



माझगाव डॉक शिपबिल्डर्स लिमिटेड  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
(Formerly known as **MAZAGON DOCK LIMITED**)  
**CIN: L35100MH1934GO1002079**  
(A Govt. of India Undertaking)  
डॉक यार्ड रोड, मुंबई-400010  
Dockyard Road, Mumbai 400 010  
Certified: ISO 9001-2015

संदर्भ क्रमांक :  
Ref: SEC/BSENSEDISCL/38/2024-25

दिनांक :  
Date : 5<sup>th</sup> September 2024

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai- 400 001  
Scrip Code: 543237

To  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051  
NSE Symbol: MAZDOCK

**Subject: Annual Report 2023-24 and Notice of the 91st Annual General Meeting (AGM) of Mazagon Dock Shipbuilders Limited (MDL).**

Dear Sir/ Madam,

Vide our letter dated 04<sup>th</sup> September 2024 Annual Report of our Company was submitted yesterday i.e. 04<sup>th</sup> September 2024. However, it is noticed that certain corrections in the AGM notice were not carried in the file that got submitted inadvertently. We would like to submit an updated file of the same. Request is hereby made to refer to this file for your records please and ignore the earlier file.

The 91st AGM of the members of MDL will be held on Thursday, 26<sup>th</sup> September 2024 at 11:00 A.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of the AGM for the financial year 2023-24 which is being sent through electronic mode to the members of the Company.

The Annual Report containing the Notice of the AGM is also available on the website of the Company at <https://mazagondock.in>

This is for your kind information and dissemination.

Thanking You,  
Yours Faithfully,  
For MAZAGON DOCK SHIPBUILDERS LIMITED

(Madhavi Kulkarni)  
Company Secretary & Compliance Officer

# माझगांव डॉक शिपबिल्डर्स लिमिटेड MAZAGON DOCK SHIPBUILDERS LIMITED



## INNOVATING MARITIME FUTURE

SHIP & SUBMARINE BUILDERS TO THE NATION

ANNUAL REPORT 2023-24

**MISSION:**

To deliver quality ships in time within budgeted costs and be a World leader in Warship building.

**VISION:**

MDL shall strive to be a progressive and profitable shipyard building World Class Warships and Submarines using State-of-the-Art Technology.

**OBJECTIVES:**

- To progressively reduce overhead expenditure and operational costs.
- To attain technological leadership in warship and submarine construction through in house R&D activities and partnership with academic institutions.
- To enhance the productivity level through improved internal processes through benchmarking and innovative practises.
- To take initiatives for growth by undertaking capacity augmentation, technological upgradation and modernisation of facilities.
- To upgrade capabilities of employees as per HRM guidelines issued by DPE.
- To maintain consistent quality and to maintain a high degree of Customer Satisfaction.
- To undertake Corporate Social Responsibility and Sustainability projects as per guidelines.
- To enhance indigenisation process in line with 'Make in India' policy.
- To adhere to project timelines to deliver quality ships and submarines in time.
- To promote export of MDL products.



माझगांव डॉक शिपबिल्डर्स लिमिटेड  
MAZAGON DOCK SHIPBUILDERS LIMITED

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

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Authenticated  
Raksha Rajya Mantri





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## About this Report:

We are delighted to present our Annual Report for FY 2023-24, which provides a comprehensive overview of our financial and non-financial performance during the reporting period.

### Reporting period

This Report covers the period from April 1, 2023, to March 31, 2024, and is released annually. The previous year's Report was for FY 2022-23.

### Basis of Reporting

Mazagon Dock Shipbuilders Limited (MDL) is dedicated to elevating its reporting practices by adhering to the principles of integrated reporting as established by the Value Reporting Foundation (VRF). The VRF, formed through the merger of the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB), provides a cohesive framework for global reporting standards.

### Frameworks, guidelines, and standards

To ensure transparency and consistency in reporting, this Report is prepared in accordance with the International Framework published by the Value Reporting Foundation (formerly known as the International Integrated Reporting Council). Furthermore, it adheres to the following guidelines and standards:

The Companies Act, 2013 (and the rules made thereunder)

National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG - SEE)

Indian Accounting Standards

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Secretarial Standards issued by the Institute of Company Secretaries of India

Cost Accounting Standards

### Materiality

In FY 2023-24, we conducted a materiality assessment study to identify and prioritize material topics relevant to our stakeholders. This exercise assisted us in shaping our strategies and ensuring relevant disclosures in this Report.

### Data integrity

For this Report, we collected and analyzed relevant data using our integrated data management system.

To maintain the highest standards of accuracy, reliability, and comparability, we employed stringent internal controls during the data collection process. Any significant limitations in the information provided are appropriately cited.

### Precautionary approach

At MDL, we adopt a precautionary approach to minimize business risks and mitigate the impact of our operations on the environment. To address environmental, health, safety, and environment (HSE) concerns, MDL has implemented robust HSE management systems across our plants. These systems undergo regular audits by independent auditors to ensure compliance with best practices.

### Feedback

As always, we value feedback from our stakeholders and investors. Your inputs are crucial in enhancing the relevance and effectiveness of our reporting. Please feel free to share your queries or suggestions with us at [investor@mazdock.com](mailto:investor@mazdock.com).

We remain committed to providing transparent and comprehensive reporting, empowering our stakeholders to make informed decisions in line with our sustainable value creation journey.



## Our Legacy

**We have consistently revolutionised maritime services with a distinguished history spanning two centuries.**

Mazagon Dock Shipbuilders Limited (MDL), known as the 'Ship & Submarine Builders to the Nation,' is one of India's premier defence shipyards, operating under the Ministry of Defence. **We specialise in constructing, repairing, and refurbishing warships and submarines at our facilities in Mumbai and Nhava.** Since our inception in 1934, we have rapidly expanded our capabilities, becoming a key player in strengthening national defence. MDL is a Lead Shipyard for major Surface Combatants (Destroyers & Frigates); Only Shipyard possessing two Independent Submarine Assembly and Launch Lines. We are the only Indian shipyard to produce both destroyers and conventional submarines for the Indian Navy and were pioneers in manufacturing Veer & Khukri Class Corvettes.

Our consistent focus on innovation and quality, supported by investments in cutting-edge technologies, has enabled us to deliver a wide array of sophisticated products for both domestic and international clients. **In 2006, we received the 'Mini-Ratna-I' status.** MDL has been conferred "Navratna" status by the DPE in June 2024. MDL is the 21<sup>st</sup> PSU, first amongst the government owned shipyards and 3<sup>rd</sup> amongst Defence PSUs of the country having "Navratna" status







## *Achievements*

**1<sup>st</sup>**

Shipyards and 3<sup>rd</sup> DPSU to attain Navratna Status

**802**

**Vessels Delivered Since 1960**  
(Including **28 Warships**,  
**07 Submarines**, **243 Exported**)  
and **65 Offshore Platforms**

**~40,000**

Dead Weight Tonnage (DWT)  
Capacity





## Maritime progress over the years

**1774**

Construction of the dry dock.

**1934**

Incorporated as a private company.

**1960**

Acquired by the Government of India.

**1972**

Delivered the 1<sup>st</sup> Frigate, INS Nilgiri.

**1984**

Inaugurated the undertaking for submarine construction.

**1992**

Commissioned the 1<sup>st</sup> Indian-built Submarine, INS Shalki.

**1997**

Commissioned the 1<sup>st</sup> Destroyer, INS Delhi.

**1998**

Achieved ISO certification for shipbuilding.

**2000**

Upgraded to Schedule 'A' status from Schedule 'B'.

**2006**

Received Mini Ratna Status.

**2009**

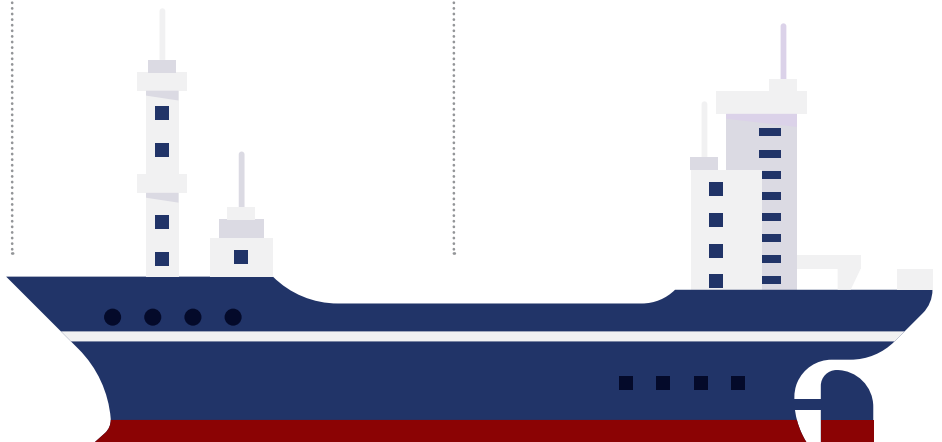
Implemented Enterprise Resource Planning and Systems Applications and Products.

**2014**

Inaugurated the Mazdock Modernization Project.

**2015**

Signed a contract for constructing and delivering 4 Frigates with the Ministry of Defence.





## 2016

Inaugurated a new Submarine Section Assembly workshop at Alcock yard.

## 2017

Delivered the 1<sup>st</sup> Scorpene class Submarine.

## 2019

Delivered the 2<sup>nd</sup> Scorpene class Submarine.

## 2020

Listed on BSE & NSE.

## 2021

Delivered the 3<sup>rd</sup> & 4<sup>th</sup> Scorpene class Submarine and the 1st Missile Destroyer.

## 2022

### May-22

Historical Double Launching of a Missile Destroyer and a Stealth Frigate.

### April -22

Launched the 6<sup>th</sup> Submarine 'Vaghsheer'.

### July-22

Accredited with ISO 14001:2015 & ISO OHSAS 45001:2018 (HSEMS).

### September-22

Launched the 3<sup>rd</sup> Stealth Frigate 'Taragiri'.

### October-22

Accredited with ISO/IEC 27001:2013.

### November-22

Delivered the 2<sup>nd</sup> P15B missile Destroyer, 'INS Mormugao'.

### December-22

Delivered the 5<sup>th</sup> Scorpene Submarine 'INS Vagir'.

## 2023

Launched Fourth Stealth Frigate of Project 17A (P17A), 'INS Mahendragiri' on 01 Sept. 2023;

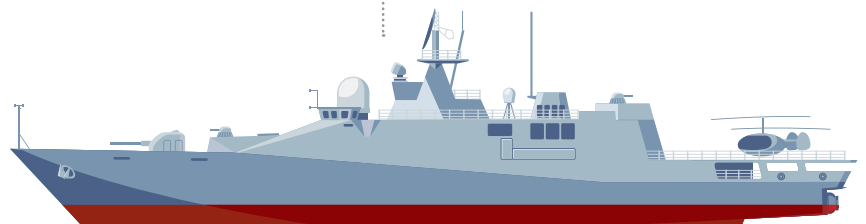
Delivered Third Guided Missile Destroyer of Project 15B (P15B), 'INS Imphal' to the Indian Navy on 20 Oct 2023.

Celebrated 250 years with events like the 10K and 3k Marathon run flagged off by cricketer Dilip Vengsarkar.

Unveiling a commemorative coin of Face Value of ₹250 on the occasion of 250<sup>th</sup> anniversary on 14 May 2024 at the hands of Defence Secretary Shri Giridhar Aramane.

Received an order for Medium Refit and Life Certification for INS Shankush worth ₹2,725 Cr.

Placed an order for Floating Dry Dock with a Capex allocation of ₹496 Cr.











## Mazagon is cruising into the future

Our unwavering commitment to construct advanced warships, submarines, and a broad maritime portfolio has strengthened national defence and fostered indigenous capabilities. **Aligning with the Government's 'Atmanirbhar Bharat' vision, we recently delivered the fifth Scorpene Submarine, 'VAGIR,' and a Guided Missile Destroyer to the Indian Navy. We have also finalised MoUs for the indigenous development and manufacturing of ship and submarine equipment for national and international firms.**

As pioneers in adopting digital technologies through Industry 4.0 initiatives, we have enhanced our ability to adapt and implement cutting-edge methods. Our focus on R&D has led to improved delivery timelines, superior construction quality, and reduced design approval times.

Reflecting on our journey, we celebrate resilience, adaptability, and excellence, continuously living up to the title of **'Ship & Submarine Builders to the Nation'** with confidence and determination.







# A year of Maritime Marvels

Launched the 4<sup>th</sup> Stealth Frigate Project 17A Mahendragiri.



**September 2023**

Delivered the 3<sup>rd</sup> Destroyer of P15B, five months ahead of schedule.



**October 2023**

Commissioned INS Imphal, the 3<sup>rd</sup> Destroyer of P15B.



**December 2023**

Defence Secretary Giridhar Armane unveiled a commemorative coin of Face Value Rs. 250 on the occasion of 250th anniversary on 14.05.2024



**May 2024**



Signed a contract for the construction and delivery of six Next Generation Offshore Patrol Vessels for the Indian Coast Guard at a cost of approximately ₹1,600 Cr.



**December 2023**

Signed individual shipbuilding contracts with a European Client for construction of three, 7500, DWT Multi-Purpose Vessel for a value of approx \$ 42 Million and signed additional three vessels value approx \$43 Million in April 2024 - Total 6 Vessels amounting to \$ 85 Million



**December 2023**



**January 2024**

Signed a contract for the construction and delivery of fourteen Fast Patrol Vessels for the Indian Coast Guard at a cost of approximately ₹1,070 Cr.



**April 2024**

Foundation Stone laid by Defence Secretary of the additional Land acquired from MbPA admeasuring 5887.04 sq.mtrs on long term lease basis for a period of 29 years wef 01.04.2024



## Our Make in India Journey

MDL's journey in indigenisation has been steadfast and impactful, aligned with the Hon'ble Prime Minister's "Make in India" and "AtmaNirbhar Bharat" initiatives. Since establishing a dedicated Department of Indigenization in October 2015, MDL has successfully partnered with the Indian industry to substitute imported equipment and items. We have indigenised 57 major items and systems for ships and submarines. In FY 2023-24, we added critical items such as shock mounts, acoustic structures, safety valves, ultrasonic flow meters, servo valves, electrical mobile parts, life rafts, HP air bottles, navigation radars, junction boxes for submarines, and induction-type cooking ranges for ship galleys.

Our indigenisation efforts also include components like Electric Propulsion Motors (EPM) for submarines,

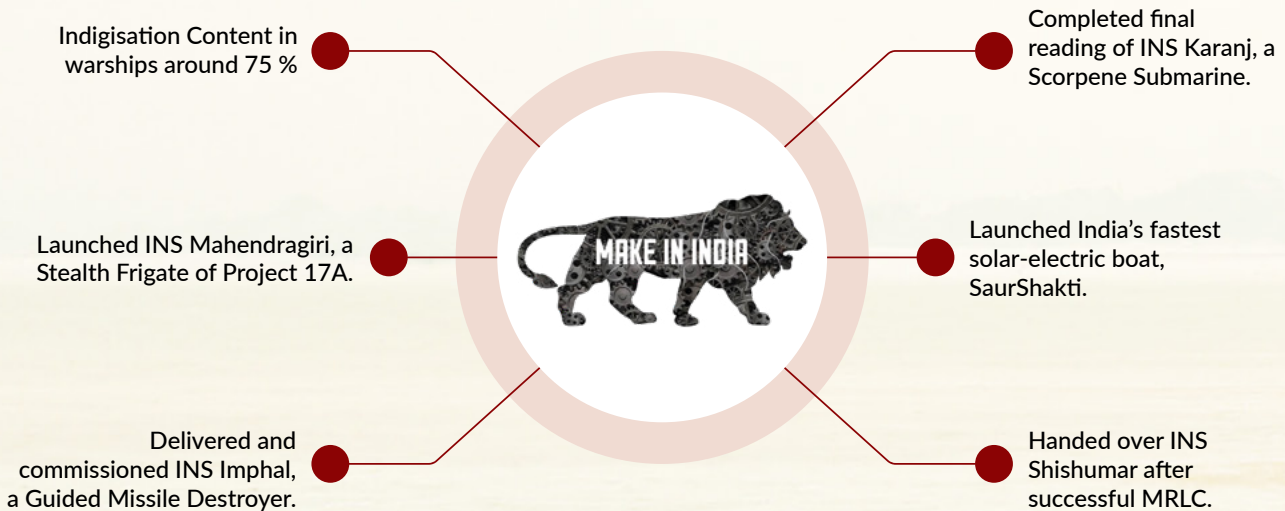
combat systems for precise weapon firing, and shafting and propellers. To promote this drive, we have uploaded details of items to be indigenised on the Srijandefence Portal, engaging organisations such as the Confederation of Indian Industries (CII), the Federation of Indian Chambers of Commerce and Industry (FICCI), the Society of Indian Defence Manufacturers (SIDM), and others. We've also hosted industry visits, presented opportunities at various forums, and conducted MSME vendor meets.

MDL has contributed 1,017 items to the Ministry of Defence's Positive Indigenization List (PIL), with 18 items already indigenised and others in various stages of development. Through the Innovations for Defence Excellence (iDEX) program, MDL has engaged in challenges to foster

innovation in defence technology, collaborating with MSMEs, startups, and academic institutions.

MDL has also focused on indigenising submarine equipment, with 48 out of 174 items already developed locally. Collaboration with M/s BEL and other partners is ongoing to indigenise additional components, including the main electric propulsion motor.

## Highlights:







**57**

Major Items & Systems Indigenised

**1017**

Items contributed to MoD's Positive Indigenisation list

**75%**

Indigisation Content in warships around 75 % led to reduction in construction cost and Dependence on imports





## Message from Chairman & Managing Director



### Dear Shareholders,

I am pleased to present the Annual Report of Mazagon Dock Shipbuilders for the Financial Year 2023-24. This report encapsulates our performance, achievements, and strategic direction. It is an honour to share the details of our journey and the milestones we have achieved this year, that mark significant progress in our Operational and Financial performance.

### Overview of Operational Performance

The Financial Year 2023-24 has been a landmark year for our company. We successfully launched the fourth stealth frigate of Project 17A, 'INS Mahendragiri,' and delivered the third guided missile destroyer of Project 15B, 'INS Imphal,' to the Indian Navy. We also completed the final reading of the third Scorpene submarine of Project 75, 'INS Karanj,' and launched India's fastest solar-electric boat, 'SaurShakti,' in collaboration with M/s NavAlt. These achievements reflect our commitment to innovation and excellence in maritime engineering. Additionally, we handed over 'INS Shishumar' to the Indian Navy after the successful completion of its Medium Refit cum Life Certification (MRLC), reinforcing our capabilities in Submarine refurbishment and maintenance.

### Review of Financial Performance

This year, our financial performance has been outstanding. We achieved a record-high Revenue from Operations of ₹9,466.58 crore, a significant increase from ₹7,827.18 crore in the previous fiscal year, marking a growth of over 21%. Our Profit Before Tax, excluding exceptional items, stood at ₹2,461.38 crore, up from ₹1,429.33 crore, showcasing a robust year-on-year improvement. Notably, our Profit After Tax (PAT) reached an unprecedented ₹1,845.43 crore, an 72% rise from the previous year's PAT of ₹1,072.72 crore. These results are a testament to our strategic initiatives and efficient operations. Our Working Capital increased significantly to ₹3,153.84 crore from ₹1,945.34 crore, ensuring liquidity and operational efficiency. Our Net Worth rose to ₹5,570.68 crore from ₹4,177.56 crore, indicating a solid financial position.

### Strategic Direction for Value Creation

Our strategic direction is firmly aligned with ensuring sustained value creation for our shareholders. We are committed to maintaining our leadership in Shipbuilding and Submarine construction by adopting advanced technologies and innovative practices. Our focus on indigenisation and the 'Make in India' initiative has led to the successful localisation of numerous critical components, significantly reducing our dependency on imports and fostering self-reliance. Additionally, we continue exploring new opportunities in the Maintenance, Repair, and Overhaul (MRO) sector and offshore projects, diversifying our portfolio and enhancing our capabilities.

