



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/14/23-24

30 Aug 2023

To,

National Stock Exchange of India Limited

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

BSE Limited

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

Sub: Annual Report 2022-23 of Garden Reach Shipbuilders & Engineers Limited

Dear Sir / Madam,

1. This is to inform that the 107th Annual General Meeting ('AGM') of the Company will be held on **Friday, 22nd September, 2023 at 1030 hours** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the business as set out in the AGM Notice dated 11th August, 2023 in accordance with the applicable circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The deemed venue for the 107th 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 2022-23 of the Company along with the Notice of 107th AGM which is being sent through electronic mode to the Members of the Company.

3. The Annual Report 2022-23 along with the Notice of the 107th AGM is also uploaded on the Company's website at www.grse.in.
4. This is for your information and record.

Thanking You,

Yours faithfully,
For Garden Reach Shipbuilders & Engineers Limited

Sandeep Mahapatra
Company Secretary and Compliance Officer
ICSI Membership No. ACS 10992

Encl: Annual Report 2022-23



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

In Pursuit of Excellence & Quality in Shipbuilding

EFFICIENT



RESOLUTE



SUSTAINABLE



Annual Report 2022-23

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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,

It is indeed my pleasure to welcome you all to the 107th Annual General Meeting of your Company and share the Annual Report for the year 2022-23.

During the year, even as the world was grappling with ripple effect of the economic volatility due to the conflict in Ukraine, your Company delivered robust performance which is reflected in the key physical and financial parameters. The Company's strength and resilience has helped it steer through the challenges to surpass market expectations and achieve unprecedented milestones.

We achieved this by aligning to the vision and expectations of our customers and an unwavering focus on operations and growth. As a leading shipyard with an impressive repertoire of highly advanced and sophisticated vessels, your company continues its relentless endeavor to deliver advanced vessels to meet the Nation's defence needs, while simultaneously diversifying into emerging technologies and commercial vessels.

HIGHLIGHTS OF THE YEAR

I am happy to inform you that your Company has maintained incredible momentum, achieving a remarkable revenue growth of 45.7% in FY 22-23, underscoring

our commitment to nurturing inherent strengths, pushing boundaries, and striving for excellence.

With continuous improvement, agility and future readiness as key drivers the Company has successfully surpassed financial targets set in FY 21-22, recording the best ever financial performance in the history of the shipyard. This creditable performance achieved with 22 vessels under various stages of construction, stands testimony to your Company's commitment to deliver consistently against all odds. During the year, we have successfully achieved a number of major production milestones for ships under construction, including ahead of time deliveries to the delight of our customers.

Continuing with our quest to lead the pack as a defence shipbuilder, I am proud to state that we have won a ₹3,550 crore contract for the construction of four Next Generation Offshore Patrol Vessels (NGOPVs) for the Indian Navy. This contract, won on competitive basis, reinforces our standing as a reliable and efficient partner to our maritime forces.

We are determined to shape the future of shipbuilding, breaking new ground and embracing cutting-edge technologies. As we continue on this remarkable journey, we remain steadfast in our promise to

deliver exceptional value to our esteemed customers, shareholders, and stakeholders and thereby to our great nation.

FINANCIAL PERFORMANCE ANALYSIS

It is a matter of pride and delight for me to share that FY23 has been the most successful year in the history of our Company in terms of key performance parameters. Our revenue from operations grew by an impressive 45.7%, from ₹1,541 crore in FY22 to ₹2,561 crore in FY23. Similarly, our total income grew from ₹1,918 crore to ₹2,763 crore. We achieved an EBITDA growth of 19%, with figures rising from ₹294.88 crore to ₹351 crore. Our net profit (PAT) also increased by 20%, from ₹189.53 crore to ₹228 crore.

Furthermore, our earnings per share (EPS) grew by 20%, from ₹16.55 to ₹19.91. The price-to-earnings (P/E) ratio rose from 13.68 to 22.88, indicating positive investor sentiment. Lastly, our net worth increased by 12.5%, reaching ₹1,413 crore from ₹1,257 crore.

OVERVIEW OF PROJECT STATUS AND ORDER BOOK

The Company started FY23 with an order book of ₹ 24,147 crore, with seven projects, comprising of 24 vessels. Three Project 17A frigates, four Survey Vessels (Large), eight ASW Shallow Water Craft for the Indian

Navy and one FPV for the Coast Guard comprised the defence shipbuilding orders. In addition, the order book also included an electric ferry for the Government of West Bengal and export orders comprising of an Ocean-Going Cargo cum Passenger Vessel for the Co-operative Republic of Guyana and six patrol boats for the People's Republic of Bangladesh. I am pleased to inform that the two ships that we delivered during FY 23 i.e. the fast patrol vessel for the Indian Coast Guard and the Ocean-Going Cargo cum Passenger Vessel for Guyana, were both delivered ahead of schedule. As on 31 Mar 2023, our order book stood at ₹25,111.29 crore, reflecting a significant increase. The growth in order book was primarily driven by the ₹3,550 crore contract for construction of four Next-Generation Offshore Patrol Vessels for the Indian Navy.

Despite the challenges posed by disruptions in the global supply-chain, our projects have been progressing as per plan. The ships of the Project 17 A are at various stages of completion with outfitting activities in full swing. The first of class Survey Vessel (Large) is in her trials phase and other ships of the class are progressing in line with the planned production schedule. During FY 23, three vessels of the Anti-Submarine Shallow Watercraft project were launched and production activities have commenced on the balance five ships. Work on the Next-Generation Electric Ferry and the patrol boats for Bangladesh are also progressing well and are scheduled for delivery during 2023 -24. The Ship Repair Division of your Company has efficiently leveraged the three dry-docks taken over on long term lease from Shyama Prasad Mukherjee Port, Kolkata, to successfully complete refits of 15 ships during the year, generating a revenue of ₹27.65 crore.

Marching ahead towards achieving the national goal of Atmanirbharta, your Company has entered into a contract with Indian Navy for indigenous development and supply of 10 in number 30 mm Naval Surface Gun (NSG) with Electro Optical Fire Control System (EOFCS) at a cost of ₹248.51 crore in May 2023. This foray into the field of weapons and sensors marks a significant diversification with immense future potential for your Company. Furthering our unique capability in construction of Modular

Bridges, GRSE has signed an MoU with the Border Roads Organisation (BRO) for fabrication, supply, erection and launching of 30 Nos. Double Lane (DL) Modular Bridges in May 2023. This is in addition to the 30 Nos DL Modular Bridges already under supply to the BRO.

STRATEGIC INITIATIVES

During the year, GRSE has taken positive steps to review its strategy and look beyond its proven competitive strengths in warship building and engineering. Your Company has taken deliberate steps to diversify into new products with immense future market potential, including supply of Naval Surface Gun with EOFCS and development of zero emission and autonomous vessels. Making a foray into commercial shipbuilding and taking purposeful marketing initiatives to propel business development and expand our market presence are other strategic moves with an eye on the future.

Towards widening our product portfolio, and also in line with our "Make in India" efforts, we have signed an MoU with M/s Rolls Royce Solutions, Germany towards localisation & co-production of Marine Diesel Engines. I am happy to inform you that we have also signed an MoU with M/s Kongsberg Maritime, Finland for Licenced production of Waterjets up to 3.5 MW capacity.

We have prioritised internal efficiency, cost reduction, and high productivity as key drivers for exceptional outcomes. Our unwavering commitment to customer satisfaction propels us to continuously improve our products to surpass expectations and meet evolving demands. Seeding new technologies and innovation aimed at continuously improving our products and processes lies at the center of your Company's efforts to achieve these goals.

LOOKING AHEAD

Having made the required strategic recalibration, your Company has exciting prospects to look forward to in the immediate future. We are confident that with the initiation of construction of the NGOPVs and commencement of deliveries of ships of the other naval projects a significant

portion of our current order book will be executed in the next three financial years, maintaining an upward trajectory and delivering exceptional value.

With the growing demand for autonomous vehicles for defence applications and imminent transition to green energy vessels, your Company is well-positioned to seize the vast opportunities that lie ahead. The expected growth in demand for new commercial vessels, especially short-sea ships and handy sized vessels presents itself as an opportunity as we seek to diversify our portfolio.

Your Company appreciates the need to work hand in hand with technology leaders, industry partners and domain experts in this quest for diversification and is forging strong working relationships with them. We remain steadfast in our commitment to excellence, customer satisfaction, and industry leadership, as we gear up for the future.

EXPORT FOCUS

Exports has been a key focus area for your Company, in line with the policies of the Government of India. 23 Apr 2023 is a red-letter day in the history of your Company, when MV MA Lisha, the Ocean-Going Cargo cum Passenger Vessel, built by us at a cost of USD 12.73 Million, was commissioned in the presence of HE Dr Mohammad Irfan Ali, Hon'ble President Cooperative Republic of Guyana and our Hon'ble Minister for External Affairs, Dr. S Jaishankar. This not only exemplified the role of GRSE in bringing the peoples of the two nations together but also signified the ability of your Company to build and deliver state-of-the-art ships on schedule to distant nations. Your Company is also executing an order for six patrol boats for the People's Republic of Bangladesh, and these vessels are scheduled to be delivered during current financial year.

We are looking to expand our global footprint by aggressively pursuing business opportunities for naval platforms in friendly foreign countries besides making a foray into export of commercial ships.

ATMANIRBHATA AND SPIRIT OF INNOVATION

GRSE has been at the forefront of driving 'Atmanirbharta' in defence shipbuilding with sustained and systematic indigenisation efforts to maximise the indigenous content of the platforms we deliver. Your Company is forging ahead with the belief that true fructification of this national goal can only be achieved by forging strong working relationships with industry partners, including MSMEs and Startups. The Company is also striving to indigenously develop new and emerging technologies through strategic MoUs with academia, technology leaders and startups, thereby bringing these cutting-edge technologies to our products and processes. Following this approach, your Company is already working on the development of a triad of autonomous vehicles namely, AUVs, USVs and ship-based drones besides a number of other new technologies.

While your Company has a well-defined policy to encourage innovation within the organisation, I am delighted to share that GRSE has also embarked on a mission to leverage the startup ecosystem in the country to encourage development of innovative solutions for the shipbuilding industry. Towards this, the Company launched "GRSE Accelerated Innovation Nurturing Scheme-2023 or GAINS 2023" and GRSE funded projects are expected to take off during the current financial year.

TRAINING AND TALENT MANAGEMENT

Employees are the Company's most valued asset and your Company's success rides on the individual efforts of each member of Team GRSE. We have some of the best talent in the country and it remains one of our key endeavors to nurture them. Our people policies are structured to ensure a safe and conducive working environment which facilitates and provides incentives to bring out the best in them. In a rapidly changing technology landscape, our paramount focus is on continuously identifying skill gaps and delivering tailored training, there by preparing them to take on emerging challenges while also aligning them with our overarching business strategy.

SUSTAINABLE DEVELOPMENT & ESG

Adopting sustainable practices while creating long-term assets has been at the core of our value system. Your Company is committed to integrating Environmental, Social and Governance (ESG) practices in the value chain and aims at contributing to creating a better world for the next generation. Every action taken or decision made is viewed through the prism of the future, ensuring that long-term value generation is not undermined by short term considerations. We attach prime importance to safeguarding the interests of our shareholders, employees, customers, supply chain and financial partners and local communities, thereby creating sustainable value for every stakeholder.

Your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting lives of the marginalised segments of the society. Your Company strongly believes and practices investing in sustainable development of the marginalised societies around the area of our operation by creating opportunities and spreading well-being. Your Company has invested substantially in CSR initiatives and has made transformational impact to lives of thousands of underprivileged people.

Your Company rigorously strives to conduct business with integrity, and in an ethical and transparent manner, following the highest standards of Corporate Governance practice. The Company has an established system in place to ensure that policies and procedures of the Company are periodically reviewed and its Board of Directors and Management at all levels are well informed about these policies, enabling them to discharge their responsibilities with efficiency and transparency thereby enhancing overall value of all stakeholders. Your Company has been continuously rated "Excellent" for its compliances with DPE Guidelines on Corporate Governance.

CONCLUDING REMARKS

Indian Defence Manufacturing is at the cusp of a transformation, and we, GRSE, remain in the forefront of the "Atmanirbhar" efforts of our Nation. Our USP is our product

diversity and today, our products range from "Warships to Weapons".

As we transition through uncertain times with new and disruptive technologies knocking on our doors, the challenges and opportunities for your Company are unprecedented. The strong order book, emerging market scenario and the strategies that we have in place to leverage the same augurs well for the Company. Our focus shall be on consolidation of our core warship building prowess and other existing business verticals, product diversification in areas of autonomous and green energy segments, effective leveraging of strategic partnerships with Global OEMs, new technology adaption and process improvement to enhance internal efficiency.

I am sure that with the continued support of all stake holders, your Company will continue to grow from strength to strength and continue to deliver robust value creation. I would like to express my gratitude to the Ministry of Defence, Central and State Governments for their vision, support and guidance. I am also grateful for the trust and unstinted support of the Indian Navy and Coast Guard. I would also like to thank the Board of Directors, our employees, all our customers, supply chain partners and technology partners for their unflinching commitment and contribution to our growth. I would like to thank you, our shareholders, for your continued trust, support, and confidence in GRSE. I look forward to your continued support as we strive towards achieving higher levels of excellence.

Jai Hind

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



ABOUT GRSE



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

BUSINESS MODEL



VISION, MISSION & VALUES



Vision



Mission



Values

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

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

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

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

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

FAIRNESS

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

PURSUIT OF EXCELLENCE

The Company does not wish to live in its past achievements but continuously tries to develop better products & services, constantly improve customer satisfaction, upgrade operational efficiency and the productivity of everyone in the organization. The emphasis on





this value is partially driven by the competitive nature of business being foreseen in the near future.

INNOVATION

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

RECOGNITION

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

EMPLOYEE CONCERN

Employees view their careers as more than a means of earning wages. They want to work for a company that truly cares about them. Employees want supervisors to listen to their ideas and concerns. They want a career path planned out for them, one in which they can continue to learn, acquire

new skills and rise within the organization. Managers at all levels of an organization want to be supplied with the resources they need – including technology, human resources and funding – to accomplish their assigned goals. GRSE plans to carry this value system along its way, into the future.

COMMUNITY DEVELOPMENT

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

A TESTAMENT TO INDIA'S SELF-RELIANCE AND PROWESS IN THE SHIPBUILDING SECTOR

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

A deep dive into the offerings by GRSE reveals an impressive lineup:

- 1. FRIGATES:** These warships, are the guardians of the sea. The frigates are a formidable part of the naval fleet with advanced weaponry and surveillance systems.
- 2. ANTI-SUBMARINE WARFARE CORVETTE:** Tailored to detect and counteract submarine threats, these vessels are vital for maritime security.
- 3. MISSILE CORVETTE:** Compact yet lethal, these vessels are armed with missiles and play a crucial role in naval defence strategies.
- 4. LANDING SHIP TANK & LANDING CRAFT UTILITY:** These vessels facilitate the transportation of troops, equipment, and vehicles during amphibious operations.
- 5. SURVEY VESSEL:** Essential for maritime exploration, these vessels chart the oceans and provide critical navigational data.
- 6. FLEET REPLENISHMENT TANKER:** Playing a supportive role, they ensure that the fleet remains operational by supplying fuel and provisions.
- 7. PATROL VESSELS:** From Fast Patrol to Offshore and Inshore Patrol Vessels, these ensure the territorial integrity of the nation's waters.
- 8. 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.







FY23 PERFORMANCE HIGHLIGHTS

ORDER BOOK

₹25,111.29 crore

INCOME

₹2,561.15 crore
from ₹1,754.45 crore in 2021-22

19

Vessels under Construction

Delivered an Ocean-Going Cargo cum Passenger Vessel for the Government of Guyana and a Fast Patrol Vessel for Indian Coast Guard going ahead of schedule

4

Next-Gen Ocean Going Patrol Vessels

Contract Signed for Next Generation Offshore Patrol Vessels

SHIP REPAIR

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, 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.



GRSE can offer both Defence and Commercial Ship Repair Services

Scheduled dry docking & refit management in any of the facilities

Any 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 study and failure analysis

ENGINEERING DIVISION A LEGACY OF INNOVATION

GRSE is celebrated for its prowess in shipbuilding and innovative engineering solutions. The Engineering Division of GRSE exemplifies the company's commitment to diversification and innovation. GRSE continues to play an integral role in strengthening India's engineering capabilities by focusing on indigenous solutions, from portable bridges to specialised Deck Machinery Items. As the maritime sector evolves, the Engineering Division remains poised to sail alongside, delivering unparalleled solutions and reinforcing GRSE's position as a global leader.

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 emergency situations, facilitating movement in challenging terrains and ensuring seamless transportation when traditional infrastructures are lacking or compromised.



DECK MACHINERY ITEMS

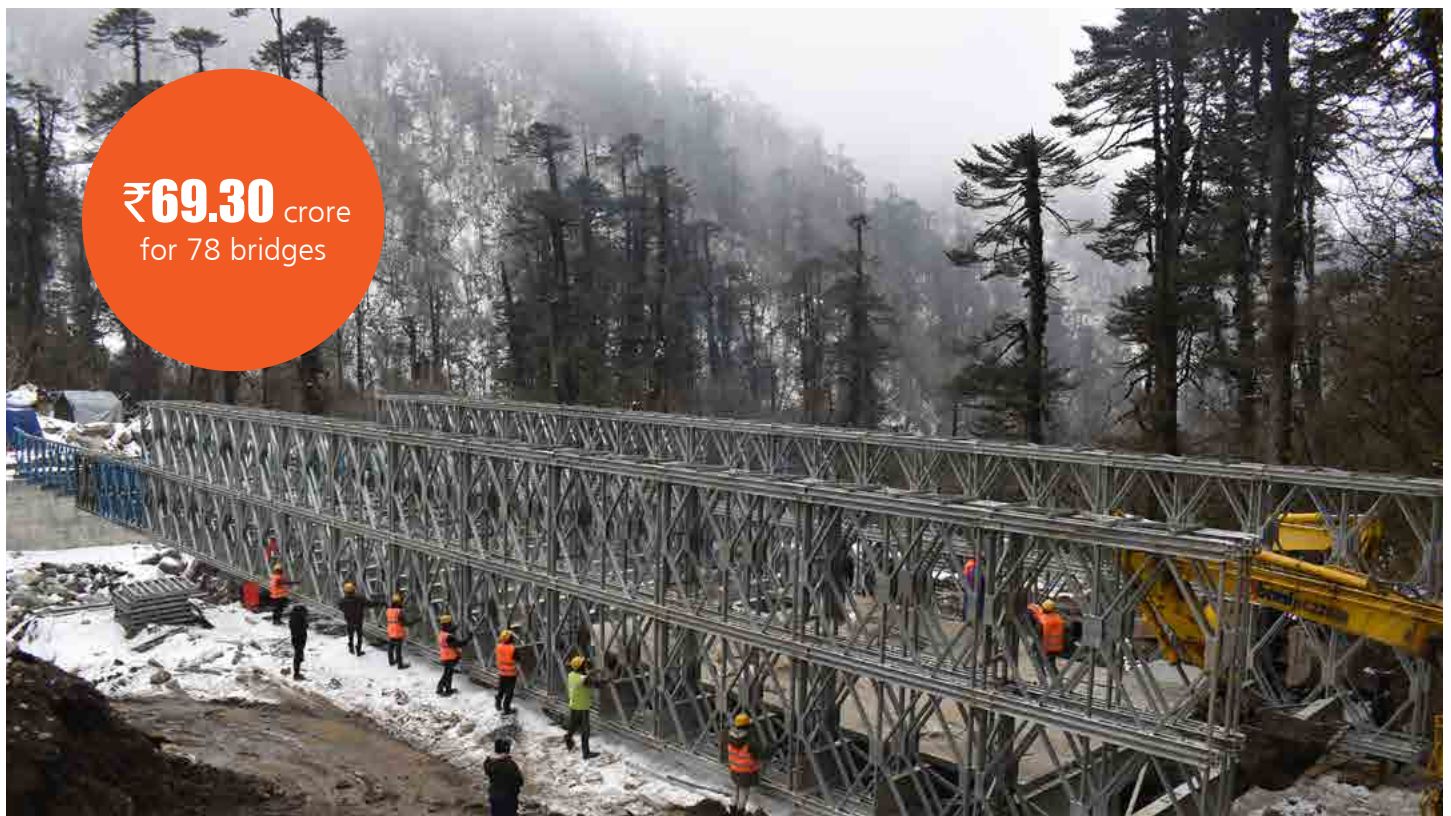
A testament to GRSE's commitment to indigenisation, the deck machinery items on offer are both robust and technologically advanced. These integral components, designed to operate in the challenging maritime environment, ensure the efficient functioning of ships, making them indispensable to the maritime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

ENGINEERING DIVISION FY23 PERFORMANCE

In FY 2022-23, the Engineering Division of GRSE exhibited a strong performance, particularly in the Portable Steel Bridge Unit. This unit achieved a Value of Production (VoP) of ₹69.30 crore for 78 bridges, marking an increase from the prior year. They managed to successfully launch critical bridges in challenging conditions in Arunachal Pradesh, reinforcing essential geo-connectivity. Additionally, the unit received international recognition by exporting bridges to Bhutan and securing an order from the Bangladesh Army. GRSE further distinguished itself as the only Indian entity awarded the 'Green Channel Status' for designing and supplying Bailey Bridges to key Indian defence organisations.

On the other hand, the Deck Machinery Unit, focusing on manufacturing various deck machinery equipment. The unit made significant strides in indigenisation efforts, especially with the Telescopic Helicopter Hangar and a 3T Telescopic Deck Crane for

the large survey vessel project. Furthermore, their contribution to the Indian Navy through the supply of 34 different equipment underlines their commitment and importance in the defence sector.



ENGINE DIVISION A LEAP TOWARDS SELF-RELIANCE

GRSE's Engine Division, with its cutting-edge plant in Ranchi and a longstanding collaboration with MTU, Germany, is shaping the future of mobile longstanding collaboration diesel engines. By combining world-class technology with indigenous manufacturing capabilities, the division is not just producing engines; it's powering a vision of self-reliance and maritime excellence for India.

Situated in Ranchi, GRSE's state-of-the-art Diesel Engine Plant stands as a testament to the company's commitment to cutting-edge technology and excellence. This facility is responsible for a multitude of tasks - from the intricate assembly of engines to their rigorous testing and overhauling. Equipped with a top-tier test bench facility, the plant ensures that every MTU diesel engine that rolls out meets the stringent quality standards that both GRSE and MTU are renowned for.

Moreover, the plant doesn't just house advanced machinery; it is also home to a team of trained service personnel. Their expertise ensures that each engine is built and poised for optimal performance, longevity, and reliability.

INDIGENOUS MANUFACTURING:

In keeping with India's "Make in India" initiative, GRSE has taken laudable strides to elevate its manufacturing capabilities. The recent modernisation of the Diesel Engine Plant aligns perfectly with this vision. Strengthening its ties with M/s MTU Germany, GRSE has embarked on an ambitious journey to indigenise 40% of engine parts manufacturing. This endeavour, scheduled to span the next 4 to 5 years, signifies a move towards greater self-sufficiency, reducing dependencies, and showcasing India's manufacturing prowess on the global stage.



₹22.97 crore
of DEP unit

TRIUMPH OF INDIGENISATION

GRSE has made commendable progress by successfully incorporating a high percentage of indigenous equipment fit in to the ship being built for the Indian Navy and Indian Coast Guard, having achieved over 85% indigenous content onboard Anti-Submarine Warfare Corvette and Landing Craft Utility.



INNOVATION & NEW TECHNOLOGY

Autonomous systems and Green/Renewable energy are two of the most important technology areas which have the potential to bring about disruptive changes in the maritime domain in the near future. GRSE has been able to successfully combine intricate knowledge



AUTONOMOUS UNDERWATER VESSEL (AUV)

GRSE in collaboration an industry partner M/s AEPL has developed and launched a Man Portable AUV. The AUV has been designed as a completely autonomous vehicle and is designed to take a variety of payloads depending on the required role including mine detection, ASW training, underwater inspection, serach & rescue missions and scientific exploration.

SHIP BASED AUTONOMOUS DRONES / UAV

The UAV currently being developed by GRSE in partnership with TUNGA Aerospace will be capable of day and night autonomous operations and autonomous recovery on deck, without any manual intervention. The UAV will be able to provide day and night surveillance video feed to a ground control station on the mothership and complete a pre-defined mission autonomously.

imbibed over years of designing and building complex platforms and the transformative potential of start-ups, to work on these critical technologies



UNMANNED SURFACE VESSEL (USV)

Swadheen, is a 5 m long USV designed specifically to meet the unique needs of the Indian Navy, while also acting as robust testing ground for future larger and more sophisticated USVs. Swadheen which is being developed in collaboration with a start-up is now being outfitted with a complete bathymetry survey suite to facilitate autonomous surveys.

GREEN TECHNOLOGY

GRSE is currently building an in-house designed zero emission electric vessel for operating in the river Hooghly. GRSE is working with academic and R&D institutions and other industry partners to develop a fuel-cell based solution for use on board surface ships.

COMPETITIVE STRENGTHS



Modern Manufacturing Platform and Integrated Shipbuilding Facilities to deliver quality products.

GRSE's state-of-the-art facilities with vast technical expertise gives the Company a significant edge over other domestic defense Shipyards. Over the years, the Company has significantly improved its manufacturing and other functional process by modernization of its facilities and adoption of Information Technology. The Shipyard has capacity to build 20 ships (08 large & 12 medium/small) concurrently with the state-of-the-art infrastructure. The shipyard's Integrated Shipbuilding Facility which includes designated hull shop, drydocks and building berths enables construction of quality ships in reduced timeframe with Modular Construction Technology in line with global standards.

Strong Design Capabilities and Provides End to End Solutions

GRSE has dedicated Central Design Office with 100 skilled & multi-disciplined design engineers to undertake design, research and development activities. GRSE has already developed infrastructure like Virtual Reality Lab (VR Lab), Secure Centralized Data Centre and various design and analysis software to implement an efficient design philosophy. The Design team uses various software ranging from Aveva Marine, NAPA for Naval Architectural design, AutoCAD for drafting work and other softwares for structural analysis for designing complex warships. GRSE has developed capability to provide end to end solutions to its customers ranging from product conceptualization, design, system integration and project management towards meeting the stringent requirement of the customers.

Strong and Established Relationships with Indian Navy and Indian Coast Guard

The company has established relationships with the Indian Navy and Indian Coast Guard since INS Ajay – the first indigenous warship built by GRSE for the Indian Navy in 1961. The Company has delivered 108 warships to the Indian Navy, Indian Coast Guard and friendly foreign countries till date apart from constructing more than 680 vessels to meet Indian maritime requirement. Design and Construction of multitude of warships ranging from Advanced Stealth Frigate to Waterjet Fast Attack Crafts necessitated close coordination with various directorates of Indian Navy and Indian Coast Guard which has resulted in an enduring relationship strengthened by execution of recent orders of FPVs & ASWCs.

Innovation

A new department focusing on Innovation & New Technology has been created to nurture start-ups and work on emerging technologies such as Autonomous Vessels, Green Vessels and implementation of I 4.0 process.

Make in India Initiative

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

Business Diversification

The new vertical of Ship Repair complements the core business of shipbuilding. GRSE has diversified in to the business of Portable Steel Bridges, various Deck Machinery items and Assembling/ Overhauling and Testing of Marine Diesel Engines. All these business avenues are being nurtured through development of new products and concerted marketing efforts are also in place to enhance the revenue from these business verticals. Further, the diversification into Deck Machinery and Diesel Engines are vertical integration with the core business enabling GRSE to deliver warships in a more time efficient manner.

Strong Order Book

As on 31 Mar 2023, the Company has an Order Book of ₹25,111.29 crore which comprises of ₹24,856.79 crore for Shipbuilding division and ₹254.50 crore for Engineering and Engine division.

Experienced Workforce:

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

10 YEARS FINANCIAL HIGHLIGHTS

(₹ in Lakh)

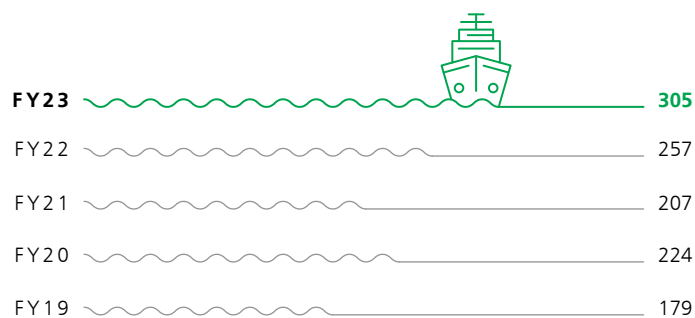
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
FINANCIAL POSITION:										
Equity Share Capital	12384	12384	12384	12384	11455	11455	11455	11455	11455	11455
Reserve & Surplus	83196	84391	101042	95767	90698	92376	92568	102257	114334	129927
Net Worth	95580	96775	113426	108151	102154	103831	104023	113712	125789	141382
Capital Employed	91667	90810	110613	98112	102154	103831	104023	113712	125789	141382
Gross Block	53387	56381	56640	60454	47233	39959	43081	49614	68703	72970
Net Fixed Assets	36548	36574	34370	35834	38917	30225	30369	34020	50065	50761
Working Capital	55119	54236	76243	62278	60249	68476	56100	54298	56904	65425
OPERATING RESULTS:										
Sales	30819	230805	30668	22162	23390	14677	21784	51573	21262	33234
Value of Production	161167	161266	166075	92784	134552	137877	142470	113276	174528	254784
Value Added	60770	62356	63970	47487	62659	61398	68734	66966	81088	95381
Profit/(Loss) Before Tax	18723	7602	24915	2089	12775	17896	22387	20712	25724	30522
Provision for Tax	6577	3257	8710	865	3535	6902	6039	5365	6771	7709
Profit/(Loss) after Tax	12146	4345	16205	1223	9240	10994	16348	15347	18953	22812
APPROPRIATION										
CSR Reserve		2		94						
General Reserve	1215	435	1607		9554					
Proposed Dividend on Equity	2477	2477	5322	5408	5080	7,961	8179	5728	6644	7102
Tax on Proposed Dividend	421	504	1083	1101	1034	1636	1352	-	-	-
RATIOS										
PBT/ Capital Employed	0.20	0.08	0.23	0.02	0.13	0.17	0.22	0.18	0.20	0.22
PBT/ Production (VOP)	0.12	0.05	0.15	0.02	0.10	0.13	0.16	0.18	0.15	0.12
Production (VOP)/ Capital Employed	1.76	1.78	1.50	0.95	1.32	1.33	1.37	1.00	1.39	1.80
Value Added/ Production (VOP)	0.38	0.39	0.39	0.51	0.47	0.45	0.48	0.59	0.46	0.37
No. of Employees	3133	2834	2592	2401	2214	2100	1973	1900	1790	1748

TURNOVER

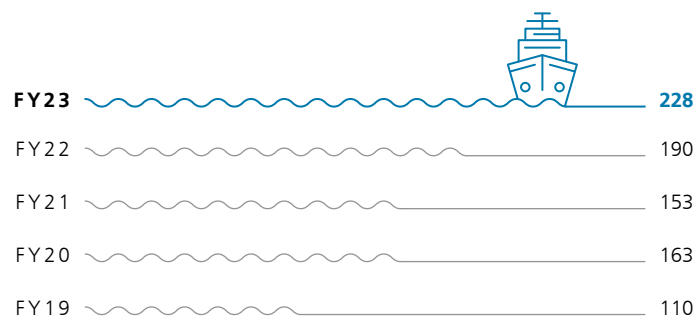
(₹ In Crore)

**PBT**

(₹ In Crore)

**PAT**

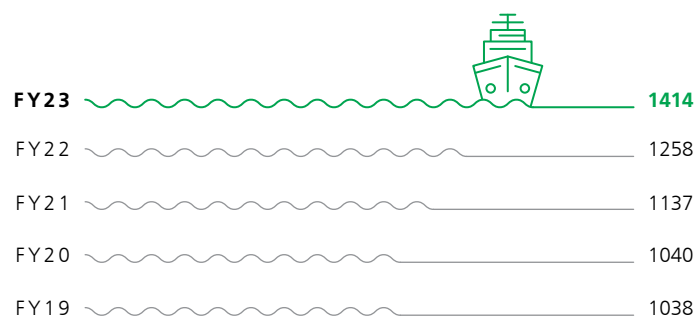
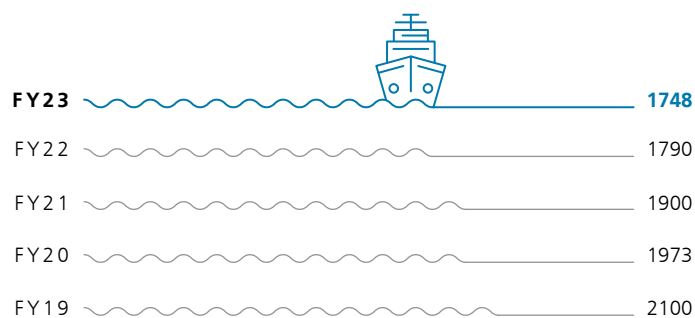
(₹ In Crore)

**DIVIDEND**

(₹ In Crore)

**NETWORTH**

(₹ In Crore)

**MANPOWER (NO.)**

BOARD OF DIRECTORS



COMMODORE P R HARI, IN (RETD.)
Chairman & Managing Director

Comde P R Hari, IN(Retd.) (DIN: 08591411), having an experience of over 34 years, assumed the charge of the Company w.e.f. 10 Jun 2022. He is also holding the additional charge of Director (Personnel) of the Company. He has over 28 years of commissioned service in the Indian Navy with varied experience onboard warships, Naval Repair Organizations and various Staff appointments. He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Defence & Strategic Studies. An alumni of the Defence Services Staff College, Wellington, the officer has also undergone the 5th Higher Defence Orientation Course at AWC Mhow and the prestigious Naval Higher Command Course at the Naval War College, Goa.

