than micro enterprises and small enterprises	17(b)	99,191.69	1,17,150.59
(iii) Other financial liabilities	17(c)	3,546.52	2,894.56
(b) Other current liabilities	18	7,33,304.21	7,70,637.11
(c) Provisions	19	3,803.92	2,879.74
<b>Total current liabilities</b>		<b>8,45,634.88</b>	<b>9,24,085.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,25,190.91</b>	<b>10,77,593.28</b>
<b>MATERIAL ACCOUNTING POLICY INFORMATION</b>			
<b>Company information and Material Accounting Policy Information</b>	1		
<b>Critical estimates and judgements</b>	2		

The accompanying notes 1 to 52 form an integral part of the financial statements.

In terms of our report of even date.

For Guha Nandi & Co.

Chartered Accountants  
Firm's Registration No - 302039E

Sd/-

(CA Dr. B.S. Kundu)

Partner  
Membership No. 051221

Place of Signature: Kolkata

Date: 22<sup>nd</sup> day of May, 2024

For and on behalf of the Board of Directors

Sd/-

Cmde Hari PR, IN (Retd.)

Chairman & Managing Director  
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, 2024

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March, 2024	Year ended 31 March, 2023
Revenue from operations	20	3,59,264.23	2,56,114.51
Other income	21	29,962.19	20,183.55
<b>Total income</b>		<b>3,89,226.42</b>	<b>2,76,298.06</b>
<b>EXPENSES</b>			
Cost of materials consumed	22(a)	2,06,036.78	1,49,524.39
Purchase of products for resale (B & D spares)		19,706.56	11,210.06
Changes in inventories of work-in-progress and scrap	22(b)	(605.55)	472.66
Sub-contracting charges		52,493.24	31,793.34
Employee benefits expense	23	34,893.33	31,691.07
Finance costs	24	1,148.92	648.07
Depreciation and amortisation expense	25	4,132.66	3,916.63
Other expenses - project related	26	9,904.02	5,707.43
Other expenses	27	13,424.37	10,812.62
<b>Total expenses</b>		<b>3,41,134.33</b>	<b>2,45,776.27</b>
<b>Profit before tax</b>		<b>48,092.09</b>	<b>30,521.79</b>
Tax expense	28(a)		
- Current tax		12,455.75	7,353.90
- Deferred tax		(90.43)	355.49
<b>Total tax expense</b>		<b>12,365.32</b>	<b>7,709.39</b>
<b>Profit for the year</b>		<b>35,726.77</b>	<b>22,812.40</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		146.67	72.61
- Income tax relating to above item		(36.92)	(18.28)
<b>Other comprehensive income for the year, net of tax</b>		<b>109.75</b>	<b>54.33</b>
<b>Total comprehensive income for the year</b>		<b>35,836.52</b>	<b>22,866.73</b>
<b>Earnings per equity share:</b>			
(Nominal value per share ₹ 10)			
Basic and diluted earnings per share (₹)		31.19	19.91
<b>Company information and Material Accounting Policy Information</b>	1		
<b>Critical estimates and judgements</b>	2		

The accompanying notes 1 to 52 form an integral part of the financial statements.

In terms of our report of even date.

**For Guha Nandi & Co.**  
Chartered Accountants  
Firm's Registration No - 302039E

Sd/-  
**(CA Dr. B.S. Kundu)**  
Partner  
Membership No. 051221

Place of Signature: Kolkata  
Date: 22<sup>nd</sup> day of May, 2024

For and on behalf of the Board of Directors

Sd/-  
**Cmde Hari PR, IN (Retd.)**  
Chairman & Managing Director  
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, 2024

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>A. Cash flow from operating activities:</b>		
Profit before taxation	48,092.09	30,521.79
<b>Adjustments for :</b>		
Interest income	(27,135.47)	(17,834.00)
Unrealised Fair Value gain (Net)	(572.70)	(268.17)
Actuarial Gain/ Loss on remeasurements of defined benefit plan	109.75	54.33
Depreciation & amortisation expense	4,132.66	3,916.63
Retirement /Write off of Assets -Net	306.43	(24.48)
Finance costs	1,148.92	648.07
Unrealised loss/ (gain) on foreign exchange fluctuation	259.71	352.68
Liabilities no longer required written back	(675.67)	(847.07)
<b>Operating profit before working capital changes</b>	<b>25,665.72</b>	<b>16,519.78</b>
<b>Adjustments for changes in working capital :</b>		
(Increase)/Decrease in Trade and other receivables	(14,081.10)	10,081.41
(Increase)/Decrease in Other financial assets (Current & Non Current)	1,215.74	94,410.95
(Increase)/Decrease in Other non-current assets	737.78	(5,196.15)
(Increase)/Decrease in Other current assets	87,641.43	(58,033.85)
(Increase)/Decrease in Assets held for sale (current assets)	(8.09)	37.97
(Increase)/Decrease in Inventories	(1,06,593.65)	(1,74,623.69)
Increase/(Decrease) in Trade payables	(18,035.96)	76,146.78
Increase/(Decrease) in Provisions	1,867.83	(12,493.21)
Increase/(Decrease) in Other financial liabilities (Current & Non Current)	482.29	386.24
Increase/(Decrease) in Other current liabilities	(37,162.50)	2,05,122.72
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	(53.51)	373.77
	(83,989.74)	1,36,212.93
<b>Cash generated from/ (used in) operations</b>	<b>(58,324.02)</b>	<b>1,52,732.71</b>
Taxes paid (net of refunds)	(12,365.32)	(7,709.39)
<b>Net cash from/(used in) operating activities</b>	<b>(70,689.34)</b>	<b>1,45,023.32</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment,intangibles and capital work in progress)	(4,806.91)	(4,225.84)
Investments in Mutual Fund (Net)	23,366.40	(3,657.28)
Investments in Fixed Deposit (Net)	59,875.23	(1,76,579.44)
Interest received	27,135.47	17,834.00
	1,05,570.19	(1,66,628.56)
<b>Net cash from/(used in) investing activities</b>	<b>1,05,570.19</b>	<b>(1,66,628.56)</b>



(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>C. Cash flow from financing activities:</b>		
Interest	(1,062.24)	(442.06)
Principal Component of Lease Rent	(170.40)	(162.53)
Interest component of Lease Rent	(85.41)	(88.80)
Borrowing (Bank OD)	(24,559.97)	29,999.97
Dividend paid	(801.86)	(973.69)
Interim Dividend	(9072.52)	(6300.36)
<b>Net cash from/(used in) financing activities</b>	<b>(35,752.40)</b>	<b>22,032.53</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>	<b>(871.55)</b>	<b>427.29</b>
<b>Opening Cash and cash equivalents at the beginning of the year</b>	<b>1,398.55</b>	<b>971.26</b>
<b>Closing Cash and cash equivalents at the end of the year</b>	<b>527.00</b>	<b>1,398.55</b>

- 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, 2024	Year ended 31 March, 2023
Balances with banks		
- Current accounts	526.99	1398.54
- Cash in hand	0.01	0.01
<b>Cash and cash equivalents</b>	<b>527.00</b>	<b>1398.55</b>

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

The accompanying notes 1 to 52 form an integral part of the financial statements.

**In terms of our report of even date.**

**For Guha Nandi & Co.**  
Chartered Accountants  
Firm's Registration No - 302039E

Sd/-  
**(CA Dr. B.S. Kundu)**  
Partner  
Membership No. 051221

Place of Signature: Kolkata  
Date: 22<sup>nd</sup> day of May, 2024

**For and on behalf of the Board of Directors**

Sd/-  
**Omde Hari PR, IN (Retd.)**  
Chairman & Managing Director  
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, 2024

## A. Equity share capital (₹ in Lakh)

Balance as at 1 April, 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2023	Changes in equity share capital during the year	Balance as at 31 March, 2024
11,455.20	-	11,455.20	-	11,455.20

Balance as at 1 April, 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2022	Changes in equity share capital during the year	Balance as at 31 March, 2023
11,455.20	-	11,455.20	-	11,455.20

## B. Other equity (₹ in Lakh)

Particulars	Reserve and surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General reserve	Retained earnings		
<b>Balance as at 1 April, 2023</b>	928.80	6,064.86	1,23,456.22	(523.33)	1,29,926.55
Profit for the year (a)	-	-	35,726.77	-	35,726.77
Other comprehensive income for the year (b)	-	-	-	109.75	109.75
<b>Total comprehensive income for the year (a + b)</b>	-	-	35,726.77	109.75	35,836.52
Dividend paid [Refer Note 13 (b)]	-	-	(801.86)	-	(801.86)
Interim dividend paid [Refer Note 13 (b)]	-	-	(9,072.52)	-	(9,072.52)
<b>Balance as at 31 March, 2024</b>	<b>928.80</b>	<b>6,064.86</b>	<b>1,49,308.61</b>	<b>(413.58)</b>	<b>1,55,888.69</b>

(₹ in Lakh)

Particulars	Reserve and surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General reserve	Retained earnings		
<b>Balance as at 1 April, 2022</b>	928.80	6,064.86	1,07,917.87	(577.66)	1,14,333.87
Profit for the year (a)	-	-	22,812.40	-	22,812.40
Other comprehensive income for the year (b)	-	-	-	54.33	54.33
<b>Total comprehensive income for the year (a + b)</b>	-	-	22,812.40	54.33	22,866.73
Dividend paid [Refer Note 13 (b)]	-	-	(973.69)	-	(973.69)
Interim dividend paid [Refer Note 13 (b)]	-	-	(6,300.36)	-	(6,300.36)
<b>Balance as at 31 March, 2023</b>	<b>928.80</b>	<b>6,064.86</b>	<b>1,23,456.22</b>	<b>(523.33)</b>	<b>1,29,926.55</b>

The accompanying notes 1 to 52 form an integral part of the financial statements.

In terms of our report of even date.

**For Guha Nandi & Co.**  
Chartered Accountants  
Firm's Registration No - 302039E

Sd/-  
**(CA Dr. B.S. Kundu)**  
Partner  
Membership No. 051221

Place of Signature: Kolkata  
Date: 22<sup>nd</sup> day of May, 2024

For and on behalf of the Board of Directors

Sd/-  
**Cmde Hari PR, IN (Retd.)**  
Chairman & Managing Director  
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 Material Accounting Policy Information

### Note 1.1: Company information

Garden Reach Shipbuilders & Engineers Limited ('GRSE Ltd.' or 'the Company') was incorporated on 26<sup>th</sup> 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: Material Accounting Policy Information

#### (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; Fastening tools like bottle screws, clamps & slings, hoist/chain-pulley blocks, hooks, shackles, Measuring and testing devices	08

Asset Class	Description	Years
Plant & equipment	Miscellaneous tools/tackles and accessories thereof; Welding Torches, Gas Torches, Portable Electrode Ovens, Masks & helmets; Small instruments, measurements /control devices	05
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**

Inventory valuation is as per provisions of Ind AS 2. The cost is determined as under:

- i. Raw materials, components, stores and spares: At weighted average cost.
- ii. In-plant items: At standard cost.
- iii. Equipment for specific projects, Stores in transit, materials and other supplies: At cost.
- iv. Obsolete, slow-moving and defective inventories are identified at the time of physical verification and provisions are made for such inventories wherever necessary.
  - (a) Project specific stores not moving for 4 years and more from the date of delivery of a vessel are valued at 50% of cost.
  - (b) Obsolescence is provided to the items for which shelf life is expired, non-moving stores (other than project specific) for 4 years and more and which may not be required for further use.
- v. All items of jobs in progress (including material held by contractors) other than the Construction and Ship Repair Contracts: At cost.
- vi. Scrap: At estimated net realisable value.
- vii. Inter-unit transfer items: At cost.