### Performance against MOUs:

During the year, MDL had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India for the financial year 2023-24. The MoU outlines targets and various performance



parameters for the Company. The value of production was targeted at ₹9,101.00 Crs. Achievement of value of production is ₹9,068.01 Crs for FY 2023-24. During the year, your Company achieved a Profit Before Tax (PBT) before exceptional items of ₹2,461.38 crore. Final evaluation will be carried out post CAG Audit of the accounts for FY 2023-24. The import content in VOP for 2023-24 is ₹2,414.71 Crore and for FY 2022-23 is ₹2907.80 Crores.

### Make in India Initiative

Mazagon Dock Shipbuilders Limited (MDL) has been a strong advocate of the "Make in India" and "Atma-Nirbhar Bharat" initiatives introduced by our Hon'ble Prime Minister. Since establishing our Department of Indigenization in 2015, we have partnered with Indian industries to replace imported equipment with locally manufactured items, achieving the indigenisation of 57 significant systems for Ships and Submarines.

In FY 2023-24, we indigenised critical components such as Shock Mounts, Acoustic Structures, Safety Valves, Ultrasonic Flowmeters, Navigation Radars, etc. Essential Submarine parts like Electric Propulsion Motors and Combat Systems were also being developed indigenously, reinforcing our commitment to self-reliance.

MDL has taken proactive steps to promote indigenisation, including listing items on the Srijan Defence Portal and collaborating with organisations like CII, FICCI, and SIDM. To enhance participation, we conducted industry visits, webinars, and MSME vendor meets. Our contributions to the Ministry of Defence's positive indigenisation list include 1017 items, of which 18 have been fully indigenised.

We have also indigenised 48 out of 174 Submarine equipment items, with ongoing efforts for the remaining components.

These initiatives demonstrate our dedication to building a self-reliant India, supporting national defence, and driving economic growth through the "Make in India" mission.

### Environmental and Social

Our commitment to environmental sustainability is reflected in projects like the solar-electric boat 'SaurShakti,' which represents a paradigm shift in eco-friendly maritime transportation. We continue to invest in renewable energy sources and have installed a 1.85 MWp rooftop solar power plant to reduce our carbon footprint. Social responsibility remains at the core of our operations. We have undertaken various CSR initiatives focusing on Education, Healthcare, and Skill Development. Notable projects include our support for 'MDL Super 10,' providing quality education to underprivileged students, and healthcare initiatives in rural and urban areas.

### Corporate Governance

Your Company is complying with the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE) and SEBI (LODR) Regulations. Necessary disclosures have been made in this regard in the Corporate Governance Report.

### Human Resources Initiatives

Your company strongly emphasises the growth and development of the human resources. We are committed to continuously update the skills and competencies of our employees through various learning and development programs. These initiatives include training programs for trade apprentices, BOAT apprentices, and marine engineering students at our Apprentice Training School, ensuring a steady supply of skilled personnel for the company and the shipbuilding industry. Our flagship program, 'Sanskar Se Samridhi,' introduced in March 2023, facilitates direct interaction between senior management and employees, fostering an inclusive and collaborative work environment.

We organise numerous in-house and external training sessions on diverse topics such as 5S, Six Sigma, Kaizen, Artificial Intelligence, and Cyber

Security Awareness to enhance our human capital further. We also focus on specialised training programs like 'Improving Energy Efficiency,' 'Health, Safety & Fire Fighting,' and 'Employee Welfare & Benefits.' Interactive sessions and workshops are regularly held to improve communication skills, leadership, and stress management.

Moreover, our induction programs for recruits are thorough, providing a solid foundation for executives and non-executives. Initiatives like the 'Parihar' program for chronically absent employees and the 'Arohan' program for improving efficiency among low-performing employees demonstrate our commitment to holistic employee development. Cross-functional training programs, knowledge-sharing sessions, and customised workshops such as 'Life Vision Architect' and 'Second Innings' for retiring employees ensure our workforce remains engaged, motivated, and well-prepared for future challenges. These comprehensive efforts underline our dedication to cultivating a skilled, adaptable, and high-performing team that is crucial for our continued success and innovation in the shipbuilding industry.

### Marketing initiatives and New Orders:

During the financial year 2023-24, MDL participated in Latin America Aerospace and Defence Exhibition (LAAD), Brazil-2023, Langkawi International Maritime Aerospace Exhibition (LIMA), Malaysia-2023, Seoul International Aerospace & Defence Exhibition (ADEX), South Korea-2023 and Egypt Defence Expo (EDEX), Egypt-2023 as an exhibitor for marketing and business promotions.

The exhibitions have immensely helped in showcasing MDL's capabilities and technical strength in warship building and submarine construction. The exhibitions were successful in projecting the image and capabilities of India in the defence production sector in general and warship/submarine building capabilities in particular. MDL had obtained various leads for potential





future projects. MDL was also part of Ministry of Defence, Government of India delegation which visited and participated in the seminars held in Tanzania, Oman, Vietnam, Kenya, Saudi Arabia, Srilanka, Malaysia, Singapore and Nigeria organized by High Commission/Embassy of India. During the seminar MDL interacted with the armed forces / navy representatives wherein Indian shipbuilding capacities and capabilities were showcased.

MDL signed three (03) separate contracts with Indian Coast Guard for construction and delivery of One Training Ship, Six (06) Next Generation Offshore Patrol Vessels and Fourteen (14) Fast Patrol Vessels. In addition to the new construction, MDL has also signed contracts for Short Refit (SR-1) of ICGS Sachet and Short Refit (SR-1) of ICGS Vikram.

MDL has signed contract with a Danish client for Construction and Delivery of Six (06) 7500 DWT Multi-Purpose Hybrid Powered Vessels (3 vessels during FY 23-24 and 3 vessels in April 24).

#### Exports:

Our Exports programme is in full alignment with the thrust of the Government of India for having footprints in the international markets. Your Company is vigorously pursuing export avenues with a wide gamut of product portfolio. In this regard, your Company have already appointed Channel Partners who are globally liaising with potential clients for export orders. The effort has already borne fruits and MDL have already bagged the following export orders:

- (a) Inspection of Pipes and Valves from M/s BHIC Submarine Engineering Services Sdn Bhd Malaysia.
- (b) MDL has signed contract with a Danish client for Construction and Delivery of Six (06) 7500 DWT Multi-Purpose Hybrid Powered Vessels.
- (c) MDL has facilitated yard facility to M/s Porrira, a Switzerland flag experimental boat.

- (d) Two orders for Maintenance, Repair & Overhaul (MRO) of MI 17 Helicopter for Nepali Army.
- (e) In addition, MDL has signed Master Ship Repair Agreement (MSRA) with the US Government represented by NAVSUP Fleet Logistics Centre Yokosuka to carry out Voyage repairs of US Navy Vessels.

Your Company's strategic positioning on the west coast of the country provides proximity to the main sea routes crisscrossing the Arabian Sea and Indian Ocean with accessibility to Europe and Middle East. Tie-ups with other small shipyards in the country are in place. MDL has aligned itself with the new thrust on Defence exports.

#### Future Outlook & Order Book

Looking ahead, our company is poised for significant growth and development. We are exploring the establishment of a greenfield shipyard at Nhava Yard, with both short-term and long-term plans to enhance our shipbuilding and repair capabilities. This includes the construction of a new 12,000-ton capacity Floating Dry Dock and the creation of a skill development hub and Apprentice Training School at Gavhan village, Navi Mumbai, to uplift underprivileged sections of society.

In our Submarine projects, we have been shortlisted as a strategic partner for Project 75 (I) and have submitted bids for additional Scorpene class submarines. Our expertise in submarine construction and life cycle support positions us uniquely to serve both Indian and foreign navies. Additionally, we are diversifying into the Maintenance, Repair & Overhaul (MRO) of MI-17 helicopters for the Nepalese Army. We have secured export orders, reinforcing our global footprint and commitment to "Make in India." These initiatives will ensure our continued leadership and innovation in the maritime industry.

In addition, your Company is also putting efforts to revive the Off-shore vertical, which once contributed to the Company's revenues in a

significant manner. This line of business was abandoned many years back with an intent to service Naval orders in a focused manner. However, today we find that this vertical can be a meaningful diversification providing your company an additional stream of revenues. Our efforts have proved to be rewarding and your company has bagged one order for ₹4,676.32 Crores from M/s ONGC for Wellhead Platforms and Associated Pipeline Project (DSF-II).

As of March 31, 2024, our strong order book reflects a total project value of ₹38,561 crore. This includes key projects such as P15B Destroyers, P17A Stealth Frigates, and P75 Kalvari Submarines. Our contracts span the Ministry of Defence and international clients, ensuring robust future revenue and continued operational excellence. With numerous projects in the pipeline, our order book highlights our strategic position and capability to deliver advanced maritime solutions.

#### Concluding Remarks

In conclusion, I would like to extend my heartfelt gratitude to all our stakeholders, including the Government of India, the Indian Navy, our employees, clients, and partners, for their unwavering support and confidence in our company. Your continued trust and cooperation have been instrumental in our success, and we look forward to achieving greater heights together in the coming years.

Thank you.

Jai Hind

Yours sincerely,

#### **SANJEEV SINGHAL**

Chairman & Managing Director  
(Additional Charge) and Director  
(Finance) & CFO



## Q & A with Director (Finance) & CFO



**Q:** First question is more to do with the liquidated damages provision write back that we have been doing for almost the last few years. Is this come to an end? And what is the status here? Is there any more additional write backs we are expected to do in FY25? And the EBITDA margin, do we expect it to normalize to, say, 7.5%?

**A:** With respect to the LD, we have supplied 5 boats, i.e. 5 submarines to the Indian Navy till date. We have received LD refund corresponding to 1 submarine in 2022-23 and corresponding to 2 submarines in 2023-24. So as such, for balance 2 submarines, which have been already supplied to the Indian Navy, the cases are still under examination. And at least one of the cases, I believe, has come to a maturity stage. So that LD refund should be coming any time soon. With respect to one boat, it is still under analysis. Difficult to commit the timelines.

**Q:** If you could quantify that number, how much is the LD provision write back earmarked so far?

**A:** The total LD approximately deducted against these 2 boats, which is pending, would be approximately ₹300 crores. Refund amount would depend upon the decision finally taken by the Indian Navy with respect to the delay attributable to MDL and delay not attributable to MDL.

**Q:** Further, any update on 75I technical completion?

**A:** P75I, as far as the field evaluation trials are concerned, corresponding to the bid submitted by MDL in collaboration with TKMS, we understand that the field evaluation trials have been successful. With respect to the other bid submitted by L&T along with Navantia, we are not aware with respect to the status of the field evaluation trials as of now.

**Q:** What is the pending execution for one of the first, the 17A frigates, which is going to be delivered in FY'25?

**A:** Yes, we are targeting delivery of the first frigate during this financial year. If it goes as per plan, then maybe two frigates within this financial year. Otherwise, one this financial year and subsequently one more in next financial year.

**Q:** And so, approximately how much revenue would we be booking out of that, of the two of the frigates then?

**A:** When we are delivering, the ships are not fully complete. They are accepted by the Navy with certain riders and certain deficiencies, which are completed during the course of time. Assigning a figure right now, that may not be feasible with respect to revenues.

**Q:** We have got so much execution going on, in FY'25 with so many deliveries. So, do you believe that overall, broadly, we will see a large revenue recognition in FY'25, broadly ₹14,000 - ₹15,000 crores because we have already got the destroyer, in this year. Then we have got the first of the frigates this year. And this is apart from your other, export orders and everything. So, what would you believe about FY'25, revenue guidance?

**A:** Without assigning any figures, I can only say that our revenues have been increasing every year. And we believe that the same trend is likely to continue for FY'25. But right now, we have not made a deeper analysis with respect to the concrete figures. So, I would not be assigning any numbers right now.

**Q:** And so, in FY'25, what would be the order book at the end of this year, given the execution that you are, planning and the new order bids that you have submitted? So, broadly, you think we will have about ₹40,000 crores to ₹50,000 crores of order book by the end of this year or the number can be much higher?





A: It depends upon the materialization of the orders. Smaller orders, we do seek, but they don't make much of a difference. Additional submarine is one order, one big order, which we are eyeing at and believing that this gets finalized during this financial year, the order book should see a substantial increase. Post execution, of course, some liquidation would be there during the year, but there should be a big addition.

Q: In terms of our bidding pipeline, is there any other ships that we are planning to bid for apart from these additional submarines? And, what kind of bidding pipeline do you already have in terms of value?

A: We have under discussion the next generation destroyers. We also have under discussion the follow on frigates for under Project 17 Bravo. There projects are under discussion at various stages apart from P-75I, six submarines. These projects are at various stages of discussion and maturity. They would be taking certain time, but I believe, considering the geopolitical situation, the projects need to be finalized by Indian Navy.

Q: Would you able to even give a broad sense that what this three together would quantify into order book if we get these?

A: I can only say as far as 75I is concerned and what is available in public domain is the AON cost, which is ₹43,000 crores, which was published in 2018. With respect to destroyers, our existing destroyer order is ₹34,000 crores approximately for four destroyers, which was 2011 order. So, that is approximately ₹8,500 crores per destroyer in 2011. Next generation destroyer, is likely to be significantly larger and more complex, more weapon intensive and with the escalations maybe you can take a view with respect to the magnitude in terms of costs.

Q: If I strip off this liquidated damages write back, your margin is actually still very high how should we really appreciate the existing work or the pending work to be done? What kind of margins, excluding the provision write back, we can conclude at?

A: There is approximately ₹400 crores of income on account of additional interest income during 2023-24 compared to 2022-23 on account of improved rates of interest and higher deposits this also is a non-operating kind of income, not related to production. Apart from this, what we have indicated earlier whenever we are in a position or when we deliver a platform ahead of schedule that has a very positive impact on the costs because the costs for

the period are saved which is a very significant chunk. We did three deliveries, three destroyers during three years, one in '21, one in '22 and another in '23. Destroyer which we delivered in October '23, was delivered almost five months ahead of schedule. The corresponding schedule was March '24, we delivered in October 23. So, this has a significant sobering effect on the costs which contributes to a better margin. Going ahead, as far as fourth destroyer is concerned, we are again targeting to deliver it significantly ahead of schedule. As per the contractual schedule, the delivery date is February '25. We would like to deliver it early. As far as frigate is concerned, this being the first of the class, first of the Project-17 Alpha, the endeavour is that we should deliver it in time. This itself would be a big achievement. And going ahead, we can look for deliveries prior to the scheduled date. These have been, some of the factors which have been responsible for better margins, going ahead, it would always depend on the physical performance on ground.

Q: From a MOU, excellent with government rating perspective in FY'25, what would be your revenue target or margin target? Any colour on that?

A: For excellent rating, the revenue target, I expect to be something around close to ₹10,000 crores to ₹10,500 crores.

Q: You have cash around ₹12,000 crores plus. So, how do you plan to utilize such a large amount? Like you are the second defense company which has more than ₹12,000 cash first is HAL, then comes Mazagon and the third is Bharat Electronics. So, you are positioning yourself on second in terms of cash and cash balances. How do you plan to utilize that cash?

A: A substantial amount of this cash which is visible in our balance sheet belongs to Navy against the project. So, this is not free cash. Free cash which belongs to MDL would be around ₹4,000 crores. We have recently acquired a 15-acre piece of land adjacent to the existing premises of MDL where we would be incurring a significant amount of capex over next two- three years. We will also be incurring significant capex on the development of Nhava yard. So, these two areas would be making MDL future proof with respect to the infrastructure constraints. Although we have capacity to construct 11 submarines and 10 warships simultaneously at the existing premises but considering that the future platforms are likely to be larger in dimensions with a deeper draft, we would be investing significantly in capacity addition.



Q: Bidding pipeline that we talked about the next-generation destroyer, follow on P-17A and Just wanted a clarification that we have not bid for these, right? We will be bidding for these going ahead?

A: The tenders for the next-generation destroyers or 17 Bravo are still not out. 17 Bravo, we expect a repeat order, quite possible on nomination. And next-generation destroyers also, depending upon the capability and capacities of the existing yards, so that contours are still not known whether it will be on nomination basis or multi-yard or on a purely competitive basis. The tenders are still not out.

Q: The new capex that you mentioned to accommodate larger vessels, will it also accommodate aircraft carriers?

A: We are floating a tender to assess the total land area and the sea area available and what kind of water depth is available. The consultant will be coming out with a full plan with what kind of vessels, what max dimensions, what max draft can be accommodated. That would provide a better clarity.

Q: What are your expectations of budget expenditure on defence and what percentage of growth are you expecting in next five years due to the budget allocation?

A: We have never been focused with respect to the defence budget or defence allocation because the budgets have never been a constraint as far as defence requirements are concerned or naval requirements are concerned. What we understand is that the requirements are there and as and when the requirements are crystallized at the level of navy and the orders are placed the funds would be provided for. Taking the geopolitical situation into account, we believe that there is a significant requirement. The total length of the Indian coastline is 7,500 kilometers and considering the geopolitical situation, we foresee significant development in future.

Q: Essentially that over a period of time, we have seen margin improvement. Now, even if I exclude the impact of refund of LDs and all, there has been an improvement in terms of margins, which used to be 5%, 6%. Now, we have seen it at a much higher level. Now, some of it has to do, of course, with the before time delivery. And this thing will kind of persist. So, just wanted to understand from you, what kind of sustainable margins should we take going ahead? Because the operational improvement, I think, will stay with you.

A: One thing we need to understand that the contracts which we are executing currently are on nomination basis. As far as additional submarine is concerned, that is, again, on nomination basis. With respect to the next generation destroyers, with respect to follow-on ships of P-17 Bravo frigates, the contours are not visible right now, whether these will be on nomination basis or on a competitive basis. Both have a totally different scenario with respect to how many players are there in competition or if the order is on nomination, then the margins are predefined. As such a lot many factors would come into play when these orders actually crystallize. Secondly, considering that these projects take a significantly long period for execution, a better clarity with respect to costs and margins emerges towards the later part of the project execution. During the initial stages of the project execution, a clear picture would not emerge with respect to what kind of costs would be incurred. There would be certain measures, certain conservative vision during the initial stages of the project with respect to profit booking. As and when the project progresses substantially, there is a level of confidence whereby you can book profits which are more clearly visible.