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



SHRI RAJEEV PRAKASH, JS(NS)
Government Nominee Director

Shri Rajeev Prakash (DIN: 08590061), Joint Secretary (Naval System) 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 for more than 2.5 years.



SHRI RAMESH KUMAR DASH
Director (Finance) & CFO

Shri Ramesh Kumar Dash (DIN: 08511344) is an Associate Member of the "Institute of Cost Accountants of India", Master in Commerce and Bachelor of Law. Prior to joining the Company, he was working in Hindustan Aeronautics Limited, Bangalore. He has around 31 years of Experience in different CPSUs in the field of Finance and Accounts. Shri Ramesh Kumar Dash has assumed charge as Director (Finance) and CFO of the Company w.e.f. 01 Jul 2020.



COMMANDER SHANTANU BOSE, IN (RETD.)

Director (Shipbuilding)

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

Cdr. Shantanu Bose, IN (Retd.) has deep technical insight and hands on working experience in all aspects of Shipbuilding, managing men, and motivating them to take on new challenges has been his forte. In GRSE, he has been the forefront of adoption of the Integrated Construction (IC) methodology, 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 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 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 36 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 33 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
(From 10 Jun 22)

Shri Ramesh Kumar Dash
Director (Finance) & CFO

Cdr. Shantanu Bose, IN (Retd.)
Director (Shipbuilding)
(From 08 Jun 22)

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

Shri Rajeev Prakash, IP&TAFS
Government Nominee Director
(From 23 Jun 22)

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

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

INDEPENDENT EXTERNAL MONITORS

Shri Pidatala Sridhar, IRS (Retd.)

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

SENIOR MANAGEMENT

Shri Venkatesh Murthy
Chief General Manager (Technical)

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

Cdr. B Sengupta, IN (Retd.)
Chief General Manager (MW)

Capt. P Sunilkumar, IN (Retd.)
Chief General Manager (CP&CC)

Cdr. B Mishra, IN (Retd.)
Chief General Manager (FOJ Unit)

Cmde Jayanta Chowdhury, IN (Retd.)
Adviser to CMD

Cmde Rajiv Sreedharan, IN (Retd.)
Chief General Manager (Ind & IEP)

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

Cmde. A K Biswas, ICG (Retd.)
General Manager (RBD)

Shri Gulshan Ratan
General Manager (QA)

Shri Sujoy Chakravorty
General Manager (Commercial)

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

Smt. Suchita Nandi
General Manager (Contract)

Smt. Lipi Das
General Manager (HR&A)

Smt. Aparajita Ghosh
General Manager (Finance)

Shri N Partheepan
General Manager (BB)

Cdr. Gaurav Pande, IN (Retd.)
General Manager (P-17A)

Cdr. M K Gupta
General Manager (Design-HOF)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Shri Sandeep Mahapatra

BANKERS

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

STATUTORY AUDITORS

M/s. Mookherjee Biswas & Pathak
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Mehta & Mehta
Practicing Company Secretaries

COST AUDITORS

M/s. Chatterjee & Co
Cost Accountants

REGISTRAR & TRANSFER AGENT

M/s. Alankit Assignments Limited

REGISTERED OFFICE

GRSE Bhavan,
61, Garden Reach Road,
Kolkata - 700 024.

CIN No. L35111WB1934GO1007891

Website: www.grse.in

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors takes great pleasure in presenting the Annual Report on the performance of your Company and its Audited Financial Statements for the Financial Year ended 31st March 2023, together with 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 the best ever during the financial year 2022-23. During the year, the Company has registered an improvement in Revenue from Operation by 46% by registering ₹2,561.15 crore against ₹1,754.45 crore in the previous year. During the year, the Company has also registered growth in EBITDA and PAT by 19% and 20%, respectively.

The financial highlights for the financial 2022-23 and 2021-22 are summarized below:

Particulars	(₹ in crore)	
	2022-23	2021-22
Value of Production	2,547.84	1,745.28
Revenue from Operation	2,561.15	1754.45
Profit Before Depreciation, Interest and Tax	350.86	294.38
Finance Cost	6.48	1.43
Depreciation	39.17	35.71
Profit Before Exceptional Items & Tax	305.22	264.93
Exceptional Item	-	(7.69)
Profit Before Tax	305.22	257.24
Provision for Tax	77.09	67.71
Profit After Tax	228.12	189.53
Other Comprehensive Income (Net of Tax)	0.54	1.12
Total Comprehensive Income	228.67	190.65

The financial position of your Company as on 31 March 2023 and 31 March 2022 is appended below:

Particular	(₹ in crore)	
	As on 31 March 23	As on 31 March 22
Capital Employed	1,413.82	1,257.89
Gross Block	729.70	687.03
Net Block	507.61	500.65
Working Capital	654.25	569.04
Net Worth	1,413.82	1,257.89
Value Added	953.81	810.88
Value of Production	2,547.84	1,745.28
Profit Before Exceptional Items & Tax	305.22	264.93
Exceptional Item	-	(7.69)
Profit Before Tax	305.22	257.24

Particular	As on 31 March 23	As on 31 March 22
Ratios: (%)		
Profit before interest and tax: Capital Employed (%)	21.81	20.33
Profit after tax: Net Worth (%)	16.14	15.07
Gross Profit: Capital Employed (%)	24.55	23.14
Profit Before Tax: Value of Production (%)	11.98	14.74
Value of Production: Capital Employed (%)	178.27	137.17

Ratios	FY - 23	FY - 22
Current Ratio (In times)	1.07	0.93
Return on Equity (%)	17.08%	15.83%
Trade Receivables Turnover Ratio (In times)	25.33	10.65
Trade Payable Turnover Ratio (In times)	4.19	2.20
Return on Capital Employed (%)	21.81%	20.33%

Value of Production

Your company has achieved the highest ever Value of Production ('VoP') of ₹2,547.84 crore as against ₹1,745.28 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
2022-23	2,454.89	69.82	22.97	0.16	2,547.84
2021-22	1,620.16	70.32	54.27	0.53	1,745.28

Net Worth

During the year under review, your Company has reported Net worth of ₹1,413.82 crore as on 31 March 2023 against ₹1,257.89 crore as reported on 31 March 2022.

Value Addition

The Value added during the financial year under review was ₹953.81 crore as against ₹810.88 crore during the previous year. The Value added per employee was ₹54.60 lakh as compared to ₹45.30 lakh during the previous year.

Appropriations

Considering the financial performance of your Company in the year 2022-23, the Board of Directors are pleased to recommend the following appropriations from the disposable surplus:

	(₹ in crore)
Profit After Tax	228.12
Other Comprehensive income for the year, Net of Tax	0.54
Total Comprehensive income for the period	228.67
Less:	
Final Dividend of FY 2021-22 on the Paid-up Capital	9.74
Interim Dividend of FY 2022-23	63.00
Balance retained in Statement of Profit & Loss	155.93

Contribution to Exchequer

Your Company has made a contribution of ₹79.98 crore to the National Exchequer during the financial year 2022-23 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 top one thousand listed entities shall formulate a Dividend Distribution Policy. Accordingly, the Board of Directors of the Company has formulated a Dividend Distribution Policy keeping in view the provisions of SEBI Listing

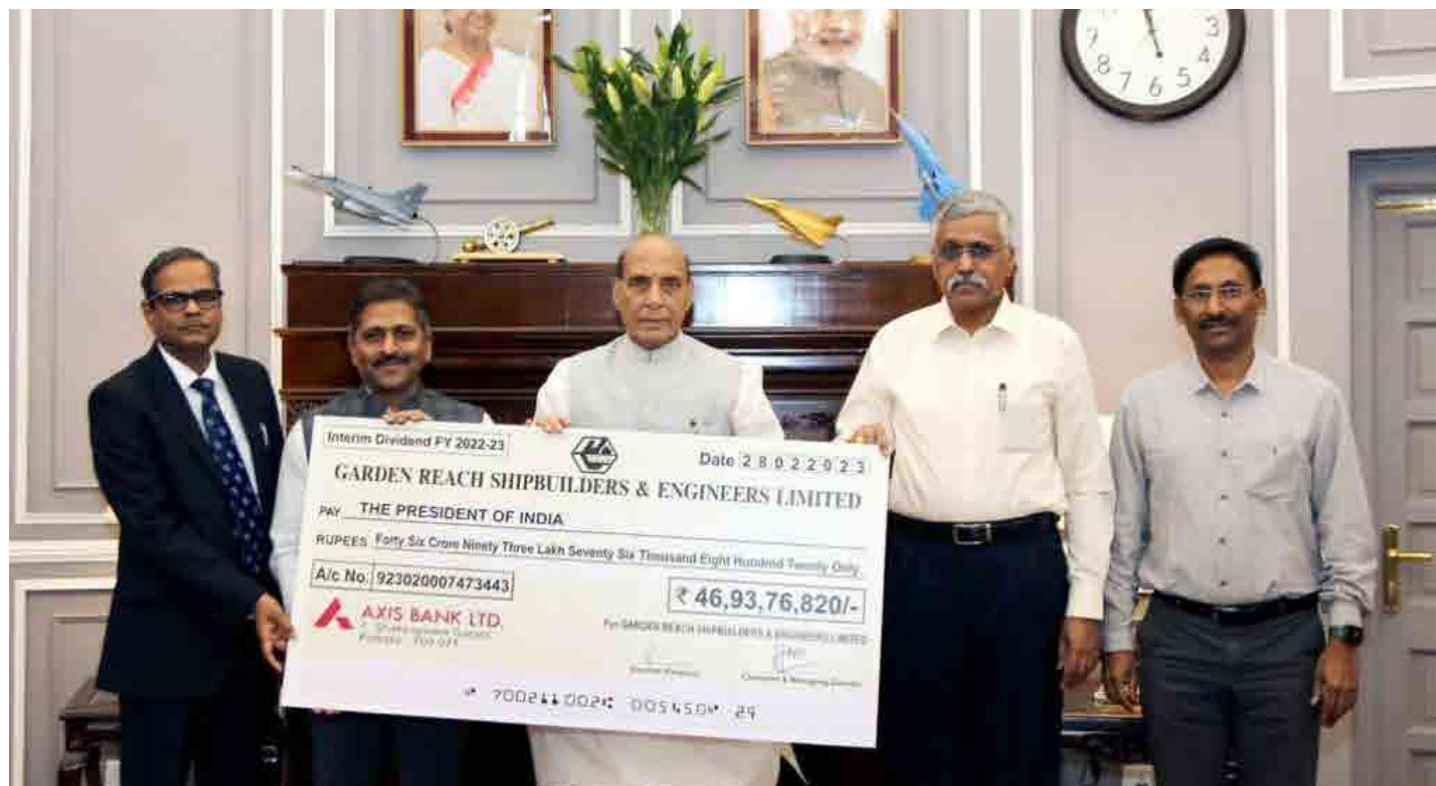
Regulations, the Companies Act, 2013 and Guidelines issued by the Department of Public Enterprises (DPE) and the Department of Investment and Public Asset Management (DIPAM). The Policy is available on the Company's website at <https://grse.in/wp-content/uploads/2022/04/GRSE-Dividend-Distribution-Policy.pdf>

Dividend

Pursuant to the approval of the Board of Directors on 10 February 2023, your Company has paid an interim dividend of ₹5.50/- per equity share of face value of ₹10/- each to Shareholders who were on the Register of Members as on 20 February 2023, being the record date fixed for this purpose. Further, the Board, at its meeting held on 24 May 2023 has recommended a dividend of ₹0.70/- per equity share of face value of ₹10/- each for the financial year 2022-23. Thus, the total dividend for the financial year 2022-23, if approved by the Shareholders, would be ₹6.20/- per equity share.

MOU Rating

Your Company has been rated "Very Good" with a score of 85.44 out of 100 as per MoU Evaluation for FY 2021-22 by the Department of Public Enterprises. This is a remarkable achievement as GRSE is one of the two DPSU Shipyard to attain 'Very Good' rating. 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 be rated "Excellent" for its performance during the FY 2022-23.



PERFORMANCE OF THE COMPANY DURING THE YEAR

SHIPBUILDING

The Company has achieved a total shipbuilding income of ₹2,454.89 crore during 2022-23 as against ₹1,620.16 crore in 2021-22. During the year, One Fast Patrol Vessel for Indian Coast Guard, built and delivered by GRSE on 31 Dec 2022, and the same was also commissioned on 12 Jan 2023. Further, the details of vessels under construction in your Company as on 31 Mar 2023 are as follows:

Project / Vessel Type	No. of Vessels
Project P-17A for Indian Navy	03
Survey Vessel (Large) for Indian Navy	04
ASW-SWC for Indian Navy	08
NG OPV for Indian Navy	04
Total Ships	19
Patrol Boats for Govt. of Bangladesh	6
NG Ferry for Govt of West Bengal	1

The Shipyard has also completed construction of an Ocean-Going Cargo cum Passenger Vessel for the Govt. of Co-operative Republic of Guyana (South America). The vessel was transported from GRSE to Georgetown, Guyana and commissioned on 23 Apr 2023 in the august presence of HE Dr Mohammad Irfan Ali, Hon'ble President Cooperative Republic of Guyana, Brigadier (Retd.) Mark Anthony Phillips, Prime Minister, Cooperative Republic of Guyana, Dr. S Jaishankar, External Affairs Minister of India and several cabinet ministers of the Cooperative Republic of Guyana.

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

Commissioning

Sl. No.	Ship	Yard	Date
(a)	Fast Patrol Vessel for ICG	2118	12 Jan 2023

Delivery

Sl. No.	Ship	Yard	Date
(a)	Ocean-Going Cargo cum Passenger Vessel for Guyana	2119	15 Dec 2022
(b)	Fast Patrol Vessel for ICG	2118	31 Dec 2022

Launching

Sl. No.	Ship	Yard	Date
(a)	2 nd Survey Vessel Large	3026	26 May 2022
(b)	2 nd Project P-17A	3023	15 Jul 2022
(c)	3 rd Survey Vessel Large	3027	26 Nov 2022
(d)	1 st Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3029	20 Dec 2022
(e)	2 nd Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3035	21 Mar 2023



Keel Laying

Sl. No.	Ship	Yard	Date
(a)	3 rd Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3030	17 Jun 2022
(b)	6 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3031	17 Jun 2022
(c)	4 th Survey Vessel Large	3028	17 Jun 2022
(d)	4 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3033	31 Dec 2022
(e)	5 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3036	31 Dec 2022
(f)	Next Generation Electric Ferry	2120	19 Jan 2023

Start Production

Sl. No.	Ship	Yard	Date
(a)	4 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3033	01 Jul 2022
(b)	7 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3032	27 Oct 2022
(c)	5 th Anti-Submarine Warfare Shallow Water Craft (ASW SWC)	3036	01 Nov 2022

Contract signed**CONTRACT SIGNED**

Sl. No.	Ship	Yard	Date
(a)	04 Nos. Next Generation Offshore Patrol Vessels (NGOPV)	3037-40	30 Mar 2023

SHIP REPAIR

The Ship Repair Division of your Company has effectively utilised all the three dry-docks taken from Shyama Prasad Mukherjee Port, Kolkata and successfully completed docking of 15 ships during the Financial Year 2022-23. Further, the Division has also completed refits of 04 ships (ICGS Sujay, ICGS Priyadarshini, River Pearl-4 & River Pearl-1) at a total value of ₹ 27.65 crore.

ENGINEERING DIVISION

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

Portable Steel Bridge Unit

The Value of Production achieved by the Bailey Bridge unit during the financial year 2022-23 amounted to ₹ 69.30 crore [consisting of (78) Bridges, 5850 MT] as against ₹ 59.35 crore [consisting of (70) Bridges, 5400 MT] during the previous year. The Company has also exported two Bridges to Bhutan during 2022-23.

During the year, your Company has delivered and launched 01 No. of 160 ft. Single Lane Modular Steel Bridge and 1 No. of 90 ft. Single Lane Modular Steel Bridge (MSB) in Arunachal Pradesh under Project Arunank (BRO) despite inclement weather conditions. This major achievement helped to restore critical geo-connectivity around the region.

ORDER BOOK POSITION

The total order book position of your Company for the three (3) divisions as on 31 Mar 2023 is as follows:

(₹ in crore)

Sl. No.	DIVISION / DEPTS	Closing order Value as on 31 Mar 2023
A	Ship Division	
	Ship (including B&D Spares)	24,804.49
	Ship Repair & AMCs	52.30
	Total Ship Division	24,856.79
B	Engineering Division	
	Bailey Bridge	74.78
	Deck Machinery	58.95
	Total Engineering Division	133.73
C	Engine Division	120.77
	Total (A+B+C)	25,111.29

Your Company has also been successful in delivering 11 sets of Double Lane MSB to BRO under the MoU with DGBR (BRO) for supply and launching of 30 sets of Double Lane MSBs. It is noteworthy to record that GRSE has successfully launched of 02 Nos. of 60 ft. and 02 Nos. 50 ft. Double Lane MSBs and 2 Nos of Single Lane Modular Bridges in the span of 70 feet & 80 feet under Project Brahmanak.

Bailey Bridge unit also received an export supply order from DGDP/ Bangladesh Army under DLOC of Govt. of India for supply of 07 Nos of 80 feet Modular Steel Bridges of contract value of ₹ 8.98 crore.

Your Company is the only Indian organisation that has been conferred with the coveted 'Green Channel Status' for "Design and Supply of Bailey Bridges and Bailey Suspension Bridges" to Indian Army / Border Road Organisation (BRO) as per Indian Defence Specifications.

Deck Machinery Unit

Deck Machinery Unit of your Company is engaged in manufacturing and supply of various Deck Machinery equipment (Anchor Capstan, Anchor Windlass, Mooring Capstan, Dock Capstan, General Purpose Davits, Ammunition Davit, Electric Boat Davits, Electro-Hydraulic Boat Davits, Survey Motor Boat Davits, Hydrographic Davits, Oceanographic Winch, Anchor cum General Purpose Winches for beaching operations, Helo Traversing System (Both Rail based and Rail Less type) etc).

During FY 2022-23, the total Value of Production of the Deck Machinery Unit is ₹ 0.52 crore.

During FY 2022-23, total thirty-four (34) Nos. of different Deck Machinery equipment have been supplied to various new construction yards as well as to operational ships of Indian Navy. In

this regard, it is worthy to mention that indigenization of Telescopic Helicopter Hangar and 3T Telescopic Deck Crane with maximum reach of 13M for Survey Vessel Large (SVL) project has been completed successfully.

ENGINE DIVISION

The Diesel Engine Plant (DEP) of your Company at Ranchi has successfully completed the Factory Acceptance Trials and delivery of five (5) 1 MW DAs of the P17A Project during this year. It is also pertinent to state that the Unit has also completed Type test of these DAs including the "tilt test" which is a major milestone and undertaken for the first time in India for a DA of this capacity.

The division has achieved Value of Production of ₹ 22.97 crore during the financial year 2022-23.

DEP Ranchi has also delivered three (03) MTU 4000 series engines of Indian Coast Guard post completion of W6 routines and successful Factory Acceptance Trials.

The Bailey Bridge Components are also being produced at DEP unit at Ranchi where Bailey Bridge Division of DEP Ranchi Unit achieved a VoP of approx. ₹ 16.86 crore during the financial year.

During the year, DEP Ranchi Unit has also signed the Running Rate Contract (RRC) with NSRY (Karwar) for routines which has been won on competitive basis and execution of the job has already been commenced.

NEW INITIATIVES

In order to establish long term business growth and adoption of new technologies, your company has taken up the following major initiatives through signing of MoUs during FY 2022-23:

- (a) M/s Rolls-Royce Solutions GmbH (MTU), Germany for License production with localization of the MTU 16V4000M73L engine.
- (b) M/s Tunga Aerospace Industries Pvt. Ltd., Chennai for Design, development, testing, series production and after sales service of products requiring advanced technologies in the domain of ship based drones.
- (c) IIT, Kharagpur to effectively leverage competence & strength in warship construction / Ship Design/ Naval Architecture by undertaking process improvement using Industry 4.0, AI / ML to pursue & optimise new State of the Art Warship Construction.

- (d) In order to increase Ship Repair Associates of GRSE and thereby enhance business from Ship Repair / Ship Refit and allied activities at GRSE / GRSE-KPDD / elsewhere in India, separate MoUs were signed by GRSE with 7 (seven) firms.
- (e) Alliance for indigenized design, production, supply and maintenance of FRO/GRP boats established with separate MoUs with (a) M/s Elite Polymer, Howrah, West Bengal and (b) M/s RAADS Marine, Muthialpet, Puducherry.
- (f) Indian Register of Shipping (IRS), Mumbai for Effectively leverage competence and strengths in Quality Inspection Services as well as Assistance in Quality Inspection Services and other technical studies during Refits/ Repairs of Naval & Coast Guard Ships/ Crafts and Merchant Ships/ Crafts.
- (g) For Collaboration in design for warship construction - (i) M/s Gibbs and Cox, USA and (ii) Naval Group SA, France.
- (h) For Portable Pre-Fabricated Steel Bridges, MoU has been signed with CSIR - Structural Engineering Research Centre (SERC), Chennai for Analysis, Design Checking & Testing of Modular/ Girder/ Permanent Steel Bridges and Health Monitoring of Bridges and with M/s Vrinda Engineers Pvt Ltd, Kolkata for Technical and Marketing collaboration for manufacture and supply of Large Span Steel Bridges.
- (i) M/s. Indian Armour Systems Pvt. Ltd. (IAS), Haryana for exploring 'Export Opportunities' in the field of armour for boats in overseas territory.
- (j) Kerala Electrical & Allied Engineering Co. Ltd. (KEL), Kochi, Kerala (a state-owned Enterprise of Kerala) to associate/ collaborate in design & development and supply of various products to GRSE as per need.
- (k) Supply Agreement with M/s. Indian Oil Corporation Ltd. (IOCL), Kolkata for oil & lubricants
- (l) Steel Authority of India (SAIL) for supply of Non DMR Steel Structural.
- (m) M/s Rekise Marine Pvt. Ltd., Hyderabad to jointly conduct R&D in connection with unmanned surface vessels and jointly pursue and execute contracts for the same.
- (n) M/s Aerospace Engineers Pvt Ltd., (AEPL), Salem, Tamilnadu for Design, development, testing, series production and after sales service of products requiring advanced technologies in the domain of Autonomous Underwater vehicles and allied systems.



- (o) M/s KELTRON, India to jointly develop sensors required for AUVs, explore possibilities of using Noise Anomaly detectors & noise ranging equipment in shipbuilding project for technology development to aide future business.
- (p) M/s CIFT, India for Design, engineering, construction and supply of Deep sea fishing vessels/ Boats of medium to large size.
- (q) M/s Damen, Netherlands for cooperation in commercial shipbuilding.
- (r) M/s Dynatron for undertaking ship repair/ refit and allied activities at GRSE/ GRSE-KPDD/ elsewhere in India.
- (s) M/s KONGSBERG, Sweden for license production with localization of the 'Kongsberg' waterjet in India.

RESEARCH & DEVELOPMENT

Next Generation Electric Ferry: Your Company has developed the design for a full electric battery operated ferry for transportation of passengers 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 of carrying 145 passengers. This will be pioneering effort in promoting Green technologies in the Inland Water transportation sector in the country. This is a step towards replacing diesel ferries and reduce environmental pollution. The Company is now building a vessel for 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. Demonstration of autonomous operations shall enable the fructification of order from Indian Navy, Coast Guard and DRDO, where they have already issued RFI's which are of similar requirements of the prototype being developed.

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 under progress. GRSE intends to demonstrate the prototype to potential customers.

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 90% indigenisation for Landing Craft Utility Ships and over 85% indigenisation for Anti-Submarine Warfare Corvettes, which is a major step towards achieving self-reliance in state-of-the-art warship design and construction.

Ministry of Defence through DDP-MoD has notified three positive lists (03 PILs) of items for DPSUs, for which there would be an embargo on the import beyond the timeline indicated against them. Further, Ministry of Defence through Department of Military Affairs (DMA-MoD) has notified four positive lists (04 PILs) of items required for

Armed Forces. This initiative 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 34 items from the DDP-MoD list and 24 items from DMA-MoD lists. GRSE has already indigenised 24 items out of 34 items specified in three PILs promulgated by DDP-MoD.

GRSE has uploaded 70 items in the SRIJAN Defence Portal (srijandefence.gov.in) launched by the GoI on 14 Aug 2020. These items were earlier imported or indigenous vendors not available, and as on date, GRSE has successfully indigenized 27 items from this list.

The Make-II framework (Industry funded prototype development) was implemented at GRSE on 09 Jul 22. As on date, GRSE has 4 items identified under Make-II project and these items are at various stages of development process.

Your Company has also a comprehensive '5 Year Indigenisation Plan' (FY 2019-20 to FY 2023-24) for developing equipment that are primarily project specific and are also planned for incorporation & utilization for various upcoming projects. Since FY 2013-14, GRSE has indigenized 27 items worth ₹216.74 crore. Another 12 items worth ₹535.20 crore (approx.) have been planned to be Indigenised by FY 2024-25.

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 133 IPRs (129 IPRs post MRGS launching) out of which 44 IPRs are granted (03 Patents) / registered (38 Copyrights & 03 Trademarks) as on date. GRSE trained around 1305 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.

Since launching of 'Make-in-India' programme by GoI in Sep 2014, GRSE has constructed and delivered 22 Warships to the Indian Armed Forces and Friendly Foreign Countries.

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 neighbouring countries such as Nepal, Bhutan & Bangladesh. Efforts are on to further enhance the export of Bailey Bridges & their components to other friendly foreign countries as well.

During FY 2022-23, your Company has generated revenue of ₹ 59.78 crore from export orders which includes ₹ 58.49 crore from Shipbuilding and ₹ 1.29 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) Maintenance/ Afloat Support for 03 years for one Fast Patrol Vessel of the Govt. of Seychelles which was constructed and delivered to Govt. of Seychelles by your Company.
- (c) 07 Nos. Single Lane Pre-Fabricated Portable Steel Bridges of ₹ 8.92 crore for Bangladesh Army through DLoC

INFRASTRUCTURE AND TECHNOLOGICAL MODERNIZATION

Your Company has been continuously modernising its infrastructure/ facilities to be in tune with the changing needs of the technology/ products. During the year 2022-23, the Company has spent ₹ 43 crore as a part of CAPEX investment towards modernisation of Infrastructure, Technology, Plant & Machinery etc.

The following are some of the major facilities modernised during the year:

- (a) **Upgradation of Fitting Out Jetty (FOJ) Unit** – Towards enhancing production capability at at FOJ, following actions have been taken: -
 - (i) **Refurbishment of Jetties** – Both the Finger Jetty & Naval Jetty has been refurbished including structural strengthening and replacement of old Fenders & Bollards.
 - (ii) **Refurbishment of Shops & Stores** - All major Shops & Stores at FOJ has been refurbished in terms of replacing

old asbestos sheet with metal sheet, structural retrofitting/ strengthening work & allied jobs.

- (iii) **Installation of new Flanging Machine** - To enhance productivity of pipes, a new Flanging Machine has been installed at Pipe Shop of FOJ.
- (iv) Also, refurbishment of age old 02 Nos. Jib Cranes at both the Jetties is currently underway, which will be completed by 20 September 2023.
- (b) **Retrofitting of old shipbuilding Docks & Berths at Main & RBD Unit** – Retrofitting & structural refurbishment/repair of old Dry Dock & Inclined Berth of Main and also old Dry Dock of RBD has been completed.
- (c) **Commissioning of 04 nos. of 25 Ton capacity EOT Cranes at RBD** - For enhancement of Shipyards' block fabrication capacity, 02 nos. of 25 Ton capacity EOT cranes, each at two nos. Block Fabrication Shops has been commissioned.
- (d) **Rooftop Solar Plant** - As a part of green energy initiative for reducing the impact of atmospheric climate change, total 450 KWp roof top solar power plant (200 KWp at Main & 250 KWp at FOJ) has been commissioned in this year. With this, the total capacity of rooftop solar plant at GRSE is now 1950 KW i.e. 1.95 MW.
- (e) **3D Printed Modular Building** - In line with the Government of India's thrust towards latest technology and also Start Up India Mission, a Modular Building using 3D Printing technology (concrete) by a start-up company has been created at RBD Unit.
- (f) **Cherry Picker with Articulated Boom** – For faster ship construction outfitting work, a new Cherry Picker with Articulated Boom has been procured & installed.



Directors' Report

FUTURE OUTLOOK

A strong order book for design and construction of 19 warships concurrently for Indian Navy at this juncture holds exciting times ahead for the GRSE. With all the policy initiatives taken by the Government of India in the recent times for encouraging & supporting 'Atmanirbharata', the overall scenario for warship building looks quite positive in coming years. The defence shipbuilding segment continues to look promising on account of ambitious acquisition plan of Indian Navy and Indian Coast Guard which is quite encouraging for the Indian Shipbuilders and the entire eco-system. A number of Request for Proposals (RFPs) for various shipbuilding projects have been floated by the MoD during last one year and some more are expected to come out in the near future. Further, the MoD plan to increase export of defence products to 3.59 Billion USD by end 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 the domestic as well as global demands for ships. Thus, your company has identified Ocean going Ferry (Cargo + Passenger), Tugs, Dredger, Barges, E-Ferry as targeted non-defence products to promote in Export Market of 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 adapt Industry 4.0 practises 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 a 250 kWp Rooftop Solar Power Plant at FOJ Unit. This is the second plant to be commissioned in a span of 04 months. The total capacity of rooftop solar plants at GRSE is now 1950 KWP. GRSE has plans to further enhance the solar power plant capacity as part of its Green initiatives.

GRSE was awarded the order for design, construction & delivery of 01 No. Zero emission Next Generation Electric Ferry by Govt. of West Bengal on 05 July 2022. The ferry is planned to be delivered in FY 2023-24. The newly formed "Innovation & New Technology" department at GRSE is also working on several projects incorporating new technologies.

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:

- (a) 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.
- (b) Your Company believes that innovation in the production processes coupled with enhanced efficiency and optimum utilisation of resources is the key to reduce production costs. The Company intends to leverage its design, engineering and manufacturing capabilities to improve its procurement and production processes.
- (c) Continuous endeavour towards assessment of tentative & likely opportunities from the Indian Navy, Indian Coast Guard, Indian Army, BRO, Ministry of Home Affairs, Ministry of Earth Sciences, National Centre for Polar and Ocean Research, Inland Waterways Authority of India, Kochi Water Metro, Government of West Bengal and other State Governments over the next 05 Years.
- (d) Your Company is targeting orders from the Indian Navy, Indian Coast Guard and Ministry of Home Affairs for AMC & Refits of GRSE built vessels, and has plans to further strengthen and expand the refit & repair business verticals.
- (e) 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, 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), EEPC (Engineering Export Promotion Council of India), MCCI (Merchants' Chamber of Commerce & Industry), SIDBI (SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA).

In addition to above, your Company has also participated in "National MSME Conclave and Exhibition in Defence Sector", at Kota, Rajasthan and a highlighted participation in "DEFEXPO-2022" in Gandhinagar, Gujarat to explore technically competent firms and seek advantage of their services for GRSE's ongoing / future projects to realise the "Make in India" endeavour of the nation.

As a special initiative, your Company had organised an event, "Melbandhan 2022" - A delightful meet with Business Partners for detailed interaction with stakeholders. The program was participated by several business partners 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 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 2022-23, your Company procured items worth ₹ 564.11 crore from the MSEs, which is 62.64% (approx.) of the total annual procurement value (considering exclusions as applicable for MSEs). The list of items reserved for MSEs procurement 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 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 a highest procurement volume on GeM amongst all the shipyards.

During the financial year 2022-23, your Company has recorded GeM procurement volume of ₹ 524.07 crore, which is highest ever amongst all the shipyards.



ERP & IT

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

- (a) **IT Infrastructure:** Your Company has well established on premise Data Centre (DC) in Kolkata and Disaster Recovery Centre (DR) at Mumbai. All its local and remote locations are connected through dedicated leased lines and LAN for seamless data transfer and communication. GRSE has already mapped major business processes like Supply Chain, Finance, HR, Payroll, Vendor, Plant Maintenance etc. in SAP ERP in 2010. Total Design Operations are covered under secured IT Platform with AVEVA CAD, VR LAB, PDM-PLM etc.
- (b) **Cyber Security:** Your Company has a well defined organisational structure for Cyber Security Management. Director (Personnel) is nominated as the Chief Information Security Officer (CISO) for the Company. Cyber Security Enhanced Awareness Training by CDAC has been imparted to cyber security core group. AIR-GAP implementation across organization and ILL based internet LAN was also implemented in all its units.
- (c) **ERP-SAP:** GRSE has adopted a centralised approach to manage critical IT infrastructure on which all business processes are dependent. It includes ERP infrastructure, mail servers, WAN, LAN, network security components, antivirus and patch management. Further, ERP/SAP core team has also been revitalized.
- (d) **PDM / PLM (Product Data Management / Product Lifecycle Management):** Implementation of AVEVA Marine based PDM & Siemens Team Centre based PLM software is under implementation. Modular construction technology with the use of PDM / PLM will improve efficiency and reduction of construction time of P17A ships.
- (e) **Work From Home:** Secured VPN (Virtual Private Network) facilities are provided to nominated users for "Work From Home" and seamless high-end device based VC (Video Conferencing) being utilized for Video Conferencing with Internal, Ministry and External stakeholders'.
- (f) **Access Control System:** GRSE has already migrated from finger print based system to Face Recognition Based Biometric Access Control System for both permanent as well as contractual employees.
- (g) **Employee Portal:** Employee Portal has been revamped to cover various online modules like PMS (Performance Management System), e-Note Sheet, e-File Tracking, Employee Survey, Asset Tracking, Production Monitoring, QMS, Attendance, Visitor Management System, Employee document like Salary slip, PF-Pension-Tax etc.

HUMAN RESOURCE & ADMINISTRATION



Manpower

The total Manpower strength under permanent roll of the Company as on 31 Mar 2023 was 1,747 including 481 Board level & below Board level Officers on regular roll, 09 Officers and 69 Supervisors on Fixed Term contract.