Note:

- a) The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) In-plant items are valued at standard cost for convenience taking into account normal level of activity and are regularly reviewed.

**(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.
- (d) Ship Building Financial Assistance recognised over a period of time in respect of contracts which are eligible under SBFA policy when the management can reliably measure the probable receipt of the same.

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.

(G) Variable Consideration:

Variable considerations like discounts, rebates, refunds, credits, price concessions, penalties (liquidated damages) or other similar items in a Contract are accounted on the basis of contractual provisions/ management estimation and the net amount of consideration to which the company will be entitled in exchange for transferring the promised goods or services to a customer. The promised consideration can vary if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event

**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 Directors.

### (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 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.
- iii. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

- iv. Contingent Liabilities are not recognised but are disclosed in the notes.
- v. 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 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, 2023	Addition	Deductions / Adjustments	As at 31 March, 2024	As at 1 April, 2023	Charge for the period	Deductions / Adjustments	As at 31 March, 2024	As at 31 March, 2024	As at 31 March, 2023
Other than RoU										
Land - Freehold	5,125.72	-	-	5,125.72	-	-	-	-	5,125.72	5,125.72
Building - Freehold	10,881.97	968.78	533.58	11,317.17	1,635.80	387.80	101.36	1,922.24	9,394.93	9,246.17
Plant & equipment	28,022.74	885.90	79.19	28,829.45	6,291.27	1,349.49	62.48	7,578.28	21,251.17	21,731.47
Electrical installations	1,491.71	166.55	-	1,658.26	585.26	154.74	-	740.00	918.26	906.45
Docks & jetties	7,362.06	90.79	-	7,452.85	2,645.45	478.47	-	3,123.92	4,328.93	4,716.61
Furniture & fixtures	2,119.06	233.04	2.85	2,349.25	876.52	222.63	1.21	1,097.94	1,251.31	1,242.54
Office equipment	743.55	30.43	-	773.98	278.35	77.99	-	356.34	417.64	465.20
Computer	3,658.58	419.92	13.42	4,065.08	2,301.54	483.65	12.63	2,772.56	1,292.52	1,357.04
Launches, barges & boats	117.29	-	-	117.29	26.28	6.16	-	32.44	84.85	91.01
Vehicles	44.91	-	-	44.91	28.78	4.34	-	33.12	11.79	16.13
Motor lorries, trailers, mobile cranes etc.	164.01	102.92	-	266.93	90.83	19.87	-	110.70	156.23	73.18
<b>Sub-total (1)</b>	<b>59,731.60</b>	<b>2,898.33</b>	<b>629.04</b>	<b>62,000.89</b>	<b>14,760.08</b>	<b>3,185.14</b>	<b>177.68</b>	<b>17,767.54</b>	<b>44,233.35</b>	<b>44,971.52</b>
<b>Previous Year</b>	<b>55,967.26</b>	<b>4,203.46</b>	<b>439.12</b>	<b>59,731.60</b>	<b>12,219.42</b>	<b>2,884.32</b>	<b>343.66</b>	<b>14,760.08</b>	<b>44,971.52</b>	
Assets jointly funded by GRSE & Indian Navy										
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	434.56	54.32	-	488.88	802.92	857.24
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	1,809.51	105.29	-	1,914.80	544.47	649.76
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	3,306.70	412.43	-	3,719.13	1,935.48	2,347.91
<b>Sub-total (a+b+c) (2)</b>	<b>9,405.68</b>	<b>-</b>	<b>-</b>	<b>9,405.68</b>	<b>5,550.77</b>	<b>572.04</b>	<b>-</b>	<b>6,122.81</b>	<b>3,282.87</b>	<b>3,854.91</b>
<b>Previous Year</b>	<b>9,405.68</b>	<b>-</b>	<b>-</b>	<b>9,405.68</b>	<b>4,857.83</b>	<b>692.94</b>	<b>-</b>	<b>5,550.77</b>	<b>3,854.91</b>	
Total Property, plant and equipment - other than RoU (1+2)	69,137.28	2,898.33	629.04	71,406.57	20,310.85	3,757.18	177.68	23,890.35	47,516.22	48,826.43
<b>Previous Year</b>	<b>65,372.94</b>	<b>4,203.46</b>	<b>439.12</b>	<b>69,137.28</b>	<b>17,077.25</b>	<b>3,577.26</b>	<b>343.66</b>	<b>20,310.85</b>	<b>48,826.43</b>	
Right of Use Asset										
Land -Leasehold	757.69	-	-	757.69	42.36	21.10	-	63.46	694.23	715.33
Vehicles - Leasehold	529.92	-	-	529.92	146.60	95.83	-	242.43	287.49	383.32
<b>Total Rightof use assets (RoU) (3)</b>	<b>1,287.61</b>	<b>-</b>	<b>-</b>	<b>1,287.61</b>	<b>188.96</b>	<b>116.93</b>	<b>-</b>	<b>305.89</b>	<b>981.72</b>	<b>1,098.65</b>
<b>Previous Year</b>	<b>1,240.73</b>	<b>46.88</b>	<b>-</b>	<b>1,287.61</b>	<b>79.69</b>	<b>109.27</b>	<b>-</b>	<b>188.96</b>	<b>1,098.65</b>	
Total property, plant and equipment (1+2+3)	70,424.89	2,898.33	629.04	72,694.18	20,499.81	3,874.11	177.68	24,196.24	48,497.94	49,925.08
<b>Previous Year</b>	<b>66,613.67</b>	<b>4,250.34</b>	<b>439.12</b>	<b>70,424.89</b>	<b>17,156.94</b>	<b>3,686.53</b>	<b>343.66</b>	<b>20,499.81</b>	<b>49,925.08</b>	

Note :

- Current year deductions includes adjustment for scrapping of assets valued ₹ 439.31 Lakh (Deemed Cost ₹ 576.17 Lakh) , retirement of assets valued ₹ 9.75 Lakh (Deemed cost ₹ 48.83 Lakh). Further it also includes assets valued ₹ 2.30 Lakh (Deemed Cost ₹ 4.26 Lakh) retired and sold during the year 2023-24. Scrapping of assets and retirement of assets in FY 2022-23 were ₹ 80.22 Lakh (Deemed Cost ₹ 324.36 Lakh) and ₹ 7.66 Lakh (Deemed Cost ₹ 86.76 Lakh) respectively. Further, previous year deductions includes assets valued ₹ 7.58 Lakh (Deemed Cost ₹ 28.95 Lakh) retired and sold during the year 2022-23.
- Jointly funded assets - Plant & Machinery as at 31 March 2024 of ₹ 544.47 Lakh (₹ 649.76 Lakh as at 31 March, 2023) also includes Electrical installation of New Dry Dock valuedRs. 61.88 Lakh (31 March, 2023: ₹ 70.01 Lakh).
- Property, plant and equipment as at 31 March 2024 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, 2024 exclusively funded by Navy (original Cost) not included in Property, plant and equipment is ₹ 801.23 Lakh. (31 March, 2023: ₹ 801.23 Lakh).
- Land of 61, Garden Reach Road,Kolkata is owned by Government of India, Ministry of Defence.
- Building as at 31 March 2024 includes ₹ 95.96 Lakh (original cost) (31 March, 2023: ₹ 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, 2023	Addition	Deductions / Adjustments	As at 31 March, 2024
Plant & equipment	115.86	423.02	117.25	421.63
Computer	337.80	18.23	351.49	4.54
Civil construction	30.79	1,498.01	793.11	735.69
<b>Total capital work-in-progress</b>	<b>484.45</b>	<b>1,939.26</b>	<b>1,261.85</b>	<b>1,161.86</b>
<b>Previous Year</b>	<b>965.98</b>	<b>1,611.71</b>	<b>2,093.24</b>	<b>484.45</b>

## Note 4 (a) : Intangible asset under development

(₹in Lakh)

Particulars	a	b	c	d= (a+b-c)
	As at 1 April, 2023	Addition	Deductions / Adjustments	As at 31 March, 2024
Prototype development	119.60	1,194.79	-	1,314.39
<b>Total Intangible Asset Under Development</b>	<b>119.60</b>	<b>1,194.79</b>	<b>-</b>	<b>1,314.39</b>
<b>Previous Year</b>	<b>-</b>	<b>119.60</b>	<b>-</b>	<b>119.60</b>

## Ageing schedule as at 31 March,2024

## As at 31 March, 2024

(₹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	1,161.86	-	-	-	1,161.85
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,161.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161.85</b>

## As at 31 March, 2024

(₹in Lakh)

Intangible asset under development	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	1,194.79	119.60	-	-	1,314.39
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,194.79</b>	<b>119.60</b>	<b>-</b>	<b>-</b>	<b>1,314.39</b>

## Project Completion Schedule

## As at 31 March, 2024

(₹in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress</b>				
Plant & equipment	60.75	-	-	-
Computer	13.70	-	-	-
Civil construction	115.93	-	-	-
<b>Projects temporarily suspended</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>190.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

## As at 31 March, 2024

(₹in Lakh)

Intangible asset under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress</b>				
Prototype development	325.17	-	-	-
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>325.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4: Capital work-in-progress (Contd.)**

**Ageing schedule as at 31 March, 2023**

As at 31 March, 2023

(₹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	484.45	-	-	-	484.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>484.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>484.45</b>

As at 31 March, 2023

(₹in Lakh)

Intangible asset under development	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	119.60	-	-	-	119.60
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>119.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.60</b>

**Project Completion Schedule**

As at 31 March, 2023

(₹in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Plant & equipment	1.39			
Computer	13.70			
<b>Projects temporarily suspended</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15.09</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March, 2023

(₹in Lakh)

Intangible asset under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	15.93	-	-	-
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>15.93</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 5: Intangible assets**

(₹in Lakh)

Particulars	Gross Block			Amortisation				Net Carrying Amount		
	As at 1 April, 2023	Additions	Deductions / Adjustments	As at 31 March, 2024	As at 1 April, 2023	Charge for the Period	Deductions / Adjustments	As at 31 March, 2024	As at 31 March, 2024	As at 31 March, 2023
	a	b	c	d = (a + b - c)	e	f	g	h=(e+f-g)	i=(d-h)	
Software (acquired)	2,545.53	181.31	0.22	2,726.62	1,709.57	258.55	0.22	1,967.90	758.72	835.96
<b>Total Intangible assets</b>	<b>2,545.53</b>	<b>181.31</b>	<b>0.22</b>	<b>2,726.62</b>	<b>1,709.57</b>	<b>258.55</b>	<b>0.22</b>	<b>1,967.90</b>	<b>758.72</b>	<b>835.96</b>
<b>Previous Year</b>	<b>2,089.11</b>	<b>457.37</b>	<b>0.95</b>	<b>2,545.53</b>	<b>1,480.42</b>	<b>230.10</b>	<b>0.95</b>	<b>1,709.57</b>	<b>835.96</b>	

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

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Equity instruments</b>		
Fully Paid up, Unquoted		
At Fair value through Profit and Loss		
6,145 shares of Woodlands Multispeciality Hospital Ltd (31 March, 2023: 6,145 shares) equity shares of ₹ 10/- each.	0.44	0.44
<b>Total investments</b>	<b>0.44</b>	<b>0.44</b>
<b>Total non-current investments</b>	<b>0.44</b>	<b>0.44</b>
Aggregate amount of unquoted investments	0.44	0.44

Considering investment amount is not material, management believes that fair value of the same will also be immaterial and hence the same is carried at cost as on the reporting date.