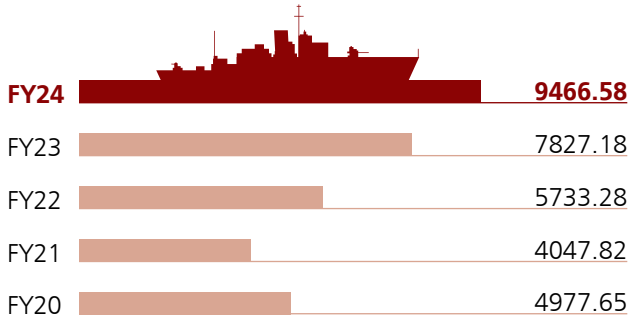


## Key Performance Indicators

### PROFIT AND LOSS

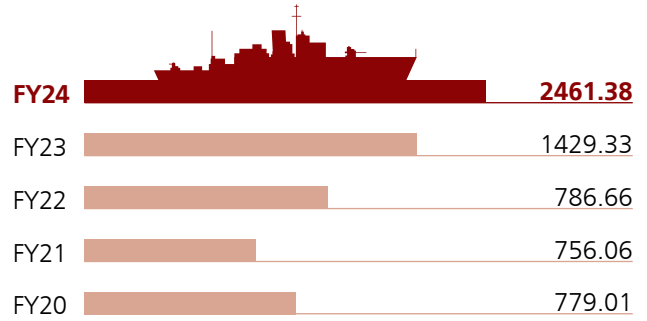
#### REVENUE FROM OPERATIONS

₹In Cr



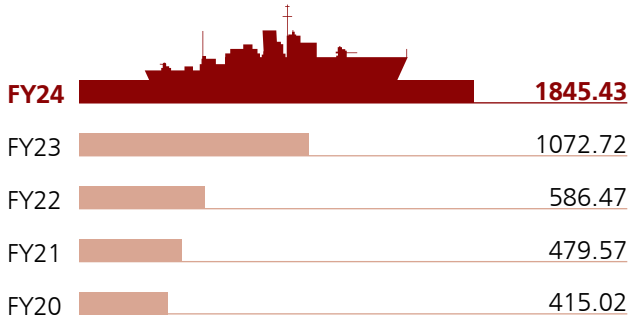
#### PBT

₹In Cr



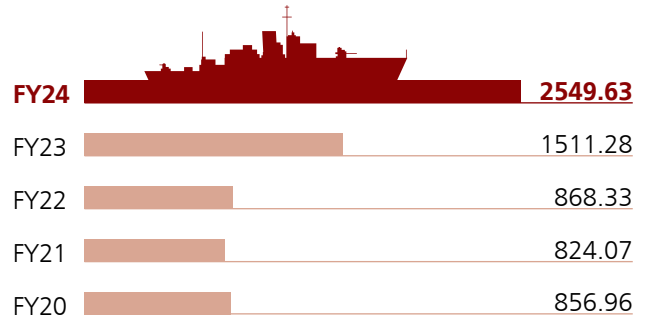
#### PAT

₹In Cr

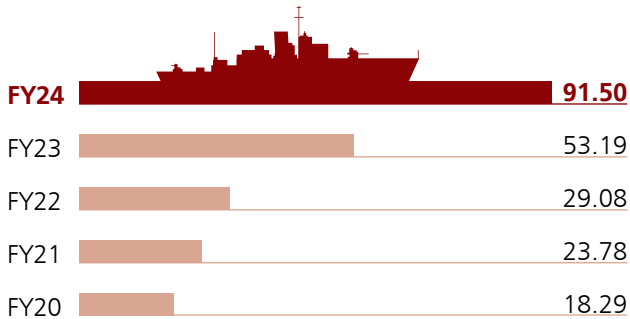


#### EBITDA

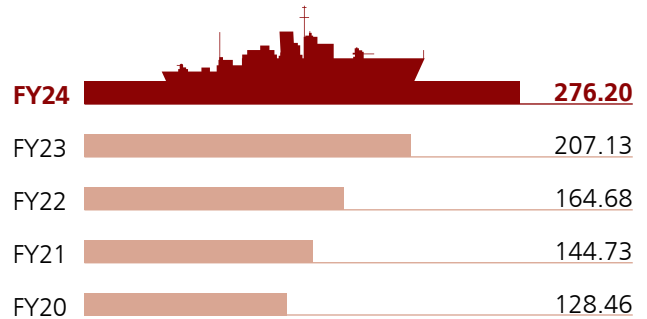
₹In Cr



#### NORMALISED EPS



#### BOOK VALUE

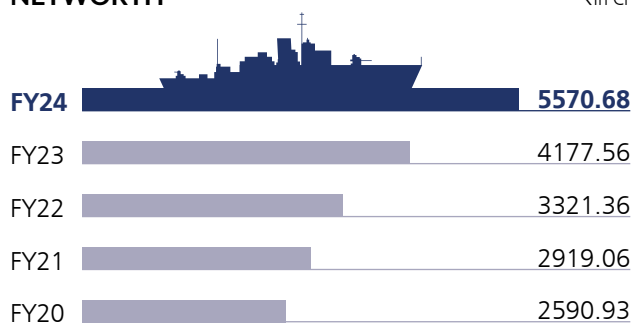




## BALANCE SHEET

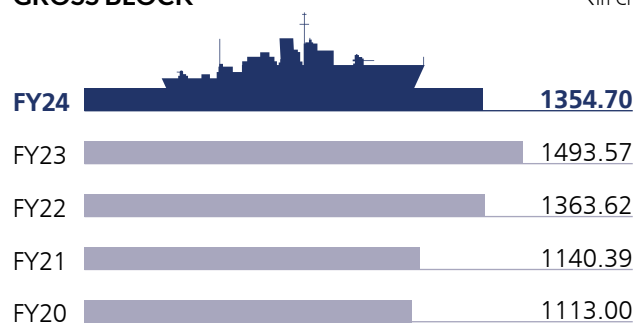
### NETWORTH

₹In Cr



### GROSS BLOCK

₹In Cr



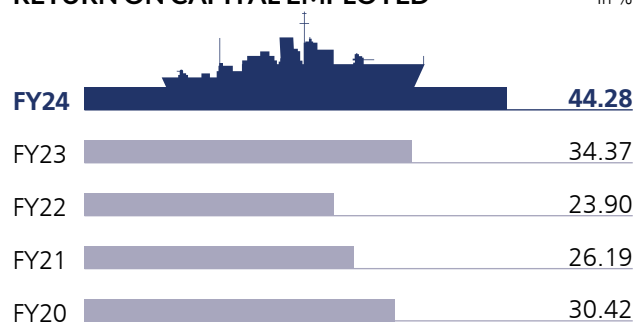
### EQUITY SHARE CAPITAL

₹In Cr



### RETURN ON CAPITAL EMPLOYED

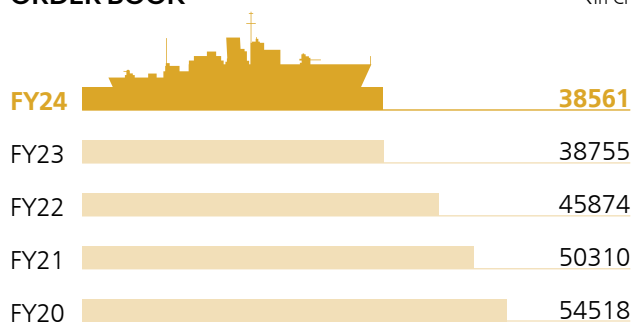
In %



## OPERATIONAL

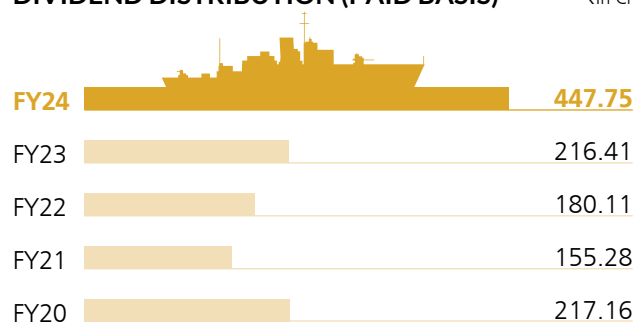
### ORDER BOOK

₹In Cr



### DIVIDEND DISTRIBUTION (PAID BASIS)

₹In Cr





Manufactured Capital

## Products & Services

Mazagon Dock Shipbuilders Limited (MDL), a premier shipyard in India, offers a diverse and comprehensive range of products and services, catering to various sectors such as defence, oil, and merchant shipping. The company is renowned for its capability to build advanced warships and submarines for the Indian Navy and other clients.

### *Naval Platforms*



MDL has a distinguished track record in constructing various naval platforms that play a critical role in enhancing India's maritime defence capabilities:

#### **Destroyers:**

MDL constructs advanced destroyers equipped with state-of-the-art weaponry and sensors. These ships are designed for multiple roles, including anti-air, anti-surface, and anti-submarine warfare.

#### **Conventional Submarines:**

The shipyard builds conventional submarines like the Scorpene class, known for their stealth, endurance, and striking power.

#### **Frigates:**

MDL is the lead shipyard for building Nilgiri Class Stealth Frigates, designed to operate in all combat scenarios.

#### **Corvettes:**

These are smaller, agile warships designed for close-in combat and patrol duties.

#### **Missile Boats:**

These fast-attack craft are armed with anti-ship missiles, making them formidable opponents in naval warfare.

#### **Offshore Patrol Vessels:**

Designed to patrol maritime boundaries, these vessels are essential for coastal security.

#### **Floating Border Outposts:**

These platforms monitor and secure maritime borders.

### *Oil Sector*



MDL provides specialised platforms for the oil and gas industry, ensuring robust support for offshore exploration and production:

#### **Offshore Platforms:**

These structures are crucial for oil and gas extraction in offshore fields.

#### **Jack-up Rigs:**

Used for exploratory drilling of new oil or gas wells, these rigs are movable and can be transported to different locations.



## *Merchant Ships*



In addition to its defence and oil sector offerings, MDL manufactures a variety of merchant vessels catering to commercial needs:

### **General Cargo Vessels:**

These ships are designed to carry a wide range of goods, providing versatile transportation options.

### **Multipurpose Support Vessels:**

These vessels support various offshore operations, including supply, maintenance, and repair activities.

Offshore Supply Vessels are essential for transporting goods, equipment, and personnel to offshore oil and gas platforms.

### **Tugs:**

These small yet powerful ships are used to manoeuvre larger vessels in harbours and ports.

### **Dredgers:**

Utilized for excavating and maintaining waterways, ports, and harbours.

### **Passenger cum Cargo Vessels:**

These vessels are designed to transport both passengers and cargo, ensuring efficient and flexible operations.

### **Water Tankers:**

These transport fresh water to remote locations and islands.

### **Barges:**

Flat-bottomed vessels carrying heavy loads, usually in rivers and canals.

### **Trawlers:**

Fishing vessels designed for commercial fishing operations.

Windmill Towers and Pontoons are structures used in offshore wind energy projects and floating platforms for various maritime activities.

## *Coast Guard Ships*



Training Ships

Next Generation Offshore Patrol Vessels

Fast Patrol Vessels



## Manufactured Capital

# Infrastructure and Facilities

Mazagon Dock Shipbuilders Limited (MDL) has continually refined its operational processes and invested in state-of-the-art infrastructure to support the production of specialised maritime products. The company's commitment to enhancing its manufacturing capabilities aligns with the national **'Make-in-India'** initiative, bolstering India's defence infrastructure and contributing to economic development. A strong focus on capacity development and customer satisfaction ensures MDL remains a shipbuilding and submarine construction industry leader.

## *Key Infrastructure and Facilities*

### World-Class Facilities

- **Dry Docks, Wet Basins, and Slipways:** These facilities are integral to MDL's shipbuilding and repair operations, enabling the construction and maintenance of large naval vessels and submarines.
- **Production, Assembly & Electrical Shops:** Equipped with advanced machinery, these shops support the fabrication, assembly, and integration of various ship components.
- **300 Tonne Goliath Crane:** This crane is pivotal for lifting heavy components during shipbuilding processes, enhancing operational efficiency.
- **Shore Integration Facility:** This facility allows for rigorous system testing and integration before the final deployment of ships and submarines.
- **Capacity:** Capacity to build 11 submarines and 10 warships concurrently

### Modernization and Technological Advancements

- **Submarine Division:** MDL's Submarine Division includes a specialized dry dock and a Shore Integration Facility, facilitating the maintenance, repair, and system testing of submarines.
- **Adoption of Advanced Technologies:** MDL integrates innovative technologies and modern equipment to improve operational efficiency and quality. This includes the use of inverter-based TIG welding machines and SMAW welding machines for precise and efficient fabrication processes.
- **Acquisition of adjacent MPA land:** A land parcel of approx. 15 acres has been acquired on 29 Years Lease Term from Mumbai Port Authority (MPA) in order to de-congest the existing Shipyard space. This land parcel is adjacent to the MDL perimeter on the southern side. The total cost of acquisition is approx. ₹354 Cr.











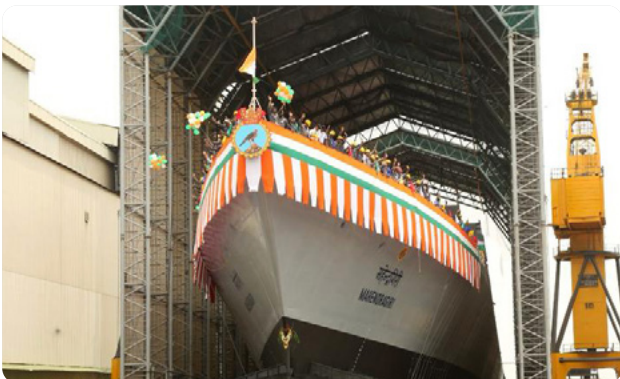
Manufactured Capital

## Major Deliveries and Launches in FY 23-24

In FY24, several key naval assets were launched, delivered, and commissioned, enhancing operational capabilities and technological advancements. These include new stealth frigates, guided missile destroyers, submarines, and innovative solar-electric vessels.



**INS Imphal Delivered:** Third Guided Missile Destroyer of Project 15B, delivered to the Indian Navy on 20 Oct 2023 and commissioned on 26 Dec 2023 by Hon'ble Raksha Mantri Shri. Rajnath Singh Ji.



**INS Mahendragiri Launched:** Fourth Stealth Frigate of Project 17A, launched on 01 Sept. 2023 by Dr. Sudesh Dhankhar, wife of the Vice President Shri Jagdeep Dhankar Ji.



**SaurShakti Launched:** India's fastest Solar-Electric Boat launched on 13 Dec 2023 at Kochi, developed by MDL with M/s NavAlt.



**INS Karanj Reading Completed:** Final Reading D448 of the Third Scorpene Submarine of Project 75 completed on 01 Dec 2023.



**INS Shishumar Handover:** Handed over to the Indian Navy after a successful MRLC in March 2024.









## Intellectual Capital

# Innovation and Research & Development

MDL has achieved significant milestones through its robust internal R&D efforts.

Furthermore, military products like the Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) are being developed in partnership with industry leaders. These products are designed to simulate actual moving submarines for training and decoy purposes.

We have also developed India's first Fuel Cell powered Electric Vessel (FCEV) as a proof of concept. We have created hybrid electric and solar boats in our quest for sustainable marine transport solutions. The solar boat, launched in December 2023 and currently undergoing sea trials, promises a superior alternative to conventional diesel boats. Our R&D team has also created a prototype lithium-ion battery system for submarines in collaboration with M/s QMAX as our technology partner.

MDL has validated an innovative shaft alignment procedure, completing the propeller shaft line assembly at the dry dock. This innovation has resulted in significant cost savings and reduced vessel build time. We have also developed state-of-the-art basic designs of naval ships, incorporating advanced and optimised equipment, machinery, weaponry, and arrangements. Additionally, we have initiated the implementation of Product Data Management (PDM) and Product Lifecycle Management (PLM) for the frigates under construction.



*Artificial Intelligence (AI) enabled remotely operated vehicle (AI-ROV) for under water inspections*



*Artificial Intelligence (AI) enabled weld inspection tool with computerized radiography (AI-RT)*



### Artificial Intelligence Projects

We are venturing into several artificial intelligence (AI) projects, including underwater swarm drones, autonomous surface vessels, and the optimal utilisation of fuel cells under hybrid power management. Our Company has completed three major R&D projects incorporating AI algorithms through industry-academia partnerships with IIT Madras and involving start-ups in the Tamil Nadu Defence Corridor. These projects include AI-enabled Computerised Radiography (RT), AI-enabled Robotic Weld Inspection using phased array ultrasonic testing (UT), and AI-enabled Remotely Operated Vehicles (ROV). These products are fully deployed in their respective domains, with the potential for greater AI leverage as data accumulates from their usage.

We continue to explore innovative AI projects in collaboration with domestic industry, academia, and start-ups. Significant projects include AI-enabled autonomous underwater swarm drones, AI-based predictive maintenance of ship equipment, and AI-based energy management of fuel cells.



*Artificial Intelligence (AI) enabled weld inspection tool using advanced phased array technique to replace manual radiography (AI-UT)*

### Collaborations and External Partnerships

MDL has embarked on targeted R&D initiatives through collaboration with academic institutions, start-ups, and MSMEs. These initiatives extend beyond the core defence sector into critical areas such as underwater autonomous technology and sustainable, environmentally friendly transport solutions. We actively participate in the Government of India's iDEX initiative, collaborating with start-ups, MSMEs, and innovators on various challenges, including developing autonomous underwater swarm drones, steering consoles for underwater platforms, and submersible boats.

To further promote R&D, our Company has partnered with IIT Bombay, IIT Hyderabad, and IIT Indore under CSR initiatives, supporting several research projects to advance marine and naval technologies. These projects include developing an automatic programming approach for robotic welding to increase productivity in shipbuilding, exploring dielectric barrier discharge (DBS) plasma surface treatment to enhance protective coatings' performance in marine engineering, investigating laser parameters for efficient biofouling removal without damaging ship hulls and optimising the laser system for large-area cleaning, developing a computer code for predicting impact forces on curved FRP ship panels, and performing reliability analysis and structural health monitoring of ship structures considering uncertainties. These collaborative research projects will significantly contribute to technological advancements in marine, ocean, and naval.

In the fiscal year 2023-24, our Company invested approximately 5.26% of PAT in R&D.



## Our ESG Approach

Mazagon Dock Shipbuilders Limited's responsible growth strategies for FY 23-24 reflect a comprehensive approach to integrating sustainability into all operations. MDL is committed to creating long-term value and contributing to a sustainable future by focusing on environmental sustainability, social responsibility, and robust governance. The company's ongoing efforts, combined with specific FY 23-24 initiatives, demonstrate a strong commitment to responsible growth and sustainability.

### Environmental Sustainability

MDL prioritises environmental sustainability by adopting practices that reduce emissions, conserve water, and ensure efficient waste management. To promote renewable energy use and minimise its carbon footprint, the company has installed a 1.85 MWp solar power plant. Rainwater harvesting facilities and sewage treatment plants have also been set up to optimize water usage.

## Key Metrics

**1.85**

MWp solar power plant installed

**23%**

Co<sub>2</sub> reduced under scope 2

**11.65%**

Total electricity consumption reduced by 7129663.66

**34.29%**

of the total R&D used towards improving environmental and social impacts

**13.15%**

Total energy consumption reduced by 8512455

**3.36%**

of the total Capex used towards improving environmental and social impacts





## Human & Social Responsibility

### Community Development

**CSR Expenditure:** In FY 23-24, MDL spent ₹22.30 crore on various CSR activities. These initiatives span education, health and sanitation, nutrition, skill development, and village development, benefiting over 3,38,648 people.

**Healthcare Initiatives:** MDL supports healthcare institutions, contributing to community well-being. This includes strengthening of public health delivery through supply of medical equipment at Govt. Hospitals and supporting mass screening for sickle cell anaemia.

### Skill Development and Education

**Training Programs:** MDL conducts regular training programs for Trade Apprentices, BOAT Apprentices, and Marine Engineering students under the Apprentices Act, 1961. In FY 23-24, MDL provided 2,02,384 man-hours of training to ensure a steady supply of skilled personnel for the shipbuilding industry.

**Educational Support:** The company supports educational institutions to provide access to quality education, empowering the next generation and contributing to the nation's progress. This ongoing commitment is crucial for sustainable social development.



## Governance

### Ethical Business Practices

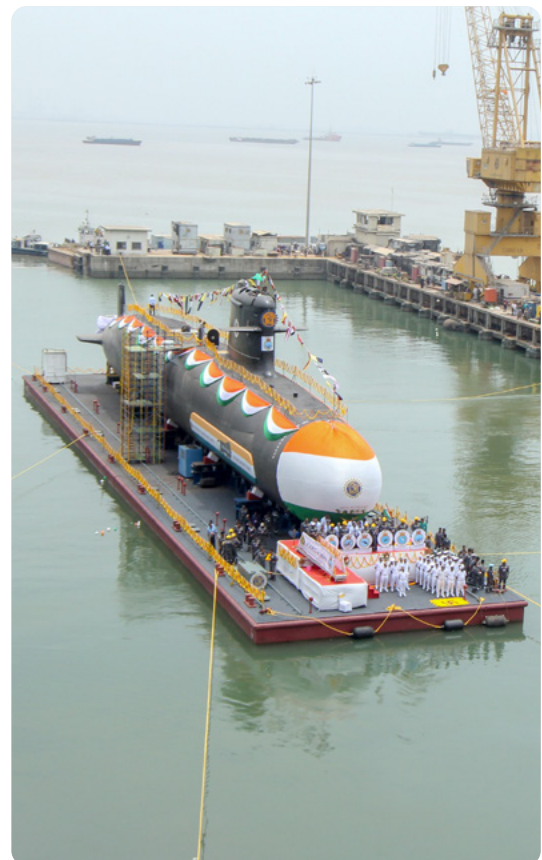
**Transparency and Accountability:** MDL adheres to international standards and guidelines, including the Companies Act, 2013, Indian Accounting Standards, and SEBI regulations, ensuring transparency and consistency in reporting. These practices reinforce the company's commitment to ethical governance.