The Statements showing the representation of SC/ ST/ OBC / PWD / Women, etc., as on 31 Dec 2022 as well as the total recruitment made during the period from Jan to Dec 2022 are given at Appendices "A & B" of this report.

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

Industrial Relations

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

- (i) Signing of Memorandum of Settlement (MoS) with GRW Mazdoor & Staff Union :

Memorandum of Settlement on wages and other benefits for operative category of employees of Main and other Units / Offices of GRSE except DEP Ranchi has been signed on 29 Apr 2022 for 10 years periodicity with effect from 01 Jan 2017 to 31 Dec 2026, thereby resolving all outstanding issues relating to pay and allowances of operative category of employees.

- (ii) Signing of Supplementary Memorandum of Settlement with GRW Ltd. Clerks' Union & Unionized employees of DEP Ranchi:

GRSE Management had signed 10 years MoS with GRW Ltd. Clerks' Union for the Office Assistant category of employees of WB based Units on 25 Mar 21 and with Unionized category of employees of DEP, Ranchi on 03 Jul 21. The Management signed supplementary Memorandum of Settlements effective from 01.01.2017 with GRW Ltd. Clerks' Union on 26 Sep 22 for the Office Assistant category of employees of WB based Units and with Unionized employees of DEP, Ranchi on 29 Sep 22 to ensure uniformity in various benefits & allowances in Memorandum of Settlement of all Unionized categories of employees.

Human Resource Development

Your Company is nurturing and developing a well-balanced workforce of talented individuals who can contribute towards enhancing organization's growth trajectory. The Company has undertaken various initiatives to enhance the efficiency of the workforce in an atmosphere that encourages pursuit of individual excellence and cohesive teamwork. In FY 2022-23, 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, 3640 training man-days were achieved through various training programmes. Training programmes were conducted through online mode by nominating participants in various online workshops/conferences/webinars organized by external agencies/training providers in India. In-house training programmes were also conducted by inviting faculty/trainers from reputed institutions/agencies.

Employee Engagement Initiatives

(A) GRSE DAY CELEBRATION:

The 64th GRSE Day was celebrated on 19 Apr 2023. 'GRSE Shri' and 'CMD's Commendation' were conferred to employees for their outstanding performance in 2022. GRSE Merit Awards were given to the employees' children who excelled in their academic performance in 2021-22. 'GRSE Varta 2023', an Annual In-House Journal was released on this occasion. Employees and their children staged cultural programme.

(B) CELEBRATION OF GRSE FAMILY DAY "AHOBAN"

GRSE organized a day filled with joy and gaiety for recreation of the entire GRSE family on 29 Jan 23 with planned events for each and every family member of GRSE

1,747

Employees

481

Officers

(C) CELEBRATION OF INTERNATIONAL WOMEN'S DAY 'VANITA -2023'

To celebrate 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 05 April 2023. The programme comprised of various activities and scintillating cultural performances by employees.



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



Outbound Teambuilding Workshop for Officers of project PMT- P17A
– 'Utkarsh (VI)'



Outbound Teambuilding Workshop for Officers of project PMT- P17A
– 'Utkarsh (VI)'

(E) LEADERSHIP DEVELOPMENT PROGRAMMES

- (i) Masterclass for Directors' Certification Course was conducted for officers in Senior Management Level. It aimed to enhance the understanding of best practices in the boardroom, key elements of corporate governance, the board and management accountability to shareholders.
- (ii) 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.
- (iii) Management Development Programmes were conducted for newly inducted Assistant Managers & Supervisors.

(F) GENERAL AWARENESS ASSESSMENT TEST (GAAT)

'General Awareness Assessment Test (GAAT)' for officers (upto the level of AGM) was conducted on 02 June 2022 at various centers of Kolkata as well as at GRSE regional offices. A large number of Officers were participated in the test.

The aim of this assessment is to ensure the clear understanding of the Officers not only in their respective fields of work but also the role & functions of all the departments, general awareness of Company, the prevalent policies / laws governing the functioning of Shipyard, Gol guidelines, CDA rules etc. Such awareness can ensure better performance of the Officers and help in grooming them towards taking on higher positions and greater responsibilities.

(G) CAREER ADVANCEMENT SCHEME FOR NON-EXECUTIVE CATEGORY OF 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 2022. As per the scheme, selection process consists of knowledge test, skill test and personal interview.



Management Development Program for newly inducted Assistant Managers



Management Development Program for newly inducted Supervisors

(H) APPRENTICESHIP TRAINING UNDER APPRENTICES ACT, 1963:

The company has trained 246 apprentices during FY 2022-23. Apprentices were engaged under Trade Apprentice, Graduate Apprentice and Technician Apprentice categories and their total strength was approx. 14% of total manpower strength. The company has a dedicated Apprentice Training Department named Technical Training Centre for conducting Apprenticeship training. Apart from the technical training, various development programmes were conducted for overall personality development of the apprentices. Safety awareness training sessions were conducted for all apprentices before they were placed for on-job-training in the yard.

Your Company Celebrated Azadi Ka Amrit Mahotsav (India@75-AKAM) during FY 2022-23 with following events:

- (i) Phase V – IX celebrations comprising various webinars and reach out programmes.
- (ii) GRSE participated in AKAM Mega Show 2022 – “Nation Building and CPSEs” organised by Department of Public Enterprise (DPE) from 09 to 12 June 22 at Gandhinagar, Gujarat to promote “Contribution of CPSEs in Nation building since Independence” through an exhibition.
- (iii) As a part of ‘Special Campaign 2.0’ by MoD, GRSE conducted Cleanliness Drive at various locations including all of its units from 02 to 31 Oct 22.
- (iv) Swachhta Pakhwada 22 was celebrated in GRSE in a befitting manner from 01 to 15 Dec 22.

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 the 2022-23. During 2022-23, 05 lady employees have been appointed out of 75 new appointed employees, which is 6.7%.

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 2.43 during the year 2022-23.

In order to maintain high safety standard, your Company has imparted system-based Safety Training to the contractor employees through Group Safety Training Kiosk (GSTK), where more than 130 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.

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 (GoI). During the year 2022-23, the Company has achieved the various targets prescribed in the Annual Programme 2022-23 issued by Dept. of OL, Ministry of Home Affairs (MHA), GoI to transact official work in Hindi. The efforts made towards implementation of Official Language include:

- (a) **Hindi Month Celebrations:** Hindi Month and Hindi Day was observed during September-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) **Promoting Official Language outside the Company:** 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 08 December 2022 and prizes distributed to best three participants.
- (e) **Rajbhasha Awards:**
 - (i) **Rajbhasha Kirti Puraskar:** GRSE has been awarded prestigious Rajbhasha Kirti Puraskar – 2nd Prize for Excellence in Implementation of Official Language in the company. The Award was received by GRSE from Hon'ble Minister of State, Shri Ajay Kumar Mishra at a ceremony held at Surat, Gujrat on 14 Sep 22.
 - (ii) **TOLIC Rajbhasha Shield:** Rajbhasha Shield has been awarded to GRSE for Excellence in Implementation of Official Language in the company by Town Official Language Implementation Committee (PSU), KOLKATA.
 - (iii) **TOLIC Active Participation Award:** Active Participation Award has been awarded to GRSE for the year 2022-23 by Town Official Language Implementation Committee.
 - (iv) **Prizes in Various Inter-PSU Hindi Competitions:** Our GRSE employees have made us proud by winning 06 different prizes in Various Hindi Competitions organized during the year 2022 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 GRSE.

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:

- (a) **12th ICC PSE Excellence Award 2023** in the categories of "CSR and Sustainability & Corporate Governance" for implementing Swachh Vidyalaya in local Government schools in some of the most densely populated areas of Kolkata and focus of the initiative was for girl students.
- (b) **'9th Governance Now PSU Awards'** for the categories of Communication Outreach, CSR Commitment (Overall), Digital PSU and Reskilling of Employees (Training & Development).
- (c) **'Best Enterprise Award 2022'** received at the 33rd National Meet of Women in Public Sector (WIPS) in recognition of WIPS activities in the company.
- (d) **'WSO India Maritime OHS&E Awards 2022'** in the categories of 'Environment Excellence' and 'Fire Excellence' that was declared by 'World Safety Organisation'.
- (e) **GRSE Quality Circle teams** participated in the **36th NCQC 2022** held at Aurangabad and 07 of our teams conferred with **'Par Excellence'** and **'Excellence'** awards.
- (f) **ICQCC-2022 'Gold Award'**. Gold Award was won by GRSE QC team in the International Convention on QC Circles (ICQCC-2022) held at Jakarta, Indonesia.
- (g) **"Quality Leadership Award" for 21-22** by Quality Circle Forum of India on 27 Sep 2022.
- (h) **PRSI National Award 2022 from the Public Relations Society of India** for Best Organisational Efforts, New R&D Efforts in Defence Sector and Outstanding Initiatives for Promoting Medical & Health.
- (i) **'Raksha Mantri Award 22'** by the Hon'ble Raksha Mantri Shri Rajnath Singh for **excellence in 'Design & Development of Silent Ship'** for the Indian Navy' at DefExpo 2022, Gandhinagar. GRSE is the only DPSU shipyard that have received the Raksha Mantri Award 2022. GRSE won this prestigious 'Raksha Anveshan Ratna Award' under Innovation category for design of stealth platform for the Indian Navy to manage underwater noise at specified level wherein no major expertise was available within India.
- (j) **"Dun & Bradstreet PSU award for Digital Transformation"** as The Best PSU of FY 2021-22.
- (k) **Times Ascent EILM Award** as the "Eastern India Best Employer Brand Awards (Shipbuilding Sector)"..
- (l) **ICC PSE Excellence Award 2021** in the categories of "CSR and Sustainability" & "Corporate Governance".



CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activity carried out by your Company and continues to lay strong emphasis on transparency, accountability and integrity. Your Company complies with the applicable regulations under the Companies Act, 2013, the SEBI Listing Regulations and also the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, except with respect to the composition of Board of Directors viz. appointment of Independent Directors including a Woman Director. 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, Department of Public Enterprise Guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the Guidelines. DPE has graded GRSE as "Excellent" for the year 2022-23.

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 2022-23, 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)	Shri Sanjeeb Mohanty	Independent Director	06 Apr 2022	-
(b)	Smt. Darshana Singh	Independent Director	12 Apr 2022	01 Jun 2022
(c)	Cdr. Shantanu Bose, IN (Retd.)	Director (Shipbuilding)	08 Jun 2022	-
(d)	Cmde Hari P R, IN (Retd.)	Director (Personnel)	-	10 Jun 2022
(e)	Cmde Hari P R, IN (Retd.)	Chairman & Managing Director	10 Jun 2022	-

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, Cdr. Shantanu Bose, IN (Retd.), Director (Shipbuilding), 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 2022-23, 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 2022-23, a separate meeting of Independent Directors was held on 25 Mar 2023 in which all the Independent Directors were present.

MEETINGS OF THE BOARD

Seven (07) 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 period from 01 Apr 2022 to 24 Apr 2022, the said Committee was not constituted due to non-availability of adequate number of Independent Directors on the Board of the Company. However, the Company had proper composition of Audit Committee from 25 Apr 2022 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) of the Companies Act, 2013, your Directors hereby confirm that: -

- In the preparation of the annual accounts for the year ended 31 March, 2023, 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;

- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31 March, 2023 and of the profit of your Company for the year ended on that date;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the Annual Accounts on a 'going concern' basis;
- (e) The Directors had laid down internal financial controls to be followed by your Company and such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

Your Company being a CPSE, the Comptroller & Auditor General of India have, under Section 139(5) of the Companies Act, 2013, appointed M/s. Mookherjee, Biswas & Pathak., Chartered Accountants, Kolkata, as the Statutory Auditors of the Company for the financial year 2022-23.

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 2022-23 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 2022-23 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 2022-23. 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 Secretarial Auditor observed that the Company did not have requisite number of Independent Directors including Woman Independent Director. The Secretarial Auditor also observed that the Audit Committee and HR, Nomination and Remuneration Committee was not constituted from 01 Apr 2022 to 24 Apr 2023 due to inadequate number of Independent Directors in the Board of the Company. However, the Audit Committee and HR, Nomination and Remuneration Committee were reconstituted from 25 Apr 2022.

The Independent Directors of your Company are appointed by the President of India acting through Ministry of Defence, Government of India and such appointment is pending at their end.

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 2022-23 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 2022-23.

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

Nil

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company did not enter into any contract / arrangement / transaction with related parties in pursuance of section 188 of the Companies Act, 2013 and the rules framed thereunder and Regulation 23 of the SEBI Listing Regulations. Your Directors draw attention of the Members to Note 33 to the financial statements which sets out related party disclosures as per Indian Accounting Standard 24. The Form AOC-2 on details of related party transactions has been attached as **Appendix – “D”** to this Report, as required under section 134(3)(h) of the Companies Act, 2013. The Company has a Policy on Related Party Transactions, which can be accessed at <https://grse.in/wp-content/uploads/2022/04/Policy-for-Related-Party-Transactions-GRSE.pdf>

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the year under Report, your Company has not:

- (a) given any loan to any person or other body corporate;
- (b) given any guarantee or provided security in connection with a loan to any other body corporate or person; nor
- (c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013.

VIGIL MECHANISM

As a part of its vigil mechanism, your Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees of your Company to report to the management, instances of unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. As per the Whistle Blower Policy, a whistle blower can send written communications to the Chairman & Managing Director of your Company (or any person to whom he has delegated his power). Alternatively, the whistle blower may send such Protected Disclosure directly to the Chairman, Audit Committee. Once a Protected Disclosure is received, a Screening Committee comprising the Chairman & Managing Director of your Company, a Functional Director as nominated by C&MD and the Chairman, Audit Committee, will be constituted to investigate into the matter. All employees are encouraged to use this whistle blowing mechanism and voice their concerns to the Management. Further, all employees have been given access to the Chairman, Audit Committee. The Whistle Blower Policy can be accessed on your Company's website at <https://www.grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy.pdf>

ANNUAL RETURN

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

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE SOCIAL RESPONSIBILITY

GRSE has played a major role in supporting socio-economic development of the marginalized segment mainly, residing in the vicinity of its production units through various CSR initiatives. During the last few years, GRSE has created a positive footprint towards sustainable development and made a significant difference in the lives of disadvantaged section of the society through a slew of well throughout CSR initiative.

The CSR Policy of GRSE is in line with the provisions of Companies Act 2013, the Companies (CSR Policy) Amendment Rules 2021 and Govt. guidelines issued from time-to-time.

The focus areas of Company's CSR initiatives include Health & Nutrition, Education, Skill development, Infrastructure development of educational institutes, cleanliness campaigns under Swachh Bharat Swachh Vidyalaya Mission, mainstreaming differently abled persons and improving the quality of life of the marginalized segment. Thrust was also given for holistic development of underprivileged tribal children in Aspirational Districts as well as promoting various flagship schemes of the Govt. The Annual report on CSR projects and activities undertaken in FY 2022-23 has been annexed as **Appendix-“E”**.

RISK MANAGEMENT

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

BUSINESS RESPONSIBILITY 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 2022-23 has been drawn up and appended to this Report.

INTERNAL FINANCIAL CONTROLS

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

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

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

IMPLEMENTATION OF RTI ACT

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

RTI matters are being executed as per the provisions of the Right to Information Act, 2005 and rules made therein. During the year 2022-23, a net total of 246 number RTI requests through online/offline mode were received to provide 'Information', while opening balance number from previous year was brought forward as 30 in number. A total of 263 number of RTI applications were replied to during the year and 1 RTI Application was transferred to other concerned public authority and remaining 12 number of RTI applications were taken as 'carried forward' to the year 2023-24.

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 2022-23.

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 19th August 2020 comprising of 7 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 – 02 Nos.
- (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 (PG Portal).

Your Company is committed to the resolution of public grievances in an efficient and time bound manner. Upon receipt of public grievances, the matters are being resolved by examination of facts of each case with due diligence by the concerned departments. During the year 2022-23, a total of 18 number of Public Grievances Petitions through online/offline mode were received and no grievance was brought forward as 'opening balance' from previous year. Total 18 number of Public Grievances were resolved.

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. 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 2022-23
- (b) An awareness cum sensitization program for the senior Management was conducted on the Observations made on the CTE Type Intensive Examinations for year 2022.
- (c) Several Preventive Vigilance Measures were undertaken as below:
 - (i) Awareness / training program on preventive vigilance are conducted for 2 days in every month;
 - (ii) Scrutiny files were conducted;
 - (iii) CVC's Online complaint handling mechanism is linked with GRSE Web Site in addition to the GRSE's own online Complaint handling system;
 - (iv) Complaint boxes are installed in all units of GRSE;
 - (v) Displaying Vigilance slogans at Display Board was done;
 - (vi) Conducted Gram Sabha at Sundarbans, different



awareness activities at nearby school as well as within GRSE Employees and their family members along with prize distribution during VAW 2022 program;

- (vii) 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 60 % of the Annual Property Returns (APR) have been completed for the Year 2022.
- (f) Inputs on the vigilance status/ Clearance of officers below board level were conveyed for around 1000 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) ODI for 2023 was finalized. Agreed List was also prepared and shared with the CBI maintaining close liaison with them.
- (j) CAG audit Reports were scrutinized.
- (k) Sensitive posts have been reviewed and identified.
- (l) The following Vigilance Activities have been made and/or continuing online:
 - (i) Submission of Annual Property Return
 - (ii) Processing of Vigilance Clearance of employees
- (m) Review of the policy for conveying Vigilance Clearance/ Status was done and the same was amended in GRSE Vigilance Clearance Policy.

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 2022-23, the IEMs monitored 113 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 Warships Production Superintendent and his dedicated team under whose watchful eyes our ships are being built. Also, we thank all classification societies, in particular, IRS & ABS, who have ensured quality and adherence to the required standards.

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

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

For and on behalf of the Board of Directors

Sd/-
Place: Kolkata
Dated: 21 July, 2023

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

APPENDIX - A

STATEMENT SHOWING REPRESENTATION OF SC / ST / OBC / EX-SERVICEMEN / PHYSICALLY CHALLENGED AND WOMEN EMPLOYEES AS ON 31st DECEMBER, 2022 UNDER PERMANENT & CONTRACT CATEGORIES

Group/Category	Total Strength	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	454	75	28	125	61	12	35
Group-B	37	5	2	11	7	-	3
Group-C	1,188	290	47	181	55	34	31
Group-D (Excluding Safaiwalas)	84	16	8	8	1	4	22
Group-D (Safaiwalas)	10	10	-	-	-	-	-
Total	1,773	396	85	325	124	50	91

APPENDIX - B

DETAILS OF RECRUITMENT MADE DURING 2022 UNDER PERMANENT CATEGORY & CONTRACT CATEGORIES (FIXED TERM / JOURNEYMEN)

Group/Category	Total Recruitment	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	17	-	3	8	2	0	1
Group-B	6	1	1	3	-	-	1
Group-C	52	9	5	28	0	0	3
Group-D (Excluding Safaiwalas)	-	-	-	-	-	-	-
Group-D (Safaiwalas)	-	-	-	-	-	-	-
Total	75	10	9	39	2	0	5

APPENDIX - C

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

{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, 2023, 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, 2023, 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
- (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 1st June, 2022 to 31st March, 2023 for which requisite letters has been submitted by the management from time to time to Ministry of Defence.

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

In terms of the provisions of the Section 177 of the Act, Clause 4.1.1 of the DPE Guidelines for Corporate Governance on CPSE and Regulation 18(1) of the Listing Regulations, during the Audit Period, the Audit Committee was not constituted due to inadequate number of Independent Directors on the Board from 01 April 2022 to 24 April 2022. However, the Company had proper composition of Audit Committee from 25 April 2022 to 31 March 2023.

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

In terms of the provisions of the Section 178 of the Act, Clause 5.1 of the DPE Guidelines for Corporate Governance on CPSE and Regulation 19(1) of the Listing Regulations, during the Audit Period, the Nomination and Remuneration Committee was not constituted due to inadequate number of Independent Directors on the Board as aforesaid from 01 April 2022 to 24 April 2022. However, the Company had proper composition of HR, Nomination and Remuneration Committee from 25 April 2022 to 31 March 2023.

4. Certain Corporate Governance requirements provided under the Listing Regulations

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

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

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 audit period the Company had provided final dividend for FY 2021-22 and interim dividend for FY 2022-23.

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

Sd/-
Raveena Dugar Agarwal
Partner
ACS No: 51836
CP No.: 26055
UDIN: A051836E000661841

Place: Kolkata
Date: 21 July, 2023

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

ANNEXURE A

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
UDIN: A051836E000661841

Place: Kolkata
Date: 21 July, 2023

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 2022-23

I. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

GRSE is committed to go beyond statutory requirement by undertaking various development initiatives and projects for inclusive growth of the community and society primarily at the vicinity of its production units. Accordingly, the CSR activities undertaken by GRSE reflect the company's commitment to improve the quality of life of the marginalized segment of the society.

Our CSR efforts are focused towards health care and nutrition, mainstreaming differently abled children, Swachh Bharat and Swachh Vidyalaya Abhiyan, women empowerment, skill development etc.

The CSR policy of the company defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act and Rules frames thereunder from time to time. All the CSR initiatives are undertaken as per the Schedule VII of the Companies Act, 2013 as well as various Govt. directives & Guidelines. Details of such activities are also available in the GRSE website.

The Board Level Committee on CSR & Sustainability headed by an Independent Director recommends the Annual CSR plan for approval of the Board of Directors, and the projects are implemented after obtaining Board approval. The projects are also reviewed from time to time during implementation, to ensure progress as well as for mid-course correction, if any.

II. MAJOR CSR PROJECTS UNDERTAKEN BY GRSE IN FY 2022-23

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

(i) Health Camps

(a) Monthly Health Check-up Camps

Monthly health checkup camps for providing basic diagnostics and curative health care facility for the under-served population in the vicinity of its production units are being conducted by the Company since FY 2011-12. However, to increase the reach of this project, such health checkup camps are also being conducted at Naora (Sundarban) since July 2022 for the marginalized segment. A special Health camp was also conducted at Kultoli which is an island located at very interior part of Sundarban. Each camp caters for around 250 patients and medicines were also provided to these patients. Around 6000 patients were benefitted from this project during FY 2022-23

(b) Blood Donation Camp

A Blood donation camp was conducted in association with the Thalassemia Society of India on 17 Feb 2023. Around 100 Employees, Trade Apprentices, CISF personnel and Contractors' Workmen whole heartedly attended the blood donation camp.

(c) TB Nikshay Mitra

GRSE has provided nutritional support to 60 MDR TB patients for improving their health, weight gain, muscle strengthening etc. to improve their quality of life.

(ii) Holistic development of underprivileged children of tribal villages

GRSE partnered with Ramakrishna Mission, Belur Math for holistic development of approx. 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, Ajjara and Naora in Sundarban area of West Bengal. This project has helped to develop physical, mental and intellectual abilities of the children. An amount of ₹ 65.56 lakh has been spent for this project.

(iii) Providing medical equipment and infrastructure development of hospitals / dispensary etc.

(a) The Leprosy Mission Trust India (TLMTI)

This project was undertaken to provide medical equipment for improvement of leprosy patients as they are not able to avail treatment in the hospital created for the general public. TLMTI is the largest leprosy-focused non-governmental organization in India which works with people affected by leprosy. The Company provided medical equipment worth ₹ 36.88 lakh for better treatment of people afflicted with leprosy and other neglected tropical diseases (NTDs). This equipment was given to the Premananda Memorial Hospital in Kolkata, a unit of TLMTI whereby around 3000 leprosy patients mainly from marginalized segment benefited from this initiative.

(b) Ramakrishna Sarada Mission, Siriti (RKSM)

Ramakrishna Sarada Mission, apart from its regular activities also run a charitable dispensary named 'Sevangan', at Siriti, Kolkata which provides treatment and clinical investigations for the underprivileged women and children residing in the neighbouring slums. GRSE has provided medical equipment such worth ₹ 26 lakh for their charitable dispensary named 'Sevangan'. Around 1800 women and children benefited from this initiative.

(c) Dr. B. C. Roy General Hospital & Maternity Home (BCRHM)

Dr. B. C. Roy General Hospital & Maternity Home, New Barrackpore provides outdoor treatment facility through various departments. The hospital primarily caters to patients coming from marginalized segment of the society, especially women by providing them highly subsidized treatment. GRSE has provided 01 No. Anesthesia Work Station and 01 No. High-Performance Liquid Chromatography (HPLC) System to this hospital worth ₹ 58.59 lakh. Around 5000 underprivileged patients were benefitted from this initiative.

(v) Skill Development training to medical technicians

GRSE partnered with Ramakrishna Math and facilitated for medical technician training in the field of Phlebotomy and General Duty Nursing Assistant to 60 unemployed youths 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 course.

(vi) Maintenance of toilets in 20 local Govt. schools

Taking cognizance of the national mission 'Swachh Bharat Swachh Vidyalaya' and the needs of the schools' children, mainly from the Govt. schools, GRSE has adopted the mechanism for maintenance 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 35,000 students were benefited under this project.

(vii) Empowering Differently Abled Children

GRSE has more than a decade association with Indian Institute of Cerebral Palsy (IICP), Kolkata. GRSE has partnered with IICP to provide comprehensive educational and rehabilitation services for children with cerebral palsy by supporting three classes viz. Education Development Unit IV, Education Development Unit V and Life Skill Training Unit under the Centre for Special Education. These 03 classes cover around 50 children with severe multiple impairments with 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 range between the age band of 14-18 years who were trained in pre-vocation skills.

(B) OTHER PROJECTS**(i) SKILL INDIA MISSION**

Skill development is one of the thrust areas as it addresses the challenging issue of unemployment in the country. The main focus of skill development initiatives under CSR is to transform the existing skill development programmes into industry-oriented training programmes.

(a) Improvement of Apprenticeship Training Program

During FY 2022-23, the company enhanced the intake of apprentices. Around 250 Trade Apprentice, Graduate Apprentices and Technician Apprentice were imparted training through this initiative. The Apprentices were trained on safe-working practices, on-the-job training in various shops / departments of the company as well as basic training at the company's training facility.

(b) Providing equipment to ITI

GRSE supported local Government ITIs in improving their skill development training wherein equipment was provided to 04 Govt. ITIs viz. Women ITI Kolkata, ITI Tollygunge, Kolkata and ITI Balurghat, located in Dakshin Dinajpur District of West Bengal.

(c) SKILL DEVELOPMENT TRAINING TO ITI

GRSE supported the following Skill development activities for the students of Govt. ITI Gariahat, Govt. Women ITI and Govt. ITI Tollygunge during FY 2022-23 as a part of CSR initiatives of GRSE-

- 06 bright students from the supported ITIs were sponsored for participation in the 34th Eastern Regional Workskills Competition organized by CII.
- Organized guest lecture & advanced training in Basic Cosmetology, COPA, Secretarial Practice and Electronic Mechanic trade for students and trainers of Women ITI
- Arranged Industrial visit of 147 students of supported ITIs for providing them industrial exposure.

(ii) Installation of Solar Power Plant in 04 local Govt. schools

GRSE has installed rooftop Solar Power Plants in 04 local Govt. schools viz. Rabindra Balika Vidyapith (H.S.) – 8 KWp, Akra Saktigarh Rabindra Vidyapith (H.S.) – 10 KWp, Kankhuly High School (H.S.) – 10 KWp and Kankhuly Girls' High School (H.S.) – 8 KWp for using clean and renewable energy. This initiative will help the schools to reduce dependence on conventional electric supply and also bring down expenses on electric supply.

(iii) Infrastructure development of local schools

R B Institute for Mentally Retarded children is the only Govt. aided school in Howrah District for such special children. Around 45 special children having 40% to 90% disability are enrolled in this school. The children of the school are primarily from marginalized segment who are unable to afford private schools. GRSE renovated the dilapidated school assembly hall so that the facility could be used for the special children.

(iv) Swachhta Pakhwada

As a part of Swachh Bharat Abhiyan, GRSE celebrated Swachhta Pakhwada from 01 Dec to 15 Dec 22. Several events and activities were conducted inside and outside the units of GRSE like picking of 'Single Use Plastic', Swachhta painting competition, sapling distribution seminar on Importance of cleanliness in daily, Hindi essay writing competition, Inter-School Panting Competition, etc.

3) CSR AWARD

GRSE received prestigious 12th ICC PSE Excellence Awards 2022 in the category of 'CSR and Sustainability'.

CSR GALLERY



Blood Donation Camp



CSR Initiative with IICP



GRSE Slum Development



Health Checkup



Maintenance of Toilet



Medical Equipment to Premananda Memorial Hospital

CSR GALLERY



Medical Equipment to Ramakrishna Sarada Mission



Medicine Distribution



MoU with Ramkrishna Math



Nutritional Support to TB Patient



Phlebotomy Technician & General Day Training Batches



Sapling Distribution to Childrens of GAP Unit

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 Sanjay Dattatraya Panse ^[1] Part-Time Non-Official (Independent) Director	Chairperson	2	-
(b)	Smt. Darshana Singh ^[2] Part-Time Non-Official (Independent) Director	Chairperson	2	-
(c)	Shri Sanjeeb Mohanty ^[3] Part-Time Non-Official (Independent) Director	Chairperson	2	2
(d)	Cmde Hari P R, IN (Retd.) ^[4] Director (Personnel)	Member	2	-
(e)	Shri R K Dash Director (Finance)	Member	2	2
(f)	Cdr Shantanu Bose, IN (Retd.) ^[5] Director (Shipbuilding)	Member	2	2

^[1] Ceased as a chairperson and member of the Committee w.e.f. 25 Apr 2022 and no Meeting was held during his tenure.

^[2] Admitted as a chairperson and member of the Committee w.e.f. 25 Apr 2022 and consequently ceased to be chairperson and member of the Committee w.e.f. 01 Jun 2022. Further, no Meeting was held during her tenure.

^[3] Admitted as a chairperson and member of the Committee w.e.f. 06 Jun 2022 and two meetings were held during his tenure.

^[4] Ceased to be member of the Committee w.e.f. 20 Jun 2022 and no Meeting was held during his tenure.