**Note 6(b): Other financial assets (Non-current)**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Leave Encashment invested with LIC	7,461.02	7,460.28
Deposits with electricity board and others	771.87	766.42
Deferred credit recoverable from Navy	783.56	817.36
<b>Total other financial assets (non-current)</b>	<b>9,016.45</b>	<b>9,044.06</b>

**Note 7: Non-current tax assets**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance income tax	7,766.96	4,466.96
Add : TDS & TCS Receivable	34,776.09	26,361.94
	42,543.05	30,828.90
Less: Provision for income tax	(22,700.30)	(10,244.55)
<b>Total non-current tax assets</b>	<b>19,842.75</b>	<b>20,584.35</b>

**Note 8: Other non-current assets**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Prepaid expenses	20.16	16.34
<b>Total other non-current assets</b>	<b>20.16</b>	<b>16.34</b>

**Note 9: Inventories**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Raw materials & equipments	2,17,660.70	1,47,535.18
Variable items of P17A	1,70,171.39	1,31,432.89
	3,87,832.09	2,78,968.07
Less: Provision for obsolescence & non-moving	(1,106.29)	(696.38)
	3,86,725.80	2,78,271.69
Stock in transit	5,025.06	7,440.47
Work in progress	6,445.17	5,737.54
Stores, Spares & Consumables	169.58	220.18
Scrap	78.53	180.61
<b>Total inventories</b>	<b>3,98,444.14</b>	<b>2,91,850.49</b>

Raw Material and Equipment includes ₹ 44,475.14 Lakh (31 March, 2023 : ₹ 43,839.82 Lakh) lying with third parties.

Above inventory includes ₹ 399.02 Lakh (31 March, 2023 : ₹ 530.48 Lakh ) value of material which are in transit, not considered as sale, as control not yet transferred.

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

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investment in mutual funds measured at FVTPL	-	23,366.40
<b>Total current investment</b>	<b>-</b>	<b>23,366.40</b>

**Note 10(b): Trade receivables - Current**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Trade receivables</b>		
Unsecured, considered good	19,420.70	5,084.50
Unsecured, considered doubtful	0.58	25.74
	19,421.28	5,110.24
Less: Provision for doubtful trade receivable	0.58	25.74
<b>Total trade receivables - Current</b>	<b>19,420.70</b>	<b>5,084.50</b>



**Note 10: Financial assets (Current) (Contd.)****Trade receivables ageing schedule****As at 31 March, 2024**

(₹ 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	5,769.95	12,246.56	937.86	198.25	97.68	170.40	19,420.70
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	0.58	0.58
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,769.95</b>	<b>12,246.56</b>	<b>937.86</b>	<b>198.25</b>	<b>97.68</b>	<b>170.98</b>	<b>19,421.28</b>
<b>Less: Allowance for doubtful debt</b>							(0.58)
<b>Total trade receivables - Current</b>							<b>19,420.70</b>

**As at 31 March, 2023**

(₹ 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	936.62	3,541.76	131.94	143.51	129.64	201.03	5,084.50
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	25.74	25.74
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>936.62</b>	<b>3,541.76</b>	<b>131.94</b>	<b>143.51</b>	<b>129.64</b>	<b>226.77</b>	<b>5,110.24</b>
<b>Less: Allowance for doubtful debt</b>							(25.74)
<b>Total trade receivables - Current</b>							<b>5,084.50</b>

**Note 10(c): Cash and cash equivalents**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks		
- in current accounts	526.99	1,398.54
Cash in hand	0.01	0.01
<b>Total cash and cash equivalents</b>	<b>527.00</b>	<b>1,398.55</b>

**Note 10: Financial assets (Current) (Contd.)****Note 10(d): Other bank balances**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Bank Deposits with original maturity from 3 months to 12 months	3,36,910.30	3,88,767.00
Flexi bank deposits earmarked for variable item of P17A	34,585.23	42,604.33
Unpaid dividend account	11.31	10.74
<b>Total other bank balances</b>	<b>3,71,506.84</b>	<b>4,31,382.07</b>

**Note 10(e): Other financial assets - Current**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deposit with Customs and Port trust	2.73	2.73
Leave Encashment invested with LIC	681.29	659.73
Interest accrued but not due on deposits	12,792.35	14,081.35
Contract Assets	8,630.05	8,550.74
Current portion of deferred credit recoverable from Navy	128.37	128.37
<b>Total other financial assets - Current</b>	<b>22,234.79</b>	<b>23,422.92</b>

**Note 11: Other current assets**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances recoverable in kind or for value to be received		
- Employees	221.54	358.95
- Excise	-	26.20
- Sales Tax /VAT	67.08	67.08
- Goods and Services Tax	92,642.00	67,248.83
- Prepaid expenses	2,588.44	2,163.44
- Suppliers	33,863.79	1,49,488.28
Other receivables	3,045.89	717.39
<b>Total other current assets</b>	<b>1,32,428.74</b>	<b>2,20,070.17</b>

**Note 12: Assets classified as held for sale**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Plant & equipment	14.08	5.65
Furniture & fixtures	1.05	1.39
Office equipments	0.86	0.86
<b>Total assets classified as held for sale</b>	<b>15.99</b>	<b>7.90</b>

*Non-recurring fair value measurements*

Assets classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell and dispose off as per procedure. 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, 2024		As at 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 10/- (31 March, 2023: ₹ 10/-) each	12,50,00,000	12,500.00	12,50,00,000	12,500.00
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10/- (31 March, 2023: ₹ 10/-) each	11,45,52,000	11,455.20	11,45,52,000	11,455.20
		<b>11,455.20</b>		11,455.20

**Reconciliation of number and amount of equity shares outstanding:**

(₹ in Lakh)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	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 *	-	-	-	-
<b>At the end of the period</b>	<b>11,45,52,000</b>	<b>11,455.20</b>	<b>11,45,52,000.00</b>	<b>11,455.20</b>

\*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, 2023: ₹ 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, 2024		As at 31 March, 2023	
	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	-	-	73,43,837	6.41%

**Disclosure of shareholding of promoters****Shares held by promoters as at 31 March, 2024**

Promoter name	As at 31 March, 2024		As at 31 March, 2023		% 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, 2023**

Promoter name	As at 31 March, 2023		As at 31 March, 2022		% 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: Equity share capital and other equity (Contd.)****Note 13(b): Other Equity**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital redemption reserve	928.80	928.80
General reserve	6,064.86	6,064.86
Retained earnings	1,49,308.61	1,23,456.22
Other Comprehensive Income	(413.58)	(523.33)
<b>Total reserves and surplus</b>	<b>1,55,888.69</b>	<b>1,29,926.55</b>

**(i) Retained earnings**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Opening balance	1,23,456.22	1,07,917.87
Net profit for the period	35,726.77	22,812.40
Dividend paid	(801.86)	(973.69)
Interim Dividend paid	(9,072.52)	(6,300.36)
<b>Closing balance</b>	<b>1,49,308.61</b>	<b>1,23,456.22</b>

**(ii) Other Comprehensive Income**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Opening balance	(523.33)	(577.66)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefit plans (net of tax)	109.75	54.33
<b>Closing balance</b>	<b>(413.58)</b>	<b>(523.33)</b>

**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, 2024	As at 31 March, 2023
Trade payable		
- Russian deferred credit - foreign supplier	783.56	817.36
<b>Total trade payables (non-current)</b>	<b>783.56</b>	<b>817.36</b>



**Note 14: Financial liabilities (Non-current) (Contd.)****Trade payables ageing schedule****As at 31 March, 2024**

(₹ 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	-	128.37	128.37	526.82	783.56
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	<b>128.37</b>	<b>128.37</b>	<b>526.82</b>	<b>783.56</b>

**As at 31 March, 2023**

(₹ 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	-	128.37	128.37	560.62	817.36
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total</b>	-	<b>128.37</b>	<b>128.37</b>	<b>560.62</b>	<b>817.36</b>

**Note 15: Provisions (non-current)**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Accrued leave liability	7,640.80	7,373.79
Post retirement medical benefits	1,560.55	1,559.58
<b>Total provisions (non-current)</b>	<b>9,201.35</b>	<b>8,933.37</b>

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

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Deferred tax liability</b>		
Property, plant & equipment and intangible asset	4,017.31	3,963.81
Gain on fair valuation of Mutual Fund	-	10.40
<b>Total deferred tax liabilities</b>	<b>4,017.31</b>	<b>3,974.21</b>
<b>Deferred tax asset</b>		
Defined benefit obligation	2,550.64	2,445.59
Allowance for doubtful trade receivables	0.15	6.48
Provision for onerous contract	68.13	70.24
<b>Total deferred tax assets</b>	<b>2,618.92</b>	<b>2,522.31</b>
<b>Net deferred tax liabilities</b>	<b>1,398.39</b>	<b>1,451.90</b>

**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
<b>At 01 April, 2022</b>	<b>3,711.48</b>	<b>(2,420.66)</b>	<b>(212.69)</b>	<b>1,078.13</b>
Charged/(credited):				
- to profit or loss	252.33	(43.21)	146.37	355.49
- to other comprehensive income	-	18.28	-	18.28
<b>At 31 March, 2023</b>	<b>3,963.81</b>	<b>(2,445.59)</b>	<b>(66.32)</b>	<b>1,451.90</b>
Charged/(credited):				
- to profit or loss	53.50	(141.97)	(1.96)	(90.43)
- to other comprehensive income	-	36.92	-	36.92
<b>At 31 March, 2024</b>	<b>4,017.31</b>	<b>(2,550.64)</b>	<b>(68.28)</b>	<b>1,398.39</b>

**Note 17: Financial liabilities (current)****Note 17(a): Borrowings (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Secured short term borrowings :		
a) Loans repayable on demand		
- from bank	5,558.48	30,117.18
(Secured by Fixed deposit)		
<b>Total borrowings (current)</b>	<b>5,558.48</b>	<b>30,117.18</b>

**Note 17(b): Trade payables (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade payables		
- Micro and small enterprises	50.32	236.15
- Russian deferred credit	128.37	128.37
- Others	99,063.32	1,17,022.22
<b>Total trade payables (current)</b>	<b>99,242.01</b>	<b>1,17,386.74</b>

**Trade payables ageing schedule**

As at 31 March, 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
MSME	50.32	-	-	-	50.32
Others	74,892.33	7,898.79	7,865.96	8,534.60	99,191.69
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>Total trade payables (current)</b>	<b>74,942.65</b>	<b>7,898.79</b>	<b>7,865.96</b>	<b>8,534.60</b>	<b>99,242.01</b>

As at 31 March, 2023

(₹ 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	236.15	-	-	-	236.15
Others	91,776.81	12,981.48	6,497.10	5,895.21	1,17,150.59
Disputed dues-MSME	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-
<b>Total trade payables (current)</b>	<b>92,012.96</b>	<b>12,981.48</b>	<b>6,497.10</b>	<b>5,895.21</b>	<b>1,17,386.74</b>

**Note 17(c): Other financial liabilities**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security deposit	511.25	439.14
Accrued expenses		
- Accrued salaries and benefits	919.94	931.13
- Rent	15.53	15.53
Unpaid dividend	11.31	10.74
Other payables	2,088.49	1,498.02
<b>Total other financial liabilities</b>	<b>3,546.52</b>	<b>2,894.56</b>

**Note 18: Other current liabilities**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Contract liabilities	7,32,716.82	7,70,137.71
Statutory liabilities	587.39	483.43
Other liabilities	-	15.97
<b>Total other current liabilities</b>	<b>7,33,304.21</b>	<b>7,70,637.11</b>

**Note 19: Provisions (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Guarantee repair	1,050.86	600.01
Accrued Leave Liability	697.71	659.73
Post retirement medical benefits	234.60	123.20
Onerous Contract	270.66	279.07
Other provisions	1,550.09	1,217.73
<b>Total provisions (current)</b>	<b>3,803.92</b>	<b>2,879.74</b>

*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.