**Materiality Assessment:** The company conducts materiality assessments to identify and prioritise relevant topics for stakeholders, shaping strategies and ensuring relevant disclosures. This approach ensures that MDL addresses the most critical issues for its stakeholders.

### Risk Management

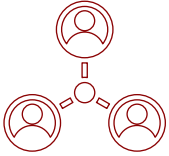
**Precautionary Approach:** MDL adopts a precautionary approach to minimise business risks and mitigate environmental impacts. Robust HSE management systems are implemented across plants, with regular audits to ensure compliance with best practices. This ongoing strategy is essential for maintaining high standards of safety and environmental protection.





**Strategic Planning:** The company's strategic approach aligns business objectives with sustainable development, ensuring resilient and future-proof growth. This includes continuous investment in R&D and technological advancements.

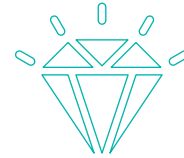
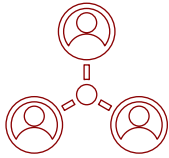







## Stakeholder Engagement Initiatives



Stakeholders	Engagement Platforms	Key Issues Addressed:	Value Delivered:
<b>Investors and Shareholders</b> 	<p>MDL ensures that its investors and shareholders are well-informed and engaged through various platforms. These include quarterly, half-yearly, and annual results, Annual General Meetings (AGM), press releases, the company's website, investor presentations, and investor meetings. This approach aims to enhance shareholder value, ensure transparency, instil confidence in the company's performance, and assure investment safety.</p>	<ul style="list-style-type: none"> <li>Revenue, profitability, and EPS</li> <li>Return via dividends</li> <li>Economic performance</li> <li>Regulatory compliance</li> <li>Resolution of shareholder grievances</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced shareholder value</li> <li>Transparency in operations</li> <li>Confidence in the company's performance</li> <li>Investment safety</li> </ul>
<b>Customers</b> 	<p>MDL strongly emphasises customer satisfaction by engaging regularly through WLM meetings, CPRM meetings, and other regular engagements. The company focuses on delivering high-quality products and services, ensuring timely product/service delivery, and building long-term relationships.</p>	<ul style="list-style-type: none"> <li>Status of various activities like alignment checks, PQ checks, etc.</li> <li>Status updates on stage completion</li> <li>Delivery details of equipment/services by OEMs</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Timely product/service delivery</li> <li>Quality assurance</li> <li>Building long-term relationships</li> </ul>
<b>Employees</b> 	<p>MDL is dedicated to its employees' professional and personal growth through induction programs, training, rewards, recognition, employee-oriented policies, and a well-defined promotion policy. The company prioritises health and safety, offers competitive salaries and wages, and focuses on talent management and retention.</p>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Salaries and wages</li> <li>Talent management and retention</li> </ul>	<ul style="list-style-type: none"> <li>Skill development</li> <li>Safe and rewarding work environment</li> <li>Employee retention</li> <li>Personal and career growth</li> </ul>
<b>Suppliers / Vendors / Contractors</b> 	<p>MDL maintains strong relationships with its suppliers, vendors, and contractors through contract negotiations, supplier meetings, and grievance redressal mechanisms. This ensures fair trading conditions, timely payments, and dispute resolution.</p>	<ul style="list-style-type: none"> <li>Delivery status of items</li> <li>Timely payments</li> <li>Acceptance/rejection status</li> </ul>	<ul style="list-style-type: none"> <li>Fair trading conditions</li> <li>On-time payments</li> <li>Resolution of disputes</li> <li>Strong business relationships</li> </ul>



Stakeholders	Engagement Platforms	Key Issues Addressed:	Value Delivered:
<b>Local Communities</b> 	<p>MDL's engagement with local communities focuses on identification of problems and subsequent interventions targeting the issues faced by local communities through awareness generation and grievance redressal. The company implements CSR projects in education, health, skill development, and R&amp;D, aiming to enhance the quality of life for the local communities.</p>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Environmental protection</li> <li>• Improved quality of life</li> <li>• Awareness and education</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Environmental protection</li> <li>• Improved quality of life</li> <li>• Awareness and education</li> </ul>
<b>Government and Regulatory Bodies</b> 	<p>MDL engages with government bodies and regulatory authorities through regular engagement, government portals, and exhibitions, and it ensures compliance with applicable laws and regulations. This collaboration supports government initiatives such as 'Make in India' and 'Aatmanirbhar Bharat'.</p>	<ul style="list-style-type: none"> <li>• Regular compliance and audit</li> <li>• Fulfilment of legal obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with government initiatives</li> <li>• Collaboration in government initiatives</li> <li>• Fulfilment of legal obligations</li> </ul>
<b>Media</b> 	<p>MDL maintains a transparent relationship with the media through press releases, press notes, briefings, and interviews. This ensures that reliable information is disseminated, promoting trust and credibility.</p>	<ul style="list-style-type: none"> <li>• Reliable information</li> <li>• Transparency</li> <li>• Early updates on projects and launches</li> </ul>	<ul style="list-style-type: none"> <li>• Trust and credibility</li> <li>• Early updates on projects and launches</li> </ul>

MDL's stakeholder engagement initiatives reflect its commitment to fostering strong relationships, ensuring transparency, and promoting sustainable growth across all sectors.





## Natural Capital

# Environmental Sustainability

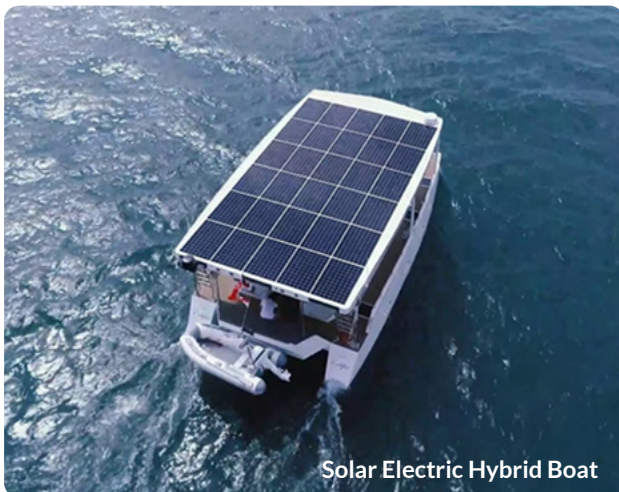
### Environmental Impact and Sustainability

Our dedication to environmental sustainability is paramount at Mazagon Dock Shipbuilders Limited (MDL). We are committed to preserving natural capital through comprehensive efforts emphasising ecological protection and sustainable operations.

Our initiatives span renewable energy projects, carbon footprint reduction, and efficient waste management practices, demonstrating our proactive approach to sustainability.

### Environmental Sustainability Efforts

MDL's strategy focuses on minimising the environmental impact of our operations while promoting sustainable development. We have implemented robust Health, Safety, and Environmental (HSE) management systems, regularly audited by independent experts to ensure compliance with best practices and regulatory standards. Our energy conservation efforts involve integrating energy-efficient technologies, such as LED lighting and advanced manufacturing methods. Significant investments in renewable energy projects, including a 1.85 MWp rooftop solar power plant, underline our commitment to reducing reliance on conventional energy sources and aligning with global renewable energy goals. These initiatives and our focus on reducing greenhouse gas emissions and enhancing waste management practices solidify MDL's role in fostering a healthier and more sustainable future.



Solar Electric Hybrid Boat

### Climate Change Mitigation

- **Solar Power Generation:** MDL has installed a 1.85 MWp rooftop solar power plant, generating 50 Lakh Mega Joule electricity generated from solar power in FY 23-24. (11% of total consumption) This initiative significantly reduced CO<sub>2</sub> emissions, contributing to the company's efforts to combat climate change.
- **Energy Efficiency:** The company has adopted energy-efficient motors and LED floodlights, further minimising energy consumption and reducing the carbon footprint. These measures are part of MDL's continuous efforts to enhance energy efficiency.

### Water Management

- **Water Conservation Initiatives:** MDL has implemented comprehensive water management programs, including the installation of sewage treatment plants with a capacity to treat up to 2 cum/hr, and grey water treatment plants with a capacity to treat up to 4 cum/hr. These initiatives ensure the efficient use and conservation of water.

### Waste Management

- **Innovative Practices:** The company adopts innovative waste management practices to reduce, recycle, and repurpose waste generated from operations. These ongoing measures highlight MDL's commitment to sustainable waste management.

### Biodiversity Conservation

- MDL integrates biodiversity conservation principles into its business decisions, ensuring minimal environmental impact while promoting sustainable practices. This approach underscores the company's dedication to preserving natural habitats and ecosystems.

### Certifications and Standards

- MDL was accredited with ISO 14001:2015 & ISO 45001:2018 (HSEMS) on 28<sup>th</sup> July 2022, and ISO/IEC 27001:2013 on 19<sup>th</sup> October 2022, reflecting its commitment to maintaining high standards of health, safety, and environmental management.









Human Capital

# Human Capital Development

MDL recognises that its workforce is pivotal to its success. The company invests heavily in its employees' professional growth and well-being through continuous training programs, skill development initiatives, and safety training. This commitment ensures a skilled and motivated workforce ready to meet the demands of the shipbuilding industry.

## Key Metrics

**₹89,655**

Lakhs invested in employee expenses

**2,02,384**

man-hours of training provided

**9,780**

Safety training hours

*Focus on health, safety, diversity, and inclusivity*



Central Kitchen inaugurated by Shri Sanjeev Singhal - 15.08.2023



World Environment Day Bicycle Rally to promote life - June 2023



Celebrating 250 years with Marathon flagged by cricketer Dilip Vengsarkar





Celebrating International Yoga Day - June 2023



National Safety Week Celebration 2024



Blood donation camp-Nov 2023

**Attrition rate for permanent employees is 1.7 whereas 0.05 for permanent workers for FY2023-24.**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.29	0.18
Total recordable work-related injuries	Employees	0	0
	Workers	8	4
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0



## Social and Relationship

# Corporate Social Responsibility

MDL is committed to integrating social and business goals through inclusive growth, aiming to impact society significantly. By adhering to its Corporate Social Responsibility policy in compliance with Section 135 of the Companies Act 2013 and the associated rules, MDL has strategically allocated its CSR budget. For the FY 2023-24, MDL's CSR budget was ₹18.37 Crores, supplemented by ₹5.87 Crores carried forward from previous years, totalling ₹24.24 Crores. The company spent ₹22.30 Crores on various CSR activities, ensuring compliance with the mandated 2% of average net profit expenditure. MDL's CSR initiatives focus on critical sectors like education, healthcare and skill development, impacting thousands of lives and fostering sustainable growth.

### Education and R&D

MDL is dedicated to promoting education and supporting underprivileged students through various initiatives to enhance learning opportunities and provide quality education.

**MDL Super 10:** 24 students supported for quality education at Bhonsala Military School, Nagpur.

**Abhyasikas (Tuition Centres):** 100 centres educating 2786 underprivileged slum children in Vijayawada Urban slum areas.

**Contribution to IITs:** MDL promotes Research and development by supporting the country's premier institutions. MDL collaborates with IIT Bombay, IIT Hyderabad, and IIT Indore on projects expected to develop technologies in Marine, Ocean, and Naval fields.



Free Tuition Centre at AP

### Healthcare & Nutrition

MDL's healthcare and nutrition initiatives aim to improve the health and well-being of communities by providing essential medical support and addressing critical health issues.

**Government Hospitals in Mumbai:** Provided necessary medical items.

**Anemia Mukh Bharat:** Benefitted 5898 patients.

**Cancer Care:** Supported socio-psycho counselling for over 1.5 lakh cancer patients.

**Shelter Homes:** Helped cancer patients and dependents in Mumbai & Navi Mumbai.



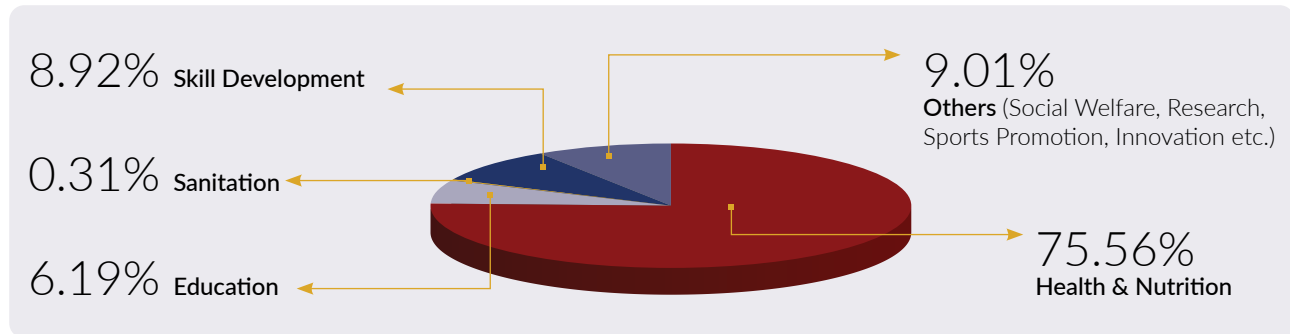
Anemia Mukh Bharat project in Palghar district





## FY 2023-24

(Sectorwise CSR Total Expenditure ₹22.30 Cr)



### Skill Development

MDL is focused on enhancing the employability of youths and fostering entrepreneurship through targeted skill development programs.

**Apprenticeship Training:** Continued support at Apprenticeship Training School, MDL.

**Entrepreneurship Training:** Benefitted unemployed youths in Andhra Pradesh through five Skill Development Centres.



Training of women on Malnutrition in Nandurbar district

### Aspirational District

MDL's CSR projects in Aspirational district are designed to uplift the disadvantaged communities by addressing critical health, malnutrition, and infrastructure issues.

**Nandurbar District Projects:** Screened 1.20 lakh people for Sickle Cell anaemia and undertook malnutrition awareness initiatives.





## Financial Capital

By achieving record-high revenues, increasing profits, optimising asset utilisation, controlling costs, and ensuring significant shareholder returns through dividends, the company demonstrates its commitment to creating substantial financial value.



The company demonstrated exceptional financial performance in FY 2023-24, achieving record-high revenue of ₹9,466.58 crore, a significant increase from the previous year's ₹7,827.18 crore, reflecting over 21% growth. The profit before tax, excluding exceptional items, rose to ₹2,461.38 crore from ₹1,429.33 crore. In comparison, the profit after tax surged by 72% to ₹1,845.43 crore, marking a remarkable milestone in the company's history.

Regarding asset and capital efficiency, the company maintained a gross block of ₹1,354.70 crore and a net block of ₹8,37.94 crore, showcasing

effective asset utilisation. The working capital substantially rose to ₹3,153.84 crore from ₹1,945.34 crore, ensuring liquidity and operational efficiency. The net worth increased significantly to ₹5,570.68 crore from ₹4,177.56 crore, indicating a robust financial position and enhanced shareholder equity.

Other expenses were also reduced, reflecting effective cost control. The finance cost was prudently managed, decreasing to ₹5.12 crore from ₹6.37 crore. The company maintained its capital structure with an authorised equity share capital of ₹323.72 crore and a paid-up equity share capital of

₹201.69 crore without issuing new shares. A substantial ₹553.64 crore dividend was declared, including an interim and final dividend, reflecting a 274.50% payout of the paid-up share capital. The company's contribution to the central exchequer through various taxes amounted to ₹1,685.33 crore, and it complied with all regulatory requirements, reinforcing its commitment to financial stewardship and shareholder value creation.