^[5] Admitted as a member of the Committee w.e.f. 20 Jun 2022 and two 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/board-of-directors-and-committees/Board_of_Directors_and_its_Committees.pdf; <https://grse.in/csr-policy/>; <https://grse.in/csr-projects-for-fy-2022-23/>
- 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) –
₹ 460 lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
Not Applicable
- (c) Amount required to be set off for the financial year, if any
Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c)
₹ 460 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
₹460 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
NIL												

(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 from tribal areas of Ranchi, Khunti District (Aspirational District), Jharkhand and Sunderban areas of W. Bengal	Clause – (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare Clause- (ii) promoting education among children	No	Jharkhand	Ranchi & Khunti Districts (both Aspirational District)	65.66	No	Ramakrishna Mission, Belur Math	CSR00006101
2.	Medical equipment or infrastructure development of hospitals / health centres/ dispensaries/ polyclinics/ medial Institutes or implementing Covid mitigation initiatives or other healthcare measures as per Govt. directives received from time to time	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	North 24 Parganas	58.59	No	Dr BC Roy General Hospital & Maternity Home, New Barrackpore	CSR00043889
				West Bengal	Kolkata	36.88	No	Premananda Memorial Hospital, Kolkata	CSR00001796
				West Bengal	South 24 Parganas	26.00	No	Ramakrishna Sarada Mission, Siriti	CSR00005055

(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
3.	Health check- up camps and blood donation camp	Clause – (i) promoting healthcare including preventive health care.	Yes	West Bengal	Kolkata & South 24 Parganas	23.78	Yes	GRSE Ltd.	-
4	Skill training to medical technicians	Clause – (i) promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	19.85	No	Ramakrishna Math, Belur Math	CSR00002806
5.	Maintenance of toilets of 20 schools	Clause – (i) promoting healthcare including preventive healthcare and sanitation	Yes	West Bengal	Kolkata, Howrah & South 24 Parganas	48.85	Yes	Sulabh International Social Service Organization, WB Branch and GRSE	CSR00000185
6.	Adoption of 3 classes of Indian Institute of Cerebral Palsy (IICP)	Clause – (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare Clause- (ii) promoting education including special education and employment enhancing vocation skills among differently abled children	Yes	West Bengal	Kolkata & neighboring districts.	33.00	No	Indian Institute of Cerebral Palsy (IICP)	CSR00001730
7.	Development of training facility and infrastructure of ITI	Clause- (ii) promoting education including special education and employment enhancing vocation skills among differently abled children	Yes	West Bengal	Kolkata & Dakshin Dinajpur	3.00	No	ITI Balurghat, Balurghat, Dist. Dakshin Dinajpur, West Bengal -733103	CSR00025297
						10.84	No	Women ITI Kolkata, Ballygunge, Kolkata - 700019	CSR00023668
						10.775	No	ITI Gariahat, Gariahat Road, Kolkata - 700019	CSR00024173
						10.87	No	ITI Tollygunge, 24, Chandi Ghosh Road, Kolkata - 700040	CSR00024382
8.	Stipend paid to the apprentices engaged over and above the 2.5% of the statutory requirement to meet the target of MoD directive of 10% of manpower strength.	Clause – (ii) promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata (benefitting trainees from PAN India)	63.40	Yes	GRSE Ltd.	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation on - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
9.	Installation of solar panels at 04 Govt. Schools	Clause – (iv) promoting environmental sustainability	Yes	West Bengal	Kolkata	27.40	Yes	GRSE	-
10.	Infrastructure development of schools	Clause – (ii) promoting education,	Yes	West Bengal	Howrah	14.35	Yes	GRSE	-
11.	Contribution to Clean Ganga Fund	Clause – (iv) contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	No	PAN India	PAN India	02.00	GOI	GOI	-
12	Swachhta Pakhwada	Clause – (i) promoting sanitation	Yes	West Bengal	Kolkata	1.78	Yes	GRSE	-
13	Azadi Ka Amrit Mahotsav (AKAM)	Clause – (ii) promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	0.43	Yes	GRSE	-
14	ICC Training to Apprentices	Clause – (ii) promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	0.75	Yes	GRSE	-
15	Skill Development to ITI students	Clause – (ii) promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	1.765	Yes	GRSE	-
TOTAL						460.00			

- (d) Amount spent in Administrative Overheads- **NIL**
- (e) Amount spent on Impact Assessment, if applicable- **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **₹ 460 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)	459.54
(ii)	Total amount spent for the Financial Year	460
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.46
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.46

- 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 years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.				NIL			

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

(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
NIL								
TOTAL								

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

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

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ 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	03 Feb 2023	26	Ramakrishna Sarada Mission, Siriti, Sarat Pally, Paschim Putiary, Kolkata – 700 082.	USG Machine, UST + Electro Therapy Machine (2 in 1), Ultra Sound Therapy I-Care Tonometer, RVG Sensor 1, Printer, PC based 12 Channel ECG System and PC	Sevangana, Ramakrishna Sarada Mission, Siriti, Sarat Pally, Paschim Putiary, Kolkata – 700 082.
2.	09 Nov 2022	36.88	The Leprosy Mission Trust India, CNI Bhawan, 16, Pandit Pant Marg, New Delhi -110001,	01 No. Slit Lamp Digital Imaging System, 01 No. B-Scan with Printer, 01 No. Phaco Emulsification Machine for Cataract Surgery, 01 No. Humphrey Field Autoanalyzer, 01 No. Tonometer, 02 No. ECG Machine, 01 No. O.T light, 04 Nos. ICU Beds, 03 Nos. Patient Monitor, 01 No. Electrolyte Analyzer, 01 No. Automatic Electronic Tourniquet Single Cuff Operation	Premananda Memorial Hospital, 259A, APC Road, Manicktala, Kolkata - 700 006
3.	13 Feb 2023	58.59	Dr. B. C. Roy General Hospital & Maternity Home, New Barrackpore, Dr. B. C. Roy Sarani (Main Road West), New Barrackpore, Dist. - 24 Pgs (N), West Bengal – 700 131	01 No. Anaesthesia Work Station 01 No. High-Performance Liquid Chromatography (HPLC) System	Dr. B. C. Roy General Hospital & Maternity Home, New Barrackpore, Dr. B. C. Roy Sarani (Main Road West), New Barrackpore, Dist. - 24 Pgs (N), West Bengal – 700 131

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
4.	01 Feb 2023	03.00	IITI Balurghat, Atoir, Bidaypur (Via Beltala Ark), Balurghat, Dist. Dakshin Dinajpur, West Bengal -733103	Equipment like Digital IC tester, Fiber Optic Comm trainer, Seven segment DPM trainer, LED lighting system, LED TV (trainer kit), Solar training kits/ simulator, LCD based DPM, LCD TV (trainer kit) and construction of an enclosure/shed (platform surrounded by grill) for putting Green Generator	IITI Balurghat, Atoir, Bidaypur (Via Beltala Ark), Balurghat, Dist. Dakshin Dinajpur, West Bengal -733103
5.	01 Feb 2023	10.84	Women ITI Kolkata, 10 and 10/1, Gariahat Road, Ballygunge, Kolkata - 700019	10 nos PCs, ACs and Furnitures	Women ITI Kolkata, 10 and 10/1, Gariahat Road, Ballygunge, Kolkata - 700019
6.	01 Feb 2023	10.77	ITI Gariahat, 10 and 10/1 Gariahat Road, Kolkata - 700019	Pneumatic work station (01 no.) and Hydraulic work station (01 no.) containing of trainer kits and other equipment and Solid Works Software (20 Users)	ITI Gariahat, 10 and 10/1 Gariahat Road, Kolkata - 700019
7.	01 Feb 2023	10.87	ITI Tollygunge, 24, Chandi Ghosh Road, Kolkata - 700040	Motorized Welding Positioner (table top type) for welding 1G to 5G (05 nos.) and Master Welding movable table type booth with fume extractor system (01 no.).	ITI Tollygunge, 24, Chandi Ghosh Road, Kolkata - 700040

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

Sd/-

Shri Sanjeeb Mohanty

Chairperson, CSR & SD Committee
DIN: 09559883

Sd/-

Cmde Hari P R, IN (Retd.)

Chairman & Managing Director
DIN No. 08591411

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY SCENARIO

1.1 Global Scenario

Shipbuilding

Geopolitical scenario brought about by the Russia-Ukraine conflict with the consequent impact on Global Supply chains and the waning of the COVID-19 epidemic, were key developments of the year 2022. 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. As per a recent study by a consultancy group, Global shipbuilding market is valued at more than \$200 Bn comprising Naval ships, Commercial ships and recreational vessels. The Military ship market is poised to be a \$907 Bn worth cumulative industry by 2027 with demand driven primarily by Asia Pacific, eastern Europe and sub-Saharan African countries. The global naval shipbuilding market is being driven by international events and developments such as growing tensions in the Asia-Pacific region that have already resulted in an increased emphasis on naval modernization programs and a resurgence of submarine inventory proliferation by countries in the region as well as NATO and the United States. Market growth is expected, also given the need to replace older vessels in the naval fleet of major economies and the increase in the level of sophistication in combat technology. The global naval shipbuilding market would peak during the first half of this decade, driven by demand for both surface combatants and submarines. Globally, the average age of warships is as high as twenty-five (25) years and around 180 procurement programs are under execution in various countries.

Ship Repair

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. 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

Substantial market opportunities are also anticipated in the coming decade in the area of maintenance, repairs, refits and upgrades of Indian Navy and Indian Coast Guard warships. To capitalize on the same, GRSE intends to 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 63 years, GRSE has built around 790 platforms which include 108 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.

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

Weaknesses

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

Opportunities

- (a) Acquisition plan of Indian Navy and Indian Coast Guard aimed at significant Expansion of fleet size.
- (b) Acquisition plan of MHA & IWAI.
- (c) Export potential especially for small and medium size warships and patrol vessels to South East Asia, West Asia, African countries and Latin America.
- (d) Government policy on thrust for exports including extension of Line of Credit (LoC).
- (e) Repair and Refit of Ships for Indian Navy and Indian Coast Guard
- (f) Capacity and Capability enhancement through collaboration with competent private shipyards
- (g) Acquisition of/Collaboration with suitable shipbuilding or repair yards in India and abroad.
- (h) Scope for increasing business volumes in Bridges, Engineering Products and Engines through aggressive marketing, capacity augmentation and product diversification.
- (i) New technology Products like Drones, Unmanned Surface Vessels (USVs) and Autonomous Underwater Vessels (AUVs)
- (j) Green Energy Platforms

Threats

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

From the above SWOT analysis, it emerges that 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

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

Your Company is predominantly in the defence shipbuilding segment and has gained sufficient expertise in large, medium and small size ships required by Indian Navy and Indian Coast Guard, in particular, and generally enjoys excellent reputation for ships that it has built. Your Company has delivered its 108th warship (a Fast Patrol Vessel to Indian Coast Guard) on 31 Dec 2022 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, a Memorandum of Understanding (MoU) followed by a concession agreement have been signed between GRSE & SMP (KoPT) to develop and utilize 03 existing dry docks of SMP which are strategically located. The close proximity of this facility provides a boost to 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 2022-23. 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) Develop Design Department into a Centre of Excellence.
- b) Revamping of Material Management / Supply Chain Management.
- c) Vendor development & building long term Partnerships.
- d) Improve Project Management System for shipbuilding projects.

- e) Upgrade shipbuilding technology / processes.
- f) Identify and implement new measures to improve productivity at GRSE
- g) Upgrade products of Bridges Unit, Deck Machinery Unit and Diesel Engine Plant
- h) Business Development through concerted marketing effort for Exports.
- i) Developing Businesses other than shipbuilding as separate profit centres
- j) Creating Strategic Partnership for Export / Special Projects
- k) Measures for increasing VoP from Ship Repair (SR) Business
- l) Measures for increasing VoP of Portable Bridges, Deck Machinery, marine pump and Diesel Engine Businesses
- m) Achieve 100% compliance for working on PLM software
- n) Reduction in Revenue Expenditures
- o) Improvement of Ease of Doing Business (EoDB)
- p) Efficient Risk Analysis and Mitigation Plans
- q) Leverage new age Technology (ICT) for better management of operations
- r) Shipyard Capacity Enhancement
- s) Creation of a "Innovation & New Technology" department
- t) Leverage Indian Startup eco system to facilitate new technology adaptation

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of 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 system comprises well defined organisation structure and procedures issued by management covering all vital and important areas of activities. The internal control system ensures that the resources of the company are optimally used for business purpose and safeguard from loss, misuse and physical impairment. Process owners are responsible to ensure compliance with these policies & procedures.

An independent Internal Audit mechanism is in place for conducting audit of various operational and financial matters and for monitoring compliances of company's procedures and policies with well-defined annual audit programme. Based on the report of Internal Auditors, process owners undertake corrective action(s) in their respective area(s). Significant audit observations and corrective action (s) thereon are reported to the Audit Committee of the Board of Directors. 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 a Board approved Risk Management Policy and comprehensive Enterprise Risk Management framework in place for identification, assessment, treatment and reporting of the risk. 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. The major risks and concerns of the Company are:

- Delay in the deliveries may materially and adversely affect our reputation, operations and financial conditions.
- Unsatisfactory quality of work performed by subcontractors could result in a negative impact on our business, reputation and financial conditions.
- Non-availability of critical imported raw material in the international market coupled with exchange rate fluctuation and volatile prices adversely affects the financials and the competitive edge of the Company.
- The Company is operating its business on fixed price contract and competitive bidding basis. Since, many of the projects are long construction period, the Company will not be able to pass on the increase in price of the raw material and equipment to its customer.
- Changing laws, rules and regulations and legal uncertainties, may adversely affect our business and future earnings.
- The waterfront of our Company is prone to siltation and involves constant maintenance of dredging to maintain the water depth.
- Dependence on limited customers for new contracts and quantum of allocation of Defence budget.
- Risk of natural disasters and pandemic.

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

The Performance Highlights of the Company during the year ended 31 Mar 2023 are as follows:

(₹ in crore)

Particulars	As on 31 Mar 2023	As on 31 Mar 2022
Gross Income	2,762.98	1,915.77
Revenue from Operations	2,561.15	1,754.45
Value of Production	2,547.84	1,745.28
Gross Profit	350.86	294.38
Profit Before Exceptional Items & Tax	305.22	264.93
Exceptional Item	-	-7.69
Profit Before Tax	305.22	257.24
Tax Expense	77.09	67.71
Profit After Tax	228.12	189.53
Net Worth	1,413.82	1,257.89
Book Value per Share (in ₹)	123.42	109.81
Earnings Per Share (in ₹)	19.91	16.55
Dividend Per Share (in ₹)	6.20	5.80

Ratios Analysis:

Ratios	As at 31 March, 2023	As at 31 March, 2022	% of Variance
Debtors Turnover	25.33	10.65	138%
Inventory Turnover	1.20	1.68	-29%
Interest Coverage Ratio	48.10	181.04	-73%
Current Ratio	1.07	0.93	15%
Debt Equity Ratio	0.007	0.008	-13%
Gross Profit Margin (%)	12.70	15.36	-17%
Net Profit Margin (%)	8.26	9.89	-17%
Return on Net Worth (%)	16.14	15.07	7%

(₹ in crore)

Import and Export	As on 31 Mar 2023	As on 31 Mar 2022
Imports made during the year	461.24	194.88
Exports made during the year	59.78	60.94

- **Debtor Turnover:** Debtors turnover ratio in FY 22-23 has been improved to 25.33 as compared to 10.65 in FY 21-22. Trade Receivables have reduced during the year on realization of outstanding receivables from various customers.
- **Inventory Turnover Ratio:** Around 15 ships under various projects are under concurrent construction at GRSE and business partner's premises. Hence, inventory has increased almost by 143%.
- **Interest Coverage Ratio:** Interest charge on Bank Overdraft and Finance Cost Increased by ₹ 504 lakh during the year.
- **Gross Revenue** registered a rise of 44.60% from ₹ 1,915.77 crore in 2021-22 to ₹ 2,762.98 crore in 2022-23.
- **Value of Production** has increased from ₹ 1,745.28 crore in 2021-22 to ₹ 2,547.84 crore in 2022-23.
- **Net Profit (PBT)** registered a rise of 18.65%, increased from ₹ 257.24 crore in 2021-22 to ₹ 305.22 crore in 2022-23.
- **Value Addition per Employee** has increased from ₹ 45.30 lakh in 2021-22 to ₹ 54.60 lakh in 2022-23.
- **Book Value per share** has increased from ₹ 109.81 in 2021-22 to ₹ 123.42 in 2022-23.

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 1747 persons as on 31 Mar 2023.

Total Employees as on 31 Mar 2023	Officers	Supervisors	Office Assistants	Workmen		
				Direct	Indirect	Total
1,747	491	181	56	811	208	1,019

14. ENVIRONMENT PROTECTION

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

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 2022-23)

ADOPTED CORPORATE GOVERNANCE PHILOSOPHY

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

BOARD OF DIRECTORS

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

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

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

SIZE AND COMPOSITION OF THE BOARD

5. The Board of the Company comprises of Executive (Whole-Time) Directors, Non-Executive (Part-Time Official) Government Nominee Directors and Non-Executive (Part-Time Non-Official) Independent Directors. As on 31 Mar 2023, the Board of Directors of your Company doesn't consist of an optimum combination of Executive and Non-Executive Directors. As on the said date, the Board consists of 06 Directors comprising 03 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 2022 to 31 Mar 2023 are given below:

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies [#]		No. of Board Committee positions held in other Companies ^{##}		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	
Whole-Time Directors						
Cmde Hari P R, IN (Retd.) <i>Chairman & Managing Director</i> ^{[1][2][3][4]}	10 Jun 2022	-	-	-	-	-
Shri Ramesh Kumar Dash <i>Director (Finance) & CFO</i> ^[5]	01 Jul 2020	-	-	-	-	-
Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i> ^[6]	08 Jun 2022	-	-	-	-	-
Government Nominee Director (Non-Executive)						
Shri Surendra Prasad Yadav <i>Government Nominee Director, Joint Secretary (Naval System)</i> ^[7]	14 Sep 2020	-	03	-	-	Bharat Earth Movers Limited (Government Nominee Director, Non-Executive)
Shri Rajeev Prakash Government <i>Nominee Director, Joint Secretary (Naval System)</i> ^[8]	23 Jun 2022	-	04	-	-	Hindustan Aeronautics Limited (Government Nominee Director, Non-Executive)

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies [#]		No. of Board Committee positions held in other Companies ^{##}		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	
Part-Time Non-Official (Independent Directors) (Non-Executive)						
Shri Sanjay Dattatraya Panse	27 Dec 2021	-	02	-	2	-
Smt. Darshana Singh ^[9]	12 April 2022	-	-	-	-	-
Shri Sanjeeb Mohanty ^[10]	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.

^[1] The Government has entrusted the Additional Charge of the post of Director (Shipbuilding) of the Company w.e.f. 01 Apr 2022 to 08 Jun 2022.

^[2] The Government has entrusted the Additional Charge of the post of Chairman & Managing Director of the Company w.e.f. 01 Apr 2022 to 10 Jun 2022.

^[3] Relinquish the position of Director (Personnel) for assuming charge as Chairman & Managing Director of the Company w.e.f. 10 Jun 2022.

^[4] The Government has entrusted the Additional Charge of the post of Director (Personnel) of the Company w.e.f. 10 Jun 2022 to 10 Mar 2023.

^[5] The Government has entrusted the Additional Charge of the post of Director (Personnel) of the Company w.e.f. 10 Mar 2023.

^[6] Appointed as a Director (Shipbuilding) of the Company w.e.f. 08 Jun 2022.

^[7] Ceased as Government Nominee Director of the Company w.e.f. 23 Jun 2022.

^[8] Appointed as a Government Nominee Director of the Company w.e.f. 23 Jun 2022. Further, he ceased to be director of Hindustan Aeronautics Limited w.e.f. 23 Dec 2022.

^[9] Appointed as an Independent Director of the Company w.e.f. 12 Apr 2022. Later on, Smt. Darshana Singh resigned from position of Independent Director of the Company w.e.f. 01 June 2022.

^[10] Appointed as an Independent Director of the Company w.e.f. 06 Apr 2022.

7. Two (2) Executive (Whole Time Director), Two (2) Part-Time Non-Official Director (Independent Director) and One (1) Part-Time Official Director have been inducted to the Board of Directors during the year under review. Brief Resume of the newly appointed Directors are provided below:

Cmde Hari P R, IN (Retd.)

Cmde Hari P R, IN (Retd.) (DIN: 08591411) having an experience of over 34 years, assumed charge as Chairman & Managing Director (C&MD) of the Company w.e.f. 10 Jun 2022. Before assuming charge as C&MD of the Company, he was working as Director (Personnel) of the Company w.e.f. 21 Oct 2019. He has over 28 years of commissioned service in the Indian Navy with varied experience onboard warships, Naval repair Organizations' and various Staff appointments. He holds a Bachelor's Degree in Engineering and a Master's Degree in Defence and Strategic Studies. He is also an alumnus of the Defence Services Staff College, Wellington, the officer has also undergone the 5th Higher Defence Orientation Course at AWC Mhow, and the prestigious Naval Higher Command Course at the Naval War College, Goa.

Cmde Hari P R, IN (Retd.) has joined the Company as Chief General Manager in 2016 and has been in charge of Production Planning & Control of all the new construction ships built at

the shipyard. During the tenure of Cmde Hari P R, IN (Retd.) as Director (Personnel), he has headed the Human Resources & Administration, Corporate Planning and technical functions of the Company.

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

Other Directorships: Nil

Committee Membership of other Companies: Nil

Cdr. Shantanu Bose, IN (Retd.)

Cdr. Shantanu Bose, IN (Retd.) (DIN: 09631817) has assumed the charge of Director (Shipbuilding) of our Company w.e.f. 08 Jun 2022. Cdr. Shantanu Bose, IN (Retd.), after serving in the Indian Navy for 24 years, joined Garden Reach Shipbuilders & Engineers Limited (GRSE) in 2013. Cdr Bose is a highly qualified and experienced naval architect who has been in charge of several projects undertaken by GRSE since 2013. Before assuming charge as Director (Shipbuilding), he was working as General Manager (MW & P17A).

He has completed his B. Tech in Naval Architecture & Shipbuilding from Cochin University of Science and Technology, and Diploma from IIT, Delhi. He also holds Post Graduate Diploma

in Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. Further, he holds membership of the Institution of Engineering (India) and Institution of Naval Architecture.

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

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

Other Directorships: Nil

Committee Membership of other Companies: Nil

Smt. Darshana Singh

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

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

Other Directorships: Nil

Committee Membership of other Companies: Nil

Other Directorships:

Sl. No.	Name of the Companies / bodies corporate / firms / association of individuals	Nature of interest or concern / Change in interest or concern	Date on which interest or concern arose / changed
1	Hindustan Aeronautics Limited	Govt. Nominee Director	14 Sep 2022 (Appointment) and 23 Dec 2022 (Cessation)
2	Gliders India Limited	Govt. Nominee Director	14 Sep 2022 (Appointment) and 23 Dec 2022 (Cessation)
3	Troop Comforts Limited	Govt. Nominee Director	14 Sep 2022 (Appointment)

Committee Membership of other Companies: Nil

Shri Sanjeeb Mohanty

Shri Sanjeeb Mohanty (DIN 09559883) was appointed as a Part-Time Non-Official Director (Independent Director) on the Board of the Company for a term of three (3) years with effect from 06 April 2022. He has completed BA degree from Utkal University in the year 1984 and law graduation from University Law College, Bhubaneswar, Odisha, India, and enrolled as a member of Odisha State Bar Council in the year 1990. He is a practicing advocate having more than 32 years' of experience in the State of Odisha, India. His broader areas of practice are criminal and civil law. He regularly appears before High Court, District Courts/ Sessions Courts, and other forums.

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

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

Other Directorships: Nil

Committee Membership of other Companies: Nil

Shri Rajeev Prakash, JS (NS)

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

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

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

8. One (1) new Director has been inducted to the Board of Directors of the Company after the financial year ended 31 Mar 2023. The brief resume of the newly appointed Director is 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 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 steered the 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 does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

KEY BOARD EXPERTISE AND SKILLS

9. The Directors in your Company are appointed by the President of India acting through the Department of Public Enterprises, Government of India. The selection of Directors on the Board of your Company is done through a meticulous screening process adopted by the Government of India.
10. The Board of your Company comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Directors are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key Board skills, expertise and attributes which, in the opinion of the Board, are required in the context of the business of the Company:

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

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

Name of Director	Organisational Purpose	Financial and Managerial acumen	Skills / Expertise / Competencies			
			Policy Evaluation	Corporate governance	Technological understanding	Culture Building
Cmde Hari P R, IN (Retd.)	√	√	√	√	√	√
Shri Ramesh Kumar Dash	√	√	√	√	√	√
Cdr. Shantanu Bose, IN (Retd.)	√	√	√	√	√	√
Shri Rajeev Prakash	√	√	√	√	-	√
Shri Sanjay Dattatraya Panse	√	√	√	√	-	√
Shri Sanjeeb Mohanty	√	√	√	√	-	√

BOARD PROCEDURE

12. 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.
13. Your Company believes that a carefully planned agenda note is pivotal for effective Board Meetings. The agenda notes are backed by comprehensive background information to enable the Board to take decisions. Agenda Notes are generally circulated well in advance to the members of the Board. The Board Members, in consultation with the Chairman, may bring up any important issue for the consideration of the Board. As and when required, senior executives of your Company are also invited to attend Board Meetings and provide clarifications. The Part-Time Directors play an important role in the deliberations at the Board Meetings and bring to your Company their wide experience in the fields of technology, finance, marketing, public policy and operations.

MEETINGS AND ATTENDANCE

14. During the year 2022-23, Seven (07) Board Meetings were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	25-May-2022	06	05
2.	26-Jul-2022	06	06
3.	11-Aug-2022	06	05
4.	10-Nov-2022	06	06
5.	19-Jan-2023	06	05
6.	10-Feb-2023	06	06
7.	24-Mar-2023	06	06

15. The maximum interval between any two Board Meetings held during the year was (102) days. The details of Directors' attendance at the Board Meetings and Annual General Meeting held during the FY 2022-23 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 26 Sep 22
	25-May 22	26-Jul-22	11-Aug-22	10-Nov-22	19-Jan-23	10-Feb-23	24-Mar-23		
Cmde Hari P R, IN (Retd.) ^[1]								___ 100	
Shri Ramesh Kumar Dash								___ 100	
Cdr Shantanu Bose, IN (Retd.) ^[2]	NA							___ 100	
Shri Surendra Prasad Yadav ^[3]	x	NA	NA	NA	NA	NA	NA	___ 0	NA
Shri Rajeev Prakash ^[4]	NA		x		x			___ 67	
Shri Sanjay Dattatraya Panse								___ 100	
Shri Sanjeeb Mohanty ^[5]								___ 100	
Smt. Darshana Singh ^[6]		NA	NA	NA	NA	NA	NA	___ 100	NA

- Present x - Absent NA - Not Applicable

^[1] Appointed as Chairman & Managing Director of the Company on 10 Jun 2022

^[2] Appointed as Director (Shipbuilding) of the Company on 08 Jun 2022

^[3] Ceased as Govt. Nominee Director of the Company w.e.f. 23 Jun 2022

^[4] Appointed as the new Government Nominee Director of the Company w.e.f. 23 Jun 2022

^[5] Appointed as an Independent Director of the Company w.e.f. 12 Apr 2022

^[6] Ceased as an Independent Woman Director of the Company w.e.f. 01 Jul 2022

COMMITTEES OF THE BOARD

16. 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

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

MANDATORY COMMITTEES OF THE BOARD

Audit Committee

18. During the period from 01 Apr 2022 to 24 Apr 2022, the Audit Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company. However, the Company had proper constitution of Audit Committee from 25 Apr 2022 to 31 Mar 2023. The composition of the Audit Committee is in line with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

19. The composition of the Audit Committee of the Board of Directors as on 31 Mar 2023 is as follows:

Name of the Director	Meeting held and attended during respective Tenure of Directors					% of attendance
	23-May-22	11-Aug-22	10-Nov-22	18-Jan-23	9-Feb-23	
Shri Sanjay Dattatraya Panse <i>Independent Director</i>						___ 100
Shri Sanjeeb Mohanty <i>Independent Director</i>						___ 100
Cdr Shantanu Bose, IN (Retd.) ^[1] <i>Director (Shipbuilding)</i>	NA					___ 100
Smt Darshana Singh ^[2] <i>Independent Director</i>		NA	NA	NA	NA	___ 100
Cmde Hari P R, IN (Retd.) ^[3] <i>Director (Personnel)</i>	x	NA	NA	NA	NA	___ 0

(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> ^[1]	Member

^[1] Admitted as a member of the Committee w.e.f. 20 Jun 2022

20. 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.

21. 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.

22. 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.

23. 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.

24. During the financial year 2022-23, five (5) Meetings of the Audit Committee were held. The attendance of the members at the Audit Committee meetings during the financial year 2022-23 is given below:

 - Present ✖ - Absent NA - Not Applicable

^[1] Admitted as a member of the Committee w.e.f. 20 Jun 2023

^[2] Ceased as an Independent Woman Director of the Company w.e.f. 01 Jun 2022

^[3] Ceased as a member of the Committee w.e.f. 20 Jun 2023


















HR, Nomination and Remuneration Committee

25. During the period from 01 Apr 2022 to 24 Apr 2022, the HR, Nomination and Remuneration Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company. However, the Company had proper constitution of HR, Nomination and Remuneration Committee from 25 Apr 2022 to 31 Mar 2023. The composition of the HR, Nomination and Remuneration Committee is in line with Section 178 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations, in so far as applicable to Government Companies.

28. 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 issue and give its recommendations;
- The recommendations of the HR, Nomination and Remuneration Committee are placed before the Board of Directors for approval.

29. During the financial year 2022-23, six (6) 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 2022-23 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors						% of attendance
	24-May-22	26-Jul-22	09-Nov-22	18-Jan-23	9-Feb-23	22-Mar-23	
Shri Sanjeeb Mohanty <i>Independent Director</i>							___ 100
Shri Sanjay Dattatraya Panse <i>Independent Director</i>							___ 100
Smt Darshana Singh ^[1] <i>Independent Director</i>		NA	NA	NA	NA	NA	___ 100
Shri Rajeev Prakash ^[2] <i>Government Nominee Director</i>	NA			x			___ 80

 - Present ✖ - Absent NA - Not Applicable

^[1] Ceased as Independent Director of the Company w.e.f. 01 Jun 2022

^[2] Admitted as a member of the Committee w.e.f. 30 Jun 2022

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

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

31. 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.

32. 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.

26. 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 2023 is 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 ^[1] <i>Government Nominee Director</i>	Member

^[1] Admitted as a member of the Committee w.e.f. 30 Jun 2022

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

33. The composition of the CSR & SD Committee of the Board of Directors as on 31 Mar 2023 is as follows:







(a)	Shri Sanjeeb Mohanty ^[1] <i>Independent Director</i>	Chairperson
(b)	Shri R K Dash <i>Director (Finance) & CFO</i>	Member
(c)	Cdr Shantanu Bose, IN (Retd.) ^[2] <i>Director (Shipbuilding)</i>	Member

^[1] Admitted as a chairperson & member of the Committee w.e.f. 06 Jun 2022

^[2] Admitted as a member of the Committee w.e.f. 20 Jun 2022

34. The Company Secretary is Secretary to the Committee.

35. During the financial year 2022-23, two (2) Meetings of the CSR & SD Committee were held. The attendance of the members at the CSR & SD Committee meetings during the financial year 2022-23 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	9-Nov-2022	10-Feb-2023	
Shri Sanjeeb Mohanty ^[1] <i>Independent Director</i>			100
Shri R K Dash <i>Director (Finance)</i>			100
Cdr Shantanu Bose, IN (Retd.) ^[2] <i>Director (Shipbuilding)</i>			100

 - Present × - Absent NA - Not Applicable

^[1] Admitted as a chairperson & member of the Committee w.e.f. 25 Apr 2022

^[2] Admitted as a member of the Committee w.e.f. 20 Jun 2022

Stakeholders Relationship Committee

36. 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.

37. 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;

(iv) 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.

38. The composition of the Stakeholders Relationship Committee of the Board of Directors as on 31 Mar 2023 is as follows:




(a)	Shri Sanjeeb Mohanty ^[1] <i>Independent Director</i>	Chairperson
(b)	Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Member
(c)	Cdr Shantanu Bose, IN (Retd.) <i>Director (Shipbuilding)</i> ^[2]	Member

^[1] Admitted as a chairperson & member of the Committee w.e.f. 25 Apr 2022

^[2] Admitted as a member of the Committee w.e.f. 20 Jun 2022

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

40. During the year 2022-23, 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 2022-23 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	10-Feb-2023		
Shri Sanjeeb Mohanty ^[1] <i>Independent Director</i>			100
Shri Ramesh Kumar Dash <i>Director (Finance)</i>			100
Cdr Shantanu Bose, IN (Retd.) ^[2] <i>Director (Shipbuilding)</i>			100

 - Present × - Absent NA - Not Applicable

^[1] Admitted as a Chairperson & Member of the Committee w.e.f. 25 Apr 2022

^[2] Admitted as a Member of the Committee w.e.f. 20 Jun 2022

41. Status of Investor Complaints as on 31 Mar 2023 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on 01 Apr 2022	0
Received during the year	4
Resolved during the year	4
Not solved to the satisfaction of shareholders	0
Pending as on 31 Mar 2023	0

Risk Management Committee











42. The Risk Management Committee was constituted in line with the Regulation 21 of the SEBI Listing Regulations.
43. 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.

44. The composition of the Risk Management Committee of the Board of Directors as on 31 Mar 2023 is as follows:

(a)	Shri Ramesh Kumar Dash <i>Director (Finance)</i>	Chairperson
(b)	Cdr Shantanu Bose, IN (Retd.) ^[1] <i>Director (Shipbuilding)</i>	Member
(c)	Shri Sanjay Dattatraya Panse <i>Independent Director</i>	Member
(d)	DIG Subrato Ghosh, ICG (Retd.) <i>Chief Risk Officer</i>	Member
(e)	Shri S Ghose Choudhury <i>Risk Coordinator</i>	Member Secretary

^[1] Admitted as a member of the Committee w.e.f. 20 Jun 2022

45. The Risk Coordinator is Member and also the Secretary of the Committee.
46. During the year 2022-23, two (2) Meetings of the Risk Management Committee were held. The attendance of the members at the Risk Management Committee during the financial year 2022-23 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	07 Sep 22	04 Mar 23	
Shri Ramesh Kumar Dash <i>Director (Finance)</i>			___ 100
Cdr Shantanu Bose, IN (Retd.) ^[1] <i>Director (Shipbuilding)</i>			___ 100
Shri Sanjay Dattatraya Panse <i>Independent Director</i>			___ 100
DIG Subrato Ghosh, ICG (Retd.) <i>Chief Risk Officer</i>			___ 100
Shri S Ghose Choudhury <i>Risk Coordinator</i>			___ 100

 - Present ✕ - Absent NA - Not Applicable

^[1] Admitted as a member of the Committee w.e.f. 20 Jun 2022

OTHER COMMITTEES OF THE BOARD

Procurement Committee

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

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

consideration by the Board, same is submitted to the Board with recommendation(s) of the Committee.

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

48. The composition of the Procurement Committee of the Board of Directors as on 31 Mar 2023 is as follows:

(a)	Cmde Hari P R, IN (Retd.) <i>Chairman & 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.) ^[1] <i>Director (Shipbuilding)</i>	Member

^[1] Admitted as a member of the Committee w.e.f. 20 Jun 2022

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

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

51. During the financial year 2022-23, six (6) Meetings of the Procurement Committee were held. The attendance of the members at the Procurement Committee meetings during the financial year 2022-23 is given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors						% of attendance
	05 Jul 2022	30 Jul 2022	10 Nov 2022	21 Dec 2022	19 Jan 2023	06 Mar 2023	
Cmde Hari P R, IN (Retd.) <i>Chairman & Managing Director</i>							___ 100
Shri Sanjay Dattatraya Panse <i>Independent Director</i>							___ 100
Shri Ramesh Kumar Dash <i>Director (Finance)</i>							___ 100
Cdr Shantanu Bose, IN (Retd.) ^[1] <i>Director (Shipbuilding)</i>							___ 80

- Present x - Absent NA - Not Applicable

^[1] Admitted as member of the Company w.e.f. 20 Jun 2022

Legal Committee

52. 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.

Appointment and Remuneration of Whole-Time Directors

53. 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.

54. 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.

55. The details of remuneration of Whole-Time Directors during the FY 2022-23 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.) ^[1] Chairman & Managing Director	38.88	1.48	5.83	7.62	53.81
Cmde Hari P R, IN (Retd.) ^[2] Director (Personnel)	9.58	0.94	1.10	3.04	14.66
Shri Ramesh Kumar Dash Director (Finance) and CFO	38.06	3.73	5.22	7.55	54.56
Cdr. Shantanu Bose, IN (Retd.) ^[3] Director (Shipbuilding)	36.51	0.27	4.75	3.48	45.01

*Salary includes arrears

^[1] Relinquish position of Director (personnel) of the Company w.e.f. 10 Jun 2022.

^[2] Appointed as Chairman & Managing Director of the Company w.e.f. 10 Jun 2022.

^[3] Appointed as Director (Shipbuilding) (Whole-time Director) of the Company w.e.f. 08 Jun 2022.

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

Appointment and Remuneration of Part-Time Directors

57. 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.

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

59. 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>

60. The sitting fees paid to the Independent Directors during the FY 2022-23 is as follows: (₹ in lakh)

Name of Independent Director	Board Meetings	Committee Meetings	Total Remuneration
Shri Sanjay Dattatraya Panse	1.40	2.85	4.25
Shri Sanjeeb Mohanty	1.40	2.10	3.50
Smt. Darshana Singh	0.20	0.30	0.50

61. 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.