#### Provision for Onerous Contract

As on 31 March 23, unadjusted onerous provision was ₹ 279.07 Lakh (₹ 47.96 Lakh for Guyana Ferry and ₹ 231.11 Lakh for Bangladesh Boats) out of total onerous provision of ₹ 647.56 Lakh (₹ 200.43 Lakh for Guyana Ferry and ₹ 447.13 Lakh for Bangladesh Boats) provided up to FY 22-23.

Additional onerous provision of ₹ 155.22 Lakhs has been recognized in current financial year in respect of Bangladesh Boat due to Cost/time overrun.

During the Current Financial year a total ₹ 163.63 lakh (₹ 47.96 Lakh for Guyana Ferry and ₹ 115.67 Lakh for Bangladesh Boat) has been adjusted and remaining unadjusted balance as on 31 March 24 is ₹ 270.66 Lakh.

Movement of Provision for onerous loss 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 provisions during the financial year, are set out below:

(₹ in Lakh)

Particulars	Guarantee Repairs	Provision for Onerous Contract	Other Provisions
<b>As at 01 April, 2022</b>	<b>2,325.25</b>	<b>783.32</b>	<b>12,427.58</b>
Charged/(credited) to profit or loss			
additional provision recognised	418.97	647.56	1,182.93
Amount used during the year	(2,144.21)	(1,151.81)	(12,392.78)
<b>As at 31 March, 2023</b>	<b>600.01</b>	<b>279.07</b>	<b>1,217.73</b>
Charged/(credited) to profit or loss			
additional provision recognised	777.44	155.22	1,541.17
Amount used during the year	(326.59)	(163.63)	(1,208.81)
<b>As at 31 March, 2024</b>	<b>1050.86</b>	<b>270.66</b>	<b>1,550.09</b>

#### Note 20: Revenue from operations

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
<b>a) Contract revenue</b>		
- Shipbuilding	3,06,918.46	2,30,196.88
- Ship repair	7,566.45	196.32
- General engineering	379.25	-
- Diesel engines	4,410.93	2,188.93
<b>b) Sale of products</b>		
- B & D spares	19,727.78	11,894.55
- Bailey bridge	11,476.52	5,646.68
- General engineering	2,289.82	51.96
- Diesel engines	-	5.38
<b>(c) Sale of services</b>		
- Ship repair	1,722.72	3,201.42
- Bailey bridge	2,546.99	1,283.00
- General engineering	24.31	-



(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
- Diesel engines	378.84	102.20
<b>(d) Misc. Project</b>	16.99	16.40
<b>(e) Project assistance</b>	1,387.25	-
<b>(f) Other operating revenue</b>		
- Scrap sales	412.24	1,307.06
- Training Fees	5.68	23.73
<b>Total revenue from operations</b>	<b>3,59,264.23</b>	<b>2,56,114.51</b>

- i. Above includes Revenue from operation from export contracts ₹ 4,690.06 Lakh (FY 22-23 : ₹ 5,978.19 Lakh).
- ii. Export sales ₹ 4550.67 Lakh (FY 22-23 : ₹ 477.17 Lakh).
- iii. 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, 2024	Year ended 31 March, 2023
Interest income	27,135.47	17,834.00
Profit on sale of mutual fund	812.54	578.30
Gain on fair valuation		
- mutual fund	-	41.30
- others	998.76	442.24
Rental income	74.75	12.90
Insurance claims	53.50	47.12
Liability/provision written back	675.67	847.07
Profit/(Loss) on retired assets (net)	132.89	100.25
Other items	78.61	280.37
<b>Total other income</b>	<b>29,962.19</b>	<b>20,183.55</b>

**Note 22(a): Cost of materials consumed**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Raw materials	31,336.99	47,928.06
Equipments & components	1,74,699.79	1,01,596.33
<b>Total cost of materials consumed</b>	<b>2,06,036.78</b>	<b>1,49,524.39</b>

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

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening balance		
- Bailey bridge unit	4,603.60	4,339.84
- Engine unit	186.68	292.22
- Others	947.26	955.09
<b>Total opening balance</b>	<b>5,737.54</b>	<b>5,587.15</b>
Closing balance		
- Bailey bridge unit	3,659.29	4,603.60
- Engine unit	308.78	186.68
- Others	2,477.10	947.26
<b>Total closing balance</b>	<b>6,445.17</b>	<b>5,737.54</b>
Total changes in inventories of work-in-progress	(707.63)	(150.39)
Change in inventories of scrap	102.08	623.05
<b>Total changes in inventories of work-in-progress and scrap</b>	<b>(605.55)</b>	<b>472.66</b>

**Note 23: Employee benefits expense**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Salaries and wages	26,368.75	24,926.15
Contribution to provident fund and other funds	4,000.03	3,591.71
Staff welfare expenses	4,524.55	3,173.21
<b>Total employee benefit expense</b>	<b>34,893.33</b>	<b>31,691.07</b>

**Note 24: Finance costs**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest expense		
- Interest expense on bank overdraft	683.42	408.04
- Interest expense on LD liability	340.65	126.57
- Interest expense on lease liability	85.41	88.80
- Interest on dues to Micro & Small Enterprises	39.44	24.66
<b>Total finance costs</b>	<b>1,148.92</b>	<b>648.07</b>

**Note 25: Depreciation and amortisation expense**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Depreciation of property, plant and equipment	3,874.11	3,686.53
Amortisation of intangible assets	258.55	230.10
<b>Total depreciation and amortisation expense</b>	<b>4,132.66</b>	<b>3,916.63</b>

**Note 26: Other expenses - project related**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Facility hire	507.83	58.45
Insurance	1,019.58	1,134.86
Travelling expenses	456.91	484.39
Technicians' fees	6,817.32	3,182.36
Launching & commissioning expenses	300.57	263.21
Bank Charges	366.44	357.47
Miscellaneous expenses	435.37	226.69
<b>Total other expenses - project related</b>	<b>9,904.02</b>	<b>5,707.43</b>

**Note 27: Other expenses**

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Consumption of stores and spares parts	160.82	91.44
Power and fuel	983.04	889.39
Rent	462.43	234.88
Repair and maintenance		
- Buildings	638.92	610.61
- Plant & Equipment	1,174.89	755.58
- Other	1,571.02	1,219.23
Insurance	594.74	580.15
Rates and taxes	507.14	157.76
Marketing expenses	275.87	110.54
Stores clearing & dispatch expenses	15.92	39.45
Provision for non moving & obsolete inventory	409.92	236.81
Transport hire charges	374.81	368.91
Travelling expenses	312.11	275.51
Advertisement & publicity	372.56	337.37
Bank charges & commission	116.27	34.89
Printing & stationary	8.92	10.14
Postage & courier	7.27	10.53
Telephone & fax	41.94	41.98
Legal expenses	34.95	28.66
Corporate social responsibility	511.00	460.00
Allowance for doubtful debts	8.05	59.88
Auditor's remuneration:		
(a) Audit Fees	8.60	8.60
(b) Tax audit fees	1.25	1.25
(c) Fees for other services	7.45	5.57

(₹ in Lakh)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
CISF Expenses	3,429.69	3,235.50
Property plant & equipment written off	439.32	75.77
Net Foreign exchange loss	259.71	352.68
Other miscellaneous expenses	695.76	579.54
<b>Total other expenses</b>	<b>13,424.37</b>	<b>10,812.62</b>

Expenditure on Reasearch and Development aggregating to ₹ 2,395 Lakh (previous year ₹ 1,365 Lakh) is reflected under respective various heads in the above notes.

**Note 28 (a): Income tax expense**

(₹ in Lakh)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Income tax expense		
Current tax		
Current tax on profits for the year	12,455.75	7,353.90
<b>Total current tax expense</b>	<b>12,455.75</b>	<b>7,353.90</b>
Deferred tax		
Deferred tax (benefit)/expense	(90.43)	355.49
<b>Total deferred tax expense</b>	<b>(90.43)</b>	<b>355.49</b>
<b>Income tax expense</b>	<b>12,365.32</b>	<b>7,709.39</b>

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

(₹ in Lakh)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Profit before tax	48,092.09	30,521.79
<b>Current tax expenses on Profit before tax expenses at the enacted income tax rate in India</b>	<b>12,103.82</b>	<b>7,681.72</b>
Effect of expenses that are not deductible in determining taxable profit	2,065.58	1,844.83
Effect of expenses that are allowable in determining taxable profit	(2,078.07)	(2,288.42)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	128.61	115.77
Adjustments for changes in estimates of deferred tax assets	(90.43)	355.49
Effect of Interest u/s 234B & C	235.81	-
<b>Total income tax expense recognised in Profit and Loss</b>	<b>12,365.32</b>	<b>7,709.39</b>



**Note 29: Contingent Liabilities and Contingent Assets**

As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the disclosures are given here under:

(₹ in Lakh)

<b>(A) Contingent Liabilities</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
(i) Claims against the Company not acknowledged as debts	9,305.70	7,666.16
(ii) Guarantees		
a) Guarantees given by Banks	5,23,823.04	4,34,298.13
b) Indemnity Bonds for Performance & Warranties	1,10,311.42	1,03,291.28
c) Unexpired Letters of Credit	4,954.30	6,116.21
(iii) Other money for which the Company is contingently liable		
a) Sales Tax	506.83	506.83
b) Income Tax	1,633.19	1,633.19
c) GST	266.52	142.17

(a) Contingent liability on account of Sales Tax amount to ₹ 506.83 lakh (31 March, 2023 ₹ 506.83 lakh) towards assessment dues and demand for the years 2007-08. This amount has not been acknowledged as debts and accordingly not provided for in the Accounts as the demand is under appeal before West Bengal Sales Tax Appellate Tribunal.