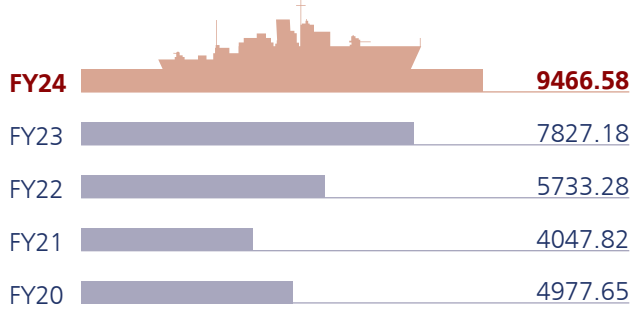


## Financial Highlights

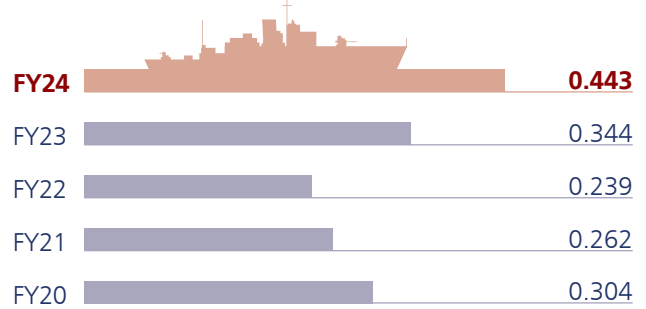
## Key Ratios

### REVENUE FROM OPERATIONS

₹In Cr

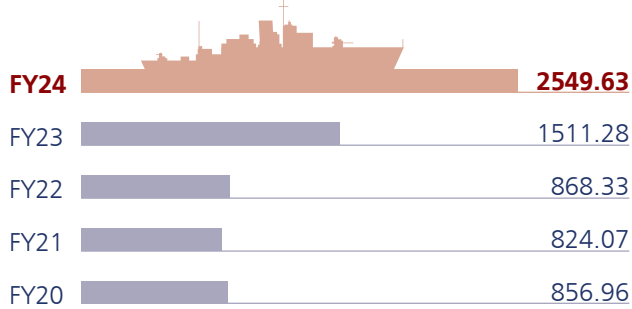


### GROSS PROFIT: CAPITAL EMPLOYED

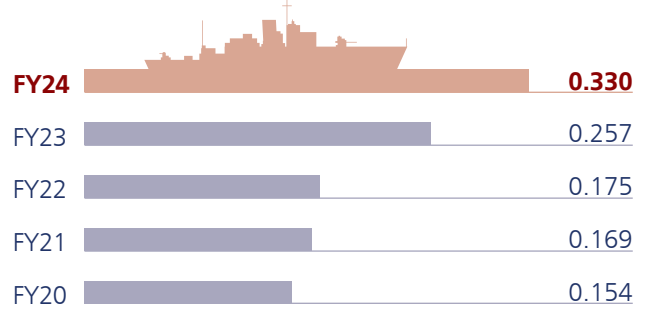


### EBITDA

₹In Cr

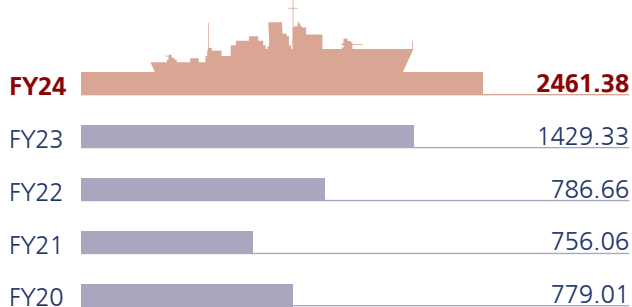


### TOTAL COMPREHENSIVE INCOME: NET WORTH

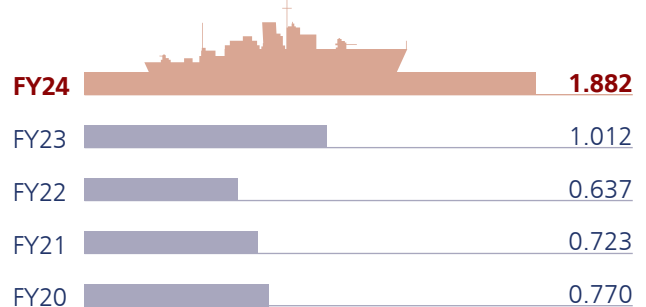


### PBT

₹In Cr

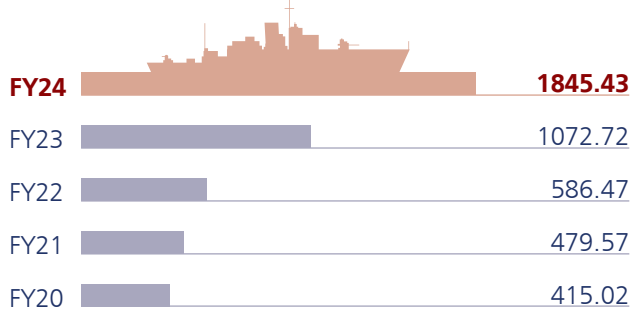


### GROSS MARGIN: GROSS BLOCK

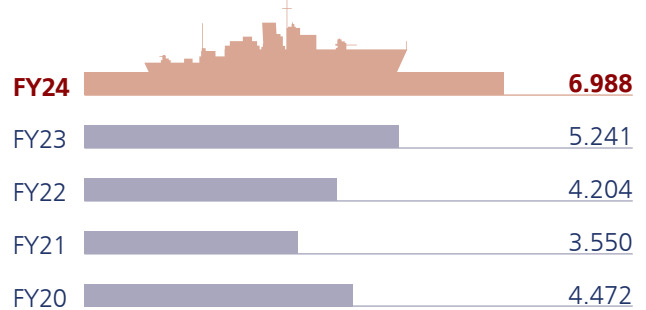


### PAT

₹In Cr



### REVENUE FROM OPERATIONS: GROSS BLOCK





## Ten years at a Glance (Published)

₹ in Cr

PARTICULARS	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>FINANCIAL POSITION</b>										
Equity Share Capital	201.69	201.69	201.69	201.69	201.69	224.10	224.10	249.00	199.20	199.20
Preference Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	5368.99	3975.87	3119.67	2717.37	2389.24	2581.79	2198.30	2359.78	2647.03	2260.65
Net Worth	5570.68	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85
Gross Block	1354.70	1493.57	1363.62	1140.39	1113.00	919.12	763.35	844.54	594.20	493.37
Net Fixed Assets (Net Block)	837.94	1024.33	964.62	806.85	848.35	753.96	646.37	546.27	344.59	265.81
Capital Employed	5570.68	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85
Working Capital	3153.84	1945.34	1345.50	1301.47	1627.49	1907.17	1937.32	2522.63	2188.39	1937.62
<b>OPERATING RESULTS</b>										
Revenue from Operations	9466.58	7827.18	5733.28	4047.82	4977.65	4649.15	4409.59	3529.74	4141.83	3618.91
Value Added	2838.98	2216.57	1682.48	1179.05	1351.62	1288.82	1358.26	1228.50	1287.99	1338.47
Gross Margin (EBIDTA)	2549.63	1511.28	868.33	824.07	856.96	892.20	750.43	891.01	925.42	776.33
Gross Profit	2466.50	1435.70	793.82	764.42	788.27	830.78	700.22	851.62	893.92	745.47
Profit before tax and exceptional items	2461.38	1429.33	786.66	756.06	779.01	826.68	696.37	847.72	925.59	746.00
Provision for Tax	615.95	356.61	186.22	150.35	351.67	307.28	256.57	314.23	319.51	254.41
Profit for the year	1845.43	1072.72	586.47	479.57	415.02	519.40	439.80	533.49	637.82	491.59
Total Comprehensive Income	1840.87	1072.64	582.41	493.14	397.91	503.92	400.61	525.12	637.82	491.59
<b>APPROPRIATION</b>										
Dividend-Equity Shares (Declared)	553.63	321.90	176.08	146.02	207.51	155.82	180.00	165.41	199.20	100.00
Tax on Dividend	0.00	0.00	0.00	0.00	44.67	20.56	49.96	40.55	40.55	19.99
<b>RATIOS</b>										
Gross Profit : Capital Employed	0.44	0.34	0.24	0.26	0.30	0.30	0.29	0.33	0.31	0.30
Total Comprehensive Income : Net Worth	0.33	0.26	0.18	0.17	0.15	0.18	0.17	0.20	0.22	0.20
Gross Margin : Gross Block	1.88	1.01	0.64	0.72	0.77	0.97	0.98	1.06	1.56	1.57
Profit Before Tax : Revenue from Operations	0.26	0.18	0.14	0.19	0.16	0.18	0.16	0.24	0.22	0.21
Revenue from Operations : Gross Block	6.99	5.24	4.20	3.55	4.47	5.06	5.78	4.18	6.97	7.34
Value Added : Revenue from Operations	0.30	0.28	0.29	0.29	0.27	0.28	0.31	0.35	0.31	0.37
Current Ratio	1.14	1.08	1.05	1.06	1.10	1.12	1.12	1.17	1.07	1.07
No. Of Employees	6687.00	5914.00	4972.00	5969.00	6622.00	6933.00	8790.00	8655.00	8945.00	9131.00
Gross Margin per employee	0.38	0.26	0.17	0.14	0.13	0.13	0.09	0.10	0.10	0.09





## Ten years at a Glance (Restated)

₹ in Cr

PARTICULARS	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>FINANCIAL POSITION</b>										
Equity Share Capital	201.69	201.69	201.69	201.69	201.69	224.10	224.10	249.00	199.20	199.20
Preference Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	5368.99	3975.87	3119.67	2717.37	2379.51	2568.12	2198.43	2375.54	2124.21	2260.65
Net Worth	5570.68	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85
Gross Block	1354.70	1493.57	1363.62	1140.39	1101.17	1006.60	763.35	617.48	637.70	493.37
Net Fixed Assets (Net Block)	837.94	1024.33	964.62	806.85	836.35	810.29	646.37	546.25	367.76	265.81
Capital Employed	5570.68	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85
Working Capital	3153.84	1945.34	1345.50	1294.84	1612.05	1853.72	1941.96	2519.01	2349.11	1932.84
<b>OPERATING RESULTS</b>										
Revenue from Operations	9466.58	7827.18	5733.28	4047.82	4904.84	4613.95	4487.98	3530.48	4127.06	3618.91
Value Added	2838.98	2216.57	1682.48	1179.05	1329.62	1253.62	1344.93	1229.23	1286.29	1338.47
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<b>APPROPRIATION</b>										
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Tax on Dividend	0.00	0.00	0.00	0.00	44.64	20.56	49.96	40.55	20.36	19.99
<b>RATIOS</b>										
Gross Profit : Capital Employed	0.44	0.34	0.23	0.26	0.30	0.29	0.28	0.32	0.40	0.30
Total Comprehensive Income : Net Worth	0.33	0.25	0.17	0.16	0.15	0.18	0.16	0.20	0.24	0.20
Gross Margin : Gross Block	1.88	1.01	0.63	0.72	0.77	0.89	0.98	1.42	1.53	1.57
Profit Before Tax : Revenue from Operations	0.26	0.18	0.13	0.18	0.15	0.17	0.15	0.23	0.22	0.20
Revenue from Operations : Gross Block	6.98	5.24	4.20	3.55	4.45	4.58	5.87	5.71	6.47	7.33
Value Added : Revenue from Operations	0.30	0.28	0.29	0.29	0.27	0.27	0.30	0.34	0.31	0.37
Current Ratio	1.13	1.08	1.05	1.06	1.09	1.11	1.12	1.16	1.15	1.06
No. Of Employees	6687	5914	4972	5969	6622	6933	8790	8655	8945	9131
Gross Margin per employee	0.38	0.25	0.17	0.13	0.12	0.13	0.08	0.10	0.10	0.08



## Board of Directors



### **Shri. SANJEEV SINGHAL**

**Chairman & Managing Director (Additional Charge) and Director (Finance) & CFO**

Shri. Sanjeev Singhal has been associated with our Company since January 08, 2020. He holds a bachelor's degree in Commerce (Honours) from the University of Delhi. He is a Cost Accountant from the Institute of Cost Accountants of India. He has over 37 years of experience in finance and accounting. Previously, he was associated with Mishra Dhatu Nigam Limited as Director (Finance) and with Steel Authority of India Limited in the finance and accounts department.



### **Shri. AMIT SATIJA, IAS**

**Joint Secretary, MoD, DDP-Government Nominee Director w.e.f 14.08.2024**

Shri. Amit Satija is an IAS officer of 2008 batch from AGMUT cadre who is currently posted as Joint Secretary in the Ministry of Defence in the Department of Defence Production. Prior to joining the Government of India, he has served at various positions in different States and UTs in the country including Delhi, Goa, Andaman Nicobar Islands and Lakshadweep Islands. Shri. Satija is a graduate in Economics and has done Masters of Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai before joining IAS.



### **Shri. BIJU GEORGE**

**Director (Shipbuilding)**

Shri. Biju George holds a post graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur. He has three decades of experience with MDL where two decades were with design of frontline warships viz. Missile Destroyers and Frigates. Prior to his appointment as Director (Shipbuilding) in Oct 2021, he was the Project Superintendent of the prestigious P17A Frigate Program for the Indian Navy. Prior to this he headed the Shipbuilding Design Department at MDL.



### **Cdr. VASUDEV PURANIK, IN (Retd.)**

**Director (Corporate Planning & Personnel) and Additional Charge of Director (Submarine & Heavy Engineering) w.e.f 27.05.2024**

Cdr. Vasudev Puranik, IN (Retd.) has been associated with the Company since June 2010. An alumnus of INS Shivaji, he holds a B.Tech (Mechanical) degree from JNU, New Delhi and Masters in Engineering from Pune University. He has served in the Indian Navy for over 22 years with assignments on INS Rana, INS Nishank, INS Mysore and held various roles in Directorate of Naval Design, Gas Turbine Overhaul Centre, Visakhapatnam, Directorate of Ship Production and Naval Dockyard, Mumbai. He has received commendations from the Flag Officer Commanding Officer in Chief, Western Naval Command. He is former Project Superintendent of the prestigious P-75 Scorpene Submarine Project.



### **Cdr. JASBIR SINGH, IN (Retd.)**

**Director**

Cdr. Jasbir Singh, IN (Retd.) has been associated with the Company since May 2010; appointed as Director (Submarine & Heavy Engineering) wef 01.11.2019. An alumnus of NDA and Rashtriya Indian Military College, he is a BSc from JNU (NDA, Pune), B Tech in Mechanical Engineering from JNU, New Delhi and MBA from FMS, New Delhi. He has done a course in Modeling and Simulation from the Institute of Armament Technology, Pune. He has served in the Indian Navy for over 22 years and has held assignments on INS Mumbai and INS Kuthar and various naval design and production roles. He has received various commendations from the Flag Officer Commander in Chief, Eastern & Western Naval Command.





## Board of Directors



### **Shri. MALLIKARJUNARAO BHYRISETTY**

**Independent Director**

Shri. Mallikarjunarao Bhyrisetty is a post graduate in Nuclear Physics and has worked as a lecturer and principal at DCBN & NKK Jr. College, Guntur. He is founder Director of the non-profit organization - Guntur Institute of Competitions. He has worked in areas like infrastructure, education & social service activities. He has authored books on Indian History & Socio-Cultural History of Andhra Pradesh.



### **Smt. NEERU SINGH JAGJEET KAUR**

**Independent Director**

Smt. Jagjeet Kaur Neeru Singh holds a Master's in Arts, a Law degree, and is a graduate of Narsee Monjee College. Additionally, she completed a management program at IIM Lucknow and various corporate governance courses. Ms. Singh brings strong expertise in corporate governance and strategic leadership, with previous experience as a Director in the Culture Department of Madhya Pradesh.



### **Shri. DATTAPRASAD PRABHAKAR KHOLKAR**

**Independent Director**

Shri. Dattaprasad Prabhakar Kholkar is a B.E. in Mechanical Engineering from Goa Engineering College, Ponda, Goa. He has more than 35 years of experience in areas of Trade and Commerce Business. His areas of specialization are Management, Communication and Administration.



### **Shri. CHANDU SAMBASIVA RAO**

**Independent Director w.e.f 22.02.2024**

Shri. Chandu Sambasiva Rao worked as a Space Scientist/ Engineer, Educator, Communicator, and Management Expert. He is a certified Project Management Professional (PMP) with over 20 years, at various prestigious organisations like ISRO, NASA, Cable and Wireless, Booz | Allen | Hamilton. He holds degrees from NIT Surathkal, University of Kentucky, University of Maryland and Johns Hopkins University. He has received a Performance Excellence Award, the highest recognition from Booz | Allen | Hamilton, for his Management Consulting Services. The Governor of Andhra Pradesh awarded him a Gold Medal for services to Indian Red Cross Society.



## Corporate Information

### Board of Directors

#### Shri. Sanjeev Singhal,

Chairman & Managing Director  
(Additional Charge) wef 01.02.2023  
and Director (Finance) & CFO

### Government Nominee Director

#### Shri. Amit Satija, IAS

Joint Secretary, MOD, DDP  
wef 14.08.2024

### Functional Directors

#### Shri Biju George

Director (Shipbuilding)

#### Cdr Vasudev Puranik IN (Retd)\*

Director (Corporate Planning &  
Personnel) and Addl Charge Directors  
(Submarines & Heavy Engineering)

#### Cdr Jasbir Singh IN (Retd)\*

Director

\*Cdr Jasbir Singh IN (Retd) relieved of his  
charge of Director (Submarine & Heavy  
Engineering) and Cdr. Vasudev Puranik,  
Director (CP&P) is given the current charge  
of the post of Director (Submarine & Heavy  
Engineering) wef 27.05.2024

### Independent Directors

#### Shri Mallikarjunarao Bhyrisetty

Independent Director

#### Smt Jagjeet Kaur Neeru Singh

Independent Director

#### Shri Dattaprasad P Kholkar

Independent Director

#### Shri Chandu Sambasiva Rao

Independent Director wef 23.02.2024

### Past Directors

#### Shri. Anurag Bajpai, IAS

AS(DP)- Government Nominee  
Director till 14.08.2024

### Company Secretary

#### Smt Madhavi Kulkarni

wef 01.12.2023

#### Smt Vijayalakshmi K Kumar

till 01.12.2023

### Auditors

#### M/s C R Sagdeo & Co.,

Chartered Accountants

### Secretarial Auditor

#### Ragini Chokhsi & Co.,

Company Secretaries

### Bankers

#### State Bank of India

### Registered Office

Dockyard Road, Mumbai - 400010

### Registrar & Transfer Agent

M/s Alankit Assignments Limited





## Senior Managerial Personnel



**Dr. SANTOSH KUMAR MALLICK**  
ED (HR)



**Cdr. DILIP KUMAR JAIN**  
ED / PS (P75)



**Shri. RAJIV RANJAN KUMAR**  
ED (Production, MRLC, Commercial & Offshore-EY)



**Cmde. S B JAMGAONKAR,  
IN (Retd.)** ED (Tech EY)



**Shri. A VINOD**  
GM / PS (P17A)



**Shri. VINCENT MARK D'SOUZA**  
General Manager / PS (MRLC)



**Shri. D HAZRA**  
AGM/PS(P15B)





## Awards



Best Coordinator CCQC 2023



Mazagon Dock Shipbuilders Limited has been Awarded **National Awards for Excellence in CSR & Sustainability** about concern for health on 15<sup>th</sup> september 2023 in bengaluru.



Mazagon Dock Shipbuilders Limited has been awarded BCC & I Social Leadership award for outstanding contribution in empowering persons with chronic disease by the Bengal Chamber of Commerce & Industry on 07<sup>th</sup> Dec



Mazagon Dock Shipbuilders Limited has been awarded BCC & I Social Leadership award for outstanding contribution in empowering persons with chronic disease by the Bengal Chamber Of Commerce & Industry on 07<sup>th</sup> Dec



# Awards

Official language Magazine 'Jaltarang' published by MDL was awarded second prize on 25<sup>th</sup> July 2023 by Mumbai TOLIC (Town Official Language Implementation Committee)



HR Excellence (Overall) Award during 10<sup>th</sup> PSU Awards by Governance Now



Best presentation Quality Concepts 37<sup>th</sup> CCQC 2023



Certificate of Par Excellence Award (Eagle Eye) at 37<sup>th</sup> NCQC 2023



Certificate of Par Excellence Award (Parivartan) at 37<sup>th</sup> NCQC 2023



Par Excellence Award NCQC 2023



## NOTICE

NOTICE is hereby given that the Ninety First Annual General Meeting (AGM) of Mazagon Dock Shipbuilders Limited (MDL) will be held through Video Conferencing (VC)/ Other Audio Video Visual Means (OAVM), on Thursday, the September 26, 2024 at 11.00 A.M. (IST) to transact the following businesses:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Directors' Report and Auditors' Report thereon and comments of the Comptroller & Auditor General of India.
- (2) To confirm payment of Interim Dividend of ₹ 15.34 per equity share of ₹ 10/- each (i.e. @ 153 %) paid in November, 2023 and to declare Final Dividend of ₹ 12.11 per equity share of ₹ 10/- each (i.e. @ 121%) for the Financial Year ended on March 31, 2024.
- (3) To appoint a Director in place of Shri. Biju George, (DIN- 09343562) who retires by rotation and being eligible, offers him-self for re-appointment.
- (4) To authorise the Board of Directors to fix remuneration of Statutory Auditors of the Company for the Financial Year 2024-2025 in compliance with the orders and directions of appointment by the Comptroller and Auditor-General of India and in terms of the provisions of Section 139(5) and Section 142 of the Companies Act, 2013.

### SPECIAL BUSINESS:

- (5) To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the Financial Year 2024-25 pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013, by passing with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors Rules), 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of ₹ 2,25,000/- (Rupees two lakhs and twenty five thousand only) excluding applicable taxes payable to M/s Dhananjay V Joshi & Associates, Mumbai for conducting cost audit of the Company for the Financial Year 2024-25, as approved by the Board of Directors of the Company be and is hereby ratified."

- (6) To appoint Shri. Chandu Sambasiva Rao (DIN: 02296283), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 as amended, Shri Chandu Sambasiva Rao (DIN: 02296283) who was appointed as an non official Part-time Independent Director, by the Department of Defence Production, Ministry of Defence, Government of India vide letter No. 11(70)/2021/Misc/D(NS) dated 22 Feb 2024, be and is hereby appointed as Part- Time Non-Official (Independent) Director of the Company, not liable to retire by rotation, on the same terms & conditions as determined by the Government of India."

- (7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the first time being in force), approval of the Shareholders of the Company be and is hereby accorded, subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, to alter the Articles of Association of the Company by addition of a new sub-clause (c) under Article 104 i.e. Power of Directors of the Articles of Association of the Company as under:

104 (c) Notwithstanding any thing contained else where in these Articles, the Board of Directors shall exercise all such powers as may be authorised by the Government to Navratna Companies or any other status granted to the Company by the DPE, Government of India, in this regard, including amendments as may become applicable to the Company from time to time.

RESOLVED FURTHER THAT the Chairman and Managing Director or any one of the Directors or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters, deeds and things, including but not limited to intimate relevant authorities about the alteration, certify e-forms and to





file necessary applications, documents, returns and e-forms with various statutory authorities/banks/financial institutions and other offices, to give effect to this resolution”.

- (8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the first time being in force), approval of the Shareholders of the Company be and is hereby accorded, subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, to alter the Articles of Association of the Company in the following manner:

1. “Article 122” appearing in the Article 86 be substituted with the words “Article 128”.
2. In the existing Article 89 the words “in accordance with Article 77” be omitted.
3. In the last line of Article 108 the words “two directors” be substituted in place of “one director”.

RESOLVED FURTHER THAT the Chairman and Managing Director or any of the Directors of the Company or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters, deeds and things, including but not limited to intimate relevant authorities about the alteration, certify e-forms and to file necessary applications, documents, returns and e-forms with various statutory authorities/banks/financial institutions and other offices, to give effect to this resolution”.

- (9) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an “Ordinary Resolution”:

“RESOLVED THAT pursuant to Sections 152, 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof), provisions of regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015(as amended) and provisions of the Articles of Association of the Company, Shri.Amit Sajita , Joint Secretary, MOD, DDP (DIN: 08989543) who has been appointed as Part-Time Official Director (Government Nominee Director) by the Government of India, Ministry of Defence, vide letter No. 8(32)/2019-D (Coord/DDP) dated 14 August 2024 on the Board of the Company with effect 14 August 2024 be and is hereby appointed as Part-Time Official Director (Government Nominee Director) of the Company, not liable to retire by rotation subject to further orders and on terms & conditions as determined by the Government of India”.