62. Non-Executive Directors do not hold any Shares in the Company during the Financial Year 2022-23.

Evaluation Criteria

63. 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

64. During the year 2022-23, one Meeting of Independent Directors was held on 25 Mar 2023.

Confirmation of Independence of the Independent Directors

65. 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.

66. 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

67. 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
2019-20	11 Sep 20 10.30 Hrs.	Registered Office at 43/46, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	No special resolution passed in the meeting
2020-21	10 Sep 21 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

POSTAL BALLOT

68. No postal ballot was conducted during the FY 2020-21 and FY 2021-22.

69. 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 has 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 has 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

70. 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

71. The postal ballot is conducted in accordance with the provisions contained in Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, with Rules framed thereunder and Circulars issued by the Ministry of Corporate Affairs. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available, or in physical form through permitted mode where email addresses are not available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013 and SEBI Listing Regulations.
72. 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

73. 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.

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

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

75. 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 2023. 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

76. 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

77. 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

78. (a) **Conflict of Interest:** During the year 2022-23, 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 2022-23, 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/wp-content/uploads/2022/04/Policy-for-Related-Party-Transactions-GRSE.pdf>.

(c) **Material Subsidiaries:** Your Company does not have any subsidiary or associate company. However, the Company's Policy on Determining Material Subsidiaries framed as per Regulation 16 of the SEBI Listing Regulations which is available on the Company's website at <https://grse.in/wp-content/uploads/2022/04/Policy-for-Determining-Material-Subsidiaries-GRSE.pdf>.

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

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

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

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

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

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

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

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

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

(₹ in crore)

Sl. No.	Particulars	2022-23	2021-22
(a)	Total Expenditure (Other than Direct Cost)	476.73	457.19
(b)	Administrative & Office Expenses	9.39	6.02
(c)	Percentage of (b) on (a)	1.97	1.32
(d)	Finance expenditure as a % of total expenditure	0.26	0.09

(j) **Mandatory Compliances:** During the last three (3) years, there has been no instance or cases of non-compliance by your Company on any matter related to capital markets and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market except the following:

Fine Imposed by NSE:

Financial year	Stock Exchanges and Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount of Penalty Imposed (includes GST)
2020-21	NSE Notice dated 15 Feb 21	Quarter Ended 31 Dec 2020	Reg 17(1)	₹ 4,30,700
	NSE Notice dated 17 May 21	Quarter Ended 31 Mar 2021	Reg 17(1)	₹ 5,31,000
2021-22	NSE Notice dated 20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 19(1)/19(2)	₹ 6,40,740
	NSE Notice dated 22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 19(1)/19(2)	₹ 9,77,040
	NSE Notice dated 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
	NSE Notice dated 20 May 22	Quarter Ended 31 Mar 2022	Reg 17(1), 18(1), 19(1)/19(2), 20 & 21	₹ 11,49,320
2022-23	NSE Notice dated 22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/19(2)	₹ 6,50,180
	NSE Notice dated 21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	₹ 5,42,800
	NSE Notice dated 21 Feb 23	Quarter ended December 2022	Reg 17(1)	₹ 5,42,800
	NSE Notice dated 22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	₹ 5,31,000-
Total				₹ 72,29,860

Fine Imposed by BSE:

Financial year	Stock Exchanges and Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount of Penalty Imposed (includes GST)
2021-22	BSE Notice dated 20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 19(1)/19(2)	₹ 6,40,740
	BSE Notice dated 22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 19(1)/19(2)	₹ 9,77,040
	BSE Notice dated 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
	BSE Notice dated 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	BSE Notice dated 22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/19(2)	₹ 6,50,180
	BSE Notice dated 21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	₹ 5,42,800
	BSE Notice dated 21 Feb 23	Quarter ended December 2022	Reg 17(1)	₹ 5,42,800
	BSE Notice dated 22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	₹ 5,31,000
Total				₹ 62,68,160

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

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

Further, 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 Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations except with regard to the composition of Board of Directors and non-availability of requisite number of Independent Directors including Woman Independent Director 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 require.
 - (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 nineteen years (2003-2004 to 2021-22) there have been no audit qualifications. Your Company has also received "Nil" comments from the CAG during these years. Further, for the FY 2022-23, 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 2022-23, 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 2022-23 aggregate to ₹15,42,000/-. Details are available under Note 27 of the 'Financial Statements'.
- (q) **CEO and CFO Certification:** The Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report as **Annexure-IV**. The CMD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

DECLARATION

Pursuant to the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises dated 14th May, 2010 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Board Members and Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct & Ethics for Board Members and Senior Management Personnel of Garden Reach Shipbuilders & Engineers Limited for the year ended 31st March, 2023.

For Garden Reach Shipbuilders & Engineers Limited

Place: Kolkata
Date: 21 July, 2023

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

ANNEXURE - I

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2022-23

Date	Friday, 22nd September, 2023
Venue	AGM through Video Conferencing/Other Audio-Visual Means. [Deemed Venue for Meeting: Registered and Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700024]
Time	10:30 A.M.

DIVIDEND PAYMENT

- The final dividend for the year ended 31st March 2023, if approved at the AGM, will be paid on or after 22nd September, 2023. 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)
2022-23*	6.20	71.02
2021-22	5.80	66.44
2020-21	5.00	57.28
2019-20	7.14	81.79
2018-19	6.95	79.61

* Includes interim dividend of ₹5.50 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
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Website: www.nseindia.com	GRSE
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Website: www.bseindia.com	542011

MEANS OF COMMUNICATION

- Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Your Company has a website (www.grse.in) which provides information on GRSE's leadership, management, product spectrum, CSR initiatives, annual reports, policies, financial information etc.
- All price-sensitive information, statutory notices and data that are material to the shareholders are disclosed to the Stock Exchanges viz. NSE and BSE. The quarterly, half yearly and annual financial results, etc. are published in the Financial Express (in English), Prabhat Khabar (in Hindi), Business Standard (Hindi), Ei Samay (in Bengali) and Bartaman (in Bengali). The quarter and year ending 31 Mar 2023 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 2022	In the month of Aug 2022
Quarter ending 30 Sept 2022	In the month of Nov 2022
Quarter ending 31 Dec 2022	In the month of Feb 2022
Quarter and Year ending 31 Mar 2023	In the month of May 2023

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

FINANCIAL CALENDAR

- The financial year of the Company starts from the 1st day of April and ends on 31st day of March of next year. Our tentative calendar for declaration of results for the financial year 2023-24 are as given below:

Quarter Ending	Release of Results
For the Quarter ending 30 Jun 2023	Second week of Aug 2023
For the Quarter and half year ending 30 Sep 2023	Second week of Nov 2023
For the Quarter and nine months ending 31 Dec 2023	Second week of Feb 2023
For the year ending 31 Mar 2024	Second/ Third week of May 2024

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 2023, 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	10,79,48,496	94.24
Demat Form with CDSL	66,03,499	5.76
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 2023 stood at ₹5,217.27 crore as against ₹2,592.88 crore on 31 Mar 2022.

DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31 MAR 2023

No. of Equity Shares	Shareholders		Shareholding	
	No.	%	No.	%
1-500	57538	94.89	4183995	3.65
501-1000	1626	2.68	1261220	1.10
1001-2000	735	1.21	1105283	0.96
2001-3000	242	0.40	612351	0.53
3001-4000	99	0.16	354445	0.31
4001-5000	95	0.16	443718	0.39
5001-10000	138	0.23	1025605	0.90
>10000	165	0.27	105565383	92.16
Total	60638	100.00	114552000	100.00

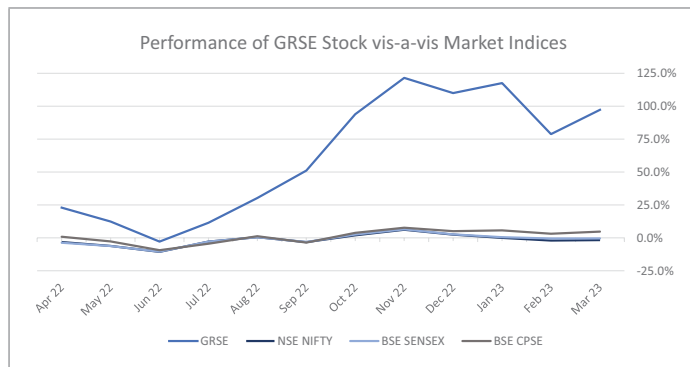
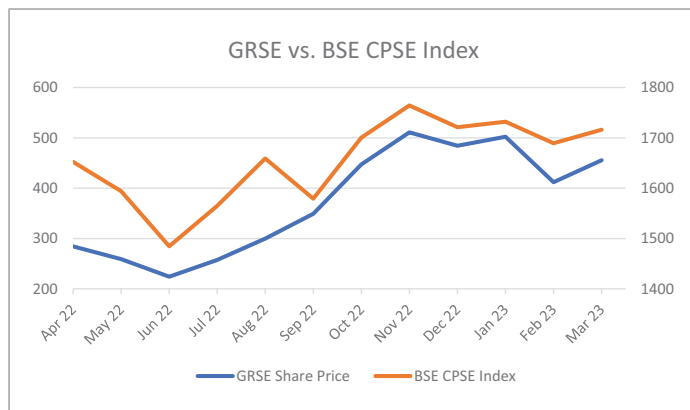
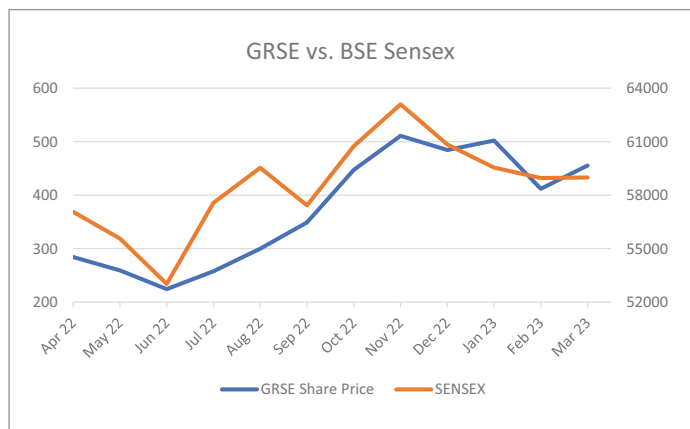
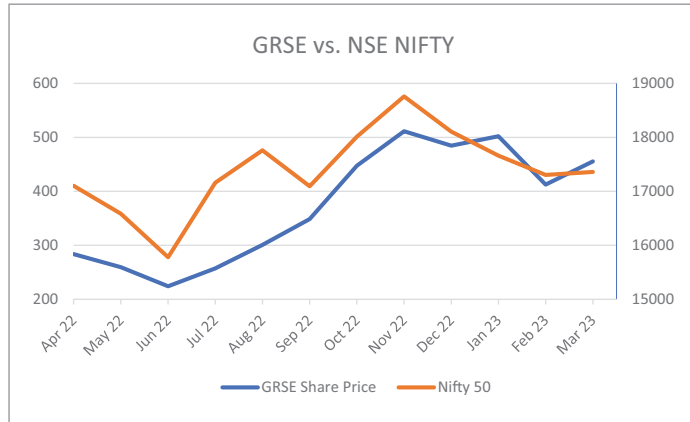
SHAREHOLDING PATTERN AS ON 31 MAR 2023

Sl. No.	Category & name of the Shareholder	Number of Shareholders	Total No. of Shares held	Shareholding % calculated as per SCRR 1957
Promoter Shareholding				
	Central Government	1	8,53,41,240	74.50
(1)	Total Promoter Shareholding	1	8,53,41,240	74.50
Public Shareholding				
Institutional				
a	Mutual Funds	3	7,98,26,73	6.97
b	Alternate Investment Funds	4	10,70,607	0.93
c	Financial Institutions / Banks	-	-	-
d	Foreign Portfolio Investors	59	30,61,336	2.68
e	Insurance Companies	1	11,885	0.01
(A)	Total Institutional Shareholding	67	1,21,26,501	10.59
Non-Institutional				
a	Bodies Corporate	365	32,62,786	2.85
b	Public and Others	60,205	1,38,21,473	12.06
(B)	Total Non-Institutional Shareholding	60,570	1,70,84,259	14.91
(2)	Total Public Shareholding (A)+(B)	60,637	2,92,10,760	25.5
Total Shareholding (1) + (2)		60,638	11,45,52,000	100.00

PRICE AND VOLUME OF SHARES TRADED

Year & Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
2022 Apr	333.00	225.90	3,62,45,677	332.85	226.90	22,08,399
May	324.40	248.30	12,442,173	324.15	248.05	13,85,049
Jun	265.20	207.70	5,319,590	264.25	207.75	6,81,463
Jul	262.30	218.45	5,818,790	262.00	218.55	5,64,391
Aug	310.00	250.00	13,613,301	309.90	250.40	9,81,544
Sep	368.85	299.20	25,459,776	368.80	299.30	23,97,327
Oct	486.80	347.90	60,489,755	488.10	348.00	46,63,787
Nov	540.00	446.00	46,093,626	539.90	446.95	33,17,942
Dec	556.80	392.50	25,788,085	556.80	390.70	17,55,140
2023 Jan	506.10	463.50	11,243,066	506.05	463.30	8,72,198
Feb	529.10	400.50	8,076,406	528.70	400.95	7,80,196
Mar	474.00	398.30	5,790,934	474.05	398.75	5,54,190

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



RECONCILIATION OF SHARE CAPITAL AUDIT

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

COMMODITY PRICE RISK, FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

- Your Company had no exposure to commodity and commodity risks for the financial year 2022-23. Further, your Company does not involve in hedging activities.
- The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

CREDIT RATING

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

SHARE TRANSFER SYSTEM

- The dematerialized shares of the Company are transferable through the depository system. However, the shares held in physical form are processed by the Registrar & Transfer Agent of the Company in co-ordination with your Company.
- The Board of Directors at its Meeting held on 25 May 2022 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 2022-23, 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.
- In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from 01 Apr 2019, transfers of share of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. As on 31 Mar 2023, 5 equity shares of the Company were held in physical form.
- 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

17. 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 2023.
18. 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 2023 on the website of the Company at <https://grse.in/iepf/> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

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

INVESTOR SERVICES

20. M/s. Alankit Assignments Limited is the Registrar & Transfer Agent to your Company in respect of the equity shares.
Address for correspondence:
205-208 Anarkali Complex,
Jhandewalan Extension, New Delhi – 110 055
Email: info@alankit.com
21. During the financial year 2022-23, the Company received four (04) complaints from the Investors which was disposed of in timely manner.
22. The e-mail ID earmarked by the Company for receiving investor complaints is investor.grievance@grse.co.in.

DETAILS OF COMPLIANCE OFFICER / ADDRESS FOR INVESTOR CORRESPONDENCE

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

PLANT LOCATIONS

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

UPDATION OF DETAILS**For Shares held in Demat Form**

23. 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).
24. Further, Shareholders who wishes to receive dividend through electronic mode may provide / update their Bank Account details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective DPs.

For Shares held in Physical Form

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

ANNEXURE - II

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by Garden Reach Shipbuilders & Engineers Limited ("the Company"), as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("SEBI LODR") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises ("DPE Guidelines"), for the financial year ended 31st March, 2023.

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) Regulation 17(1)(a) of the SEBI LODR, with regard to composition of the Board of Directors comprising of at least 50% Independent Directors during the period from 01 April 2022 to 31 March 2023.
- (b) Regulation 17(1)(a) of SEBI LODR, with regard to appointment of Woman Independent Director for during the period 01 Apr 2022 to 11 Apr 2022 and from 01 Jun 2022 to 31 March 2023.
- (c) Regulation 18(1) & (2) of SEBI LODR, with regard to constitution of Audit Committee from 01 Apr 2022 to 24 Apr 2022.
- (d) Regulation 19(1) & 19(2) of SEBI LODR, with regard to constitution of HR, Nomination and Remuneration Committee from 01 Apr 2022 to 24 Apr 2022.
- (e) 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.
- (f) 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: F005126E000645359

Place: 20th July, 2023
Date: Kolkata

ANNEXURE - III

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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 th June, 2022
2.	Shri Ramesh Kumar Dash	08511344	1 st July, 2020
3.	Cdr. Shantanu Bose, IN (Retd.)	09631817	08 th June, 2022
4.	Shri Rajeev Prakash	08590061	23 rd June, 2022
5.	Shri Sanjay Dattatraya Panse	02725875	27 th December 2021
6.	Shri Sanjeeb Mohanty	09559883	06 th 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

Peer Review Certificate No.: 1783/2022
UDIN: F005126E000645458

Place: 20th July, 2023
Date: Kolkata

ANNEXURE - IV

CEO AND CFO COMPLIANCE CERTIFICATE

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

Dear Members of the Board,

We, Cmde Hari P R, IN (Retd.), Chairman & Managing Director and Shri Ramesh Kumar Dash, Director (Finance) & Chief Financial Officer certify that:

1. We have reviewed the Financial Statements including the Cash Flow statement of Garden Reach Shipbuilders & Engineers Limited (the Company) for the year ended 31st March, 2023 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
24th May, 2023

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. Corporate Identity Number (CIN) of the Listed Entity	:	L35111WB1934GOI007891
2. Name of the Listed Entity	:	Garden Reach Shipbuilders & Engineers Limited
3. Year of incorporation	:	26 Feb 1934
4. Registered office address	:	GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal – 700 024
5. Corporate address	:	GRSE Bhavan, 61, Garden Reach Road, Kolkata, West Bengal – 700 024
6. E-mail	:	co.sec@grse.co.in
7. Telephone	:	033-2469 8105 to 108
8. Website	:	www.grse.in
9. Financial year for which reporting is being done	:	2022-23
10. Name of the Stock Exchange(s) where shares are listed	:	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11. Paid-up Capital	:	₹1,14,55,20,000
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Shri Sandeep Mahapatra (Company Secretary), Garden Reach Shipbuilders & Engineers Limited, GRSE Bhavan, 61, Garden Reach Road, Kolkata 700024, Telephone: 033-2469 8545 E-mail: co.sec@grse.co.in
13. 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).	:	Standalone Basis

II. Products/services

14. 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	95.03%
		(ii) Engineering	2.74%
		(iii) Diesel Engine	0.90%
02.	Service	(iv) Ship Repair	1.33%

15. 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	95.03%
02.	Engineering	281	2.74%
03.	Ship Repair	331	1.33%
04.	Diesel Engine	711	0.90%

III. Operations

16. 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

17. 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 10 reach countries

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

2.33%

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) and Indian Army (IA).

IV. Employees

18. 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)
EMPLOYEES						
1.	Permanent (D)	590	539	91.36%	51	8.64%
2.	Other than Permanent (E)	78	68	87.18%	10	12.82%
3.	Total employees (D + E)	668	607	90.87%	61	9.13%
WORKERS						
4.	Permanent (F)	1075	1046	97.30%	29	2.70%
5.	Other than Permanent (G)	1	0	0%	1	100%
6.	Total workers (F + G)	1076	1046	97.21%	30	2.79%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	13	12	92.31%	1	7.69%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differentlyabled employees (D + E)	13	12	92.31%	1	7.69%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	36	35	97.22%	1	2.78%
5.	Other than permanent (G)	1	0	0%	1	100%
6.	Total differentlyabled workers (F + G)	37	35	94.59%	2	5.41%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	0	0%
Key Management Personnel	1	0	0

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PermanentEmployees	2.60%	0	2.60%	1.86%	0	1.86%	0.89%	0	0.89%
PermanentWorkers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. (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/ JointVenture	% 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**22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(i) Turnover in ₹1,75,751.37 Lakh

(ii) Net worth in ₹1,25,789.07 Lakh

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

During the financial year 2022-23, no investor complaints/grievances have been received by the Company and through SEBI Scores Platform, NSE, BSE and Registrar & Transfer Agent.

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 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		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)	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	25	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		0	0	0
Shareholders	Yes*	4	0		0	0	0
Employees and workers	Yes (Grievances are received through email or letters. Hence, there is no web link available)	2	2	Service related matters	4	4	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)	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

*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.

24. 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 Implications
2.	Regulatory Compliance	Risk	Violating regulatory compliance often results in legal punishment, including fines and penalties	1. Creating a strong ethical organisational culture with a focus on transparency and compliance 2. Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks	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 Implications
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	1. Lower raw material procurement cost 2. Reduction in transportation costs	Positive Implications
5.	Recruitment and talent retention	Opportunity	Initiating employee benefit plans, offering competitive pay packages, and focusing on a diverse workforce can help retain the right talent and bring about a diverse perspective during the decision-making process	Reduced recruitment cost	Positive Implications
6.	Grievance Mechanism	Risk	Establishing a robust grievance redressal mechanism ensures compliance with rules and regulations, therefore, building the trust of the customers, investors, and employees	Legal fines and penalties	Negative Implications
7.	Human Rights	Risk	Non-adherence to human rights principles may lead to reputational damage and penalties	Ensuring compliance with international and national human rights standards within the organisation and its value chain	Negative Implications

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)
8.	Anti-bribery and corruption	Risk	The Company can be exposed to legal fines, penalties, damaged reputation, business disruption, and erosion of trust in the case of non-adherence to ethical business practices	1. Implementing internal controls to strengthen compliance with applicable laws 2. Devising a plan to conduct awareness programmes and training for internal stakeholders on ethical practices 3. Instituting an effective whistle-blower and grievance redressal mechanism	Negative

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	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies are uploaded on the Company of the website of the Company at https://grse.in/policies/ 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	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	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, Trustea) 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 2022-23 with weightage of 100 marks. Further, any commitments, goals and targets are provided in Section C of this report, wherever applicable.									
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 2022-23 is under evaluation. On the completion of evaluation, the same will be submitted to MoD/DPE for further evaluation and award of rating. Further, performance against specific commitments, goals and targets are provided in Section C of this report, wherever applicable.									

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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7. Governance, leadership and oversight

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)*

We aim to create a sustainable future through environment conservation activities for the community. All emissions and waste generated is monitored as prescribed by the Pollution Control Boards. The Company is also actively promoting socioeconomic rejuvenation through targeted CSR activities such as healthcare, Skill Development for Employment Enhancement & Self Employment, Education, Sanitation, Drinking Water, River Rejuvenation, Environment Sustainability etc.

GRSE being a CPSE, the appointment of Directors has 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.

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. The Committees of the Board with their specific terms of reference are in place to ensure decision making/oversight on sustainability related issues. The Committees are Corporate Social Responsibility & Sustainability Committee, Risk Management Committee and other management committees.
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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
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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.
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12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	
	The entity does not consider the Principles material to its business (Yes/No)	As the company has formulated policies based on all the nine Principles, hence Not Applicable.
	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	2	Compliance Management, Environment, Social, Governance etc., and Master Class on Building Better Boards	50%
Key Managerial Personnel	2	ESG and Governance Ethics	100%
Employees other than BoD and KMPs	35	Training / Awareness Programs pertaining to wellness of the employees, CDA, safety, environment & sustainability, etc.	15.48 %
Workers	30	Training / Awareness Programs will enable the employees to acquire the knowledge / skills for enhancement of their capabilities.	36.43 %

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	22,66,780 22,66,780	Regulation 17(1), 18(1), and 19(1)/ 19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 31 March, 2023	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
Punishment	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
Further to the details of one penalty/fine case mentioned, the Company has submitted quarter wise response vide their letter dated 22 Aug 2022, 21 Nov 2022, 21 Feb 2023 & 22 May 2023 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.	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, GRSE has an anti-corruption and anti-bribery policy. The company has a well formulated Conduct, Discipline & Appeal (CDA) Rule which are to be followed by all employees.

Garden Reach shipbuilders and Engineers Limited (GRSE) is a Central Public Sector Enterprise (CPSE) under the Ministry of Defence, Govt. of India. As per the CVC Act, 2003, GRSE Ltd. comes under the jurisdiction of Central Vigilance Commission (CVC) with regards to anti-corruption / anti-bribery policy and all its rules & regulations and policies are in accordance with the CVC Guidelines.

The Vigilance set up of the organization is headed by a Chief Vigilance Officer (CVO), who is on deputation from the Central Government and provides a link between the Organization and the Central Vigilance Commission as well as the Central Bureau of Investigation (CBI).

The CVO receives all complaints, handles all vigilance matters, conducts regular as well as surprise checks and reports to the CVC. The names, email address and phone numbers of CVO and his officers have been provided in the Vigilance Corner of the GRSE website (<https://www.grse.in/vigilance-corner/>) and a link (<https://www.grse.in/registering-a-new-complaint/>) has also been provided there to get in touch with CVO if a person wants to register a complaint. Further if the person also wants to register the complaint directly with CVC then the link (<https://portal.cvc.gov.in/>) for the same is also provided on the GRSE website

For monitoring all Tenders and Contracts of worth ₹ 2.0 Crores or more the company, as per the directives of the CVC, the Company have two Independent External Monitors (IEMs). The names, addresses and telephone numbers of IEMs are provided in all the Tenders and Contracts of worth ₹ 2.0 Crores or above thus allowing the bidders, if they wish, to get in touch with them in case of any issues. In addition to this all bidders participating in such tenders are supposed to mandatorily submit an Integrity Pact which 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, are

considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, is operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same entail disqualification of the bidders and exclusion from future business dealings.

Vigilance Manual by Central Vigilance Commission forms the guidelines for Vigilance / anti-corruption activities in GRSE. The principal responsibility of CVO is to undertake the following:

- i) Punitive Vigilance
- ii) Preventive Vigilance
- iii) Surveillance & Detection.

The CVC Vigilance Manual may be downloaded from the following link: <https://www.cvc.gov.in/sites/default/files/Vigilance%20Manual%28updated%202021%29-Hyperlinked.pdf>

The Links to the various policies as available on the GRSE website are as under:

1. GRSE Complaint Policy:
https://www.grse.in/wp-content/uploads/2022/04/grse_complaint_policy_signed.pdf
2. GRSE Whistle Blower Policy:
<https://www.grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy.pdf>

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 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL-		NIL-	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL-		NIL-	

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.

There is no fines / penalties / action taken by any regulators/ law enforcement authority during the financial year.

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Not Available	Not Available	0%

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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	NIL	NIL	NA
Capex	8.60%	NIL	Improvement in Green Energy

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

Yes

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

We have green procurement practices which enables transparent, fair, competitive, cost effective and environment friendly procurement practices. There is a dedicated portal facilitated for all e-tenders which can be accessed at www.grse.in.

The procurement of equipment is done from the domestic and international market from globally reputed suppliers of the advanced economies which are compliant with the global sustainable standards. All these practices have enabled us to establish procedures for sustainable sourcing. To secure transparent and sustainable procurement proactive measures are undertaken like on boarding vendors on GeM (Government e-Marketplace) for which over 19,000 vendor records were shared with GeM, organizing exclusive awareness programs for vendors (refractory / ancillary, etc.), encouraging sense of competition among Plants / Units for procurements, empanel, review and update vendor database, etc. GRSE has implemented e-procurement/ GeM as business improvement and sustainable business practice. Further, 100% of our equipment/ inputs are sourced sustainably

Additionally, GRSE implements all government policies which contribute towards our sustainable sourcing, such as those on domestically manufactured iron and steel products, purchase preference policy for preference to domestically manufactured products, services or works relating to Defence, domestically manufactured electronic products, preferential market access policy, etc.

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 falls 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?**

No, Company has not conducted Life Cycle Assessments for products.

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.**

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).**

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:**

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.**

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)
Permanent employees											
Male	539	-	-	-	-	-	-	21	3.90	-	-
Female	51	-	-	-	-	-	-	-	-	-	-
Total	590	-	-	-	-	-	-	21	3.56	-	-
Other than Permanent employees											
Male	68	-	-	-	-	-	-	1	1.47	-	-
Female	10	-	-	-	-	-	-	-	-	-	-
Total	78	-	-	-	-	-	-	1	1.28	-	-

(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)
Permanent workers											
Male	1046	-	-	-	-	-	-	15	1.43%	-	-
Female	29	-	-	-	-	-	-	-	-	-	-
Total	1075	-	-	-	-	-	-	15	1.40%	-	-
Other than Permanent workers											
Male	0	-	-	-	-	-	-	-	-	-	-
Female	1	-	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	-	-	-	-	-	-	-

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

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

Benefits	FY 2022-23			FY 2021-22		
	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	Y	100	100	Y
ESI	NA	NA	NA	NA	NA	NA
Others – (GRSE Pension scheme)	NA	NA	NA	NA	NA	NA

Note:

- (i) 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.
- (ii) As a retirement benefit apart from PF and Gratuity, all employees and workers are also covered under GRSE pension scheme.
- (iii) 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 company takes affirmative action in recruitment and promotion for representation of employees from socio-economically backward sections of the society, minorities, disabled personnel and women as mandated by the Govt. of India. The company is an equal opportunity employer and does not discriminate on the basis of gender, race, caste, religion, region, linguistic etc. in recruitment and employment relationship.

In case of an employee made to retire on medical grounds prematurely, provisions of 'The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, are kept in consideration. Additionally, Transfer and Job Rotation Policy mandated for applicability of Government guidelines for the transfer of PwD employees.

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 2022-23			FY 2021-22		
	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)
Total Permanent Employees	672	460	68.45%	629	478	75.99%
▪ Male	611	421	68.90%	572	439	76.75%
▪ Female	61	39	63.90%	57	39	68.42%
Total Permanent Workers	1076	1076	100.00	1161	1161	100.00
▪ Male	1046	1046	100.00	1129	1129	100.00
▪ Female	30	30	0	32	32	0

8. Details of training given to employees and workers:

Category	Total (A)	FY 2022-23				Total (D)	FY 2021-22			
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	611	77	12.60	417	68.25	572	66	11.54	439	76.75
Female	61	15	24.59	35	57.37	57	17	29.82	42	73.68
Total	672	92	13.69	452	67.26	629	83	13.19	481	76.47
Workers										
Male	1046	382	36.52	26	2.49	1129	14	1.24	74	6.55
Female	30	5	16.67	2	6.67	32	2	6.25	3	9.38
Total	1076	387	35.97	28	2.60	1161	16	1.38	77	6.63

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	%(B/ A)	Total (C)	No. (D)	%(D/ C)
Employees						
Male	539	539	100	535	535	100
Female	51	51	100	49	49	100
Total	590	590	100	584	584	100
Workers						
Male	1046	284	27.15	1129	303	26.84
Female	29	6	20.69	31	6	19.35
Total	1075	290	26.98	1160	309	26.64

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 have 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 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2.43	3.02
	Workmen	Nil	Nil
Total recordable work-related Injuries	Employees	08	09
	Workmen	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workmen	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workmen	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 2022-23			FY 2021-22		
	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

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.

- (i) 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.
- (ii) Safety Manuals & SOPs are reviewed/revisited of the concerned area or function where the incident has taken place.
- (iii) 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.

All of the GRSE's value chain partners comes under PF and ESI Act which makes them liable to deduct and deposit statutory dues. Both Central and State labor departments, PF and ESI departments conduct periodic inspections in this regard.

In addition, the service contract between GRSE and service provider also contains clause under 'payment terms' for necessary statutory payments like PF, ESI etc. by the service provider.

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:

No employees were rehabilitated during 2022-23 and 2021-22.

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 comes under relevant labour laws and acts. Because of which both Central and State labour department conduct periodic inspections in 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.

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

Refer point 5 above

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.
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publications, Stock Exchange disclosures, Annual Report, 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 etc.	Weekly, Monthly, Yearly and Occasionally	Information on Company activities
Vendors/ Suppliers	No	Website, Emails, GRSE website, Vendor meets etc.	Regularly	To make vendors/suppliers aware of: <ul style="list-style-type: none"> Public Procurement Policy (Preference to Make in India) Import substitution Participating in tenders issued on GeM portal Lodging and tracking grievances on GRSE's grievance redressal portal. GRSE quality objectives
Industry bodies, Regulators	No	Email, Letters, Meetings	As and when required.	Ensure 100% compliance to applicable laws
Governments; NGOs; local communities; media. industry analysts, society at large	No	As needed: Governance RFI/ RFPs; presentations, project meetings, reviews, due diligence, calls and meetings, conferences and seminars, surveys, press releases, press conferences; media interviews and quotes, sponsored events, Analyst meet	Monthly, Quarterly, Half Yearly and as and when needed.	<ul style="list-style-type: none"> Communicate GRSE performance and strategy; Share and contribute to insight into public and business concerns; Discuss GRSE response to responsible business issues.

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 recognises the importance of proactive interaction with its stakeholders as it helps the Company in matching their expectations and building stakeholder trust and confidence. In addition, the Company consults with its stakeholders on sustainability issues. GRSE conducts materiality assessment process where it involves its stakeholders, and they are encouraged to give their perspectives on the Company's sustainability goals. The Company engages with the stakeholders through materiality survey and one-on-one discussions. The outcomes of stakeholder consultations are reviewed by CSR & Sustainability Committee of the Board of Directors of the Company.

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.

For under privileged section of the community, GRSE spend on CSR projects after baseline survey is conducted by NGOs. These NGOs during their baseline surveys engage with communities and understand their needs and problems.

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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	593	153	25.80%	586	199	33.96%
Other than Permanent	79	11	13.92%	43	5	11.63%
Total Employees	672	164	24.40%	629	204	32.43%
Workers						
Permanent	1076	0	0	1161	2	0.17%
Other than Permanent	0	0	0	0	0	0%
Total Workers	1076	0	0	1161	2	0.17%

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

Category	FY 2022-23					FY 2020-21				
	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)
Employees										
Permanent	590	-	590	100%	584	-	584	100%		
• Male	539	-	539	100%	535	-	535	100%		
• Female	51	-	51	100%	49	-	49	100%		
Other than Permanent	78	-	78	100%	43	-	43	100%		
• Male	68	-	68	100%	35	-	35	100%		
• Female	10	-	10	100%	8	-	8	100%		
Workers										
Permanent	1075	-	1075	100%	1160	-	1160	100%		
• Male	1046	-	1046	100%	1129	-	1129	100%		
• Female	29	-	29	100%	31	-	31	100%		
Other than Permanent	1	-	1	100%	1	-	1	100%		
• Male	0	-	0	0%	0	-	0	0%		
• Female	1	-	1	100%	1	-	1	100%		

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
• Functional Directors	3	54.57	0	NA
• Govt. Nominee Director	1	Nil	0	NA
• Independent Director	2	NA	1	
Key Managerial Personnel	1	35.87	0	0
Employees other than BoD and KMP:				
Officers	467	22.94	36	23.03
Supervisors	104	12.43	16	14.13
Workers	1126	13.48	30	11.36

Note:

- Board of Directors and KMPs as on 31.03.2023 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 2022-23.
- Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2022-23.
- 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.