(b) Contingent liability on account of income tax amounts to ₹ 1,633.19 Lakh (31 March, 2023 : 1633.19 Lakh) towards , Arbitrary increase by the Income Tax Authority in taxable income based on Form 26AS for AY 2009-10 - ₹ 1,624.58 Lakh, and disallowance of 80G rebate - ₹ 8.61 Lakh for AY 2017-18. Above disputes have not been acknowledged as debt and accordingly not provided for in the Accounts as all the issues are under first stage of appeal.

(c) Dispute on account of GST amounting to ₹ 142.17 lakh towards demand for excess refund of ITC (Input Tax Credit) by the revenue authorities due to inverted duty structure, for the period Jun 20 to Sept 20 (FY 2020-21), has been disposed off in favour of GRSE, hence the contingent liability of ₹ 142.17 Lakh is withdrawn. Dispute for FY 2017-18 amounting to ₹ 266.52 Lakh pertains to arbitrary demand of interest for alleged late payment Above dispute has 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.

**Note 30: Commitments**

(₹ in Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,404.37	3,207.34
Advance paid against above	-	-

### Note 31: 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 ₹ 697.71 Lakh (31 March, 2023 ₹ 659.73 Lakh) is presented as current and remaining amount is presented as non current. The leave obligation is an unfunded plan, the Company makes contributions to scheme maintained by Life Insurance Corporation of India (LIC).

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

(₹ in Lakh)

Particulars	Leave obligation
<b>As at 31 March, 2023</b>	
Current portion	659.73
Non-current portion	7,373.79
<b>Total</b>	<b>8,033.52</b>
<b>As at 31 March, 2024</b>	
Current portion	697.71
Non-current portion	7,640.80
<b>Total</b>	<b>8,338.51</b>

#### (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 the above, post retirement medical benefits to the superannuated employees are, defined contribution schemes and premium of ₹ 1,332.60 Lakh (31 March, 2023: ₹ 1,131.09 Lakh) paid to an Insurance Company. 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 ₹ 2,100.86 Lakh for the year 2023-24 (₹1,838.00 Lakh for the year 2022-23).

**Note 31: Employee benefit obligations (Contd.)**

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, 2024.

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April, 2023</b>	44,497.50	(44,531.67)	(34.17)
Current service cost	4,255.10	-	4,255.10
Interest expense/(income)	3,456.53	(3,629.33)	(172.81)
<b>Total amount recognised in profit or loss</b>	<b>7,711.63</b>	<b>(3,629.33)</b>	<b>4,082.30</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	111.23	111.23
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	-	-	-
Actuarial (gain)/loss from unexpected experience	(198.35)	-	(198.35)
<b>Total amount recognised in other comprehensive income</b>	<b>(198.35)</b>	<b>111.23</b>	<b>(87.12)</b>
Employer contributions/ premium paid	-	(1,720.99)	(1,720.99)
Benefit payments	(4,172.27)	4,172.27	-
Participant Contributions	-	(2,534.11)	(2,534.11)
Transfer in	-	-	-
<b>31 March, 2024</b>	<b>47,838.51</b>	<b>(48,132.60)</b>	<b>(294.09)</b>

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. Hence, there is no impact on accounts of the Company during the current year.

**(iii) Defined Contribution Plan:****Superannuation Pension Fund:**

The Pension Scheme is administered by a Trust. The Company has transferred an amount of ₹ 512.70 Lakh for officers and non-unionised supervisors to LIC towards employer's contribution for the year 2023-24 (₹ 479.19 Lakh for the year 2022-23).

The pension scheme for unionised employees has been introduced w.e.f. 01 January 2012. An amount of ₹ 583.28 Lakh has been transferred to LIC for the year 2023-24 (₹741.24 Lakh (incl. arrear) for the year 2022-23) towards employer's contribution for operatives and office assistants.

**Note 31: Employee benefit obligations (Contd.)**

**(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
<b>1 April, 2022</b>	1,607.01
Current service cost	64.56
Interest expense/(income)	116.50
<b>Total amount recognised in Profit or Loss</b>	<b>181.06</b>
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	(42.22)
Experience (gains)/losses	(63.07)
<b>Total amount recognised in other comprehensive income</b>	<b>105.29</b>
Employer contributions/ premium paid	-
Benefit payments	-
<b>31 March, 2023</b>	<b>1,682.78</b>

(₹ in Lakh)

Particulars	Present value of obligation
<b>1 April, 2023</b>	1,682.78
Current service cost	69.03
Interest expense/(income)	117.29
<b>Total amount recognised in Profit or Loss</b>	<b>186.32</b>
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	68.15
Experience (gains)/losses	(142.10)
<b>Total amount recognised in other comprehensive income</b>	<b>(73.95)</b>
Employer contributions/ premium paid	-
Benefit payments	-
<b>31 March, 2024</b>	<b>1,795.15</b>



**Note 31: Employee benefit obligations (Contd.)****(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
<b>1 April, 2022</b>	11,980.53	(11,980.53)	-
Current service cost	717.96	-	717.96
Interest expense/(income)	823.55	(868.58)	(45.03)
<b>Total amount recognised in profit or loss</b>	<b>1,541.51</b>	<b>(868.58)</b>	<b>672.93</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	25.08	25.08
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(84.70)	-	(84.70)
Actuarial (gain)/loss from unexpected experience	92.31	-	92.31
<b>Total amount recognised in other comprehensive income</b>	<b>7.61</b>	<b>25.08</b>	<b>32.69</b>
Employer contributions/ premium paid	-	(705.61)	(705.61)
Benefit payments	(1,242.38)	1,242.38	-
<b>31 March, 2023</b>	<b>12,287.27</b>	<b>(12,287.27)</b>	-

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April, 2023</b>	12,287.27	(12,287.27)	-
Current service cost	750.96	-	750.96
Interest expense/(income)	814.96	(856.42)	(41.47)
<b>Total amount recognised in profit or loss</b>	<b>1,565.92</b>	<b>(856.42)</b>	<b>709.49</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(15.83)	(15.83)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	261.44	-	261.44
Actuarial (gain)/loss from unexpected experience	(318.33)	-	(318.33)
<b>Total amount recognised in other comprehensive income</b>	<b>(56.89)</b>	<b>(15.83)</b>	<b>(72.72)</b>
Employer contributions/ premium paid	-	(636.77)	(636.77)
Benefit payments	(1,189.82)	1,189.82	-
<b>31 March, 2024</b>	<b>12,606.47</b>	<b>(12,606.47)</b>	-

### Note 31: Employee benefit obligations (Contd.)

#### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March, 2024	31 March, 2023
Discount rate	6.97%	7.25%
Expected return on plan asset	6.97%	7.25%
Salary growth rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM (2012-2015) 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, 2024		31 March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	12,146.21	13,098.10	11,845.41	12,759.14
% change compared to base due to sensitivity	-3.65%	3.90%	-3.60%	3.84%
Salary growth rate (-/+ 0.5%)	12,840.27	12,356.28	12,547.18	12,007.88
% change compared to base due to sensitivity	1.85%	-1.98%	2.12%	-2.27%
Attrition rate (-/+ 0.5%)	12,607.12	12,605.82	12,287.80	12,286.73
% change compared to base due to sensitivity	0.01%	-0.01%	0.00%	0.00%
Life expectancy/ mortality rate (-/+ 10%)	12,608.46	12,604.47	12,289.90	12,284.62
% change compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%

Particulars	Impact on Post-retirement medical benefits			
	31 March, 2024		31 March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	1,745.60	1,843.80	1,636.33	1,728.38
% change compared to base due to sensitivity	-2.76%	2.71%	-2.76%	2.71%
Attrition rate (-/+ 0.5%)	1,792.45	1,797.84	1,722.66	1,642.06
% change compared to base due to sensitivity	-0.15%	0.15%	2.37%	-2.42%
Life expectancy/ mortality rate (-/+ 10%)	1,790.48	1,799.81	1,680.25	1,685.30
% change compared to base due to sensitivity	-0.26%	0.26%	-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.

**Note 31: Employee benefit obligations (Contd.)****(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, 2025 are ₹ 1,969.37 Lakh.

The weighted average duration of the defined benefit obligation (gratuity) is 12 years (31 March, 2023 – 12 years) and Post-retirement medical benefits is 40 years (31 March, 2023 – 40 years). The expected maturity analysis of undiscounted gratuity and post-retirement medical benefits are as follows:

Particulars	Less than a year	More than 1 year
<b>As at 31 March, 2024</b>		
Defined benefit obligation (gratuity)	1,407.98	22,763.57
Post-retirement medical benefits	242.56	6,428.17
<b>Total</b>	<b>1,650.54</b>	<b>29,191.75</b>
<b>As at 31 March, 2023</b>		
Defined benefit obligation (gratuity)	1,451.52	22,699.83
Post-retirement medical benefits	127.38	6,025.80
<b>Total</b>	<b>1,578.90</b>	<b>28,725.63</b>

**Note 32: 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, 2024	31 March, 2023
Short-term employee benefits	285.44	195.92
Post-employment benefits	11.77	8.01
<b>Total compensation</b>	<b>297.21</b>	<b>203.93</b>

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 w.r.t. related party transactions with government and government related entities.

**Note 32: Related party transactions (Contd.)**

However as required under Ind AS 24, following are the individually significant transactions :- (₹ in Lakh)

Particulars	31 March, 2024	31 March, 2023
Sales of goods and services		
Sale of goods (owned by Govt. of India)	84,878.42	25,163.81
Sale of services (owned by Govt. of India)	9,204.83	2,482.68
Other transactions		
Final Dividend paid to shareholder	597.39	725.40
Interim Dividend paid to shareholder	6,759.03	4,693.77

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

(₹ in Lakh)

Particulars	31 March, 2024	31 March, 2023
Trade receivables (sale of goods and services)	17,046.55	3,550.72
Entities (owned by Govt. of India)		

**Note 33: Fair value measurements****Financial instruments by category**

(₹ in Lakh)

Particulars	31 March, 2024			31 March, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Equity instruments	0.44	-	-	0.44	-	-
Mutual Funds	-	-	23,366.40	-	-	-
Trade receivables	-	-	19,420.70	-	-	5,084.50
Security deposits	-	-	774.60	-	-	769.15
Deferred credit recoverable from Navy	-	-	911.93	-	-	945.73
Contract Assets	-	-	8,630.05	-	-	8,550.74
Cash and cash equivalents	-	-	527.00	-	-	1,398.55
Other bank balances	-	-	3,71,506.84	-	-	4,31,382.07
Other financial assets:						
Interest accrued but not due on deposits	-	-	12,792.35	-	-	14,081.35
<b>Total financial assets</b>	<b>0.44</b>	<b>-</b>	<b>4,14,563.47</b>	<b>23,366.84</b>	<b>-</b>	<b>4,62,212.09</b>
<b>Financial liabilities</b>						
Borrowings	-	-	5,558.48	-	-	30,117.18
Lease liability	-	-	1,008.58	-	-	1,093.57
Trade payables	-	-	1,00,025.57	-	-	1,18,204.10
Security deposits	-	-	511.25	-	-	439.14
Others	-	-	3,035.27	-	-	2,455.42
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,10,139.15</b>	<b>-</b>	<b>-</b>	<b>1,52,309.41</b>