BY ORDER OF THE BOARD  
**Mazagon Dock Shipbuilders Limited**

Dockyard Road  
Mumbai 400 010  
Dated: 02.09.2024

**(Madhavi Kulkarni)**  
COMPANY SECRETARY



### Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and General Meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility to participate in the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) ('SEBI Listing Regulations') and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and December 28, 2022 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the notice calling the AGM has been uploaded on the website of the Company at <https://mazagondock.in>. The notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General circulars numbered 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 and SEBI Listing Regulations read with SEBI Circular numbered SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No.s 5 to 9 of the notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
9. The Company has announced Book Closure from 20 September, 2024 to 26 September, 2024 (both days inclusive) and accordingly, Final Dividend on equity shares as recommended by the Board of Directors for the financial year 2023-24, if declared at the AGM, will be payable after deduction of applicable TDS, if any, to those eligible Members whose names appeared:
  - (a) As Beneficial Owners, as at the close of business hours on Thursday, 19 September, 2024 as per the list of beneficial owners to be furnished by the NSDL and CDSL in respect of the shares held in electronic form; and



- (b) As Members, in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as at the close of business hours on Thursday, 19 September, 2024.
10. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). An email communication was sent to the Members for complying with TDS requirements. Members are requested to complete and/or update their residential status PAN, category as per the IT Act with their Depository Participants ('DPs') or update the same by sending email to [alankit\\_md@alankit.com](mailto:alankit_md@alankit.com) on or before Thursday, 19 September, 2024 in order to enable the Company to determine and deduct appropriate TDS/withholding tax. No communication/documents on the tax determination/deduction shall be considered post 11:59 PM (IST) of Thursday, 19 September, 2024.
11. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA. Further, those Members who have already registered their addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of Notices/Documents/Annual Reports and other communication electronically to their e-mail addresses in future.
12. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities.
13. Investor Education and Protection Fund (IEPF): Members are requested to note that, Dividends if not en-cashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Details of the unpaid dividend for FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 are available on the Company's website.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at [alankit\\_md@alankit.com](mailto:alankit_md@alankit.com) in case the shares are held in physical form, quoting folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
15. Non-Resident Members: Non-Resident Indian Members are requested to inform Registrar and Transfer Agents/their respective Depository Participants immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their Bank Account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No., and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the Bank Account directly.
16. Registrar and Transfer Agents: The Address of the Registrar and Transfer Agents of the Company is as follows:
- Alankit Assignments Limited**  
**(Unit: Mazagon Dock Shipbuilders Limited)**  
205-208, Anarkali Complex,  
Jhandewalan Extension, New Delhi - 110055  
Phone: 011-42541100, 42541234;  
Fax: 011-23552001  
Email : [rta@alankit.com](mailto:rta@alankit.com)
17. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. September 19, 2024 may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000. 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 holding shares as of the cut-off date i.e. September 19, 2024 may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-Voting system'.





## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to Special Business mentioned in the accompanying notice.

### Item No. 5

The Board, has approved the appointment M/s Dhananjay V Joshi & Company, Mumbai as Cost Auditor of MDL at a remuneration of ₹ 2,25,000/- (Rupees two lakhs and twenty-five thousand only) excluding applicable taxes payable to conduct the Cost Audit of the Company for the Financial Year 2024-25.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors Rules), 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

### Item No. 6

Shri. Chandu Sambasiva Rao (DIN: 02296283) was appointed as an non official Part-time Independent Director by the Department of Defence Production, Ministry of Defence, Government of India vide letter No.11(70)/2021/Misc/D(NS) dated 22 Feb 2024 for a period of three years.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations (amended regulation of 2023) the appointment of Independent Director(s) has to be approved at the meeting of Shareholders of the Company. Therefore, approval of the Shareholders is sought for regularisation of the appointment of Shri Chandu Sambasiva Rao (DIN: 02296283) as a non official Part-time Independent Director on same terms and conditions as determined by the Government of India. Shri Chandu Sambasiva Rao, if appointed as Independent Director, will not be liable to retire by rotation under Section 152 of the Companies Act, 2013.

Shri. Chandu Sambasiva Rao has furnished Declaration of Independence of independence as specified in Section 149 of the Companies Act, 2013 and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri. Chandu Sambasiva Rao, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution for your approval.

### Item No. 7

#### **Alteration of the Articles of Association (AoA) of the Company - Grant of Navratna status to Mazagon Dock Shipbuilders Limited:**

In pursuance of the existing guidelines of the Department of Public Enterprises (DPE) regarding grant of Navratna status to CPSEs, DPE, Ministry of Finance (MoF), Government Of India vide its letter F.No. 26/3/2005-GM(Pt-II) dated 25<sup>th</sup> June 2024 and Department of Defence Production, Ministry of Defence, Government of India vide letter no. 9(7)2009/MDL/D(SY) dated 27.06.2024 conveyed the approval of the competent authority towards the grant of Navratna status to Mazagon Dock Shipbuilders Limited (MDL) with immediate effect.

It was also conveyed that the exercise of Navratna powers by the Board of MDL and review of the performance relating to Navratna status of MDL will be governed as per the guidelines laid down vide Department of Public Enterprises O.M. No. DPE/11(2)/97-Fin. Dated 22<sup>nd</sup> July, 1997 read with O.M. No. 18(24)/2003-GM-64 dated 5<sup>th</sup> August, 2005 and other guidelines made in this regard as amended from time to time.

The Company proposes to incorporate the provisions with regard to grant of Navratna status to Mazagon Dock Shipbuilders Limited and accordingly the Board of Directors in its meeting held on 23.07.2024 had approved alteration of the Articles of the Association by way of addition of a new sub-clause (c) under Article 104 i.e. Power of Directors.

A copy of the AoA would be available for inspection by any Member at the registered office of the Company during the office hours on any working day between 11 AM to 2 PM till the date of the General Meeting. The aforesaid document will also available for inspection during the course of conduct of the General Meeting.

The Board, therefore, seeks approval of the Members by way of passing a Special Resolution for alteration of the AoA as set out in Item no. 7 of the accompanying notice.

The Notice, Explanatory Statement, and other related materials are also uploaded on the Companies website.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested in the passing of above Resolution.



**Item no. 8 :**

**Alteration of the Articles of Association (AoA) of the Company - Rectifications:**

The existing AoA of the Company have been reviewed and some typographical/factual mistakes have been noticed in the following Articles:

**“Article 86.** Subject to the provisions of the Companies Act, 2013 and to such directives and /or instructions as the President may issue from time to time under Article 122, the business of the Company shall be managed by the Directors who may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do.

Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Companies Act, 2013 or any other law or by the Memorandum or Articles of the Company or otherwise to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Directors shall be subject to the provisions contained in that behalf in the Companies Act, 2013 or in the Memorandum or Articles of the Company, or in any regulations made by the Company in General Meeting.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made”.

It is noticed that in the second line of the aforesaid article a reference of Article 122 is provided which should be Article 128 which provides for President’s rights to issue directives.

Therefore, following amendment is proposed in Article 86:

**“Article 122” appearing in the Article 86 be substituted with the words “Article 128”**

**Article 89. Alternate Director**

“In place of a Director who is out of India, the President of India may, in accordance with Article 77, appoint any Person to be an alternate Director during the period of absence out of India, of the Director concerned and such appointment shall have effect, and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and to vote there-at accordingly and he shall ipso facto vacate office if and when the original Director returns to India or vacates office as Director.”

The existing Article 89 of MDL is regarding Presidents power to appoint a person as Alternate Director during the period of absence out of India, of the Director concerned however a reference of Article 77 is provided in the second line of the existing Article 89 which has no relationship w.r.t appointment of Alternate Director and therefore it is proposed that the words **‘in accordance with Article 77’ may be omitted.**

**“Article 107. The seal, its custody and use**

The Board of Directors shall provide a common seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board of Directors shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of two Directors at the least.

**Article 108. Deeds how executed**

Every deed or other instrument to which the seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by one Director at the least”.

As per Schedule I Table F Article 1(1)(b) of the Companies Act, 2013 ‘the seal’ means the common seal of the Company.

Article 107 of AoA of MDL provides for the seal, its custody and use. It is provided that the seal shall never be used except by the authority of the Board of Directors, or a Committee of the Board previously given and in the presence of two Directors at the least.

However, in Article 108 which provides for ‘Deeds how executed’ and that every deed or other instrument to which the seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by one Director at the least.

It is proposed that in the last line of Article 108 the word two Directors may be substituted in lieu of one Director.

In view of the above the Company proposes to incorporate the below changes with regard to rectification in the AOA and accordingly the Board of Directors in its meeting held on 23.07.2024 had approved the following alteration of the Articles of the Association :

1. **“Article 122” appearing in the Article 86 be substituted with the words “Article 128”.**
2. **In the existing Article 89 the words ‘in accordance with Article 77’ be omitted.**
3. **In the last line of Article 108 the words “two directors” be substituted in place of one director.**

A copy of the AoA would be available for inspection by any Member at the Registered office of the Company during the office hours on any working day between 11 AM to 2 PM till the date of the General Meeting. The aforesaid document will also be available for inspection during the course of the conduct of the General Meeting.

The Board, therefore, seeks approval of the Members by way of passing a Special Resolution for alteration of the AoA as set out in Item no. 8 of the accompanying Notice.



The Notice, Explanatory Statement, and other related materials are also uploaded on the Companies website.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested in the passing of above Resolution.

#### Item No 9

Shri.Amit Sajita , Joint Secretary, MOD, DDP (DIN: 08989543) was appointed as Part-Time Official Director (Government Nominee Director) with effect 14 August 2024 vide letter No. 8(32)/2019-D (Coord/ DDP) dated 14 August 2024 on the Board of the Company

Pursuant to the provisions of Section 152, 161 of the Companies Act, 2013 and the Rules made thereunder and Regulation 17(1C) of the SEBI (LODR) Regulations, 2015 as amended, every director of the Public Sector Company has to be appointed by the shareholders of the Company at the next Annual General Meeting . Approval of the shareholders as per the provisions of the Companies Act, 2013 and Rules made thereunder is sought for appointment of Shri.Amit Sajita , Joint Secretary, MOD, DDP (DIN: 08989543) as Part-Time Official Director (Government Nominee Director) with effect 14 August 2024 vide letter No. 8(32)/2019-D (Coord/ DDP) dated 14 August 2024, not liable to retire by rotation under section 152 of the Companies Act, 2013 and on same

terms and conditions as determined by Government of India. Shri Amit Satija is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided.

The Ministry of Defence (Administrative Ministry) appoints the Government Nominee Directors and they are not entitled to any remuneration or sitting fees.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Amit Satija , is in any way, concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for your approval.

BY ORDER OF THE BOARD  
**Mazagon Dock Shipbuilders Limited**

Dockyard Road  
Mumbai 400 010  
Dated: 02.09.2024

**(Madhavi Kulkarni)**  
COMPANY SECRETARY



**Additional information on Directors being appointed/re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Name of the Director</b>	<b>Shri. Biju George</b>	<b>Shri. Chandu Sambasiva Rao</b>	<b>Shri. Amit Satija</b>
DIN	09343562	02296283	08989543
Date of Birth	15 Feb 1969	01 May 1964	07 August 1978
Designation	Director (Shipbuilding)	Independent Director	Government Nominee Director
Date of Appointment	27 Oct 2021	22 Feb 2024	14 August 2024
Disclosure of relationship between directors inter se	Nil	Nil	Nil
Directorship held in other listed Companies	Nil	Nil	Bharat Dynamics Ltd
Membership/ Chairmanship in other listed Companies	Nil	Nil	Nil
Shareholding in Mazagon Dock Shipbuilders Limited	Nil	Nil	Nil
Brief Resume	<p>Shri. Biju George holds a post graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur.</p> <p>He has three decades of experience with our Company where two decades were with design of frontline warships viz. Missile Destroyers and Frigates. Prior to his appointment as Director (Shipbuilding) in Oct 2021 he was the Project Superintendent of the prestigious P17A Frigate Program for the Indian Navy. Prior to this, he headed the Shipbuilding Design Department.</p>	<p>Shri. Chandu Sambasiva Rao worked as a Space Scientist/ Engineer, Educator, Communicator, and Management Expert. He is a certified Project Management Professional (PMP) with over 20 years, at various prestigious organisations like ISRO, NASA, Cable and Wireless, Booz   Allen   Hamilton. He holds degrees from NIT Surathkal, University of Kentucky, University of Maryland and Johns Hopkins University. He has received a Performance Excellence Award, the highest recognition from Booz   Allen   Hamilton, for his Management Consulting Services. The Governor of Andhra Pradesh awarded him a Gold Medal for services to Indian Red Cross Society.</p>	<p>Shri Amit Satija is an IAS officer of 2008 batch from AGMUT cadre who is currently posted as Joint Secretary in the Ministry of Defence in the Department of Defence Production.</p> <p>Prior to joining the Government of India, he has served at various positions in different States and UTs in the country including Delhi, Goa, Andaman Nicobar Islands and Lakshadweep Islands.</p> <p>Shri. Satija is a graduate in Economics and has done Masters of Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai before joining IAS.</p>



## THE INSTRUCTIONS FOR Members FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Sunday, 22 September, 2024 at 9:00 A.M. and ends on Wednesday, 25 September, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 19 September, 2024, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 19 September, 2024.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email 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"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the '<b>Beneficial Owner</b>' icon under '<b>Login</b>' which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on '<b>Access to e-Voting</b>' under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon '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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store
  Google Play





Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
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.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free number 1800 225533





## B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Shareholders other than Individual Shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
  - a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting 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 Shareholders (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 [ragini.c@rediffmail.com](mailto:ragini.c@rediffmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the '**Forgot User Details/Password?**' or '**Physical User Reset Password?**' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 48867000 or send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com).

### **Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [alankit\\_md@alankit.com](mailto:alankit_md@alankit.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [alankit\\_md@alankit.com](mailto:alankit_md@alankit.com). If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) 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.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.



- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR Members FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR Members FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- 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 above for **Access to NSDL e-Voting system**. After successful login, you can see link of 'VC/OAVM link' placed under '**Join meeting**' menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- 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.
- 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.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor@mazdock.com](mailto:investor@mazdock.com) and [rt@alankit.com](mailto:rt@alankit.com). The same will be replied by the Company suitably.
- PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to [rt@alankit.com](mailto:rt@alankit.com) or [investor@mazdock.com](mailto:investor@mazdock.com). till Thursday, 19 September, 2024. Only those member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM.

#### **SPEAKER REGISTRATION FORM \***

Name of Shareholder (including joint holder)

DPID-CLID/Folio Number

Permanent Account Number (PAN)

Mobile Number

Profession

Query in brief

\*All fields are mandatory



# Directors' Report FY24

### Dear Members,

Your Directors have immense pleasure in presenting to you the 91<sup>st</sup> Annual Report together with the Audited Financial Statements of the Company for the year ended 31 March 2024 and reports of the Statutory Auditors' and the Comptroller & Auditor General of India thereon.

### Important Events:

i) Fourth Stealth Frigate of Project 17A, 'INS Mahendragiri' was launched on 01 Sept 2023 by Dr. (Smt.) Sudesh Dhankhar, wife of Hon'ble Vice President Shri Jagdeep Dhankhar Ji who was the chief guest on the occasion.



ii) Third Guided Missile Destroyer of Project 15B , 'INS Imphal' was delivered to Indian Navy on 20 Oct 2023 and commissioned on 26 Dec 2023 by the Hon'ble Raksha Mantri Shri. Rajnath Singh Ji.



iii) Final Reading D448 of third Scorpene Submarine of Project 75 'INS Karanj' was completed on 01 Dec 2023.



iv) Launching of India's fastest Solar-Electric-Boat (SaurShakti) completed on 13 Dec 2023 at Kochi. It has been meticulously conceptualized and developed by MDL with M/s NavAlt as technology partner. This Vessel represents a paradigm shift in eco-friendly Maritime transportation.

v) INS Shishumar was handed over to Indian Navy after successful completion of MRLC in March 2024.

## 1. Financial Review

### 1.1 Financial Results and Performance Highlights:

(₹ in crore)

PARTICULARS	FY 2023-24	FY 2022-23
Revenue from Operations	9,466.58	7,827.18
Profit before Tax (before Exceptional Items)	2,461.38	1,429.33
Profit for the year	1,845.43	1,072.72
Gross Block	1,354.70	1,493.57
Net Block	837.94	1,024.33
Working Capital	3,153.84	1,945.34
Net Worth	5,570.68	4,177.56
Finance Cost	5.12	6.37





During the year, the Company achieved the Revenue from Operations of ₹ 9,466.58 crore as compared to the previous year ₹ 7,827.18 crore. The Profit before Tax and Exceptional Items is ₹ 2,461.38 crore for FY 2023-24 as against ₹ 1,429.33 crore in the previous year. Highest ever Revenue from Operations with a whopping increase of more than 30% over the next best achieved in FY 2022-23. In the history of the Company, it is first time that the Company is reporting PAT in four digits with a significant rise of 83% over the PAT of FY 2022-23.

Income Distribution for the year FY2023-24 as against previous year is summarised as under:-

(in %)

INCOME DISTRIBUTION	FY 2023-24	FY 2022-23
Cost of Materials consumed	58.72	60.17
Employee benefit Expenses	8.45	9.28
Finance Costs	0.05	0.07
Depreciation and Amortization expenses	0.78	0.88
Sub-Contracting charges	3.61	5.33
Power & Fuel	0.17	0.19
Expenses related to Projects	1.49	3.39
Other Expenses	1.93	2.56
Provisions	1.59	1.37
Exceptional Items	-	-
Tax Expense	5.81	4.18
Other Comprehensive Income	0.04	-
Total Comprehensive Income	17.36	12.56
<b>Total</b>	<b>100</b>	<b>100</b>

## 1.2 Consolidated Financial Statements:

The Consolidated Financial Statements of your Company and its Associate Company Goa Shipyard Limited (GSL) for the year ended 31 March 2024 prepared pursuant to provisions of section 129(3) of the Companies Act, 2013 and applicable Accounting Standards together with the Auditors' Report forms part of this Report.

In accordance to Section 129(3)(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts)

Rules, 2014, a statement containing salient features of the financial statement of the Associate Company is attached to the Financial Statements in Form AOC-1 (Appendix 1).

## 1.3 Capital Structure:

The authorised Equity Share Capital of the Company as on 31 Mar 2024 stood at ₹ 323.72 crore comprising of 32,37,20,000 (Thirty-Two Crores Thirty Seven Lakh Twenty Thousand) equity shares of ₹ 10 each.

The paid-up Equity Share Capital as on 31 March 2024 is ₹ 201.69 crore comprising of 20,16,90,000 (Twenty Crores Sixteen Lakh Ninety Thousand) equity shares of ₹ 10 each. During the year, under review there was no increase in the authorised or paid up share capital of the company. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise during the year.

## 1.4 Dividend:

The Interim Dividend of ₹ 15.34 per equity share (153.00%), amounting to ₹ 309.39 crore was paid in the FY 2023-24 in accordance with the provisions of the Income Tax Act, 1961, as approved by the Board of Directors in their meeting held on 08 Nov 2023. The Board of Directors recommended a Final Dividend of ₹ 244.25 crore which is 121.10% of the paid up share capital. The total Dividend declared for FY 2023-24 is ₹ 553.64 crore, which is 274.50 % of the paid up share capital including the Interim Dividend amounting to ₹ 309.39 crore.

## 1.5 Contribution to the Central Exchequer:

Your Company's contribution during the FY 2023-24 to the Central Exchequer by way of Income Tax, GST, IGST on imports and Custom Duty was ₹ 753.12 crore.



CMD, MDL Presenting the Dividend Cheque to the Hon'ble Raksha Mantri, Shri Rajnath Singh, GOI

## 1.6 Public Deposits:

The Company has not accepted any deposits from the public and no amount on account of principal or



interest on deposits from public was outstanding either at the beginning or at the end of the FY 2023-24.