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)

No

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 for resolving employee's grievance on service related matters and other issues.

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

	FY 2022-23			FY 2021-22		
	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	Nil	Nil	-	Nil	Nil	-
Other human Rights related issue	Nil	Nil	-	Nil	Nil	-

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

As a preventive step, identify of complainant is known only to Internal Complaints Committee and is protected. All meetings in the enquiry (Complainants and Respondent) are never done face to face.

8. 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.

9. Assessments for the year:

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.

10. Provide details of any corrective action taken or underway to address significant risks/ concerns arising from the assessment at Question 9 above?

Not Applicable

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 2022-23.

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 comes under labor related laws/acts/statutes and are assesses 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 2022-23	FY 2021-22
Total electricity consumption (A)	29,148.54 GJ	29,647.37 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	5,240.40 GJ	5,320.96 GJ
Total energy consumption (A+B+C)	34,388.94 GJ	34,968.32 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	13.43 GJ / INR crore	19.90 GJ / INR crore
Energy intensity (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? 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.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	95430	95000
(iii) Third party water	254011	253190
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	349441	348190
Total volume of water consumption (in kilolitres)	349441	348190
Water intensity per rupee of turnover (Water consumed / turnover)	136.44 KL / INR crore	198.12 KL / INR crore
Water intensity (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. - No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. STPs and ETPs have been installed at all our production locations for treating waste water/effluent. The treated water is used for gardening and other non-portable uses.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not Applicable to GRSE

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Not Applicable to GRSE

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. The Company address 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 1950 KWP i.e. 1.95 MW Rooftop solar power plant at Main, FOJ & RBD Units. During the year, total generation power from the above 1.95 MW Unit was 1539851 KWh out of which 84184 KWh injected to CESC grid. Further this facility help reduction in emission of greenhouse gas by about 1308873.35 Kg {KWh x 0.85 (i.e Emission factor) = Kg of Co2}

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	11.19 MT	NIL
Bio-medical waste (C)	0.04 MT	0.05 MT
Construction and demolition waste (D)	4,000 MT (Old HR Building Main)	NIL
Battery waste (E)	8.13 MT	4.15 MT
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. (G)	Cable - 5.39 MT Dirty Oil - 14.40 MT	Cable - 15 MT Dirty Oil - 3.80 MT
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	4,039.15	23

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	Not Applicable
(ii) Re-used	Not Applicable	Not Applicable
(iii) Other recovery operations	Not Applicable	Not Applicable
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	1500 MT	1750 MT
Total	1500 MT	1750 MT

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

9. 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.

10. 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:

GRSE does not have any operations/offices in /around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. 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:

Yes, GRSE is compliant with the applicable environmental law/regulations/guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	5,240.40 GJ	5,320.96 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	5,240.40 GJ	5,320.96 GJ
From non-renewable sources		
Total electricity consumption (D)	2,914.85 GJ	2,964.74 GJ
Total fuel consumption (E)	Nil	Nil
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	2,914.85 GJ	2,964.74 GJ

Note: No independent assessment/ evaluation/assurance was carried out by an external agency. - No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
• No treatment	0	0
• With treatment – please specify level of treatment	0	0
(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
Total water discharged (in kilolitres)	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. 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:

- (i) Name of the area – GRSE
- (ii) Nature of operations – Shipbuilding
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Groundwater	95,430	95,000
(iii) Third party water	2,54,011	2,53,190
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Kilolitres)	3,49,441	3,48,190
Total volume of water consumption (in kilolitres)	3,49,441	3,48,190
Water intensity per rupee of turnover (Water consumed/ turnover)	136.44 KL / INR crore	198.12 KL / INR crore
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	54,936 KL	54,936 KL
(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)	54,936	54,396

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. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2022-23	2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	0	0	0
Total Scope 3 emissions per rupee of turnover	0	0	0
Total Scope 3 emission intensity (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

5. 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

6. 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 1.95 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.

7. 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.

8. 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.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Majority of value chain partners were assessed for 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.

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.

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.**

Refer 'Annexure-E' of the Board's Report.

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:**

NIL

3. **Describe the mechanism to receive and redress grievances of the community.**

GRSE have multiple mechanism to receive and resolve grievances of community, stakeholders, large public etc. Our grievances systems also ensure transparency, expectations of the community. GRSE has established a dedicated grievance cell in each of its offices and all complaints are received in a single system and each grievance is investigated separately and thoroughly with equal importance. Additionally, we also redress and resolve the complaints received on Public Grievance Portal (PG Portal).

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	63% (approx.)	64% (approx.)
Sourced directly from within the district and neighboring districts	0	0

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 and Khunti	₹ 51.42 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?

GRSE has a target of 25% of procurement from MSEs with sub targets for marginalized communities of 5% from MSEs owned by Scheduled Castes or the Scheduled Tribes and 3% owned by Women entrepreneurs for the Goods and Services procured. In FY 2022-23, the value of total procurement made from MSEs was Rs.564 crore, which is approx.63%.

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.

No dispute related to Intellectual Property rights emerged during FY 2022-23.

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	Holistic development of 264 under privileged children from tribal areas of Ranchi, Khunti District (Aspirational District), Jharkhand and Sunderban areas of W. Bengal	550 approx.	100%
ii	Medical equipment or infrastructure development of hospitals / health centres/ dispensaries/ polyclinics/ medial Institutes or implementing Covid mitigation initiatives or other healthcare measures as per Govt. directives received from time to time	5000 approx.	100%
lii	Health check- up camps and blood donation camp	8000 approx.	100%
lv	Skill training to medical technicians	60	100%
v	Maintenance of toilets of 20 schools	35000 approx.	100%
vi	Adoption of 3 classes of Indian Institute of Cerebral Palsy (IICP)	50 approx.	N/A
vii	Development of training facility and infrastructure of ITI	1000 approx.	100%
viii	Stipend paid to the apprentices engaged over and above the 2.5% of the statutory requirement to meet the target of MoD directive of 10% of manpower strength.	260 approx.	100%
ix	Installation of solar panels at schools' premises	8000 students approx.	100%
x	Infrastructure development of schools	50 students approx.	N/A
xi	Contribution to Clean Ganga Fund	PAN India	N/A

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. These documents are treated as confidential.

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:

	2022-23			2021-22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
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 has a well-defined organizational structure for Cyber Security Management.

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.

NIL

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.

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.

5. Provide the following information relating to data breaches:**(a) Number of instances of data breaches along-with impact**

NIL

(b) Percentage of data breaches involving personally identifiable information of customers

NIL

INDEPENDENT AUDITOR'S REPORT

To the Members of Garden Reach Shipbuilders & Engineers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Garden Reach Shipbuilders & Engineers Limited** ("the Company") [The audit covered the Corporate Office and all units across India.] which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's*

below to be the key audit matter to be communicated in our report.

Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- 1) Attention is invited to note no 50 with respect to redrafting of accounting policies in respect of Revenue Recognition, Inventory, Provisions, Contingent Liabilities and Contingent Assets during the financial year 2022-23 for further clarity on these aspects. There is no financial impact in the books of accounts on such redrafting.

Our opinion is not modified in respect of the above matter

Key Audit Matters

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described

Sl. No.	Key Audit Matter	Our Response
1	<p>Contract revenue from shipbuilding</p> <p>Referred to in Note no.1.2 (i)(A)(i) and no. 20 of the financial statements.</p> <p>The Company has adopted Ind AS 115, "revenue from contract with customers", which is a new accounting standard effective from April, 2018. The Company recognizes revenue for a performance obligation satisfied over time only when it can reasonably measure its progress towards complete satisfaction of performance obligation. Progress with respect to ship construction is recognized over time using input method i.e. by comparing the actual costs anticipated for the entire contract. The application of the accounting standard is complex and is an area of focus in the audit. We identified revenue recognition of shipbuilding contracts as a KAM considering:</p> <p>(a) The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determining transaction price of identified performance obligation, determining variable consideration and to measure variable consideration, the appropriateness of the basis used to measure revenue recognized over a period.</p>	<p>Our audit procedures on revenue recognized from shipbuilding contracts included:</p> <p>a) Understanding of the systems, processes and control implemented by management for recording and calculating revenue based on input cost method, deriving the associated contract assets,</p> <p>b) Assessment of the operating effectiveness of Key IT Controls, including:</p> <p>i) Treating the IT Controls over the completeness and accuracy of the cost and revenue reports generated by the systems.</p> <p>ii) On selected samples of contracts, we tested that the revenue recognized is in accordance with the applicable accounting standards.</p> <p>c) Evaluated the appropriateness of the disclosures provided under the new accounting standard.</p> <p>Recognition of work-in-progress in the Balance Sheet has been checked with the relevant Statement of Computation of Work-in-progress as on the reporting date and other relevant records of the Company</p>

Sl. No.	Key Audit Matter	Our Response
	<p>(b) The standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to balance sheet date.</p> <p>(c) There is significant involvement of IT systems.</p> <p>At the year-end, a significant amount of work-in-progress related to these contracts is recognized in the balance sheet.</p>	
2	<p>Onerous Contract</p> <p>Referred to in Note No 19 of the financial statements.</p> <p>The Company has assessed contracts of Bangladesh Boat and Guyana Ferry as “onerous” in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company has provided the required estimated loss in the books of account in the current financial year.</p>	<p>Our audit procedures on “onerous contracts” included the following</p> <ol style="list-style-type: none"> 1) Evaluating the reason as why the contract appears to be onerous from the records and estimates given by the management. 2) Evaluating the details of unavoidable costs from the records provided by the management. 3) Understanding the terms of the contract and communication with the customer. 4) Evaluation of the same possibility in case of other existing contracts.

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

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

- (i) Amount shown in Note no. **30 (A)** (Contingent Liabilities) does not include interest/ penalty that may be payable on final settlement of claims.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) In our opinion, provisions under section 164(2) of the Act, regarding disqualification of Directors are not applicable to a Government Company in terms of Notification No. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
 - (g) In our opinion, reporting requirements under provisions under section 197 of the Act, regarding the remuneration paid by the Company to its directors during the year are not applicable to a Government Company in terms of Notification No. G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer to Note no. **30A** - Contingent Liabilities to the financial statements);
 - ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses except provision for loss on onerous contract for Rs. 279.07 lakh has been provided as stated in Note no. **19**;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013.
As stated in Note no. **36 (b)** to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. As required by Section 143(5) of the Act, we give in **Annexure-C** a statement on the matters specified in directions issued by the Comptroller & Auditor General of India in respect of the Company.

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

Sd/-
(Sudersan Mukherjee)
Partner
Membership No. 059159
ICAI UDIN: 23059159BGXH4368

Place: Kolkata
Date: 24 May, 2023

Annexure - A to the Independent Auditor's Report

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

- i. In respect of the Company's Property, Plant and Equipment:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, Property, Plant and Equipment of some division/ unit of the Company were verified internally by management during the year. Discrepancies noticed on such verification have been properly dealt with in the accounts. In our opinion, the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories (other than those lying with third parties), have been physically verified during the year by the management. The discrepancies between physical stock and book records arising out of physical verification, have been properly dealt with in the books of account. However, there were no discrepancies of 10% or more in the aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. The original working capital limit sanctioned by banks in earlier years were revised during the year to ₹ 21,000 Lakh for fund based facilities and ₹ 8,30,800 Lakh for non fund based facilities. The loan amount of ₹ 30,117.18 Lakh outstanding as on March 31, 2023 is against hypothecation of fixed deposits of the Company.

The figures in the statements filed by the Company with the bank as compared with the figures stated in books of account of the Company is given below:

Period ending	Total Stock submitted to Bank (₹ in Lakhs)	Total Stock as per Books of Accounts (₹ in Lakhs)	Difference (₹ In Lakhs)
Jun-22	1,22,012	1,22,012	-
Sep-22	1,30,745	1,30,745	-
Dec-22	2,13,594	2,13,594	-
Mar-23 (Provisional)	2,83,254	2,85,932	2,678

Our observations with regards to variance is stated below:

The stock statement is required to be submitted to the bank by the prescribed due date. As per the explanation given by the company, a provisional statement w.r.t March 23 has been submitted to the bank by the due date and therefore it varies with the actual figures arrived after finalization of accounts.

- 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 other investments in companies, firms, Limited Liability Partnerships or any other parties except in the form of investment in mutual funds, and equity shares of a Company as disclosed in Note no. **6(a) & 10(a)** of the financial statements. The Company has not provided any guarantee or security. The Company has provided advances to companies, firms, Limited Liability Partnerships or any other parties, which are not in the nature of loan.
- (a) The Company has not provided any guarantee or security. The Company has provided advances to companies, firms, Limited Liability Partnerships or any other parties in the ordinary course of business, which are not in the nature of loan. Hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The Investments made by the Company in mutual funds, and equity shares of a Company [Disclosed in Note no. **6(a) & 10(a)**] are not prejudicial to the interest of the Company. The Company has not made any other investments in, companies, firms, Limited Liability Partnerships, and granted

- unsecured loans to other parties, during the year.
- (c) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(c) of the Order is not applicable.
- (d) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(d) of the Order is not applicable.
- (e) The Company has not granted any loans or advances in the nature of loans. Hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, guarantee or provided any securities in connection with such loan and given/made any loan/investment within the meaning of Section 185 and 186 of the Companies Act, 2013. Further, in terms of Notification No. G.S.R. 463(E) dated June 5, 2015, the provisions of section 186 of the Companies Act, 2013 are not applicable to the Company as the Company is a Government Company engaged in defence production and as such, reporting under this clause is not applicable to the Company.
- (b) According to the records of the Company and information and explanations given to us, the following are the details of disputed dues not deposited on March 31, 2023:

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	ITC Credit	2020-21	142.17	Addl. Commissioner, LTU, Corporate Division
Total				2282.19	

- 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 in the payment of interest thereon.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, joint venture or associate companies Hence reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, joint venture or associate companies and has not raised any loan from such entities during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. To the best of our knowledge and according to the information and explanations given to us
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. The provisions of clause 3(xii) are not applicable and hence not commented upon.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and as such, reporting under this clause is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, the Company has no unspent funds towards Corporate Social Responsibility (CSR) required to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company does not have any ongoing projects on CSR. Hence, this clause is not applicable.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)

Partner
Membership No. 059159
ICAI UDIN: 23059159BGXHQH4368

Place: Kolkata
Date: 24 May, 2023

Annexure - B to the Independent Auditor's Report of even date on the financial statements

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

We have audited the internal financial controls over financial reporting of **Garden Reach Shipbuilders & Engineers Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration Number 301138E

Sd/-
(Sudersan Mukherjee)

Partner
Membership No. 059159
ICAI UDIN: 23059159BGXH4368

Place: Kolkata
Date: 24 May, 2023

Annexure- C to the Independent Auditor's Report

Sl. No.	Direction	Auditor's Comments
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system and no accounting transaction is processed outside IT system. Therefore, any implication of processing accounting transactions outside IT system on the integrity of the accounts along with financial implication does not arise.
2	Whether there is any restructuring of an existing loan and cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	There is no instance of restructuring of an existing loan and cases of waiver/written off of debts/loans/interest etc. made by any lender to the Company due to the Company's inability to repay the loan. Therefore, the financial impact due to above reasons does not arise.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such cases of receipts/receivables of any amount by the Company in the financial year 2022-23 for specific schemes from Central/ State Government or its agencies have come to our notice, nor have we been informed of receipts/receivables of any such amount by the management.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration Number 301138E

Sd/-

(Sudersan Mukherjee)

Partner

Membership No. 059159

ICAI UDIN: 23059159BGXHQH4368

Place: Kolkata

Date: 24 May, 2023

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 2023.

The preparation of financial statements of **Garden Reach Shipbuilders & Engineers Limited, Kolkata** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2023.

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 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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, IA&AS)
Principal Director of Audit
(Defence-Commercial)

**Bangalore
Date: 28 July 2023**

BALANCE SHEET

As at 31 March, 2023

(₹ in Lakh)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3		
(i) Property, plant and equipment-other than RoU		48,826.43	48,295.69
(ii) Right-of-use -assets (RoU)		1,098.65	1,161.04
(b) Capital work-in-progress	4	484.45	965.98
(c) Intangible assets	5	835.96	608.69
(d) Intangible assets under development	4(a)	119.60	-
(e) Financial assets			
(i) Investments	6(a)	0.44	0.44
(ii) Other financial assets	6(b)	16,116.00	114,126.63
(f) Non-current tax assets	7	20,584.35	15,393.76
(g) Other non-current assets	8	16.34	10.78
Total non-current assets		88,082.22	180,563.01
(2) Current assets			
(a) Inventories	9	291,850.49	117,226.80
(b) Financial assets			
(i) Current Investments	10(a)	23,366.40	19,667.82
(ii) Trade receivables	10(b)	5,084.50	15,134.02
(iii) Cash and cash equivalents	10(c)	1,398.55	971.26
(iv) Bank balances other than (iii) above	10(d)	431,382.07	254,802.63
(v) Other financial assets	10(e)	16,350.98	12,751.30
(c) Other current assets	11	220,070.17	162,036.32
(d) Assets classified as held for sale	12	7.90	45.87
Total current assets		989,511.06	582,636.02
TOTAL ASSETS		1,077,593.28	763,199.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13(a)	11,455.20	11,455.20
(b) Other equity	13(b)	129,926.55	114,333.87
Total equity		141,381.75	125,789.07
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		923.16	973.54
(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		817.36	818.92
(b) Provisions	15	8,933.37	8,907.43
(c) Deferred tax liabilities (net)	16	1,451.90	1,078.13
Total non-current liabilities		12,125.79	11,778.02
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(a)	30,117.18	-
(ia) Lease liabilities		170.41	146.88
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	17(b)	236.15	228.52
(B) total outstanding dues other than micro enterprises and small enterprises	17(b)	117,150.59	40,940.31
(iii) Other financial liabilities	17(c)	2,894.56	2,393.35
(b) Other current liabilities	18	770,637.11	565,676.92
(c) Provisions	19	2,879.74	16,245.96
Total current liabilities		924,085.74	625,631.94
TOTAL EQUITY AND LIABILITIES		1,077,593.28	763,199.03
SIGNIFICANT ACCOUNTING POLICIES			
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 55 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration No - 301138E

Sd/-
(CA. Sudersan Mukherjee)
Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 24th day of May, 2023

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, 2023

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from operations	20	256,114.51	175,444.87
Other income	21	20,183.55	16,131.85
Total income		276,298.06	191,576.72
EXPENSES			
Cost of materials consumed	22(a)	149,524.39	93,520.37
Purchase of products for resale (B & D spares)		11,210.06	836.50
Changes in inventories of work-in-progress and scrap	22(b)	472.66	38.71
Sub-contracting charges		31,793.34	25,459.35
Employee benefits expense	23	31,691.07	29,028.60
Finance costs	24	648.07	142.88
Depreciation and amortisation expense	25	3,916.63	3,571.01
Other expenses - project related	26	5,707.43	2,348.80
Other expenses	27	10,812.62	10,137.80
Total expenses		245,776.27	165,084.02
Profit before exceptional items and tax		30,521.79	26,492.70
Exceptional items	28	-	(768.54)
Profit before tax		30,521.79	25,724.16
Tax expense	29(a)		
- Current tax		7,353.90	6,282.00
- Deferred tax		355.49	489.48
Total tax expense		7,709.39	6,771.48
Profit for the year		22,812.40	18,952.68
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		72.61	150.08
- Income tax relating to above item		(18.28)	(37.78)
Other comprehensive income for the year, net of tax		54.33	112.30
Total comprehensive income for the year		22,866.73	19,064.98
Earnings per equity share:			
(Nominal value per share ₹ 10)			
Basic and diluted earnings per share (₹)		19.91	16.55
Company information and Significant Accounting Policies	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 55 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration No - 301138E

Sd/-
(CA. Sudersan Mukherjee)
Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 24th day of May, 2023

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

CASH FLOW STATEMENT

For the year ended 31 March, 2023

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A. Cash flow from operating activities:		
Profit before taxation	30,521.79	25,724.16
Adjustments for -		
Interest income	(17,834.00)	(13,019.00)
Unrealised Fair Value gain (Net)	(268.17)	(421.70)
Actuarial Gain/ Loss on remeasurements of defined benefit plan	54.33	112.30
Depreciation & amortisation expense	3,916.63	3,629.60
Retirement /Write off of Assets -Net	(24.48)	(28.22)
Finance costs	648.07	142.88
Unrealized loss/ (gain) on foreign exchange fluctuation	352.68	(44.90)
Liabilities no longer required written back	(847.07)	(654.55)
Operating profit before working capital changes	16,519.78	15,440.57
Adjustments for changes in working capital :		
(Increase)/Decrease in Trade and other receivables	10,081.41	2,751.15
(Increase)/Decrease in Other financial assets (Current & Non Current)	94,410.95	(43,042.00)
(Increase)/Decrease in Other non-current assets	(5,196.15)	(3,435.47)
(Increase)/Decrease in Other current assets	(58,033.85)	(36,014.40)
(Increase)/Decrease in Assets held for sale (current assets)	37.97	(2.48)
(Increase)/Decrease in Inventories	(174,623.69)	(38,439.35)
Increase/(Decrease) in Trade payables	76,146.78	(36,644.57)
Increase/(Decrease) in Provisions	(12,493.21)	1,329.39
Increase/(Decrease) in Other financial liabilities (Current & Non Current)	386.24	918.35
Increase/(Decrease) in Other current liabilities	205,122.72	107,813.20
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	373.77	527.26
	136,212.93	(44,238.92)
Cash generated from/ (used in) operations	152,732.71	(28,798.35)
Taxes paid (net of refunds)	(7,709.39)	(6,771.48)
Net cash from/(used in) operating activities	145,023.32	(35,569.83)
B. Cash flow from investing activities		
Purchase of Property, plant and equipment,intangibles and capital work in progress	(4,225.84)	(5,482.78)
Investments in Mutual Fund (Net)	(3,657.28)	62,939.21
Investments in Fixed Deposit (Net)	(176,579.44)	(27,617.49)
Interest received	17,834.00	13,019.00
	(166,628.56)	42,857.94
Net cash from/(used in) investing activities	(166,628.56)	42,857.94

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
C. Cash flow from financing activities:		
Interest	(442.06)	(80.26)
Principal Component of Lease Rent	(162.53)	(118.35)
Interest component of Lease Rent	(88.80)	(62.62)
Borrowing (Bank OD)	29,999.97	-
Dividend paid	(973.69)	(1,317.35)
Interim Dividend	(6,300.36)	(5,670.32)
Net cash from/(used in) financing activities	22,032.53	(7,248.90)
Net Increase/(Decrease) in Cash and cash equivalents	427.29	39.21
Opening Cash and cash equivalents at the beginning of the year	971.26	932.05
Closing Cash and cash equivalents at the end of the year	1,398.55	971.26

- 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, 2023	Year ended 31 March, 2022
Balances with banks		
- Current accounts	1,398.54	971.25
- Cash in hand	0.01	0.01
Cash and cash equivalents	1,398.55	971.26

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

The accompanying notes 1 to 55 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 24th day of May, 2023

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 CHANGES IN EQUITY

For the year ended 31 March, 2023

A. Equity share capital (₹ in Lakh)

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

B. Other equity (₹ in Lakh)

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at 1 April, 2022	928.80	6,064.86	107,340.21	114,333.87
Profit for the year (a)	-	-	22,812.40	22,812.40
Other comprehensive income for the year (b)	-	-	54.33	54.33
Total comprehensive income for the year (a + b)	-	-	22,866.73	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)
Balance as at 31 March, 2023	928.80	6,064.86	122,932.89	129,926.55

(₹ in Lakh)

Particulars	Reserve and surplus			Total
	Capital Redemption Reserve	General reserve	Retained earnings	
Balance as at 1 April, 2021	928.80	6,064.86	95,262.90	102,256.56
Profit for the year (a)	-	-	18,952.68	18,952.68
Other comprehensive income for the year (b)	-	-	112.30	112.30
Total comprehensive income for the year (a + b)	-	-	19,064.98	19,064.98
Dividend paid [Refer Note 13 (b)]	-	-	(1,317.35)	(1,317.35)
Interim dividend paid [Refer Note 13 (b)]	-	-	(5,670.32)	(5,670.32)
Balance as at 31 March, 2022	928.80	6,064.86	107,340.21	114,333.87

Note: Gain of ₹ 54.33 Lakh and ₹ 112.30 Lakh on remeasurements of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March, 2023 and 2022 respectively.

The accompanying notes 1 to 55 form an integral part of the financial statements.

In terms of our report of even date.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration No - 301138E

Sd/-
(CA. Sudersan Mukherjee)
Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 24th day of May, 2023

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1: Company information and Significant Accounting Policies

Note 1.1: Company information

Garden Reach Shipbuilders & Engineers Limited ('GRSE Ltd.' or 'the Company') was incorporated on 26th February, 1934. The Company is domiciled in India having its registered office at GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024 and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is mainly engaged in the construction of warships.

Note 1.2: Significant Accounting Policies

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- a) certain financial assets and liabilities that are measured at fair value;
- b) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- c) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current classification

The assets and liabilities in the Balance Sheet are based on current/non-current classification.

The classification of assets and liabilities, wherever applicable, are based on normal operating cycles of different business activities of the Company, which are as under:

- (a) In case of Shipbuilding and Ship repair and Refit activities, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of guarantee period.
- (b) In case of other business activities, normal operating cycle is 12 months.

An asset is classified as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non - current.

A liability is classified as current when it is:

- i. Expected to be settled in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current liabilities.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

(v) Functional and Presentation Currency

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

(b) Property, Plant and Equipment

- I. Property, Plant and Equipment are shown at cost, less accumulated depreciation and impairment, if any.
 - (i) Cost of Property, Plant and Equipment, not ready for their intended use as at each Balance Sheet date is disclosed as Capital Work in Progress. It comprises 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.
 - (ii) Cost means purchase price considered as cash price after deducting trade discount, rebates and adding duties, non-refundable taxes and costs directly

attributable to make the asset available for intended use, other cost for replacing part of plant & equipment borrowed cost for long term project, if the recognition criteria are met.

- (iii) When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
- (iv) Where cost of the parts of a Property, Plant and Equipment are significant and have different useful lives, they are treated as separate component and depreciated over their estimated useful lives.
- (v) Addition to Assets individually costing Rs.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
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 Director.

(s) Provision for Current & Deferred Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income, in which case it is recognized in Equity or in Other Comprehensive Income, as applicable.

i. Current Tax

Current tax comprises of the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax base at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in Other Comprehensive Income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- a. Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

(t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(u) Provision, Contingent Liabilities and Contingent Assets

- i. Provisions for legal claims, warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. However, a provision is recognised if the Company has a contract that is onerous.

- ii. Provision for 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 2.1: Recent Accounting Pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) rules as issued from time to time.

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

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 12- Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Note 3: Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Carrying Amount				Depreciation and Amortisation			Net carrying amount		
	a	b	c	d = (a + b - c)	e	f	g	h=(e+f-g)	i=(d-h)	
	As at 1 April, 2022	Addition	Deductions / Adjustments	As at 31 March, 2023	As at 1 April, 2022	Charge for the year	Deductions / Adjustments	As at 31 March, 2023	As at 31 March, 2023	As at 31 March, 2022
Other than RoU										
Land - Freehold	5,125.72	-	-	5,125.72	-	-	-	-	5,125.72	5,125.72
Building - Freehold	10,196.47	731.34	45.84	10,881.97	1,295.72	357.72	17.64	1,635.80	9,246.17	8,900.75
Plant & equipment	27,460.79	830.77	268.82	28,022.74	5,177.69	1,334.75	221.17	6,291.27	21,731.47	22,283.10
Electrical installations	1,381.38	110.46	0.13	1,491.71	443.09	142.17	-	585.26	906.45	938.29
Docks & jetties	5,572.04	1,790.47	0.45	7,362.06	2,280.13	365.32	-	2,645.45	4,716.61	3,291.91
Furniture & fixtures	2,147.45	70.48	98.87	2,119.06	755.36	208.11	86.95	876.52	1,242.54	1,392.09
Office equipment	739.23	17.22	12.90	743.55	211.15	77.32	10.12	278.35	465.20	528.08
Computer	3,017.63	652.72	11.77	3,658.58	1,937.47	371.85	7.78	2,301.54	1,357.04	1,080.16
Launches, barges & boats	117.29	-	-	117.29	20.12	6.16	-	26.28	91.01	97.17
Vehicles	44.91	-	-	44.91	24.44	4.34	-	28.78	16.13	20.47
Motor lorries, trailers, mobile cranes etc.	164.35	-	0.34	164.01	74.25	16.58	-	90.83	73.18	90.10
Sub-total (1)	55,967.26	4,203.46	439.12	59,731.60	12,219.42	2,884.32	343.66	14,760.08	44,971.52	43,747.84
Previous Year	37,711.38	18,502.77	246.89	55,967.26	9,844.38	2,533.34	158.30	12,219.42	43,747.84	
<i>Assets jointly funded by GRSE & Indian Navy</i>										
Building	4,516.49	-	-	4,516.49	-	-	-	-	-	-
Less: Funded by Navy	3,224.69	-	-	3,224.69	-	-	-	-	-	-
Building funded by GRSE (a)	1,291.80	-	-	1,291.80	380.24	54.32	-	434.56	857.24	911.56
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	1,583.32	226.19	-	1,809.51	649.76	875.95
Dock & Jetties	33,894.69	-	-	33,894.69	-	-	-	-	-	-
Less: Funded by Navy	28,240.08	-	-	28,240.08	-	-	-	-	-	-
Dock & jetties funded by GRSE (c)	5,654.61	-	-	5,654.61	2,894.27	412.43	-	3,306.70	2,347.91	2,760.34
Sub-total (a+b+c) (2)	9,405.68	-	-	9,405.68	4,857.83	692.94	-	5,550.77	3,854.91	4,547.85
Previous Year	9,405.68	-	-	9,405.68	4,164.89	692.94	-	4,857.83	4,547.85	
Total Property, plant and equipment - other than RoU (1+2)	65,372.94	4,203.46	439.12	69,137.28	17,077.25	3,577.26	343.66	20,310.85	48,826.43	48,295.69
Previous Year	47,117.06	18,502.77	246.89	65,372.94	14,009.27	3,226.28	158.30	17,077.25	48,295.69	
<i>Right of Use Asset</i>										
Land -Leasehold	757.69	-	-	757.69	21.26	21.10	-	42.36	715.33	736.43
Vehicles - Leasehold	483.04	46.88	-	529.92	58.43	88.17	-	146.60	383.32	424.61
Total Right of use assets (RoU) (3)	1,240.73	46.88	-	1,287.61	79.69	109.27	-	188.96	1,098.65	1,161.04
Previous Year	711.95	955.86	427.08	1,240.73	322.32	184.45	427.08	79.69	1,161.04	
Total property, plant and equipment (1+2+3)	66,613.67	4,250.34	439.12	70,424.89	17,156.94	3,686.53	343.66	20,499.81	49,925.08	49,456.73
Previous Year	47,829.01	19,458.63	673.97	66,613.67	14,331.59	3,410.73	585.38	17,156.94	49,456.73	

Note :

- Current year deductions includes adjustment for scrapping of assets valued ₹ 80.22 Lakh (Deemed Cost ₹ 324.36 Lakh), retirement of assets valued ₹ 7.66 Lakh (Deemed cost ₹ 86.76 Lakh). Further it also includes assets valued ₹ 7.58 Lakh (Deemed Cost ₹ 28.95 Lakh) retired and sold during the year 2022-23. Scrapping of assets and retirement of assets in FY 2021-22 were ₹ 27.91 Lakh (Deemed Cost ₹ 66.08 Lakh) and ₹ 7.00 Lakh (Deemed Cost ₹ 35.05 Lakh) respectively. Further, previous year deductions includes assets valued ₹ 53.68 Lakh (Deemed Cost ₹ 146.53 Lakh) retired and sold during the year 2021-22.
- Jointly funded assets - Plant & Machinery as at 31 March 2023 of ₹ 649.76 Lakh (₹ 875.95 Lakh as at 31 March, 2022) also includes Electrical installation of New Dry Dock valued ₹ 70.01 Lakh (31 March, 2022: ₹ 199.03 Lakh).
- Property, plant and equipment as at 31 March 2023 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, 2023 exclusively funded by Navy (original Cost) not included in Property, plant and equipment is ₹ 801.23 Lakh. (31 March, 2022: ₹ 801.23 Lakh).
- Land of 61, Garden Reach Road, Kolkata is owned by Government of India, Ministry of Defence.
- Building as at 31 March 2023 includes ₹ 95.96 Lakh (original cost) (31 March, 2022: ₹ 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 2022	Addition	Deductions /Adjustments	As at 31 March, 2023
Plant & equipment	-	115.86	-	115.86
Docks & jetties	867.39	881.66	1,749.05	-
Computer	86.55	564.23	312.98	337.80
Civil construction	12.04	49.96	31.21	30.79
Total capital work-in-progress	965.98	1,611.71	2,093.24	484.45
Previous Year	15,129.72	2,605.22	16,768.96	965.98

Note 4 (a) : Intangible asset under development

Particulars	a	b	c	d= (a+b-c)
	As at 1 April 2022	Addition	Deductions /Adjustments	As at 31 March, 2023
Prototype development	-	119.60	-	119.60
Total capital work-in-progress	-	119.60	-	119.60
Previous Year	-	-	-	-

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	-	-	-	-	-
Total	484.45	-	-	-	484.45

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	-	-	-	-	-
Total	119.60	-	-	-	119.60

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	-	-	-
Projects temporarily suspended	-	-	-	-
Total	15.09	-	-	-

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				
Prototype development	15.93	-	-	-
Projects temporarily suspended	-	-	-	-
Total	15.93	-	-	-

Note 4: Capital work-in-progress (Contd.)