**(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.



## Note 33: Fair value measurements (Contd.)

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>0.44</b>
Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Deferred credit recoverable from Navy	-	-	911.93	911.93
Trade receivables	-	-	19,420.70	19,420.70
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>20,332.63</b>	<b>20,332.63</b>
<b>Financial liabilities</b>				
Trade payable				
LD deducted from vendors	-	-	11,271.64	11,271.64
Russian deferred credit	-	-	911.93	911.93
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>12,183.57</b>	<b>12,183.57</b>
Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund		23,366.40	-	23,366.40
<b>Total financial assets</b>	<b>-</b>	<b>23,366.40</b>	<b>0.44</b>	<b>23,366.84</b>
Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Deferred credit recoverable from Navy	-	-	945.73	945.73
Trade receivables	-	-	5,084.50	5,084.50
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>6,030.23</b>	<b>6,030.23</b>
<b>Financial liabilities</b>				
Trade payable				
LD deducted from vendors	-	-	3,994.26	3,994.26
Russian deferred credit	-	-	945.73	945.73
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,939.99</b>	<b>4,939.99</b>

## (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.

### Note 33: Fair value measurements (Contd.)

#### (iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakh)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Deferred credit recoverable from Navy	911.93	911.93	945.73	945.73
<b>Total financial assets</b>	<b>911.93</b>	<b>911.93</b>	<b>945.73</b>	<b>945.73</b>
<b>Financial liabilities</b>				
Trade payable				
LD deducted from vendors	11,271.64	10,286.83	3,994.26	3,450.25
Russian deferred credit	911.93	911.93	945.73	945.73
<b>Total financial liabilities</b>	<b>12,183.57</b>	<b>11,198.76</b>	<b>4,939.99</b>	<b>4,395.98</b>

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 34: 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, 2024 and 31 March, 2023 is the carrying amounts as illustrated in Note 6 (b), Note 10 (a), Note 10 (c) and Note 10 (d).

**Note 34: Financial Risk Management (Contd.)****(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 obligations.

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 to their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2024	One year or less	More than 1 year	Total
Borrowings	5,558.48	-	5,558.48
Trade payables	99,242.01	1,540.56	1,00,782.57
Lease liabilities	179.74	828.84	1,008.58
Other financial liabilities	3,546.52	-	3,546.52
<b>Total financial liabilities</b>	<b>1,08,526.75</b>	<b>2,369.40</b>	<b>1,10,896.15</b>

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2023	One year or less	More than 1 year	Total
Borrowings	30,117.18	-	30,117.18
Trade payables	1,17,386.74	1,668.94	1,19,055.68
Lease liabilities	170.41	923.16	1,093.57
Other financial liabilities	2,894.56	-	2,894.56
<b>Total financial liabilities</b>	<b>1,50,568.89</b>	<b>2,592.10</b>	<b>1,53,160.99</b>

**(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 (i.e. ₹). The outflow on account of imports and payments in foreign currency is mostly reimbursable from the buyers. The risk in case of export is measured through a forecast of highly probable foreign currency cash flows.

**Foreign currency risk exposure**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

(₹ in Lakh)

Particulars	31 March, 2024			31 March, 2023		
	EUR	GBP	USD	EUR	GBP	USD
<b>Financial assets</b>	-	-	1,071.98	-	-	-
<b>Financial liabilities</b>	1,508.85	75.65	80.96	1,622.62	76.02	47.83
<b>Net exposure to foreign currency risk</b>	<b>(1,508.85)</b>	<b>(75.65)</b>	<b>991.02</b>	<b>(1,622.62)</b>	<b>(76.02)</b>	<b>(47.83)</b>

## Sensitivity

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

(₹ in Lakh)

Particulars	Impact on profit before tax	
	31 March, 2024	31 March, 2023
<b>EUR sensitivity</b>		
INR/EUR Increases by 4.83% (31 March 2023 - 5.51%)*	(73)	(89)
INR/EUR Decreases by 1.84% (31 March 2023 - 2.66%)*	28	43
<b>GBP sensitivity</b>		
INR/GBP Increases by 4.43% (31 March 2023 - 4.58%)*	(3)	(3)
INR/GBP Decreases by 1.66% (31 March 2023 - 1.64%)*	1	1
<b>USD sensitivity</b>		
INR/USD Increases by 5.70% (31 March 2023- 7.07%)*	(5)	(3)
INR/USD Decreases by 3.58% (31 March 2023 - 1.81%)*	3	1

\* Holding all other variables constant.

## Note 35: 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, 2024	31 March, 2023
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March, 2023: ₹ 0.70 (31 March, 2022: ₹ 0.85) per fully paid share	801.86	973.69
Interim dividend for the year ended 31 March, 2024: ₹ 7.92 (31 March, 2023: ₹ 5.50) per fully paid share	9,072.52	6,300.36
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 1.44 per fully paid equity share (31 March 2023: ₹ 0.70). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	1,649.55	801.86

## Note 36: Earnings Per Share

Particulars	31 March, 2024	31 March, 2023
Profit attributable to equity share holders of the Company used in calculating basic and diluted earnings per share (₹ in Lakh)	35,726.77	22,812.40
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 (₹)	<b>31.19</b>	19.91



**Note 37 : 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)	Health, Nutrition and Sanitation	400.37
iii) Clause (ii)	Skill Development Training	108.63
iii) Clause (iv)	Contribution to clean Ganga fund set-up by Central Govt.	2.00
<b>TOTAL</b>		<b>511.00</b>

(₹ in Lakh)

Particulars	2023-24	2022-23
Amount required to be spent by the Company during the year	510.88	457.32
<b>Amount spent during the year on:</b>		
i) Construction/acquisition of any asset	166.97	-
ii) On purposes other than (i) above	344.03	460.00
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 health care, Nutrition & Sanitation ii. Skill Development Training iii. Contribution to clean Ganga fund set-up by Central Govt.	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.
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 38: 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, 2024	31 March, 2023
(i) Contract revenue recognized for the year	3,19,275.09	2,32,582.13
(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	9,27,096.39	6,80,595.78
(iii) Amount of customer advances outstanding (gross) for contracts in progress	15,50,895.50	13,59,524.24

### Note 39: 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 Ruble 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, 2024 and aggregated to ₹ 911.93 Lakh (Undiscounted amount being ₹ 1,668.94 Lakh) [31 March, 2023: ₹ 945.73 Lakh (Undiscounted amount being ₹ 1,797.32 Lakh)].

### Note 40:

- (a) The Company follows a general practice of undertaking physical verification of all the fixed assets in a phased manner in a block of three years. In the current year, such physical verification has been done in the GRSE's Fitting Out Jetty Unit, Taratala Unit and Central Design Office. Discrepancies found have been appropriately dealt in the Accounts.
- (b) 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 Rs. 1,055.38 Lakh (original value ₹ 3,287.13 Lakh) as on 31 March, 2024 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 14.08.2018 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 ₹ 5,654.40 Lakh (Previous year ₹ 5,505.60 Lakh) without interest has been considered as contingent liability not acknowledged as debt.

### Note 41:

Letters seeking confirmation of balances in the accounts as at 31 December, 2023 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 42:

- (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 43:**

With introduction of Indian Accounting Standard (Ind AS 116) effective from 01.04.2019, the Company has adopted the same using retrospective transition method.

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 ₹ 60.19 Lakh (FY 2022-23: ₹ 60.19 Lakh) and vehicle of ₹ 110.21 Lakh (FY 2022-23: ₹ 102.34 Lakh) has been adjusted with corresponding lease liability. Finance cost includes unwinding of Interest on lease rent paid of ₹ 85.41 Lakh (FY 2022-23: ₹ 88.80 Lakh) and depreciation & amortisation expenses include amortisation of RoU Assets of ₹ 116.93 Lakh (FY 2022-23: ₹ 109.27 Lakh).

**Details of Lease Liabilities are appended below:**

(₹ in Lakh)

Particulars	As at 1 April, 2023	Addition/ Adjustment	Unwinding of Interest	Total Cash Outflow	As at 31 March, 2024
Land	659.15	-	56.40	60.19	655.36
Vehicle	434.42	-	29.01	110.21	353.22
<b>Total</b>	<b>1,093.57</b>	<b>-</b>	<b>85.41</b>	<b>170.40</b>	<b>1,008.58</b>

**Details of Contractual maturity of Assets on an undiscounted basis:**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Less than 1 year	-	-
More than 1 year	981.72	1,098.65
<b>Total</b>	<b>981.72</b>	<b>1,098.65</b>

**Details of Contractual maturity of liabilities on an undiscounted basis**

(₹ in Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Less than 1 year	179.74	170.41
1 year to 5 years	578.44	641.01
More than 5 years	1,777.13	1,894.30

**Note 44:**

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	2023-24	2022-23
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	50.32	236.15
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	1.34	3.47
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	38.10	21.19
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year	39.44	24.66
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 45:**

The total Fund Based limits ₹ 21,000 Lakh (March 31, 2023: ₹ 21,000 Lakh) and Non-Fund based limits ₹ 8,30,800 Lakh (March 31, 2023: ₹ 8,30,800 Lakh) sanctioned by various banks under Multiple Banking Arrangement (MBA). The said limits are secured by hypothecation of entire current assets (excluding Fixed Deposits) except for non-fund based limit of ₹ 30,000 Lakh sanctioned by Yes Bank which is unsecured.

The Bank Overdraft against Fixed Deposit (ODFD) outstanding as on 31 March, 2024 is ₹ 5,558.48 Lakh. The ODFD was availed against Fixed Deposits of ₹ 24,500 Lakh kept in lien with Bank.

As on 31 March, 2024 guarantees given by Bank is ₹ 5,23,823.04 Lakh.

**Note 46: Disclosure of recovery or settlement of assets and liabilities**

(₹ in Lakh)

Particulars	31 March, 2024		31 March, 2023	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	-	48,497.94	-	49,925.08
(b) Capital work-in-progress	1,161.86	-	484.45	-
(c) Intangible assets	-	758.72	-	835.96
(d) Intangible assets under development	1,314.39	-	119.60	-
(e) Financial assets				
(i) Investments	-	0.44	-	0.44
(ii) Other financial assets	-	9,016.45	-	9,044.06
(f) Non-current tax assets	-	19,842.75	-	20,584.35
(g) Other non-current assets	-	20.16	-	16.34
<b>(2) Current assets</b>				
(a) Inventories	3,98,444.14	-	2,91,850.49	-
(b) Financial assets				
(i) Current Investment	-	-	23,366.40	-
(ii) Trade receivables	19,420.70	-	5,084.50	-
(iii) Cash and cash equivalents	527.00	-	1,398.55	-
(iv) Bank balances other than (iii) above	3,71,506.84	-	4,31,382.07	-
(v) Other financial assets	22,234.79	-	23,422.92	-
(c) Other current assets	1,32,428.74	-	2,20,070.17	-
(d) Assets classified as held for sale	15.99	-	7.90	-
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Lease liabilities	-	828.84	-	923.16
(ii) Trade payables	-	783.56	-	817.36
(b) Provisions	-	9,201.35	-	8,933.37
(c) Deferred tax liabilities (Net)	-	1,398.39	-	1,451.90
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	5,558.48	-	30,117.18	-
(ia) Lease liabilities	179.74	-	170.41	-
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises	50.32	-	236.15	-
(B) total outstanding dues other than micro enterprises and small enterprises	99,191.69	-	1,17,150.59	-
(iii) Other financial liabilities	3,546.52	-	2,894.56	-
(b) Other current liabilities	7,33,304.21	-	7,70,637.11	-
(c) Provisions	3,803.92	-	2,879.74	-