**1.7 Loans, Guarantees or Investments:**

Your Company has not given any loans, guarantees or made any Investments under Section 186 of the Companies Act, 2013.

**2. Review of Operations**

Your Company recorded a revenue of ₹ 9,466.58 crore for the FY 2023-24 as against ₹ 7,827.18 crore in the previous year.

**2.1 Performance/Project Progress:**

At present your Company is handling two major Shipbuilding projects for the Indian Navy, comprising of four Destroyers & four Frigates. Besides, MDL is also handling construction of six Scorpene class Submarines for the Indian Navy, out of which five Submarines have already been delivered.

**a) Destroyer Project:**

Destroyer Ships are potent combatants which are Contemporary and State-of-the-Art platforms. First Destroyer of current project was delivered on 28 Oct 2021 and has been commissioned into the Indian Navy on 21 Nov 2021. Second Destroyer of the project was delivered on 24 Nov 2022 and has been commissioned on 18 Dec 2022. Third Destroyer of the project was delivered on 20 Oct 2023 and has been commissioned on 26 Dec 2023. The Fourth Destroyer of the project was launched on 17 May 2022.

To increase the pace of production for the fourth Ship, MDL had adopted a new method of Mega Block outsourcing with enhanced outfitting in machinery compartments where units/blocks were constructed simultaneously at more than one geographical location and brought to MDL and joined together thereby further facilitating launching of Ship within reduced timelines.

**b) Frigate Project:**

Production of the first Ship had commenced on 16 Feb 2017 and the keel was laid on 28 Dec 2017. The first Ship was launched on 28 Sep 2019. Production of Second Ship commenced on 27 Feb 2018 and keel laid on 07 May 2019. The second Ship was launched on 17 May 2022. Production of third Ship commenced on 31 Jan 2019 and keel laid on 10 Sep 2020. The third Ship was launched on 11 Sep 2022. Production

of fourth Ship commenced on 22 Jan 2020 and the keel was laid on 28 Jun 2022. The fourth Ship was launched on 01 Sep 2023.

In order to meet the contractual timelines, the units and blocks are being built at three different geographical location viz MDL premises, M/s SSPL, Bharuch and M/s CCPL, Goa. These blocks are being constructed by resorting to the 'Integrated Construction Methodology' wherein the pre-outfitting of various elements are being carried out at the unit and block stages itself. The infrastructure of the yard has been modernized for realizing 'Integrated Construction Methodology' that is at par with the global best practices for Warship building.

**c) Submarine Project:**

MDL is the only Shipyard in India which has constructed Conventional Submarines. MDL has constructed Submarines of two different technologies i.e. German SSK class and French Scorpene class Submarines.

Presently, MDL is constructing Six nos. Scorpene class Conventional Submarines under transfer of technology with M/s Naval Group, France. 5 out of 6 Submarines have already been delivered to Indian Navy.

The Scorpene Submarines are State-of-the-Art Conventional Submarines built by MDL in collaboration with Naval Group (NG), France.

Sr. No.	Scorpene Submarine	Delivered on	Commissioned on
a)	INS Kalvari	21 Sep 2017	14 Dec 2017
b)	INS Khanderi	19 Sep 2019	28 Sep 2019
c)	INS Karanj	15 Feb 2021	10 Mar 2021
d)	INS Vela	09 Nov 2021	25 Nov 2021
e)	INS Vagir	20 Dec 2022	23 Jan 2023

**2.2 Capital Projects and their progress**

a) Your Company has undertaken construction of a new State-of-the-art Security Complex at the main entrance. This G+2 storey building will be equipped with latest security equipment, gadgets, access control etc. This Complex will be the centralized hub and provide effective



coordination for key MDL departments such as Security, PRO, Safety, Fire, Estate and HSE. The civil works have been completed in Sep 2023.



Inauguration of SECURITY COMPLEX at the hands of SHRI GIRIDHAR ARAMANE IAS DEFENCE SECRETARY- Sep 2023

- b) Your Company is committed towards upgradation/modernization of existing facilities from time to time. The company is taking up replacement of existing twelve nos. vintage Level Luffing cranes with new cranes in a phased manner. Company has also commenced the work of manufacturing new Caisson Gate for the East Yard Dry Dock for replacement of existing old Caisson Gate. The construction is expected to be completed by June 2024.
- c) Beautification of its peripheral Boundary wall at the entrance has also been undertaken in order to improve the overall aesthetic appeal and have a positive impression on VVIPs, visitors visiting the yard and also morale of the MDL employees since it also serves as a canvas for showcasing Company's product and Logo in addition to enhancing the security measures
- d) Your Company has undertaken renovation of Banquet Hall for its Recreational Club to have a visually appealing club for organizing events and gatherings. The project has been completed in Mar 2024.



Renovated Banquet Hall, Recreational Club

- e) Your Company has undertaken renovation of MRLC Office at its D2 Building to adapt the office layout to have more appealing modernized office spaces by optimizing the space allocation and preparing for the potentially growing workforce in the Submarine refit group. The project has been completed in Mar 2024.



Renovated MRLC office

- f) Your Company has concluded a lease agreement of 15 Acres adjacent land on 29 years lease from MPA to enable undertake repairs/construction orders in future.

### 2.3 Other Infrastructure Projects:

Your Company is exploring the possibility for setting up a green field Shipyard at its Nhava Yard in phased manner with short-term and long-term development plans. Short-term development shall enable MDL to facilitate the immediate use of the existing infrastructure for Shipbuilding and Ship repair business whereas long term development is to facilitate construction of large size Vessels and Submarines including major refit and repairs.

Towards undertaking the construction of advanced and next generation Vessels, your Company has undertaken construction of a New Floating Dry Dock of 12000T capacity.

Your Company is committed towards the up-liftment of under privileged sections of society and towards this a skill development hub is being created with an Apprentice Training School (ATS) and associated development work at Gavhan village, Navi Mumbai.

### 2.4 Performance against MoUs:

During the year, MDL had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India for the FY 2023-24. The MoU outlines targets and various performance parameters for the Company. The value of production was targeted at ₹ 9,101.00 Crores. Achievement of value of production is ₹ 9,068.01 Crores for FY 2023-24.



During the year, your Company achieved a Profit before Tax (PBT) before exceptional items of ₹ 2,461.38 crore. Final evaluation will be carried out post CAG Audit of the accounts for FY 2023-24. The import content in Value of Production for FY 2023-24 is ₹ 2,414.71 Crore and for FY 2022-23 is ₹ 2,817.72 Crores.

## 2.5 Research & Development (R&D):

The R&D policy of the Company was approved by the Board in June 2013 and a committee was formed to drive the implementation of the R&D policy, in accordance with the guidelines issued in September 2011 by the Department of Public Enterprises on R&D.

MDL has undertaken focused R&D initiatives through collaboration with academic institutions, start-ups & MSMEs not only in the core defence sector but also other critical areas like underwater autonomous technology, sustainable & environment friendly transport solutions etc.

MDL has started flagship R&D program of design and development of indigenous conventional Submarine. As a proof of concept, Midget Submarine is under construction. In addition, military products like Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) are being developed in partnership with the industry and are designed to simulate the situation of actual moving Submarine for training purpose and for decoy measures.

MDL has developed India's first Fuel Cell powered Electric Vessel (FCEV) as a 'Proof of Concept'. MDL is also undertaking a few Artificial Intelligence (AI) projects under R&D viz; Underwater Swarm Drones, Autonomous/unmanning of Surface Vessels and optimum utilization of fuel cell under hybrid power management.

Modern marine transport solutions like Hybrid Electric & Solar boats which can provide sustainable and environment friendly options have been developed. Solar boat has been launched in Dec 2023 & undergoing sea Trials. This boat can offer a better alternative to conventional diesel boats. The R&D team has also developed prototype of Lithium Ion Battery system for Submarine in collaboration with M/s QMAX as technology partner.

In addition to the above, MDL is actively participating in iDEX initiative of Govt of India and in collaboration with start-ups/MSMEs/innovators has already accepted various challenges like Autonomous Underwater Swarm Drone, development of Steering Console for maneuvering of underwater platform, design & development of Submersible boat etc.

Your Company had successfully completed three major R&D projects with enabling of Artificial Intelligence (AI) algorithm, through an industry academy participation with IIT Madras, IIT Chennai as well as involving startups in Tamil Nadu Defence Corridor. The three products viz. AI enabled Computerized Radiography (RT), AI enabled Robotic Weld Inspection using phased array technique with Ultrasonic Testing (UT) and Remotely Operated Vehicles (ROV) which is also AI enabled, have been successfully deployed in their respective domains and the full leveraging of the AI is envisaged as and when the requisite data gets accumulated with usage of these products.

Your company is exploring development of innovative AI projects with the help of domestic industry, academia and startups. Some of the major projects includes Artificial Intelligence (AI) enabled Autonomous Underwater Swarm Drones, Artificial Intelligence based predictive maintenance of Ship equipment and Artificial Intelligence based energy management of Fuel Cell .

The in-house projects as well as projects in collaboration with academic institutions of repute like Welding Research Institute, Trichy, IISc Bangalore and NID are all aimed at solving the unique issues faced by the Ship Yards during the detailed design and integration of complex systems into a front line Naval platform. The specialists' groups functioning under GM(Design) contributes consistently in the areas of structural analysis, ergonomics & HFE, noise & vibration control, RCS management, propulsion system integration, materials and HVAC.

MDL has validated an innovative Shaft Alignment procedure wherein the propeller shaft line assembly is completed at the Dry Dock itself leading to significant cost saving to the yard and reduction in the build period of the Vessel.

In addition to the above, MDL has developed State-of-the-Art basic design of Naval Vessels, incorporating advanced and optimized equipment, machineries, weapon and arrangement etc.

MDL has initiated implementation of Product Data Management/Product Lifecycle Management (PDM/PLM) for the Frigates under construction.

Your Company has spent approximately 5.26% of the PAT as expenditure towards R&D during the FY 2023-24. The various projects undertaken under R&D are elaborated in **Appendix 'F'**.

In order to promote R&D, your Company has joined hands under CSR with IIT Bombay, IIT Hyderabad and IIT Indore. MDL has supported following five research projects with IITs under CSR.





Sr. No.	IIT	Name of Project	Project Objectives
1	IIT Bombay	Robotic welding for Shipbuilding: Sensors based automatic programming with collision detection for rapid deployment.	Development of an automatic programming approach for robotic welding, which would enable the rapid deployment of robotic welding for Shipbuilding resulting in increased productivity
2	IIT Bombay	Improved Adhesion & Corrosion Resistance for Marine Applications via Robotic Plasma Surface Treatment Technology.	To explore the potential of dielectric barrier discharge (DBS) plasma surface treatment as a promising approach to enhance the performance of protective coatings in marine engineering applications
3	IIT Indore	Investigations on Prototype Development for on Laser based Large Area Cleaning of Biofouling from Ship Hulls.	<ul style="list-style-type: none"> <li>To Investigate the influence of laser parameters towards Laser Cleaning of Biofouling from Ship Hull.</li> <li>To optimise the laser parameters for efficient clearing without any impact on the Ship Hull.</li> <li>To design and optimise the Laser system for large area Cleaning.</li> <li>To investigate the growth/complete removal of micro organism after the treatment of Laser.</li> </ul>
4	IIT Indore	Impact Induced Failure of Stiffened Curved FRP Ship Panels under Hygro-thermal Environment.	To develop a computer code for contact forces (loading, unloading and reloading) due to impact on curved FRP Ship panels for varying shape, size and speed of Impactor.
5	IIT Hyderabad	Time-dependent reliability analysis and structural health monitoring of Ship structure considering uncertainty.	To perform a time dependent reliability analysis and Structural Health Monitoring (SHM) of Ship structures considering uncertainties.

The above mentioned research based projects will help in developing technologies in marine/ocean/naval technologies.

## 2.6. Indigenization & Make in India:

- MDL, having set up a dedicated 'Department of Indigenization' in Oct 2015, to provide focused impetus to the Hon'ble Prime Minister's 'Make in India & Atmanirbhar Bharat' initiative and through this MDL has been successfully able to partner with the Indian industry to undertake Indigenization/import substitution of various equipment/items which have been imported. Till date MDL has indigenised 57 major items/systems, for Ships and Submarines.
- The items indigenised in the FY 2023-24 are Shock Mount, Acoustic Structure, Safety Valve, Ultrasonic flowmeter, Servo Valve, Electrical Mobile Part, Life Raft, HP Air Bottle, Navigation Radar, Junction box Inboard & Outboard for Submarines and Induction type cooking ranges for Ship's Galley.
- Electric Propulsion Motor (EPM) which is only means of propulsion for the Submarine, Combat

System used to fire weapons accurately & precisely from Submarine, Shafting & Propeller used to propel the Submarine and Ship, RSS Screen Louvers to reduce RCS signature of Ships, etc. are some of the major items being indigenised by MDL to attain Atmanibharta.

- To promote Indigenization drive and ensure maximum participation of Indian industry in indigenization, MDL has taken several initiatives which includes: -
  - Details of imported items for indigenisation are uploaded on Srijan defence portal and intimated to following organizations for wider participation of Indian Industry.
    - Confederation of Indian Industries (CII)
    - Federation of Indian Chambers of Commerce and Industry (FICCI)
    - Society of Indian Defence Manufacturers (SIDM)



- (iv) Nashik Defence Innovation Center (NDIC)
  - (v) Coimbatore District Small Industries Association (CODISSA)
  - (b) Conducted visit of Industries to MDL for better appreciation of equipment to be indigenised.
  - (c) Presented indigenisation opportunities at various webinars/seminars/conferences.
  - (d) Conducted MSME Vendors meet to showcase indigenisation opportunities.
5. MDL has contributed 1017 items to Positive Indigenisation List (PIL) initiatives of MoD/DDP. Total 18 items are indigenised and remaining items are in different stages of indigenisation.
  6. iDEX (Innovations for Defence Excellence) aims at creation of an ecosystem to foster innovation & technology development in Defence and Aerospace by engaging Indian industries including MSMEs, start-ups, individual innovators, R&D institutes & academia. iDEX throws challenges to Indian industry as Defence India Startup Challenges (DISC). MDL has participated in DISC-VI with one challenge & DISC-X with eight challenges for developing imported equipment with Indian industry. In addition, MDL has also joined hands with iDEX winners to develop products for Indian Armed Forces.
  7. Indigenization of Submarine Equipment  
MDL has proactively pursued indigenous development for items/equipments of foreign OEMs for conventional Submarine. 48 out of total 174 Submarine equipments have been indigenized. 30 items are being developed by M/s BEL. Balance 96 are under various stages of tendering/scrutiny, out of which Project Sanction Order (PSO) for 39 have been issued including for Main Electric Propulsion Motor.

## 2.7 Quality Assurance

### a) Quality Management System (QMS):

MDL has obtained & maintained QMS as per ISO 9001 standards since 1998. Your Company is committed to implement QMS as per ISO 9001:2015 standard. 56 Lead Auditors and 73 Internal Auditors were trained for carrying out the Internal Audits for sustenance of QMS in Shipbuilding division.



Best Coordinator CCQC-2023

As a part of sustaining QMS as per ISO 9001:2015 standard, Renewal/Recertification Audit of Shipbuilding division including Nhava and Ship Repair & Refit was carried out successfully from 26<sup>th</sup> to 28<sup>th</sup> Feb 2024 by M/s International Certification Services Pvt Ltd (ICS).

As a part of sustaining QMS as per ISO 9001:2015 standard, second Surveillance Audit for Submarine division was conducted on 27 & 28 Apr 2023 and successfully completed with 'NIL' Non-conformity reports by M/s IRQS with the scope of 'Design, Development, Construction, Refit, Test & Trials of Submarines'. Based on Audit Results, M/s IRQS has recommended the continuation for 'Certificate of Approval' of QMS ISO 9001:2015.

### b) Quality Concepts

#### 5S (Work Place Management System)

Your Company has implemented 5S (Workplace Management System) in the 21 Workshops/Stores/Offices and carried out Internal Audits regularly.

As a part of sustaining 5S certification, all 21 Workshops/Offices/Stores were re-certified through external agency.

### c) Quality Circles (QC)

QC movement was initiated in Oct 2004. In a span of twenty years we have developed QC in various Shops/Sections/Projects. They are actively working in their respective areas & solving their respective work related problems proactively. QC teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2023) and 37<sup>th</sup> National Convention on Quality Concepts (NCQC-2023)



and have won various awards in the FY 2023-24 mentioned under Awards and Recognition.

**d) Technology Advancement in Quality control & Assurance:**

India has caught up with the Industry 4.0 trends and MDL is not far behind in incorporating the best practices. Design and development in the field of Robotics, Machine Learning, Data Analytics, Big Data has started and is in different stages of maturity. MDL has implemented the following new technologies in the field of Quality:

- o With the implementation of AI-Enabled Weld Inspection Machine with Computerized Radiography- (AI-RT) & Advanced TFM/FMC Ultrasound Technique-(AI-UT), MDL has increased the use of environment friendly imaging plate film reducing the conventional process of film processing with chemicals. For these advancements hand holding & guidance is done by IIT Chennai.
- o MDL is enhancing its technical competency by training more individuals in Level 2 & Level 3 International Certifications in various NDT/process method according to ISO 9712 and PAUT training.
- o In order to meet the ever increasing project demand, we have trained additional manpower in Radiation safety course (by BARC/AERB) last year to supervise various related work in various project.
- o Our executives & staff has also participated in various national tech event organized by ISNT/IIT Chennai/NCB/NCQC & have been in panel of honorary judge.

## 2.8 Information Technology

- Your Company has completed the following activities during the year:

**a) SAP Implementation**

Implementation of e-Vidhan (Vigilance Management System):

Migration from manual system to IT driven system with the theme "Increasing Transparency through use of Technology" of Central Vigilance Commission by designing, development and implementation of first module "Complaint Registration" and second Module "Investigation Report" of e-Vidhan (Vigilance Management System) in SAP ERP 6.0 (ECC system) with two

level security for the access to the application as well as for database access to maintain confidentiality of vigilance data.

**b) Latest know how on IT**

MDL is in the process of refreshing Business Applications hardware. Study was carried out by visiting other PSUs and private organizations to explore latest technology available in the market.

**c) MoD guidelines on Safety measures adopted/ followed**

MoD guidelines related to Information Security are complied as and when received.

**d) Achievements of IT in MDL**

MDL has successfully completed 1<sup>st</sup> Surveillance Audit ISO/IEC 27001:2013 in Sept 2023.

**e) Targets set and achieved for 2023-24**

- MDL Cyber Security Policy was revised in Sept 2023.
- E-waste Management – Around 427 old/technologically obsolete IT assets were disposed in Oct 2023.

## 2.9 Procurement from MSMEs

Your Company is complying with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. Accordingly, out of the total annual procurement, 25% procurement is to be made from MSEs. During the FY 2023-24, your Company has achieved 27.66% procurement from MSEs.

During the FY 2023-24 your Company had conducted one and participated in one vendor development program exclusively for MSEs owned by SC/ST and Women Entrepreneurs. To further enhance the vendor base, your Company had participated in eight online/offline National level programs conducted by MSME-Development Institute (DI) across India.

## 2.10 Marketing Initiatives and New Orders:

During the FY 2023-24, MDL participated in Latin America Aerospace and Defence Exhibition (LAAD), Brazil-2023, Langkawi International Maritime Aerospace Exhibition (LIMA), Malaysia-2023, Seoul International Aerospace & Defence Exhibition (ADEX), South Korea-2023 and Egypt Defence Expo (EDEX), Egypt-2023 as an exhibitor for marketing and business promotions.

The exhibitions have immensely helped in showcasing MDL's capabilities and technical strengths in Warship



building and Submarine construction. The exhibitions were successful in projecting the image and capabilities of India in the Defence Production Sector in general and Warship/Submarine building capabilities in particular. MDL had obtained various leads for potential future projects. MDL was also part of Ministry of Defence, Government of India delegation which visited and participated in the seminars held in Tanzania, Oman, Vietnam, Kenya, Saudi Arabia, Sri Lanka, Malaysia, Singapore and Nigeria organized by High Commission/Embassy of India. During the seminar MDL interacted with the Armed Forces/Navy Representatives wherein Indian Shipbuilding capacities and capabilities were showcased.