Ageing schedule as at 31 March, 2022

As at 31 March, 2022

(₹ in Lakh)

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

As at 31 March, 2022

(₹ 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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Project Completion Schedule

As at 31 March, 2022

(₹ in Lakh)

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

As at 31 March, 2022

(₹ 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	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

Note 5: Intangible assets

(₹ in Lakh)

Particulars	Gross Block				Amortisation				Net Carrying Amount	
	As at 1 April 2022	Additions	Deductions / Adjustments	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions / Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	a	b	c	d=(a+b-c)	e	f	g	h=(e+f-g)	i=(d-h)	
Software (acquired)	2,089.11	457.37	0.95	2,545.53	1,480.42	230.10	0.95	1,709.57	835.96	608.69
Total Intangible assets	2,089.11	457.37	0.95	2,545.53	1,480.42	230.10	0.95	1,709.57	835.96	608.69
Previous Year	1,785.20	304.68	0.77	2,089.11	1,262.34	218.85	0.77	1,480.42	608.69	

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

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity instruments		
Fully Paid up, Unquoted		
At Fair value through Profit and Loss		
6,145 shares of Woodlands Multispecialty Hospital Ltd (31 March,2023: 6,145 shares) equity shares of ₹ 10/- each.	0.44	0.44
Total investments	0.44	0.44
Total non-current investments	0.44	0.44
Aggregate amount of unquoted investments	0.44	0.44

Considering investment amount is not material, management believes that fair value of the same will also be immaterial and hence the same is carried at cost as on the reporting date.

Note 6(b): Other financial assets (Non - current)

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bank Deposits with maturity more than 12 months	-	99,900.00
Leave Encashment invested with LIC	7,460.28	6,967.54
Deposits with electricity board and others	766.42	759.41
Deferred credit recoverable from Navy	817.36	818.92
Interest accrued but not due on deposits	7,071.94	5,680.76
Total other financial assets (non - current)	16,116.00	114,126.63

Note 7: Non-current tax assets

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax	4,466.96	9,021.96
Add : TDS & TCS Receivable	26,361.94	26,713.74
	30,828.90	35,735.70
Less: Provision for income tax	(10,244.55)	(20,341.94)
Total non-current tax assets	20,584.35	15,393.76

Note 8: Other non-current assets

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	-	7.43
<i>Advances other than capital advances</i>		
- Prepaid expenses	16.34	3.35
Total other non-current assets	16.34	10.78

Note 9: Inventories

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials & equipments	147,535.18	77,950.24
Variable items of P17A	131,432.89	33,675.24
	278,968.07	111,625.48
Less: Provision for obsolescence & non-moving	(696.38)	(956.70)
Provision for material	-	(184.98)
	278,271.69	110,483.80
Stock in transit	7,440.47	102.16
Work in progress	5,737.54	5,587.15
Stores, Spares & Consumables	220.18	250.03
Scrap	180.61	803.66
Total inventories	291,850.49	117,226.80

Raw Material and Equipment includes ₹ 43,839.82 Lakh (31 March, 2022 : ₹ 17,332.15 Lakh) lying with third parties.

Above inventory includes ₹ 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, 2023	As at 31 March, 2022
Investment in mutual funds measured at FVTPL	23,366.40	19,667.82
Total current investment	23,366.40	19,667.82

Note 10(b): Trade receivables - Current

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables		
Unsecured, considered good	5,084.50	15,134.02
Unsecured, considered doubtful	25.74	86.78
	5,110.24	15,220.80
Less: Provision for doubtful trade receivable	25.74	86.78
Total trade receivables - Current	5,084.50	15,134.02

Trade receivables ageing schedule
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	-	-	-	-	-	-	-
Total	936.62	3,541.76	131.94	143.51	129.64	226.77	5,110.24
Less: Allowance for doubtful debt							(25.74)
Total trade receivables - Current							5,084.50

As at 31 March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	283.31	5,986.30	889.34	6,778.66	953.12	243.29	15,134.02
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	86.78	86.78
Disputed Trade Receivables -considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	283.31	5,986.30	889.34	6,778.66	953.12	330.07	15,220.80
Less: Allowance for doubtful debt							(86.78)
Total trade receivables - Current							15,134.02

Note 10(c): Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks		
- in current accounts	1,398.54	971.25
Cash in hand	0.01	0.01
Total cash and cash equivalents	1,398.55	971.26

Note 10(d): Other bank balances

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bank Deposits with original maturity from 3 months to 12 months	388,767.00	211,800.00
Flexi bank deposits earmarked for variable item of P17A	42,604.33	42,992.48
Unpaid dividend account	10.74	10.15
Total other bank balances	431,382.07	254,802.63

Note 10(e): Other financial assets - Current

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deposit with Customs and Port trust	2.73	3.69
Leave Encashment invested with LIC	659.73	588.77
Interest accrued but not due on deposits	7,009.41	3,216.73
Contract Assets	8,550.74	8,818.15
Current portion of deferred credit recoverable from Navy	128.37	123.96
Total other financial assets - Current	16,350.98	12,751.30

Note 11: Other current assets

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<i>Advances recoverable in kind or for value to be received</i>		
- Employees	358.95	132.15
- Excise	26.20	26.20
- Sales Tax /VAT	67.08	67.08
- Goods and Services Tax	67,248.83	32,042.78
- Prepaid expenses	2,163.44	1,349.84
- Suppliers	149,488.28	126,767.01
Other receivables	717.39	1,651.26
Total other current assets	220,070.17	162,036.32

Note 12: Assets classified as held for sale

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Plant & equipment	5.65	15.90
Furniture & fixtures	1.39	28.25
Motor cars	-	1.32
Office equipments	0.86	0.40
Total assets classified as held for sale	7.90	45.87

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, 2023		As at 31 March, 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10/- (31 March, 2022: ₹ 10/-) each	125,000,000	12,500.00	125,000,000	12,500.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- (31 March, 2022: ₹ 10/-) each	114,552,000	11,455.20	114,552,000	11,455.20
		11,455.20		11,455.20

Reconciliation of number and amount of equity shares outstanding:

(₹ in Lakh)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	114,552,000	11,455.20	114,552,000	11,455.20
Add: Issue of shares upon sub-division *	-	-	-	-
At the end of the period	114,552,000	11,455.20	114,552,000.00	11,455.20

*The Company in its board meeting held on 30th June, 2017 and the Annual General Meeting held on 25 August, 2017, sub-divided the Authorised Share Capital of the Company, comprising of 1,25,00,000 shares of ₹ 100/- each, into 12,50,00,000 shares of ₹ 10/- each.

Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10/- (31 March, 2022: ₹ 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, 2023		As at 31 March, 2022	
	Number of shares	% holding	Number of shares	% holding
The President of India	85,341,240	74.50%	85,341,240	74.50%
HDFC Trustee Company Limited	7,343,837	6.41%	97,50,951	8.51%

Disclosure of shareholding of promoters**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	85,341,240	74.5%	85,341,240	74.5%	-

Shares held by promoters as at 31 March, 2022

Promoter name	As at 31 March, 2022		As at 31 March, 2021		% of change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The President of India	85,341,240	74.5%	85,341,240	74.5%	-

Note 13(b): Other Equity

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital redemption reserve	928.80	928.80
General reserve	6,064.86	6,064.86
Retained earnings	122,932.89	107,340.21
Total reserves and surplus	129,926.55	114,333.87

(i) Retained earnings

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening balance	107,340.21	95,262.90
Net profit for the period	22,812.40	18,952.68
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of defined benefit plans (net of tax)	54.33	112.30
Dividend paid	(973.69)	(1,317.35)
Interim Dividend paid	(6,300.36)	(5,670.32)
Closing balance	122,932.89	107,340.21

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, 2023	As at 31 March, 2022
<i>Trade payable</i>		
- Russian deferred credit - foreign supplier	817.36	818.92
Total trade payables (non-current)	817.36	818.92

Trade payables ageing schedule**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	-	-	-	-	-
Total	-	128.37	128.37	560.62	817.36

As at 31 March, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	-	123.96	123.96	571.00	818.92
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	-	123.96	123.96	571.00	818.92

Note 15: Provisions (non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Accrued leave liability	7,373.79	7,421.46
Post retirement medical benefits	1,559.58	1,485.97
Total provisions (non-current)	8,933.37	8,907.43

Note 16: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax liability		
Property, plant & equipment and intangible asset	3,963.81	3,711.48
Gain on fair valuation of Mutual Fund	10.40	6.31
Total deferred tax liabilities	3,974.21	3,717.79
Deferred tax asset		
Defined benefit obligation	2,445.59	2,420.66
Allowance for doubtful trade receivables	6.48	21.84
Provision for onerous contract	70.24	197.16
Total deferred tax assets	2,522.31	2,639.66
Net deferred tax liabilities	1,451.90	1,078.13

Note 16 (a): Deferred tax liabilities (net)

Movement in deferred tax liabilities/ (assets)

(₹ in Lakh)

Particulars	Property, plant and equipment & intangible asset	Defined benefit obligation	Other items	Total
At 01 April, 2021	3,152.04	(2,283.09)	(318.08)	550.87
Charged/(credited):				
- to profit or loss	559.44	(175.35)	105.39	489.48
- to other comprehensive income	-	37.78	-	37.78
At 31 March, 2022	3,711.48	(2,420.66)	(212.69)	1,078.13
Charged/(credited):				
- to profit or loss	252.33	(43.21)	146.37	355.49
- to other comprehensive income	-	18.28	-	18.28
At 31 March, 2023	3,963.81	(2,445.59)	(66.32)	1,451.90

Note 17: Financial liabilities (current)**Note 17(a): Borrowings (current)**

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<i>Secured short term borrowings :</i>		
a) Loans repayable on demand		
- from bank (Secured by Fixed deposit)	30,117.18	-
Total borrowings (current)	30,117.18	-

Note 17(b): Trade payables (current)

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<i>Trade payables</i>		
- Micro and small enterprises	236.15	228.52
- Russian deferred credit	128.37	123.96
- Others	117,022.22	40,816.35
Total trade payables (current)	117,386.74	41,168.83

Trade payables ageing schedule**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	117,150.59
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total trade payables (current)	92,012.96	12,981.48	6,497.10	5,895.21	117,386.74

As at 31 March, 2022

(₹ in Lakh)

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

Note 17(c): Other financial liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security deposit	439.14	387.49
<i>Accrued expenses</i>		
Accrued salaries and benefits	931.13	585.95
Rent	15.53	36.27
Unpaid dividend	10.74	10.15
Other payables	1,498.02	1,373.49
Total other financial liabilities	2,894.56	2,393.35

Note 18: Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract liabilities	770,137.71	565,457.41
Statutory liabilities	483.43	203.54
Other liabilities	15.97	15.97
Total other current liabilities	770,637.11	565,676.92

Note 19: Provisions (current)

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Guarantee repair	600.01	2,325.25
Provision for liquidated damages	-	10.42
Accrued Leave Liability	659.73	588.77
Post retirement medical benefits	123.20	121.04
Onerous Contract	279.07	783.32
Other provisions	1,217.73	12,417.16
Total provisions (current)	2,879.74	16,245.96

*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

Company has supplied one FPV ship (Yard 2118) in current financial year towards meeting the contractual obligation with Indian Coast guard in lieu of one ship delivered in the year 2020-21 to Government of Seychelles as per contract with GOS dated 03rd February 2021 by diverting one ship of the FPV Contract entered with Indian Coast Guard. Onerous loss against supply of the ship was booked in the year 2020-21 and the provision has been adjusted against revenue recognised over the period.

In view of delivery of yard 2118 in current financial year, balance unadjusted provision of onerous loss of ₹ 783.32 Lakh (PY : ₹ 393.68 lakh) has been adjusted in current year.

Further, in current financial year in respect to two contracts for construction and supply of vessels to Guyana and Bangladesh total estimated completion cost is expected to exceed realizable value to the extent of ₹ 647.56 Lakh out of which ₹ 368.49 Lakh adjusted in current year against cost incurred till date and accordingly revenue recognised of the above contracts. Balance ₹ 279.07 Lakh has been shown under Miscellaneous expenses in Note 26.

Movement of onerous loss liability is reflected under "Movement of Provision".

Other Provisions

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

Movements in provisions

Movements in major class of provision during the financial year, are set out below:

(₹ in Lakh)

Particulars	Guarantee Repairs	Provision for Onerous Contract	Other Provisions incl. LD
As at 01 April, 2021	2,712.79	1,177.00	11,518.08
<i>Charged/(credited) to profit or loss</i>			
additional provision recognised	1,429.32	-	3,682.58
Amount used during the year	(1,816.86)	(393.68)	(2,773.08)
As at 31 March, 2022	2,325.25	783.32	12,427.58
<i>Charged/(credited) to profit or loss</i>			
additional provision recognised	418.97	647.56	1,182.93
Amount used during the year	(2,144.21)	(1,151.81)	(12,392.78)
As at 31 March, 2023	600.01	279.07	1,217.73

Note 20: Revenue from operations

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
a) Contract revenue		
- Shipbuilding	230,196.88	157,101.33
- Ship repair	196.32	-
- General engineering	-	494.09
- Diesel engines	2,188.93	5,406.45
b) Sale of products		
- B & D spares	11,894.55	865.07
- Bailey bridge	5,646.68	5,430.63
- General engineering	51.96	602.69
- Diesel engines	5.38	-
(c) Sale of services		
- Ship repair	3,201.42	4,049.12
- Bailey bridge	1,283.00	504.75
- General engineering	-	-
- Diesel engines	102.20	20.50
(d) Misc. Project	16.40	53.39
(e) Other operating revenue		
- Scrap sales	1,307.06	868.72
- Training Fees	23.73	48.13
Total revenue from operations	256,114.51	175,444.87

i. Above includes Revenue from operation from export contracts ₹ 5,978.19 Lakh (FY 21-22 : ₹ 6,094.42 Lakh).

ii. Export sales ₹ 477.17 Lakh (FY 21-22 : ₹ 3,485.12 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, 2023	Year ended 31 March, 2022
Interest income	17,834.00	13,019.00
Profit on sale of mutual fund	578.30	1,368.59
Gain on fair valuation		
- mutual fund	41.30	25.07
- others	442.24	525.72
Rental income	12.90	18.30
Net foreign exchange gains	-	44.90
Insurance claims	47.12	207.95
Liability/provision written back	847.07	654.55
Profit/(Loss) on retired assets (net)	100.25	56.03
Other items	280.37	211.74
Total other income	20,183.55	16,131.85

Note 22(a): Cost of materials consumed

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Raw materials	47,928.06	16,881.64
Equipments & components	101,596.33	76,638.73
Total cost of materials consumed	149,524.39	93,520.37

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

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening balance		
- Bailey bridge unit	4,339.84	5,057.88
- Engine unit	292.22	309.05
- Others	955.09	459.56
Total opening balance	5,587.15	5,826.49
Closing balance		
- Bailey bridge unit	4,603.60	4,339.84
- Engine unit	186.68	292.22
- Others	947.26	955.09
Total closing balance	5,737.54	5,587.15
Total changes in inventories of work-in-progress	(150.39)	239.34
Change in inventories of scrap	623.05	(200.63)
Total changes in inventories of work-in-progress and scrap	472.66	38.71

Note 23: Employee benefits expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries and wages	24,926.15	23,669.68
Less: Transfer to exceptional item	-	(709.95)
	24,926.15	22,959.73
Contribution to provident fund and other funds	3,591.71	3,298.82
Staff welfare expenses	3,173.21	2,770.05
Total employee benefit expense	31,691.07	29,028.60

Note 24: Finance costs

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense		
- Interest expense on bank overdraft	408.04	-
- Interest expense on LD liability	126.57	66.47
- Interest expense on lease liability	88.80	62.62
- Interest on dues to Micro & Small Enterprises	24.66	13.79
Total finance costs	648.07	142.88

Note 25: Depreciation and amortisation expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation of property, plant and equipment	3,686.53	3,410.74
Less: Transfer to exceptional item	-	(58.59)
	3,686.53	3,352.15
Amortisation of intangible assets	230.10	218.86
Total depreciation and amortisation expense	3,916.63	3,571.01

Note 26: Other expenses - project related

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Facility hire	58.45	121.56
Insurance	1,134.86	325.89
Travelling expenses	484.39	255.71
Technicians' fees	3,182.36	1,365.59
Launching & commissioning expenses	263.21	86.70
Bank Charges	357.47	1.25
Miscellaneous expenses	226.69	192.10
Total other expenses - project related	5,707.43	2,348.80

Note 27: Other expenses

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Consumption of stores and spares parts	91.44	71.30
Power and fuel	889.39	863.48
Rent	234.88	128.31
Repair and maintenance		
- buildings	610.61	601.81
- plant & equipments	755.58	560.08
- other	1,219.23	1,199.34
Insurance	580.15	630.94
Rates and taxes	157.76	124.70
Marketing expenses	110.54	91.18
Stores clearing & dispatch expenses	39.45	29.07
Provision for non moving & obsolete inventory	236.81	231.34
Provision for materials	-	184.98
Transport hire charges	368.91	336.58
Travelling expenses	275.51	125.55
Advertisement & publicity	337.37	289.28
Bank charges & commission	34.89	38.90
Printing & stationary	10.14	8.09
Postage & courier	10.53	5.85
Telephone & fax	41.98	33.78
Legal expenses	28.66	11.00
Corporate social responsibility	460.00	410.00
Allowance for doubtful debts	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	5.57	5.10
CISF Expenses	3,235.50	3,499.57
Property plant & equipment written off	75.77	27.81
Net Foreign exchange loss	352.68	-
Other miscellaneous expenses	579.54	619.91
Total other expenses	10,812.62	10,137.80

Expenditure on Research and Development aggregating to ₹ 1,365 Lakh (previous year ₹ 1,292 Lakh) is reflected under respective various heads in the above notes.

Note 28: Exceptional Item

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salary and wages/Depreciation of P&M during lockdown	-	768.54
Total exceptional item	-	768.54

Note 29 (a): Income tax expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	7,353.90	6,282.00
Total current tax expense	7,353.90	6,282.00
<i>Deferred tax</i>		
Deferred tax (benefit)/expense	355.49	489.48
Total deferred tax expense	355.49	489.48
Income tax expense	7,709.39	6,771.48

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

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Profit before tax	30,521.79	25,724.16
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	7,681.72	6,474.26
Effect of expenses that are not deductible in determining taxable profit	1,844.83	1,674.52
Effect of expenses that are allowable in determining taxable profit	(2,288.42)	(1,969.97)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	115.77	103.19
Adjustments for changes in estimates of deferred tax assets	355.49	489.48
Total income tax expense recognised in Profit and Loss	7,709.39	6,771.48

Note 30: Contingent Liabilities and Contingent Assets

As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the disclosures are given here under:

(₹ in Lakh)

(A) Contingent Liabilities	As at 31 March, 2023	As at 31 March, 2022
(i) Claims against the Company not acknowledged as debts	7,666.16	7,471.65
(ii) Guarantees		
a) Guarantees given by Banks	434,298.13	274,099.33
b) Indemnity Bonds for Performance & Warranties	103,291.28	164,976.63
c) Unexpired Letters of Credit	6,116.21	15,919.12
(iii) Other money for which the Company is contingently liable		
a) Sales Tax	506.83	506.83
b) Income Tax	1,633.19	1,635.11
c) GST	142.17	-

(a) Contingent Liability on account of Sales Tax amounts to ₹ 506.83 Lakh (31 March, 2022 ₹ 506.83 Lakh) towards assessment dues and demand for the year 2007-08. All these amounts have not been acknowledged as debts and accordingly not provided for in the Accounts as all the demands are under different stage of appeal.

(b) Contingent liability on account of income tax amounts to ₹ 1,633.19 Lakh (31 March, 2022 : ₹ 1,635.11 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. Disallowance of provision for liquidated damages - ₹ 1.92 Lakh for AY 2014-15 has been disposed in favour of GRSE, hence the contingent liability of ₹ 1.92 Lakh is withdrawn. 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.

Note 30: Contingent Liabilities and Contingent Assets (Contd.)

- (c) Dispute on account of GST amounts to ₹ 142.17 Lakh (31 March, 2022 NIL) 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). This amount has not been acknowledged as debts and accordingly not provided for in the Accounts as the demand is under first stage of appeal before Addl Commissioner, LTU. Additionally this will not have any impact on charge to the accounts, since ITC will be recredited if payment is required to be made.
- (d) The amounts shown under Contingent Liabilities represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above Contingent Liabilities.

In the opinion of the Management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals made by Company.

(B) Contingent Assets

- (i) AS per settlement agreement dated 23 November, 2022 between CIWTCL, Kolkata and GRSE, an amount of ₹ 165.64 Lakh have been received from CIWTCL. Out of this, ₹ 106.59 Lakh received towards reimbursement of recovery done by Central Excise Authority have been adjusted against other receivable and balance of ₹ 59.10 Lakh towards ground rent accounted as Other Income.

Note 31: Commitments

(₹ in Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,207.34	2,341.67
Advance paid against above	-	7.43

Note 32: Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave.

Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly, leave obligation of Rs. 659.73 Lakh (31 March, 2022 Rs. 588.77 Lakh) is presented as current and remaining amount is presented as non current. The leave obligation is an unfunded plan, the Company makes contributions to scheme maintained by Life Insurance Corporation of India (LIC).

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

(₹ in Lakh)

Particulars	Leave obligation
As at 31 March, 2022	
Current portion	588.77
Non-current portion	7,421.46
Total	8,010.23
As at 31 March, 2023	
Current portion	659.73
Non-current portion	7,373.79
Total	8,033.52

(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.

Note 32: Employee benefit obligations (Contd.)**(b) Post-retirement medical scheme**

The Company operates post-retirement medical benefit scheme. The plan is an unfunded plan. Based on actuarial valuation, a provision is recognised in full for the projected obligation.

Apart from above, post retirement medical benefits to the superannuated employees are defined contribution schemes and premium of ₹ 1,131.09 Lakh (31 March, 2022: ₹ 720.31 Lakh) paid to 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 ₹ 1,838.00 Lakh for the year 2022-23 (₹ 1,737.98 Lakh for the year 2021-22).

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall ,if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate.

The Company has obtained report on the determination and disclosure of interest rate Guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund of GRSE for the period ended 31st March 2023.

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2022	40,058.37	(40,206.09)	(147.72)
Current service cost	5,074.37	-	5,074.37
Interest expense/(income)	3,112.93	(3,276.80)	(163.86)
Total amount recognised in profit or loss	8,187.31	(3,276.80)	4,910.51
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	299.87	299.87
Actuarial (gain)/loss from change in demographic assumptions	-	-	
Actuarial (gain)/loss from change in financial assumptions	19.45	-	19.45
Actuarial (gain)/loss from unexpected experience	(41.91)	-	(41.91)
Total amount recognised in other comprehensive income	(22.46)	299.87	277.41
Employer contributions/ premium paid	-	(2,190.84)	(2,190.84)
Benefit payments	(3,725.72)	3,725.72	-
Participant Contributions	-	(2,883.53)	(2,883.53)
Transfer in	-	-	-
31 March, 2023	44,497.50	(44,531.67)	(34.17)

From FY 2020-21 the Company has changed its Accounting policy regarding classification of Provident Fund contribution from Defined Contribution plan to Defined benefit plan. This change in Accounting policy was applied and observed that the net assets available for the benefits are in excess in comparison to the present value of retirement benefits.

(iii) Defined Contribution Plan:**Superannuation Pension Fund:**

The Pension Scheme is administered by a Trust. The Company has transferred an amount of ₹ 479.19 Lakh for officers and non-unionised supervisors to LIC towards employer's contribution for the year 2022-23 (₹ 454.81 Lakh for the year 2021-22).

The pension scheme for unionised employees has been introduced w.e.f. 01 January 2012. An amount of ₹ 741.24 Lakh (incl. arrear) has been transferred to LIC for the year 2022-23 (₹ 371.47 Lakh for the year 2021-22) towards employer's contribution for operatives and office assistants.

Note 32: 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
1 April, 2021	1,566.16
Current service cost	51.61
Interest expense/(income)	110.72
Total amount recognised in Profit or Loss	162.33
<i>Remeasurements</i>	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(38.49)
Experience (gains)/losses	(82.99)
Total amount recognised in other comprehensive income	(121.48)
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2022	1,607.01

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2022	1,607.01
Current service cost	64.56
Interest expense/(income)	116.50
Total amount recognised in Profit or Loss	181.06
<i>Remeasurements</i>	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(42.22)
Experience (gains)/losses	(63.07)
Total amount recognised in other comprehensive income	(105.29)
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2023	1,682.78

Note 32: 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
1 April, 2021	11,879.33	(11,879.33)	-
Current service cost	694.90	-	694.90
Interest expense/(income)	791.27	(839.87)	(48.60)
Total amount recognised in profit or loss	1,486.17	(839.87)	646.30
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(18.39)	(18.39)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	174.97	-	174.97
Actuarial (gain)/loss from unexpected experience	(185.16)	-	(185.16)
Total amount recognised in other comprehensive income	(10.19)	(18.39)	(28.58)
Employer contributions/ premium paid	-	(617.72)	(617.72)
Benefit payments	(1,374.78)	1,374.78	-
31 March, 2022	11,980.53	(11,980.53)	-

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2022	11,980.53	(11,980.53)	-
Current service cost	717.96	-	717.96
Interest expense/(income)	823.55	(868.58)	(45.03)
Total amount recognised in profit or loss	1,541.51	(868.58)	672.93
<i>Remeasurements</i>			
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
Total amount recognised in other comprehensive income	7.61	25.08	32.69
Employer contributions/ premium paid	-	(705.61)	(705.61)
Benefit payments	(1,242.38)	1,242.38	-
31 March, 2023	12,287.27	(12,287.27)	-

Note 32: Employee benefit obligations (Contd.)

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March, 2023	31 March, 2022
Discount rate	7.25%	7.07%
Expected return on plan asset	7.25%	7.07%
Salary growth rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM (2012-2014) Ultimate	IALM (2012-2014) Ultimate

Assumptions regarding future mortality for gratuity and medical are set, based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a person retiring at the age of 60.

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (₹ in Lakh)

Particulars	Impact on defined benefit obligation (Gratuity)			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	11,845.41	12,759.14	11,539.63	12,451.95
% change compared to base due to sensitivity	-3.60%	3.84%	-3.68%	3.93%
Salary growth rate (-/+ 0.5%)	12,547.18	12,007.88	12,292.01	11,648.85
% change compared to base due to sensitivity	2.12%	-2.27%	2.60%	-2.77%
Attrition rate (-/+ 0.5%)	12,287.80	12,286.73	11,980.72	11,980.34
% change compared to base due to sensitivity	0.00%	0.00%	0.00%	0.00%
Life expectancy/ mortality rate (-/+ 10%)	12,289.90	12,284.62	11,981.47	11,979.59
% change compared to base due to sensitivity	0.02%	-0.02%	0.01%	-0.01%

(₹ in Lakh)

Particulars	Impact on Post-retirement medical benefits			
	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	1,636.33	1,728.38	1,562.65	1,650.56
% change compared to base due to sensitivity	-2.76%	2.71%	-2.76%	2.71%
Attrition rate (-/+ 0.5%)	1,722.66	1,642.06	1,645.09	1,568.12
% change compared to base due to sensitivity	2.37%	-2.42%	2.37%	-2.42%
Life expectancy/ mortality rate (-/+ 10%)	1,680.25	1,685.30	1,604.59	1,609.42
% change compared to base due to sensitivity	-0.15%	0.15%	-0.15%	0.15%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Note 32: Employee benefit obligations (Contd.)**(vii) The major categories of plan assets**

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2024 are ₹ 1,800 Lakh.

The weighted average duration of the defined benefit obligation (gratuity) is 12 years (31 March, 2022 – 11 years) and Post-retirement medical benefits is 40 years (31 March, 2022 – 38 years). The expected maturity analysis of undiscounted gratuity and post-retirement medical benefits are as follows:

(₹ in Lakh)

Particulars	Less than a year	More than 1 year
As at 31 March, 2023		
Defined benefit obligation (gratuity)	1,451.52	22,699.83
Post-retirement medical benefits	127.38	6,025.80
Total	1,578.90	28,725.63
As at 31 March, 2022		
Defined benefit obligation (gratuity)	1,294.22	22,181.13
Post-retirement medical benefits	125.15	5,443.84
Total	1,419.37	27,624.97

Note 33: Related party transactions

The Company is controlled by the President of India having ownership interest of 74.50%.

(a) Key management personnel compensation

(₹ in Lakh)

Particulars	31 March, 2023	31 March, 2022
Short-term employee benefits	195.92	210.01
Post-employment benefits	8.01	18.59
Total compensation	203.93	228.60

No amount has been written back/written off during the year in respect of dues to related parties.

(b) Transactions with related parties

As GRSE is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions :- (₹ in Lakh)

Particulars	31 March, 2023	31 March, 2022
Sales of goods and services		
Sale of goods (owned by Govt. of India)	25,163.81	10,447.05
Sale of services (owned by Govt. of India)	2,482.68	525.60
Other transactions		
Final Dividend paid to shareholder	725.40	981.42
Interim Dividend paid to shareholder	4,693.77	4,224.39

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

(₹ in Lakh)

Particulars	31 March, 2023	31 March, 2022
Trade receivables (sale of goods and services)	3,550.72	13,327.67
Entities (owned by Govt. of India)		

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

(₹ in Lakh)

Particulars	31 March, 2023			31 March, 2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments	0.44	-	-	0.44	-	-
Mutual Funds	23,366.40			19,667.82		
Trade receivables	-	-	5,084.50	-	-	15,134.02
Security deposits	-	-	769.15	-	-	763.10
Deferred credit recoverable from Navy	-	-	945.73	-	-	942.88
Contract Assets	-	-	8,550.74	-	-	8,818.15
Cash and cash equivalents	-	-	1,398.55	-	-	971.26
Other bank balances	-	-	431,382.07	-	-	254,802.63
Other financial assets:						
Bank Deposits with maturity more than 12 months	-	-	-	-	-	99,900.00
Interest accrued but not due on deposits	-	-	14,081.35	-	-	8,897.49
Total financial assets	23,366.84	-	462,212.09	19,668.26	-	390,229.53
Financial liabilities						
Borrowings	-	-	30,117.18	-	-	-
Lease liability	-	-	1,093.57	-	-	1,120.42
Trade payables	-	-	118,204.10	-	-	41,987.75
Security deposits	-	-	439.14	-	-	387.49
Others	-	-	2,455.42	-	-	2,005.86
Total financial liabilities	-	-	152,309.41	-	-	45,501.52

Note 34: Fair value measurements (Contd.)**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial investments at FVPL</i>				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund	-	23,366.40	-	23,366.40
Total financial assets	-	23,366.40	0.44	23,366.84
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
Financial assets				
Deferred credit recoverable from Navy	-	-	945.73	945.73
Trade receivables	-	-	5,084.50	5,084.50
Total financial assets	-	-	6,030.23	6,030.23
Financial liabilities				
Trade payable	-	-	-	-
LD deducted from vendors	-	-	3,994.26	3,994.26
Russian deferred credit	-	-	945.73	945.73
Total financial liabilities	-	-	4,939.99	4,939.99
Financial assets and liabilities measured at amortised cost for which fair values are disclosed At 31 March, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial investments at FVPL</i>				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Unquoted Investment in Mutual fund	-	19,667.82	-	19,667.82
Total financial assets	-	19,667.82	0.44	19,668.26
Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy	-	-	942.88	942.88
Trade receivables	-	-	15,134.02	15,134.02
Total financial assets	-	-	16,076.90	16,076.90
Financial liabilities				
Trade payable	-	-	-	-
LD deducted from vendors	-	-	1,903.76	1,903.76
Russian deferred credit	-	-	942.88	942.88
Total financial liabilities	-	-	2,846.64	2,846.64

Note 34: Fair value measurements (Contd.)

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include the fair value of the remaining financial instruments which is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakh)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deferred credit recoverable from Navy	945.73	945.73	942.88	942.88
Total financial assets	945.73	945.73	942.88	942.88
Financial liabilities				
Trade payable				
LD deducted from vendors	3,994.26	3,450.25	1,903.76	1,595.70
Russian deferred credit	945.73	945.73	942.88	942.88
Total financial liabilities	4,939.99	4,395.98	2,846.64	2,538.58

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values.

The fair values for financial instruments were calculated based on cash flows discounted using Marginal Cost of Funds based Lending Rate (MCLR) of State Bank of India on the reporting date for the same maturity. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 35: Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Diversification of bank deposits and credit limits.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR).	Reimbursement from buyers for currency fluctuation.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (owned by Govt. of India), hence the credit risk is considered low. Further, the Company receives advance against orders which also mitigates the credit risk. For ageing of trade receivables please refer note 10(b).

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investment of surplus funds are made in accordance with DPE Guidelines on investment of surplus funds of the Company. The limits are set to minimise the concentration of risks and to mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March, 2023 and 31 March, 2022 is the carrying amounts as illustrated in Note 6 (b), Note 10 (a), Note 10 (c) and Note 10 (d).

Note 35: 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 obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted and re-scheduled cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2023	One year or less	More than 1 year	Total
Borrowings	30,117.18	-	30,117.18
Trade payables	117,386.74	1,668.94	119,055.68
Lease liabilities	170.41	923.16	1,093.57
Other financial liabilities	2,894.56	-	2,894.56
Total financial liabilities	150,568.89	2,592.10	153,160.99

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2022	One year or less	More than 1 year	Total
Borrowings	-	-	-
Trade payables	41,168.83	1,735.51	42,904.34
Lease liabilities	146.88	973.54	1,120.42
Other financial liabilities	2,393.35	-	2,393.35
Total financial liabilities	43,709.06	2,709.05	46,418.11

(C) Market risk**Foreign currency risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Also, the Company exports some of its ships to foreign buyers and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The outflow on account of imports and payments in foreign currency is mostly reimbursable from the buyers. The risk in case of export is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

Particulars	31 March, 2023			31 March, 2022		
	EUR	GBP	USD	EUR	GBP	USD
Financial assets	-	-	-	-	-	-
Financial liabilities	1,622.62	76.02	47.83	829.02	81.75	256.19
Net exposure to foreign currency risk	(1,622.62)	(76.02)	(47.83)	(829.02)	(81.75)	(256.19)

Note 35: Financial Risk Management (Contd.)