**Note 47:****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 48:**

Ratio	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	Variance (%)	Reason for Variance
Current Ratio (In times)	Current asset	Current Liability	1.12	1.08	4%	
Debt Equity Ratio (In times)	Debt (Long-term)	Equity	0.005	0.007	-24%	
Debt Service Coverage Ratio (In times)	Earnings available for debt service (PAT, Depreciation & Interest)	Debt Service (Interest & lease payments + Principal repayments)	1.31	33.77	-96%	During the Financial Year 2023-24, repayment of ₹ 30,117.18 Lakh (Bank OD) have been made and the same resulted into higher Debt-Services and lower ratio.
Return on Equity (%)	Profit After Tax less preference dividend (if any)	Average Shareholder's Equity	23.14%	17.08%	36%	Revenues of the Company increased significantly during the FY 2023-24 and accordingly the Profit after tax has also increased resulting higher Return on Equity.
Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	0.99	1.20	-18%	
Trade Receivables Turnover Ratio (In times)	Credit sales	Average Trade Receivables	29.32	25.33	16%	
Trade Payable Turnover Ratio (In times)	Credit Purchase	Average Trade Payable	3.73	4.78	-22%	
Net Capital Turnover Ratio (In Times)	Revenue from Operation	Working Capital	3.63	3.53	3%	
Net Profit Ratio (%)	PAT	Revenue from Operation	9.94%	8.91%	12%	
Return on Capital Employed (%)	EBIT	Capital Employed	29.17%	21.81%	34%	Profits during the year has increased significantly resulting into higher Return on Capital Employed.
Return on Investment (%)	Income from Invested Fund	Average Investment	7.30%	4.87%	50%	The average return on Fixed Deposits and Mutual Funds have been increased to 7.10% from 5.92% of previous year. The same effected the ratio positively.

**Note 49:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**Note 50:****Relationship with Struck off Companies**

(₹ in Lakh)

Name of Struck off Company	Nature of transaction with struck off company	Balance Outstanding As at 31 March, 2024	Relationship with the Struck off company, if any to be disclosed	Balance Outstanding As at 31 March, 2023	Relationship with the Struck off company, if any to be disclosed
BURN STANDARD CO. LTD.	Payables	6.34	Vendor	6.34	Vendor
BCG CONSULTANTS (P) LTD.	Payables	0.03	Vendor	0.03	Vendor

**Note 51:**

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 52:**

The financial statements are authorised for issue by the Board of Directors on 22<sup>nd</sup> May, 2024.

**In terms of our report of even date.****For Guha Nandi & Co.**

Chartered Accountants  
Firm's Registration No - 302039E

Sd/-

**(CA Dr. B.S. Kundu)**

Partner  
Membership No. 051221

Place of Signature: Kolkata  
Date: 22<sup>nd</sup> day of May, 2024

**For and on behalf of the Board of Directors**

Sd/-

**Cmdr Hari PR, IN (Retd.)**

Chairman & Managing Director  
DIN - 08591411

Sd/-

**R.K Dash**

Director (Finance) & CFO  
DIN - 08511344

Sd/-

**S. Mahapatra**

Company Secretary  
ACS 10992



## GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

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CIN: L35111WB1934GOI007891

# NOTICE OF 108<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 108<sup>th</sup> Annual General Meeting of **Garden Reach Shipbuilders & Engineers Limited** will be held on **Friday, 20<sup>th</sup> September, 2024** at 10:30 hours through Video Conference / Other Audio Visual Means, to transact the following businesses:

### ORDINARY BUSINESS:

- (1) To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 along with the Reports of the Board of Directors, Auditors' and the comments of the Comptroller & Auditor General of India thereon.
- (2) To confirm the payment of Interim Dividend of ₹7.92 per equity share and to declare a Final Dividend of ₹1.44 per equity share for the financial year 2023-24 (i.e. total Dividend of ₹9.36 per equity share for/during the financial year 2023-24).
- (3) To appoint a Director in place of Shri Rajeev Prakash (DIN: 08590061), 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 2024-25.

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 2024-25, as may deem fit.

### SPECIAL BUSINESS:

- (5) **To increase the Authorised Share Capital of the Company.**

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 61 and other applicable provisions of the Companies Act, 2013 (the 'Act') (including any statutory modifications or re-enactment thereof) and the rules framed thereunder, and provisions of the Articles of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from the existing ₹1,25,00,00,000 (Rupees One Hundred Twenty-Five Crore only) divided into 12,50,00,000 (Twelve Crore and Fifty Lakh

equity shares of ₹10 (Rupees Ten only) each to ₹2,00,00,00,000 (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of ₹10 (Rupees Ten only) each by creation of 7,50,00,000 (Seven Crore Fifty Lakh) Equity Shares of ₹10 (Rupees Ten only) which shall rank pari-passu with the existing shares of the Company in all respect."

- (6) **To Alter the Authorised Share Capital in the Memorandum of Association of the Company.**

To consider and, if thought fit, to pass, the following Resolution as Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions of the Companies Act, 2013 (the 'Act') (including any statutory modifications or re-enactment thereof) and the rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted as under:

*V. The Authorised Share Capital of the Company is ₹2,00,00,00,000 (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of ₹10 (Rupees Ten only) each.*

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the Company (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as necessary thereto."

- (7) **To ratify the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2025.**

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 31<sup>st</sup> March, 2025, 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  
ICSI Membership No. ACS 10992

Date: 08<sup>th</sup> August, 2024

Place: Kolkata

#### Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), setting out all material facts concerning special the business under Item Nos. 5, 6 & 7 of the accompanying Notice, is annexed hereto.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25<sup>th</sup> September, 2023 (MCA Circulars) and the Securities and Exchange Board of India ("SEBI") vide its circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07<sup>th</sup> October, 2023 (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 108<sup>th</sup> AGM of the Company shall be conducted through VC/ OAVM. The deemed venue for the 108<sup>th</sup> 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/ OAVM and vote through e-voting, to the Company at [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in).
4. 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.

5. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-Voting, participation and remote e-Voting in the AGM through VC/ OAVM facility and remote e-Voting during the AGM. Members may note that NSDL may use third party service provider for providing participation of the members through VC/ OAVM facility. 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](http://www.grse.in).
6. The Board of Directors of the Company has appointed CS Atul Kumar Labh, Practising Company Secretary (FCS-4848/CP-3238) of M/s. A. K. Labh & Co., Company Secretaries, Kolkata to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 14<sup>th</sup> September, 2024 to Friday, 20<sup>th</sup> September, 2024** (both days inclusive).
8. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on **Friday, 13<sup>th</sup> September, 2024 ("record date")** i.e. a day prior to commencement of book closure date. Only those Members whose names appear in the Register of Members/ list 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.
9. 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 Sunday, 15<sup>th</sup> September, 2024** and will end at **5.00 p.m. on Thursday, 19<sup>th</sup> September, 2024**. 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/>.
10. Members are requested to read the instructions as stated in this Notice under the section "Instructions for e-Voting".
11. This Notice of 108<sup>th</sup> AGM along with the Annual Report 2023-24 is being sent to all the Members, whose name appear in the Register of Members/list of Beneficial Owners on **23<sup>rd</sup> August, 2024**, as received from Depositories (NSDL / CDSL).
12. The Notice of 108<sup>th</sup> AGM along with the Annual Report 2023-24 is also being uploaded on the Company's website at [www](http://www).



[grse.in](http://grse.in) and on the website of NSDL at <https://evoting.nsdl.com>. The Annual Report 2023-24 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

13. The results of the e-voting shall 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](http://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](http://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. All documents referred to in the Notice will be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in).
16. 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 under Section 189 of the Act and other relevant documents, upon login to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
17. 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 Director seeking appointment/ re-appointment at the AGM is provided as Annexure to this Notice. Requisite declarations have been received from the Director seeking appointment/ re-appointment.
18. 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](mailto:investor.grievance@grse.co.in) / [rta@alankit.com](mailto:rta@alankit.com).

#### A. RESIDENT MEMBERS

- (a) Tax Deductible at Source for Resident Members

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) If dividend does not exceed ₹5,000/-, no TDS / withholding tax will be deducted. Also, please refer para 8 below.
2	No PAN/Valid PAN not updated in the Company's Register of Members/ PAN is not linked with AADHAR in case of individual	20%	No document required (if no exemption is sought) TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the member is not updated/ registered with the Company/ RTA / Depositories. Please also refer para 8 below.

#### 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 Members who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the members 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 (DPs), with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its RTA 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 DPs of the Members. Thus, Members are requested to complete and/or update, as applicable, their Residential status, PAN, category, email address, postal address with the DPs.
4. Members holding shares in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the circulars. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 5 under the section "Others Information" for the process to be followed for updating bank account details.
5. Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the IT Act. The withholding tax rate would vary depending on the residential status of the member and documents registered/ submitted with the Company. Please note that the details as available on Record Date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
3	A member falls in the category of "specified person" as defined in Section 206AB of Income Tax Act, 1961	20%	The PAN of the member registered with the Company / RTA / Depositories will be validated on "Compliance Check functionality for Section 206AB & 206CCA" on Reporting Portal of Income Tax Department & accordingly 20% TDS will be deducted with reference to Section 206AB of Income Tax Act, 1961, if the person is "specified person".  Please also refer para 14 & 15 below.
4	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
5	Benefits under Income Tax Rule 37BA	Rates based on applicability of Income Tax Act, 1961 to the beneficial owner	If the registered member e.g. Clearing Member / intermediaries / stock brokers are not the beneficial members of the shares and if the declaration under Income Tax Rule Form 37BA(2) is provided regarding the beneficial owner, the TDS / Withholding tax will be deducted at the rates applicable to the beneficial members

- (b) No Tax Deductible at Source on dividend payment to resident members if the members 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	Members to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax, 1961.
3	Member 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	<ul style="list-style-type: none"> <li>▪ Recognised Provident Fund</li> <li>▪ Approved Superannuation Fund</li> <li>▪ Approved Gratuity Fund</li> </ul>	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. Valid documentary evidence to be provided.
7	Any resident member 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 MEMBERS:**

Withholding tax on dividend payment to non-resident members if the non-resident members 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)	FII/ FPI registration certificate.
2	Other Non-resident Membes	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: <ol style="list-style-type: none"> <li>i) Self-attested copy of Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received</li> <li>ii) Self-attested copy of PAN</li> <li>iii) Electronically generated Form 10F</li> <li>iv) Self-declaration, certifying the following points:               <ol style="list-style-type: none"> <li>(a) Member is and will continue to remain a tax resident of the country of its residence during the financial year 2024-25;</li> <li>(b) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;</li> <li>(c) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;</li> <li>(d) Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and</li> <li>(e) Member does not have a taxable presence or a permanent establishment in India during the financial year 2024-25.</li> </ol> </li> </ol> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident member and review to the satisfaction of the Company)</p>
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority.  Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
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

6. In order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the aforesaid details/ documents on or before **Friday, 13<sup>th</sup> September, 2024**. Any communication on the tax determination/deduction received post **Friday, 13<sup>th</sup> September, 2024** shall not be considered. It may be further noted that application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.
7. In case, TDS is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible.
8. No TDS will be deducted in case of resident individual members whose dividend does not exceed ₹5000. However, where the PAN is not updated in Company / RTA records or in case of an invalid PAN and cumulative dividend payment to individual member is more than ₹5000, the Company will deduct TDS / Withholding tax u/s 194 with reference to Section 206AA of Income Tax Act, 1961.

Further, from July 1, 2024 the PAN of member who have failed to link the PAN with AADHAAR, as required, shall become inoperative & TDS will be deducted at the rate of 20% with reference to section 206AA of Income Tax Act.

All the members are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA if shares are held in physical form) against all their folio holdings on or before 13<sup>th</sup> September, 2024.

9. The Company will arrange a soft copy of the TDS certificate to its members through registered email registered with the Company / RTA post payment of the said Dividend. Members will be able to download the Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.
10. 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.
11. Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.
12. In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
13. In case of joint Members, the member named first in the Register of Member is required to furnish the requisite documents for claiming any applicable beneficial tax rate.
14. Specified Person, as defined in Section 206AB of the IT Act briefly means a person who has not filed the return of income for the immediately preceding financial year i.e. FY 2022-23 on or before the time limit prescribed under subsection (1) of Section 139 of IT Act; and the aggregate of tax deducted at source and tax collected at source in his case is ₹50,000/- or more in that immediately preceding financial year.
15. Notwithstanding the above, in case PAN falls under the category of 'Specified Person', Member is mandatorily required to submit a declaration providing status of Permanent Establishment in India for FY 2023-24. As per Section 206AB of the Income Tax Act, 1961, if the said declaration is not furnished, the Company shall deduct tax at source at twice the applicable rate referred above.
16. 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. Members should consult their tax advisors for requisite action to be taken by them.

#### OTHER INFORMATION

1. 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](http://www.grse.in).

2. Members are requested to contact M/s Alankit Assignments Limited, Registrar and Share Transfer Agent (RTA) of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company at [www.grse.in](http://www.grse.in).
3. SEBI has mandated that securities of the Company can be traded only in dematerialised form. Regulation 40 of SEBI Listing Regulations, as amended, also 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 25<sup>th</sup> January, 2022 has clarified that listed companies 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, members are advised to dematerialize shares held by them in physical form for ease in portfolio management
4. For members who hold shares in physical form, SEBI has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, nomination etc.). In case any of the aforesaid documents/ details are not available in the record of the Company/ RTA, the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details/ documents. Further, with effect from 1<sup>st</sup> April 2024, any payment of dividend shall only be made in electronic mode to such members.
5. Members, whose KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) is not registered/ updated with the Company or with their respective Depository Participant, and who wish to receive the Notice of the AGM, Annual Report, and all other future communications sent by the Company from time to time, can get their KYC details registered/ updated by following the steps as given below:
  - (a) Members holding shares in demat form may update their KYC details including e-mail address with their Depository Participant(s).
  - (b) Members holding shares in physical form by submitting the duly filled below mentioned forms along with requisite supporting documents and signed request letter to the Company/ RTA:

Sr. No.	Particulars	Form
1.	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /update thereof	ISR-1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Registration of Nomination	SH-13
4.	Cancellation or Variation of Nomination	SH-14
5.	Declaration to opt out of Nomination	ISR-3



The above documents can be submitted to M/s Alankit Assignments Limited, RTA of the Company/RTA at [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in) / [rta@alankit.com](mailto:rta@alankit.com).

6. Nomination facility as per the provisions of Section 72 of the Act is available to members holding shares in the Company. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting form SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company at [www.grse.in](http://www.grse.in). Members holding shares in demat form may approach their respective DPs for completing the nomination formalities.
7. Non-Resident Indian members are requested to inform the Company/ RTA (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.
8. In case of any queries/ difficulties in registering the e-mail ids, Members may write to the Company/RTA at [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in).

## INSTRUCTIONS 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 members, to enable them to cast their votes on the resolutions proposed to be passed at AGM by electronic means. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

### Remote E-voting - Key Dates:

<b>Record date</b> (The date, one day prior to the commencement of book closure, for determining the Members who are entitled to vote on the resolutions set forth in this Notice)	Friday, 13 <sup>th</sup> September, 2024
<b>Book closure dates</b> (Period during which the Register of Members and Share Transfer Books of the Company shall remain closed)	Saturday, 14 <sup>th</sup> September, 2024 to Friday, 20 <sup>th</sup> September, 2024 (both days inclusive)
<b>Remote e-voting period</b>	
<b>Start Date and Time</b>	9.00 A.M. (IST) on Sunday, 15 <sup>th</sup> September, 2024
<b>End Date and Time</b>	5.00 P.M. (IST) on Thursday, 19 <sup>th</sup> September, 2024

**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:

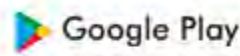
##### I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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, 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 shareholder holding securities in demat mode is given below:**

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> 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 <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
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Type of Shareholders	Login Method
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 / Forget Password' option.

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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
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 <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33

**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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) 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](http://www.evoting.nsdl.com).
    - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.com](mailto:evoting@nsdl.com) 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/JEPG 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 [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). 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. 23<sup>rd</sup> August, 2024, may obtain the USER ID and password by sending request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or to the RTA at their e-mail id [rt@alankit.com](mailto:rt@alankit.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). 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. 23<sup>rd</sup> August, 2024, 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](http://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](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.com](mailto:evoting@nsdl.com). Members may also write to the Company Secretary at the Company's email address at [investor.grievance@grse.co.in](mailto:investor.grievance@grse.co.in).

### INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM

1. 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" tab against company name. You are requested to click on VC/OAVM link placed under Join Meeting tab. 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 and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key



Managerial Personnel, the Chairpersons of the Audit Committee, HR, 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 Members connecting from Mobile Devices, Tablets or Laptops 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 Members 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](mailto:investor.grievance@grse.co.in) latest by **5.00 p.m. on Tuesday, 17<sup>th</sup> September, 2024**. Further, members 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](mailto:investor.grievance@grse.co.in). Questions / queries received by the Company till 5.00 p.m. on Tuesday, 17<sup>th</sup> September, 2024 shall only be considered and responded during the AGM.
6. Those Members 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.com](mailto:evoting@nsdl.com) or call 022 - 4886 7000

#### **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, 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 "General Guidelines for Shareholders".

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

##### **Item Nos. (5) & (6)**

The present Authorised Share Capital of the Company is ₹125 crore and the Subscribed, Issued and Paid-up Share Capital of the Company is ₹114.55 crore. Considering the overall business growth and future expansion and the operational needs, the Board felt the Company may require to raise funds through equity in future. Currently, the scope is very limited to consider any equity fund raise or any other kind of re-construction of share capital as the paid-up share capital is ₹114.55 crore as against Authorised Share Capital of ₹125 crore. The Board at its meeting held on 26 Mar 2024 decided to increase the Authorised Share Capital of the Company from existing ₹1,25,00,00,000 (Rupees One Hundred Twenty-Five Crore only) divided into 12,50,00,000 (Twelve Crore and Fifty Lakh) equity shares of ₹10 (Rupees Ten only) each to ₹2,00,00,00,000 (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of ₹10 (Rupees Ten only) each, to meet the future requirement of Share Capital.

Consequently, the existing clause V of the Memorandum of Association of the Company need to be altered to reflect increase in the authorised share capital and substitution of the proposed increased Authorised Share Capital.

Section 61 read with Section 13 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting or through Postal ballot, alter the conditions of its Memorandum of Association so as to increase its authorised share capital by such amount as it thinks expedient. Further, Article 9 of the Articles of Association (AoA) of the Company empowers the Company to increase its Authorised Share Capital subject to the approval of the President of India (Government of India).

The Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India vide its letter dated 03 Jul 2024 accorded its approval for increase in the Authorised Share Capital of the Company and consequent amendment in the Memorandum of Association of the Company.

The proposed increase in Authorised Share Capital shall require alteration of existing Clause-V of the Memorandum of Association of the Company in the manner as set out in Resolution No. 6 of the Notice of this Meeting.

A copy of the Memorandum of Association reflecting the proposed amendment together with the existing Memorandum of Association shall be open for inspection at the Registered Office of the Company during office hours on all working days up to the date of AGM i.e. 20<sup>th</sup> September, 2024.

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 resolutions set out at Item Nos. 5 & 6 of this Notice.

The Board recommends passing of the resolutions set forth in Item Nos. 5 & 6 of the Notice to the Members.

##### **Item No. (7)**

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 31<sup>st</sup> March, 2025 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2024.

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. 7 of the Notice.

The Board recommends passing of the resolution set forth in Item No.7 of the Notice to the Members.

By Order of the Board  
Garden Reach Shipbuilders & Engineers Limited

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

Date: 08<sup>th</sup> August, 2024  
Place: Kolkata

## Annexure

**Additional information on Directors Retiring by Rotation / Seeking Appointment / Re-Appointment at the 108th 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 Rajeev Prakash (DIN: 08590061)	
Age	54 years
Date of Appointment	23 Jun 2022
Qualifications	<ul style="list-style-type: none"> <li>• Indian Post &amp; Telecommunication Accounts and Finance Service Officer (IP&amp;TAFS) - 1995 batch</li> <li>• B.A. Honors in English from St. Stephen's College, University of Delhi</li> <li>• M.A. in Development Studies from the Institute of Social Studies, Erasmus University.</li> </ul>
Experience and Expertise in specific functional areas	<p>Shri Rajeev Prakash (DIN: 08590061), Joint Secretary (Naval System), aged 54 years appointed as Part-Time Official Director (Government Nominee Director) of Garden Reach Shipbuilders &amp; Engineers Limited by the Department of Defence Production, Ministry of Defence, Government of India, and assumed the position of Government Nominee Director in the Company w.e.f. 23 Jun 2022.</p> <p>Shri Rajeev Prakash 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 &amp; Finance), Department of Telecommunication, Ministry of Communication. Further, he was also a Government Nominee Director on the Board of Bharat Broadband Network Limited, Hindustan Aeronautics Limited, Gliders India Limited and BEML Limited. He is a Government Nominee Director on the Board of Troop Comforts Limited since 14 Sep 2022.</p>
Listed entities (other than GRSE) in which the person also holds the directorship and the membership of Committees of the Board.	<ul style="list-style-type: none"> <li>• Government Nominee Director on the Board of BEML Limited for the period from 08 Dec 2023 to 29 Apr 2024.</li> </ul>
Resignation from the directorship of the listed companies in the past three years	NIL
Directorship in other unlisted companies	<ul style="list-style-type: none"> <li>• Government Nominee Director on the Board of Troop Comforts Limited since 14 Sep 2022.</li> </ul>
Membership / Chairmanship of Committees of other unlisted Companies	NIL
Terms and Conditions of Appointment along with details of remuneration	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. Further, Shri Rajeev Prakash, Government Nominee Director was appointed by the President of India and he holds the office till further orders from the Government. He is not entitled to any remuneration or sitting fees.
Number of meetings of the Board attended during the year	6 Board Meetings
Relationship with other Directors / Key Managerial Personnel	None
Number of shares held in the Company (self and as a beneficial owner)	NIL













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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