Sensitivity

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

Particulars	Impact on profit before tax	
	31 March, 2023	31 March, 2022
EUR sensitivity		
INR/EUR Increases by 5.51% (31 March 2022 -8.91%)*	(89)	(74)
INR/EUR Decreases by 2.66 % (31 March 2022 - 2.66%)*	43	22
GBP sensitivity		
INR/GBP Increases by 4.58% (31 March 2022 - 8.23%)*	(3)	(7)
INR/GBP Decreases by 1.64% (31 March 2022 - 1.64%)*	1	1
USD sensitivity		
INR/USD Increases by 7.07% (31 March 2022- 6.61%)*	(3)	(17)
INR/USD Decreases by 1.81% (31 March 2022 - 1.81%)*	1	5

* Holding all other variables constant.

Note 36: Capital Management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed

(₹ in Lakh)

Particulars	31 March, 2023	31 March, 2022
(i) Equity shares		
Final dividend for the year ended 31 March, 2022 - ₹ 0.85 (31 March, 2021 - ₹ 1.15) per fully paid share	973.69	1,317.35
Interim dividend for the year ended 31 March, 2023 - ₹ 5.50 (31 March, 2022 - ₹ 4.95) per fully paid share	6,300.36	5,670.32
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 0.70 per fully paid equity share (31 March 2022: ₹ 0.85). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	801.86	973.69

Note 37: Earnings Per Share

Particulars	31 March, 2023	31 March, 2022
Profit attributable to equity share holders of the Company used in calculating basic and diluted earnings per share (Rs. in Lakh)	22,812.40	18,952.68
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	114,552,000	114,552,000
Basic and diluted earnings per share (Rs.)	19.91	16.55

Note 38 : Expenditure on Corporate Social Responsibility (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows: (₹ in Lakh)

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	Amount Spent
i) Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	312.62
ii) Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the differently abled.	117.98
iii) Clause (iv)	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of air, water and soil including contribution to clean Ganga.	29.40
TOTAL		460.00

(₹ in Lakh)

Particulars	2022-23	2021-22
Amount required to be spent by the Company during the year	457.32	405.50
Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	460.00	410.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities undertaken	i. Promoting healthcare including preventive healthcare ii. Eradicating hunger, poverty and malnutrition iii. Promoting education among children including special education among differently abled children. iv. Employment enhancing vocation skills including differently abled children v. Contribution to clean Ganga fund set-up by Central Govt.	i. Promoting healthcare including preventive healthcare 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 39: Construction contracts

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

(₹ in Lakh)

Particulars	31 March, 2023	31 March, 2022
(i) Contract revenue recognized for the year	232,582.13	163,001.87
(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	680,595.78	458,524.00
(iii) Amount of customer advances outstanding (gross) for contracts in progress	1,359,524.24	934,454.18

Note 40: Russian (USSR) deferred State Credit

An inter-governmental agreement between Russian Federation and Government of India was reached for restructuring of Russian deferred state credit in Ruble in connection with procurement.

As per the said agreement, the outstanding debt in Rouble as on 01.04.1992 was converted to Indian Rupees at the difference in Rupee-Ruble exchange rate between 01.04.1990 and 01.04.1992 and such amount of exchange rate difference was rescheduled by Government of India under a deferred Rupee payment arrangement payable over 45 years till 2037. These rescheduled payments are also reimbursable by Indian Navy. Such amount is accordingly held as Foreign Suppliers Deferred Credit as at 31 March, 2023 and aggregated to ₹ 945.73 Lakh (Undiscounted amount being ₹ 1,797.32 Lakh) [31 March, 2022: ₹ 942.88 Lakh (Undiscounted amount being ₹ 1,859.47 Lakh)].

Note 41:

- (a) The Company follows a general practice of undertaking physical verification of all the fixed assets in a phased manner in a block of three years. In the current year, such physical verification has been done in the GRSE Main Works, Baranagar Unit, GRSE Bhavan. Discrepancies found have been appropriately dealt with 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 ₹ 1,055.57 Lakh (original value ₹ 3,207.53 Lakh) as on 31 March, 2023 have been installed / placed on the said premises. Ignoring the right of GRSE in the said land, the then Govt. of Bihar executed a Deed of Conveyance in favour of HEC in February, 1996. Later, HEC vide a letter of 07 August, 1999 raised a claim for a 30 year lease effective from 01.04.1996 of ₹ 1,488 Lakh as onetime premium and a sum of ₹ 148.8 Lakh p.a. being 10% of the said premium as annual lease rent which GRSE repudiated. During April, 2013, HEC unilaterally referred the disputes to PMA, DPE, Govt. of India for arbitration and subsequently inter alia prayed before PMA for directing GRSE to enter into lease agreement for totally baseless, frivolous and absurd lease rent and premium with interest for further period and to declare GRSE as "unauthorized occupant" etc. GRSE raised preliminary objection regarding maintainability and sustainability of the alleged reference of HEC and rejection of claim as the same are not sustainable on facts as well as in law. The matter was under adjudication before Smt. Zoya Hadke, Sole Arbitrator, PMA who after hearing both the parties at length, vide Order dated 30.6.2015 held that in absence of any agreement between the parties, the Arbitral Forum lacks jurisdiction to settle the dispute and rejected the reference of HEC. Accordingly, the arbitration matter stood disposed off. No appeal filed by HEC.

GRSE has also filed a Civil Suit (TS 117 of 2014) in March, 2014 before a competent Civil Court at Ranchi, HEC and the Govt. of Jharkhand being the defendants, with prayer for declaration by the Court that GRSE has acquired irrevocable licence coupled with interest in the subject land by setting up Diesel Engine Plant permanently thereon free of cost in accordance with the law of the land and for permanent injunction restraining HEC from interfering with the possession of land by GRSE and running industry thereon. Hearing of the case is in progress.

HEC has filed an Application under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 before the Estate Officer appointed under the said Act by HEC, for eviction of GRSE alleging as 'unauthorised occupant' from the said land occupied by DEP Unit of GRSE. [Case no. P.P. ACT/REV/201801 dated 28.4.2018]

GRSE has filed a Writ Petition [being WP (C) No. 3359 of 2018] before the Hon'ble Jharkhand High Court praying for 'declaration' that summary proceeding before the Estate Officer under the Public Premises (Eviction of Unauthorised Occupants) Act is not maintainable involving intricate and complicated questions of law pertaining to title, right, interest and possession to the land and moreover competent civil court at Ranchi is already adjudicating the matter on the self-same cause of action. The High Court on 14.8.2018 directed HEC to file Opposition and not to evict GRSE from the said land. Meanwhile, upon approach by HEC, process to find out various possibilities to arrive at amicable settlement has been initiated.

In view of the above an amount of ₹ 5,505.60 Lakh (Previous year ₹ 5,356.80 Lakh) without interest has been considered as contingent liability not acknowledged as debt.

Note 42:

Letters seeking confirmation of balances in the accounts as at 31 December, 2022 of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the Accounts.

Note 43:

- (a) The Company has sent letters seeking confirmations of balances in respect of its Debtors Though no response has been received from the debtors, in the opinion of the Company, the balances have realisable values equal to the amount as stated in the books in the ordinary course of business, unless otherwise stated.
- (b) The amounts received from customers are mainly received in respect of ship division, customers being Indian Navy and Indian Coast Guards. In respect of other divisions, advance from customers are received mainly from Government Departments.

Note 44:

With introduction of Indian Accounting Standard (Ind AS 116) effective from 01.04.2019, the Company has adopted the same using retrospective transition method. During the current financial year, total addition of Right of Use (RoU) is ₹ 46.88 Lakh.

The actual lease rentals paid which were hitherto recognised as expense are now accounted as reduction in lease liability.

During the year, Rent and transport charges under other expenses, for the rent paid for lease hold land of ₹ 60.19 Lakh (FY 2021-22: ₹ 36.23 Lakh) and vehicle of ₹ 102.34 Lakh (FY 2021-22: ₹ 82.12 Lakh) has been adjusted with corresponding lease liability. Finance cost includes unwinding of Interest on lease rent paid of ₹ 88.80 Lakh (FY 2021-22: ₹ 62.62 Lakh) and depreciation & amortisation expenses include amortisation of RoU Assets of ₹ 109.37 Lakh (FY 2021-22: ₹ 184.45 Lakh).

Details of Lease Liabilities are appended below:

(₹ In Lakh)

Particulars	As on 01.04.22	Addition/Adjustment	Unwinding of Interest	Total Cash Outflow	As on 31.03.23
Land	663.05	-	56.29	60.19	659.15
Vehicle	457.37	46.88	32.51	102.34	434.42
Total	1,120.42	46.88	88.80	162.53	1,093.57

Details of Contractual maturity of Assets on an undiscounted basis:

(₹ In Lakh)

Particulars	As at 31.03.23	As at 31.03.22
Less than 1 year		
More than 1 year	1,098.65	1,161.04
Total	1,098.65	1,161.04

Details of Contractual maturity of liabilities on an undiscounted basis:

(₹ In Lakh)

Particulars	As at 31.03.23	As at 31.03.22
Less than 1 year	170.41	176.35
1 year to 5 years	641.01	664.35
More than 5 years	1,894.30	1,998.24

Note 45:

Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follow:

(₹ In Lakh)

Sl. No.	Description	2022-23	2021-22
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	236.15	228.52
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	3.47	1.33
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	21.19	12.46
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year	24.66	13.79
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

Note 46:

The total Fund Based limits ₹ 21,000 Lakh (March 31, 2022: ₹ 11,001 Lakh) and Non-Fund based limits ₹ 8,30,800 Lakh (March 31, 2022: ₹ 4,56,500 Lakh) sanctioned by consortium of bankers is interchangeable between Fund based and Non-fund-based limits. The said limits are secured by hypothecation of current asset i.e. inventories and receivables.

The loan amount of ₹ 30,117.18 Lakh outstanding as on 31 March,2023 is against hypothecation of fixed deposits of the Company.

As on 31 March, 2023 guarantees given by Bank is ₹ 4,34,298.13 Lakh.

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

(₹ in Lakh)

Particulars	31 March, 2023		31 March, 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	-	49,925.08	-	49,456.73
(b) Capital work-in-progress	484.45	-	965.98	-
(c) Intangible assets	-	835.96	-	608.69
(d) Intangible assets under development	119.60	-	-	-
(e) Financial assets				
(i) Investments	-	0.44	-	0.44
(ii) Other financial assets	-	16,116.00	-	114,126.63
(f) Non-current tax assets	-	20,584.35	-	15,393.76
(g) Other non-current assets	-	16.34	-	10.78
(2) Current assets				
(a) Inventories	291,850.49	-	117,226.80	-
(b) Financial assets				
(i) Current Investment	23,366.40	-	19,667.82	-
(ii) Trade receivables	5,084.50	-	15,134.02	-
(iii) Cash and cash equivalents	1,398.55	-	971.26	-
(iv) Bank balances other than (iii) above	431,382.07	-	254,802.63	-
(v) Other financial assets	16,350.98	-	12,751.30	-
(c) Other current assets	220,070.17	-	162,036.32	-
(d) Assets classified as held for sale	7.90	-	45.87	-
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	-	923.16	-	973.54
(ii) Trade payables	-	817.36	-	818.92
(b) Provisions	-	8,933.37	-	8,907.43
(c) Deferred tax liabilities (Net)	-	1,451.90	-	1,078.13
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	30,117.18	-	-	-
(ia) Lease liabilities	170.41	-	146.88	-
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises	236.15	-	228.52	-
(B) total outstanding dues other than micro enterprises and small enterprises	117,150.59	-	40,940.31	-
(iii) Other financial liabilities	2,894.56	-	2,393.35	-
(b) Other current liabilities	770,637.11	-	565,676.92	-
(c) Provisions	2,879.74	-	16,245.96	-

Note 48:**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 49:

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% of Variance	Reason for Variance
Current Ratio (In times)	Current asset	Current Liability	1.07	0.93	15%	
Debt Equity Ratio (In times)	Debt (Long term)	Equity	0.007	0.008	-13%	
Debt Service Coverage Ratio (In times)	Earnings available for debt service (PAT, Depreciation & Interest)	Debt Service (Interest & lease payments + Principal repayments)	33.77	86.77	-61%	Mainly due to interest charge on Bank Overdraft and Finance Cost increased by ₹ 504 Lakh during the year.
Return on Equity (%)	Profit After Tax less preference dividend (if any)	Average Shareholder's Equity	17.08%	15.83%	8%	
Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	1.20	1.68	-29%	Around 15 ships under various projects are under concurrent construction at GRSE and business partner's premises. Hence inventory has increased almost by 143%.
Trade Receivables Turnover Ratio (In times)	Credit sales	Average Trade receivables	25.33	10.65	138%	Trade Receivables have reduced during the year on realization of outstanding receivables from various customers.
Trade Payable Turnover Ratio (In times)	Credit Purchase	Average Trade Payable	4.19	2.20	90%	Due to increase in volume of production and higher supply of items, Trade Payable has increased at the end of the year.
Net Capital Turnover Ratio (In Times)	Revenue from Operation	Working Capital	3.91	-4.08	196%	Bank deposits, which were under Non-current Assets having maturity period of more than 12 months, are "nil" in current year and the full amount is disclosed under current asset as maturity period of the same is less than 12 months.
Net Profit Ratio (%)	PAT	Revenue from Operation	8.91%	10.80%	-18%	
Return on Capital Employed (%)	EBIT	Capital Employed	21.81%	20.33%	7%	
Return on Investment (%)	Income from invested Fund	Average investment	4.86%	4.20%	16%	

Note 50:

The company has reviewed and redrafted its accounting policies in respect of Inventories, Revenue Recognition and Provision, Contingent Liabilities and Contingent Assets in the Financial year 2022-23 for further clarity on the above aspects and there is no financial impact for such redrafting.

Note 51:

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 52:

- Liquidated Damages claim of Yard 3020 the last ship of Project P 28 which was accounted in previous year have been settled with amendment of contract, in line with recommendation of IHQ. Remaining withheld amount net of LD claim released on 30.9.22 by the customer.
- For existing contracts liquidated damages treatment is done as per Ind AS 115 requirement and related Company Policy in this regard. Liquidated Damages is a variable consideration are accounted on the basis of contractual provisions/ management estimation and the net amount of consideration to which company will be entitled is recognised as Revenue.

Note 53:**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, 2023	Relationship with the Struck off company, if any to be disclosed	Balance Outstanding As at 31 March, 2022	Relationship with the Struck off company, if any to be disclosed
HALCYON FRIENDS PROJECTS PVT.LTD.	Payables	0.01	Vendor	0.01	Vendor
ALVIN MARINE CO. PVT. LTD.	Payables	0.57	Vendor	0.94	Vendor
SIMPAC MARINE (INDIA) PVT. LTD.	Payables	1.80	Vendor	1.80	Vendor
BURN STANDARD CO. LTD.	Payables	6.34	Vendor	6.34	Vendor
NAV BHARAT INFRASTRUCTURE & CONSTRUCTION PVT LTD.	Payables	-	Vendor	2.95	Vendor

Note 54:

Figures for the previous year have been regrouped/rearranged wherever necessary to correspond to those of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

Note 55:

The financial statements are authorised for issue by the Board of Directors on 24th May, 2023.

In terms of our report of even date.**For Mookherjee Biswas & Pathak**

Chartered Accountants
Firm's Registration No - 301138E

Sd/-

(CA. Sudersan Mukherjee)

Partner
Membership No. 059159

Place of Signature : Kolkata
Date : 24th day of May, 2023

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



GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

Registered & Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024

Ph: (033)-24698105-108, Fax: (033)-24698150

Website: www.grse.in Email: co.sec@grse.co.in

CIN: L35111WB1934GOI007891

NOTICE OF 107th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 107th Annual General Meeting of **Garden Reach Shipbuilders & Engineers Limited** will be held on **Friday, 22nd September, 2023** at 1030 hours through Video Conference / Other Audio Visual Means, to transact the following businesses:

ORDINARY BUSINESS:

- (1) To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.
- (2) To confirm the payment of Interim Dividend of ₹ 5.50/- per equity share and to declare a Final Dividend of ₹ 0.70/- per equity share for the financial year 2022-23 (i.e. total Dividend of ₹ 6.20/- per equity share for/during the financial year 2022-23).
- (3) To appoint a Director in place of Cdr Shantanu Bose, IN (Retd.) (DIN: 09631817) 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 2023-24.

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 2023-24, as may deem fit.

SPECIAL BUSINESS:

- (5) To confirm the Appointment of DIG Subrato Ghosh, ICG (Retd.) (DIN: 10205285) as Whole Time Director designated as Director (Personnel) of the Company, and in this regard to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 160, 161, 196, 203 and all other applicable provisions of the Companies Act, 2013 (the 'Act') (including any statutory modifications or re-enactment thereof, for the time being in force)

and the rules made thereunder, the Articles of Association of the Company, Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended, and further on recommendations of HR, Nomination and Remuneration Committee of the Board of Directors of the Company, DIG Subrato Ghosh, ICG (Retd.) (DIN: 10205285), Whole Time Director, who was appointed as an Additional Director of the Company w.e.f. 20 Jun 2023 in terms of letter no. 1/1(1) 2022/D(NS) dated 16 Jun 2023 issued by Ministry of Defence, Govt. of India (on behalf of President of India) and positioned as Director (Personnel), the consent of the Members be and is hereby accorded for confirmation of the appointment of DIG Subrato Ghosh, ICG (Retd.) (DIN: 10205285) as Whole Time Director designated as Director (Personnel) of the Company and to hold office for a period of 22 months effective from 20 Jun 2023 or till the date of his superannuation and on such terms & conditions as stipulated by the President of India, and shall be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any committee of Directors or to any Director or to any employee of the Company to give effect to the aforesaid resolution."

- (6) To ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024 and, in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) therein or re-enactment thereof, for the time being in force), the remuneration payable to M/s Chatterjee & Co., Cost Accountants, appointed by the Board of Directors on the recommendation of the Audit Committee of the Company, as Cost Auditors to conduct audit of the cost records of the Company for the financial year ending 31st March, 2024, amounting to ₹ 58,000/- plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

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

Date: 11th August, 2023
Place: Kolkata

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), setting out material facts concerning the business under Item Nos. 5 & 6 of the accompanying Notice, is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA"), vide its circular No. 02/2022 dated 05th May, 2022 read together with circular(s) no. 21/2021 dated 14th December 2021, no. 02/2021 dated 13th January, 2021, no. 20/2020 dated 5th May, 2020, no. 14/2020 dated 8th April, 2020, no. 17/2020 dated 13th April, 2020, no. 02/2022 dated 05th May, 2022, no. 10/2022 dated 28th December, 2022 and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05th January, 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 107th AGM of the Company shall be conducted through VC/ OAVM. The deemed venue for the 107th 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.
4. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in this Notice and is also available on the website of the Company at www.grse.in.
5. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations read with the Circulars issued by MCA and SEBI and also SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.
6. The Board of Directors of the Company has appointed M/s. A. K. Labh & Co., Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 16th September, 2023 to Friday, 22nd September, 2023** (both days inclusive).
8. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on **Friday, 15th September, 2023 ("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, 17th September, 2023** and will end at **5.00 p.m. on Thursday, 21st September, 2023**. 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. Shareholders are requested to read the instructions as stated in this Notice under the section "[Instructions for Members for e-Voting](#)".
11. 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.

12. This Notice of 107th AGM along with the Annual Report 2022-23 is being sent to all the Shareholders, whose name appear in the Register of Members/list of Beneficial Owners on **25th August, 2023**, as received from Depositories (NSDL / CDSL).
13. The Notice of 107th AGM along with the Annual Report 2022-23 is also being uploaded on the Company's website at www.grse.in and on the website of NSDL at <https://evoting.nsdl.com>. The Annual Report 2022-23 along with the Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.
14. The Results of e-voting will be declared within two working days from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results, along with the Scrutinizer's Report, will be placed on the Company's website www.grse.in under the section 'Investors Corner'. The voting results will be communicated to the stock exchanges where the shares of the Company are listed, depositories, RTA and shall also be displayed on the website of NSDL i.e. www.evoting.nsdl.com.
15. 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.
16. All the documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection through electronic mode basis, the request for the same may be sent to investor.grievance@grse.co.in.
17. During the AGM, Members may access the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and other relevant documents, upon login to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
18. Details as required in Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI in respect of the Directors seeking appointment/ re-appointment at the AGM are provided as Annexure to this Notice. Requisite declarations have been received from the Directors seeking appointment/ re-appointment.
19. In case of any query or clarification, the Members are requested to address all correspondence, including on dividends, to the Company/ RTA at investor.grievance@grse.co.in / rta@alankit.com.

DIVIDEND RELATED INFORMATION

- 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.
- Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.
- Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
- Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company by sending a request on email at rta@alankit.com or contact the Company Secretary of the Company at investor.grievance@grse.co.in.
- Pursuant to the requirement of the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders effective from 1 April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to Members at the prescribed rates. To enable compliance with TDS requirements, Members are requested to complete and/or update their Residential status, PAN and category with their Depository Participants ("DPs"). The withholding tax rate would vary depending on the residential status of the shareholder and documents registered/submitted with the Company.

A. RESIDENT SHAREHOLDERS

- (a) Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought) If dividend does not exceed ₹ 5,000/-, no TDS / withholding tax will be deducted. Also, please refer note (9) 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 shareholder is not updated/ registered with the Company/ RTA / Depositories. Please also refer para (9) below.

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
3	A shareholder falls in the category of "specified person" as defined in Section 206AB of Income Tax Act, 1961	20%	The PAN of the shareholder 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 (12) 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 shareholder e.g. Clearing Member / intermediaries / stock brokers are not the beneficial shareholders 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 shareholders.

(b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in the below table with the Company / RTA

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax, 1961.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> • Recognised Provident Fund • Approved Superannuation Fund • Approved Gratuity Fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961. Valid documentary evidence to be provided.
7	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in below table with the Company / RTA

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) /Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty, the following tax documents would be required: i) Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received ii) PAN declaration as per Rule 37BC of Income Tax Rules, 1962, in a specified format. iii) E-filed Form 10F in case of shareholders having a PAN and manual Form 10F, filled & duly signed in case of shareholders not having a PAN. iv) Self-declaration for non-existence of permanent establishment/ fixed base in India. (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India. In case above documents are not made available, then Withholding tax will be at 40% (plus applicable surcharge and cess).
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority.
5	Any non-resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from TDS deduction
6	A shareholder falls in the category of "specified person" as defined in Section 206AB of Income Tax Act, 1961	Double the applicable tax rate	The PAN of the shareholder registered with the Company / RTA will be validated on "Compliance Check functionality for Section 206AB & 206CCA" on Reporting Portal of Income Tax Department & accordingly applicable TDS will be deducted with reference to Section 206AB of Income Tax Act, 1961, if the person is "specified person". Please also refer para (12) below.
7	Benefits under Income Tax Rule 37BA	Rates based on the applicability of Income Tax Act, 1961 / DTAA (whichever is beneficial) to the beneficial owner	If the registered shareholder e.g. Clearing Member / intermediaries / stock brokers are not the beneficial shareholders of the shares and if the declaration under Income Tax Rule Form 37BA(2) is provided regarding the beneficial owner, the Withholding tax will be deducted at the rates applicable to the beneficial shareholders. The documents as mentioned against Sr. No 1 to 5 above will be required in addition to the above declaration.

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, 15th September, 2023**. Any communication on the tax determination/ deduction received post **Friday, 15th September, 2023** shall not be considered. It may be further noted that application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.
7. NSDL has provided a facility for submission of tax documents for claiming nil/ low tax deduction from dividend whereby the Resident Non-Individual Members i.e. Insurance Companies, Mutual Funds and Alternative Investment Funds (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members i.e., Foreign Institutional Investors and Foreign Portfolio Investors may submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before **15th September, 2023**.
8. In case, TDS is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
9. No TDS will be deducted in case of resident individual shareholders 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 shareholder 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, 2023 the PAN of shareholder 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 shareholders 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 **15th September, 2023**.
10. The Company will arrange a soft copy of the TDS certificate to its shareholders through registered email registered with the Company / RTA post payment of the said Dividend. Shareholders will be able to download the Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.
11. 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.
12. The "specified person" as defined under Section 206AB of Income Tax Act, 1961 means a resident:
- (a) who has not filed the returns of income for AY 22-23/AY 23-24, as may be applicable and;
- (b) the aggregate of TDS and TCS is ₹ 50,000 or more in the said previous year.

Further, a non-resident person having a permanent establishment in India shall also be treated as "specified person" if the above conditions are met.

13. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

OTHER INFORMATION

- As mandated by the Securities and Exchange Board of India ("**SEBI**"), securities of the Company can be transferred / traded only in dematerialised form. Members holding shares in physical form are advised to avail the facility of dematerialisation.
- SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03rd November, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 ("**SEBI Circulars**") mandated furnishing of Permanent Account Number ('PAN'), KYC details viz. Contact Details (Postal Address, Mobile Number and E-mail), Bank Details, Nomination etc. by holders of physical securities. The Company had sent letters for furnishing the required details.
- Any service request shall be entertained by our RTA only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 1, 2023, the folio(s) shall be frozen by our RTA in compliance with the aforesaid SEBI Circulars. **If the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.**
- Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.
 - For shares held in electronic form to their Depository Participant for making necessary changes. NSDL has provided a facility for registration/update of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login> and opt-in/opt-out of nomination through the link: <https://eservices.nsdl.com/instademat-kyc-nomination/#/login>.
 - For shares held in physical form by submitting to our RTA the forms given below along with requisite supporting documents:

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

5. 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.
6. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

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

1. In accordance with the circulars issued by MCA and SEBI, Notice of the 107th AGM along with Annual Report 2022-23 is being sent only through electronic mode to Members whose e-mail address is registered with the Company/ Depositories.
2. Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company are requested to register/ update their email addresses by writing to the Company at investor.grievance@grse.co.in along with the copy of the signed request letter mentioning the Folio No., Name and address of the Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of the PAN card and any document (eg.: Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the registered address of the Member. Members holding shares in dematerialised mode are requested to provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested copy of PAN and any document (eg.: Aadhaar Card, Driving License, Election Identity Card, Passport) to investor.grievance@grse.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained below at **step 1 (I)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In case of any queries / difficulties in registering the e-mail address, Members may write to investor.grievance@grse.co.in.

INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM

1. 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 (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 Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, the Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker, may send their request mentioning their name, DP ID and Client ID number/ folio number, email id and mobile number at investor.grievance@grse.co.in latest by 5.00 p.m. on Tuesday, 19th September, 2023. Further, Shareholders are encouraged to express their views/ send queries in advance mentioning their name, DP ID and Client ID number/ folio number, email id and mobile number at investor.grievance@grse.co.in. Questions / queries received by the Company till 5.00 p.m. on Tuesday, 19th September, 2023 shall only be considered and responded during the AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed. Further, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM. In the interest of time, each speaker is requested to express his/her views in 2-3 minutes of their allotted time.
7. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING

In compliance with Regulation 44 of SEBI Listing Regulations and Section 108 and other applicable provisions of the Act, read with the related rules, as amended from time to time, the Company is pleased to provide e-voting facility to all its Shareholders, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Shareholders.

The details of the process and manner for e-voting are explained herein below. Further, the way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are as follows:

Step 1: Access to NSDL e-voting system:

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

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-voting facility provided by Listed Companies", the Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 & 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. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Individual Shareholders holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL may reach out to below helpdesk:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 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 helpdesk.evoting@cdslindia.com 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?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then 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.
- (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

I. How to cast your vote electronically and join AGM on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to investor.grievance@grse.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
3. Any person holding shares in physical form and non-individual shareholders, who acquire shares and become Members of the Company after the sending of Notice and hold shares as on cut-off date i.e. 25th August, 2023, may obtain the USER ID and password by sending request at evoting@nsdl.co.in or to the RTA at their e-mail id 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 or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and hold shares as of the cut-off date i.e. 25th August, 2023, may follow steps mentioned above under the section "Step 1: Access to NSDL e-Voting system".
4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in. Members may also write to the Company Secretary at the Company's email address at investor.grievance@grse.co.in.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Members who need assistance before or during the AGM with use of technology, can contact the persons as mentioned above under the section "Instructions for Members for e-Voting and/or General Guidelines for Shareholders".

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. (5)

Your Company being a Government Company, the Directors on the Board are appointed by the Government of India (on behalf of the President of India).

The Ministry of Defence, Government of India vide its letter no. 1/1(1) 2022/D(NS) dated 16 Jun 2023 appointed DIG Subrato Ghosh, ICG (Retd.) (DIN: 10205285), as Director (Personnel) on the Board of the Company for a period of 22 months effective from 20 Jun 2023 or till the date of his superannuation and on such terms & conditions as stipulated by the Government of India, and shall be liable to retire by rotation.

Pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act') and Articles 195 & 196 of the Articles of Association of the Company, the Company appointed DIG Subrato Ghosh, ICG (Retd.) as Additional Director to hold office pursuant to Section 160 of the Act, and further the Company has received a notice from DIG Subrato Ghosh, ICG (Retd.) who proposed himself for directorship. Further, his appointment was recommended by the HR, Nomination and Remuneration Committee of the Company under Section 160 of the Act.

Regulation 17 (1C) of the SEBI Listing Regulations provides that the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the ensuing general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Brief resume of DIG Subrato Ghosh, ICG (Retd.) inter-alia, giving nature of expertise in specific functional areas and experience, skills and capabilities, Directorship in listed entities and other companies, Membership/ Chairmanship of Committees, shareholding in the Company and other particulars are enclosed with this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except DIG Subrato Ghosh, ICG (Retd.), is in any way concerned or interested in the resolutions set out at Item No. 5 of this Notice.

The Board recommends the resolution set forth in Item No.5 of the Notice for the approval of the Members as Ordinary Resolution.

Item No. (6)

The Board of Directors of the Company, on the recommendation of Audit Committee, approved the appointment of M/s. Chatterjee & Co., Cost Accountants as the Cost Auditor of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st 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. 6 of the Notice.

The Board recommends the resolution set forth in Item No.6 of the Notice for the approval of the Members as Ordinary Resolution.

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

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

Date: 11th August, 2023
Place: Kolkata

Annexure

Additional information on Directors Retiring by Rotation / Seeking Appointment / Re-Appointment at the 107th 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:

Cdr Shantanu Bose, IN (Retd.) (DIN: 09631817)	
Date of Birth	10 Apr 1968
Date of Appointment	08 Jun 2022
Qualifications	<ul style="list-style-type: none"> • Bachelor of Technology in Naval Architecture & Shipbuilding • Diploma • Post Graduate Diploma in Management
Experience and Expertise in specific functional areas	<p>Cdr Shantanu Bose, IN (Retd.) was appointed as Director (Shipbuilding) of the Company w.e.f. 08 Jun 2022.</p> <p>Cdr. Shantanu Bose, IN (Retd.), 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. Shantanu Bose, IN (Retd.) 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.</p> <p>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.</p>
Listed entities in which the person also holds the directorship and the membership of Committees of the Board.	Garden Reach Shipbuilders & Engineers Limited
Resignation from the directorship of the listed companies in the past three years	NIL
Membership / Chairmanship of Committees across all listed companies	Garden Reach Shipbuilders & Engineers Limited <ul style="list-style-type: none"> • Audit Committee – Member • CSR & Sustainability Committee – Member • Risk Management Committee – Member • Procurement Committee - Member
Directorship held in other unlisted companies	NIL
Membership / Chairmanship of Committees of other unlisted Companies	NIL
Terms and Conditions of Appointment	The Company being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment, vests with the Government of India.
Number of meetings of the Board attended since the date of appointment	07
Relationship with other Directors / Key Managerial Personnel	NIL
Number of shares held in the Company (self and as a beneficial owner)	NIL

DIG Subrato Ghosh, ICG (Retd.) (DIN: 10205285)	
Date of Birth	03 Apr 1965
Date of Appointment	20 Jun 2023
Qualifications	<ul style="list-style-type: none"> • Mechanical Engineer with Bachelor Degree from Dayalbagh Educational Institute, Agra • Masters in Engineering (Mechanical Marine) from University of Pune • Masters in Business Administration from Jamia Millia Islamia University, New Delhi • Advance Marine Engineering Course from Institute of Armament Technology, Pune
Experience and Expertise in specific functional areas	<p>DIG Subrato Ghosh, ICG (Retd.) was appointed as Director (Personnel) of the Company w.e.f. 20 Jun 2023.</p> <p>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).</p> <p>He has had an illustrious career in 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.</p> <p>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 steered the doubling of Bailey Bridge Unit turnover and ensured about 20% year on year revenue growth thereafter.</p> <p>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.</p>
Listed entities in which the person also holds the directorship and the membership of Committees of the Board.	Garden Reach Shipbuilders & Engineers Limited
Resignation from the directorship of the listed companies in the past three years	NIL
Membership / Chairmanship of Committees across all listed companies	<p>Garden Reach Shipbuilders & Engineers Limited</p> <ul style="list-style-type: none"> • CSR & Sustainability Committee – Member • Stakeholder Relationship Committee – Member • Risk Management Committee – Member • Legal Committee - Member
Directorship held in other unlisted companies	NIL
Membership / Chairmanship of Committees of other unlisted Companies	NIL
Terms and Conditions of Appointment	The Company being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment, vests with the Government of India.
Number of meetings of the Board attended since the date of appointment	01
Relationship with other Directors / Key Managerial Personnel	NIL
Number of shares held in the Company (self and as a beneficial owner)	200 equity shares



Launching of INS Vindhyagiri, 3rd P-17A Advance Frigate for Indian Navy



Launching of INS Dunagiri, 2nd P-17A Advance Frigate for Indian Navy Dunagiri Ship



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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