MDL signed three separate contracts with Indian Coast Guard for construction and delivery of One training Ship, Six Next Generation Offshore Patrol Vessels and Fourteen Fast Patrol Vessels. In addition to the new construction, MDL has also signed contracts for Short Refit (SR-1) of ICGS Sachet and Short Refit (SR-1) of ICGS Vikram.

MDL has signed contract with a Danish client for construction and delivery of Six 7500 DWT Multi Purpose Hybrid Powered Vessels (three Vessels during FY 2023-24 and three Vessels in April 2024).



Export Order- Post signing of Contract Denmark 2023

**2.11 Health Safety & Environment Management System:**

Your company has been conferred with Certificate of Registration for its integrated Health, Safety & Environment Management System (HSEMS) in compliance with ISO 14001:2015 and OHSAS 18001:2007 w.e.f. Apr 2019. The Certificate is issued by M/s KBS Certification, a firm accredited by Joint Accreditation System of Australia and New Zealand (JAS-ANZ), a member of the International Accreditation Forum (IAF).

MDL having qualified the above standards has joined the exclusive club of companies, committed to sustainable development by continual improvement in

performance towards Health, Safety & Environment in their operations/processes. This qualification fortifies MDL's credibility in all its functioning and future business prospects.

The standard OHSAS 18001:2007 was upgraded to ISO 45001:2018 w.e.f. Sept 2021. Accordingly, MDL has successfully completed the transition of its HSEMS system from OHSAS 18001:2007 to ISO 45001:2018 in Sept 2021. The current HSEMS Certification is valid till July 2025.



Indian Pavillion at LIMA-2023

**3. Human Resource Development:**

Your company has been putting emphasis on the overall growth & development of Human Resources and is committed to continue its relentless efforts in updating the competencies of its employees through exposure to various Learning & Development programs organized by Institutes of National importance and through sponsoring function based Seminar/Conferences/workshops. Besides, in order to ensure smooth supply of skillsets for Company's requirement and Shipbuilding industry, various training Programs viz. trainings of trade Apprentices under the Apprentices Act, 1961, BOAT Apprentices and Marine Engineering students under the aegis of DG, Shipping at the Company's run Apprentice Training School have regularly been organized as listed below:

- With a view to encourage deeper engagement of the top management with employees at all levels cutting hierarchies, a flagship program of interaction with employees 'Sanskar Se Samridhhi' was introduced in Mar 2023. During the program, the Senior Management interacts with cross section of employees and exchanges information about the Company. The forum also receives suggestions from the employees





that can contribute towards better environment, efficiency, productivity, etc. A total of 49 such sessions were conducted till date wherein all the employees of the Company have been covered. Apart from clarifying many issues, a total of 90 noteworthy suggestions were received from the employees and majority of these suggestions have been implemented for the benefit of the Company.

- In-house training session of 2 batches on '5S 6 SIGMA and Kaizen' organised for employees wherein around 219 Non-Executives & 40 Executives actively participated.
- Training Session on Artificial Intelligence (AI) was organised wherein 40 Executives actively participated.
- A Workshop on 'Employee Welfare & Benefits' was organised through Maharashtra Labour Welfare Board, Mumbai on 07 Aug 2023 wherein 99 Non-Executives actively participated.
- In today's digital world, Cyber Security plays a pivotal role in terms of sensitivity and security of information. In order to address the above, Training sessions on Cyber Security Awareness were organised through external faculty. 06 sessions were organised for Executives, wherein, 424 Executives actively participated. Further, 10 online sessions were conducted consisting of 20 participants in each batch. In addition to the above, exclusive training programme were also organized for outsourced employees, wherein, 183 outsourced employees actively participated.



Cyber training – 2023

- An In-house capsule program comprising 'Health', 'Safety' & 'Fire Fighting' was developed and conducted. Around 32 programs were conducted

on the said topics and around 1700 employees were trained.

- An In-house 2 days training session consisting of 04 batches on 'Improving Energy Efficiency' were conducted wherein 260 Employees actively participated.
- Induction Training programme of 4 weeks was conducted for 22 newly recruited Executives. Similarly, Induction Training programme of 1 week was conducted for 159 Non-Executives.
- Interactive sessions of women employees with Women Independent Director and Executives with CVO were organized wherein 60 & 130 employees, respectively had actively participated.
- In order to improve attendance of absentee Non-Executives, a capsule training programme '*Parihar*' was organised for Chronic absentee employees, wherein 30 employees along with their spouse had attended.
- In order to improve efficiency of absentee and low performing employees a capsule Training programme '*Arohon*' was organised at Jeevan Vidya Mission, Karjat where in 35 employees had attended.
- Various in house Training programmes were organised on Cost estimation and budgeting, Export Management, Quality Circle, Safety Training wherein 9 Training Sessions were organised and total 303 Non-Executives and 175 Executives participated.
- In-house on the job training was completed for Fitter, Rigger, Electrician, Electronic Mechanic Store Staff, Draughtsman & Quality Control Inspector, and Electronic Mechanic, Store Staff wherein 194 Non-Executive have actively participated.
- A Cross Functional Training program named '*Symbiosis*' was organised for Non-Executives for acquiring knowledge on various process of Shipbuilding and Submarine. Around 1120 Non-Executives had participated in 08 sessions.
- Knowledge sharing sessions of Quality Circles teams with various departments were organised for Non-Executives wherein 137 from different Section/Department have actively participated.
- Refreshing Programme on 'Life Vision Architect' steered through Jeevan Vidya Mission consisting of 3 batches were organized, wherein 267 employees actively participated.



- A capsule programmes named 'Second Innings' for the retiring employees and their spouse were conducted for 270 retiring employees through 4 sessions. The said program encompasses 4 aspects of 'Diet Management', 'Wealth Management', 'Mind Management' & 'Wellness'.
- MDL being a DPSU, Information Security is a highly sensitive issue in the current times. In order to restrict vulnerability of the information and to sensitise the employees 2 sessions were conducted In-house, benefiting around 272 employees.
- Workshop on 'Vishva Guru Bharat' was conducted for Apprentices wherein 148 Apprentices participated.
- Customised programs consisting of 7 sessions on 'Business Communication Skills & Presentation Skill' were conducted for 229 Executives.
- In-house training programs on Reservations for SC/ST/OBC/PWD/EWS/ESM were organised for SC/ST/OBC employee's representatives and employees wherein 88 employees had participated.
- In order to ensure safety and dignity of women employees, MDL had conducted two sensitization programs on 'Prevention of Sexual Harassment of Women at Workplace' (POSH). A total of 260 Women Employees had participated in the said program. Training on 'Women Empowerment' was conducted wherein 148 women employees had been participated. On the occasion of Women's Day, MDL had organized various outreach activities for women Executives including outsourced women employees. These programmes were aiming to empower the women employees in MDL.
- In order to safe guard the safety of women employees from fraud, extortion, exploitation, harassment etc. outside the premises of MDL, 2 Sessions were organised through Mumbai police wherein approximately 150 employees attended.
- Training on 'Decoding of Core Values' for identifying Core Values of MDL was conducted through external faculty. Total 10 Training Sessions were conducted out of which 6 were for Executives & 4 for Non-Executives. A total of 291 Employees actively participated.
- In order to spread awareness on procurement through GeM portal, 2 Training sessions through TCS were organised, wherein 175 Employees along with Outsourced Employees participated. Further, 2 sessions on Public procurement were organised wherein 53 Employees have undergone the Training.
- A customized program on 'Ethics for Corporate Governance' was conducted through External faculty wherein 49 Executives actively participated through 2 sessions.
- In-house Training program on 'Finance for Non-Finance' were conducted by Internal Faculty through 4 sessions, wherein 236 Executives took active participation.
- In order to implement 'Mentoring', 4 sessions were organised by CMD/D(F), D(S) & D(CP&P) wherein 74 Executives participated.
- 2 programs on Intellectual Property Rights (IPR), MOD, GOI's flagship program were conducted at MDL through External faculty to create an IPR driven Innovation Culture wherein 61 employees were trained.
- With view to develop standardisation in production, ISO Awareness Programmes were conducted for 87 executives in 3 sessions.
- 3 programs on 'Wealth Management' were conducted without any cost implication to MDL wherein on roll 75 Executives were benefited.
- With a view to develop MDL as a family amongst the employees and dedication towards work, Behavioural Training Programs on 'Soch Banao', Mentoring, Leadership, Communication, Work life Balance, Ethics and Governance, Stress Management, Heart Fullness Yoga, Mission life style awareness etc were organised wherein 720 Employees actively participated and benefited.
- Workshops on Cyber Security Awareness, Digital workplace were organised for employees wherein 445 Employees participated.
- In house Training Programs on Export Marketing, Cost Estimation & Budgeting, Preventive Vigilance, Commercial Procedures, Public Procurement, Environment Awareness, Ethics & Governance, Financial Planning etc. were organised.
- As per CVC directives, 5 core subjects were identified such as Cyber Hygiene & security, System & procedure organization, Ethics & Governance, Public procurement and Role of IO & PO for train the trainers under Capacity Building programme. Five in-house programmes



were conducted wherein around 130 Executives participated and potential trainers were identified for carrying out training outside MDL.

- Training Sessions on 'Risk Management' exclusively for Executives were organised wherein approx. 600 employees attended through 8 Sessions.
- Customised 2 days Training modules on 'Life Vision Architect' has been devised for employees for their Spiritual and Material development. Total 10 sessions were conducted at Jeevan Vidya Mission at Karjat & 1241 Executives and Non-Executives participated and benefited.
- 2 days Customised Training Program on 'Calibration of Measuring Instrument' was organised for Quality Control Inspectors at IDEMI, Mumbai.
- 5 days Training workshops were organised at National Skill Training Institute (NSTI), Sion for upgradation of skill and knowledge. Total 86 Non-Executives actively participated under Capacity building.
- In accordance with CVC guidelines and to develop a highly ethical Organisation, both Executives and Non-executives were nominated for Exposure Visit at National Dairy Development Board (NDDB), Anand, Gujarat. The exposure visit was a mix of classroom training with experiential learning through village visit. 6 programs were conducted and around 150 employees participated in 6 batches.
- 2 days customised 'Team Building' Program were organised at RCF, Alibaug for Non Executives wherein around 360 Non-Executives participated in 10 batches.
- Customised 4 days' programmes on 'Fire Fighting' at Naval Maritime Academy, Mumbai was organised wherein 70 employees participated.
- 4 days Training programme on 'Capacity Building' was organised at National Academy of Human Resource Development, Pondichery wherein 11 Personal Assistants participated and benefited.
- Customised Management Development Programmes (MDP) for Executives had been organised in Association with IIM, Trichy wherein 145 Executives participated.
- A customised 3 days Training program on 'Project Management' was developed and conducted by National Academy of Indian Railways (NAIR) at Vadodara for 30 MDL Executives.
- A customised 2 days Training program on 'Team Building' exclusively for Middle and Junior Level Executives was conducted at NISM, Mumbai wherein 38 Executives actively participated.
- Training programme on 'Stress Management and Financial Planning' of 4 days was organised by National Productivity Council, NPC at Leh Ladakh, wherein 5 Executives participated.
- 'Team Building' for AGM and above Executives was organised at Lonavala, Pune wherein 47 Senior level Executives participated.
- 31 Regional Meet of Forum of Women in Public Sector (WIPS) was held at Bangalore wherein 3 Women employees participated and 5 employees participated in National Meet of Forum of women in Public Sector (WIPS) conducted at Bangalore.
- Employees were nominated for various Training Programmes organised by external Agencies/ Institute on Functional, Cross-Functional and Behavioural subject like Project Management, Public Procurement, Industrial Safety, Preventive Vigilance, Digital workplace, SAP, Procurement and Tendering, CSR, Enterprises Risk Management, Marketing & Branding, & Stress Management, Management of Training for Training and HR Managers, Cyber-crimes & Cyber Security, Industry 4.0, Digital Work place, GST- E- invoicing, Advancement of Occupational Health, RTI, Environment & Workshop on Best sharing best Practices etc.
- Executives were nominated outside MDL for various programs conducted by Department of Public Enterprises (DPE) with no cost implication to MDL. Topics include 'Project Planning & Monitoring', 'Outsourcing & Contract Management', 'Strategic Marketing Management', 'Industrial Artificial Intelligence in Industry 4.0', 'Leadership Development', 'Building Competencies for Personal Excellence', 'Risk Management', 'Decision Making with Data Analytics', 'Corporate Branding in Digital Era', 'Ethics in Governance & Preventive Vigilance', 'Supply Chain Management', 'Capital Market Reforms, Registration, e-invoicing, returns, TDS & GST', etc.
- An application 'e-library' was developed on MDL Intranet Portal for knowledge sharing, wherein all employees can contribute with e-books/ Journals/Magazines/Articles to be read by all other employees.



- Various organisations like AVNL, ISRO, RCF, ITI and other Educational Institutes visited MDL as part of Industry Institute Interface leading to interaction between MDL and Corporates/ Colleges.
- MDC had conducted Training programmes/ Strategic Conclave for Board Level Executives on Corporate Governance, Core values etc.

### 3.1 National Integration:

Your Company has undertaken a number of measures, which have immensely facilitated towards National Integration. Some of these activities are enumerated below:



MDL Tiranga Yatra 2023

- a) MDL follows necessary directives of the Government in so far as recruitment of SCs/STs/OBCs/PwDs and Minorities are concerned.
- b) Observes 'Quami Ekta Diwas' every year and extends financial assistance. This amount is primarily spent towards those children who become destitute and orphan in communal, caste, ethnic or terrorist violence for care education and training for effective rehabilitation.
- c) MDL has taken sincere efforts in bringing the backward and downtrodden of the society in the mainstream through various CSR initiatives in the field of Health, Sanitation, Skill Development, Rural Development, Education and Rehabilitation etc.
- d) Empowered women through various measures such as Learning and Development initiatives, Committee on Women in Public Sector (WIPS) and through Internal Complaint Committee (ICC) for redressal of complaints of Sexual Harassment.

### 3.2 Welfare Activities

Your Company highly values its human resources. To keep their morale high, apart from statutory welfare measures, your company extends several other welfare activities.

#### a) Life Insurance Coverage:

Company has made a customised scheme i.e. Group Savings Linked Insurance Schemes(GSLIS), which provides financial assistance in case of untimely death of an employee while on duty due to accident/illness. Besides this, Group Personal Accident Insurance Scheme (GPAIS) has also been in place, which provides 24 hours' coverage for compensation in the event of an accident of an employee resulting in death or permanent/partial disability.

#### b) Medical Scheme:

All the serving employees, including their dependent family Members, are covered under the Medical scheme. Hospitalization claims of around 67.99 Crore were disbursed towards treatment of the employees and their dependent family Members during the FY 2023-24.

#### c) Other Welfare Activities:

Your Company also provides number of welfare measures viz., Onsite Dispensary and Occupational Health Centre, Hospitalization, Wellness Centre, Onsite Gym & Club, Uniform, Monsoon Gears, Canteen Facility, Incentive for acquiring higher qualification, Scholarship to Unemployed Wards of Employees etc.

### Superannuation Benefits to Ex-employees

#### a) Post-Retirement Medical Scheme (PRMS):

Your Company has Post-Retirement Medical Scheme to provide medical facilities to the retired employees and their spouse. The Scheme is administered through a Health Service Benefit Provider and is funded directly by MDL. In terms of the Scheme, expenses incurred beyond the stipulated ceiling is also provided in case of critical diseases. MDL also provides medical expenses to Executives retired before 2007 and Non-Executives retired before 2006 as per extant Scheme.

#### b) Executive's Superannuation (Pension) Scheme

Defined Contributory Superannuation (Pension) Scheme is in operation for Executives which is in





line with the Department of Public Enterprise's Pay Revision Guidelines, operated through NPS. MDL contributes 7% of basic pay and DA to the Superannuation Pension Fund whereas minimum 3% contribution is made by the employees which is credited to National Pension Scheme.

**c) Non-Executive's Superannuation (Pension) Scheme**

Defined Contributory Superannuation (Pension) Scheme for Non-Executives is also operational in MDL similar to Pension Scheme for Executives. The pension scheme is operated through NPS. MDL contributes 5% of basic pay and DA to the Superannuation Pension Fund whereas similar contribution is made by the employees which is credited to National Pension Scheme.

**d) New initiative by HR- SBC during FY 2023-24**

- i) Your company has introduced a new GPA (Group Personal Accident) Policy covering all permanent, fixed term employees, apprentices, outsourced employees as well as visitors in MDL where the premium is borne by the Company.
- ii) Significant steps are taken in providing Personal Pay Off (PPOs) to retiring employees on the day of their retirement under the scheme PRAYAAS implemented by EPFO. Help desk has been set up under the concept of 'Pension Mitra' to assist employees for getting pension.

**3.3 Manpower and Reservation of Posts for SCs/STs:**

- a) The Company has been following Presidential Directives of the Government with regard to reservation of posts for SCs/STs in recruitments.
- b) Total manpower strength as on 31 Mar 2024 was at 6327 (including Functional Directors) out of which the number of persons on fixed term basis were 3513 of the total strength, 95 were ex-servicemen, 927 were of Schedule Caste and 550 were of Scheduled Tribes. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees was 14.65% and 8.69% respectively.
- c) Number of persons on fixed term basis as on 31 Mar 2024 were 3513 out of which 497 belonged to Scheduled Caste and 312 belonged to the Scheduled Tribes category.

- d) Details of the statement showing position regarding representation of Schedule Castes and Schedule Tribes in various categories of post on 01 Jan 2023 and 01 Jan 2024 is annexed at **Appendix 'A'**.

**3.4 Employment of Women:**

As per the Recommendation No.51, Para (ii)(a) of the National Commission for Women (NCW) in its Annual Report for the FY 1995-96, the employment position of Women as on 31 Mar 2024 is given below as directed by the Ministry of Defence, vide their letter no. 39(6)/99/D(B&C), dated 27 Aug 1999.

Note: MDL being a heavy engineering industry, the number of women applying in various trades and disciplines against vacancies notified is low.

**i) Executives below Board level:**

Sr. No.	Grade	No. of Employees	Women	Percentage (%)
1	E0	2	1	50.00
2	E1	30	9	30.00
3	E2	20	4	20.00
4	E3	175	16	9.14
5	E4	326	20	6.13
6	E5	219	7	3.20
7	E6	104	7	6.73
8	E7	45	7	15.56
9	E8	16	-	-
10	E9	5	-	-
<b>Total</b>		<b>942</b>	<b>71</b>	<b>7.54</b>

**ii) Non-Executives (Operatives)**

Sr. No	Grade	No. of Employees	Women	Percentage (%)
1	WG-01	16	-	-
2	WG-02	395	-	-
3	WG-03	3	-	-
4	WG-04	49	-	-
5	WG-05	2868	72	2.51
6	WG-06	627	11	1.75
7	WG-07	801	22	2.75
8	WG-08	30	-	-
9	WG-09	50	-	-
10	WG-10	25	-	-
11	WG-3A	2	-	-
12	WG-4A	84	-	-
<b>Total</b>		<b>4950</b>	<b>105</b>	<b>2.12</b>

**iii) Non-Executives (Staff)**

Sr. No.	Grade	No. of Employees	Women	Percentage (%)
1	SI-02	1	-	-
2	SI-03	1	-	-
3	SI-05	324	55	16.98
4	SI-06	25	4	16.00
5	SI-07	51	10	19.61
6	SI-08	4	-	-
7	SI-09	17	2	11.76
8	SI-10	6	1	16.67
9	SI-4A	2	-	-
<b>Total</b>		<b>431</b>	<b>72</b>	<b>16.71</b>

**3.5 Persons with Disabilities (PWD) as on 31 Mar 2024:**

The total number of physically challenged employees as on 31 Mar 2024 were 131 and its percentage to total employees works out to 2.07%.

Sr. No.	Group	HI	LD	VI	TOTAL
1	GROUP-A	7	14	9	30
2	GROUP-B	-	-	-	-
3	GROUP-C	15	80	6	101
<b>Total</b>		<b>22</b>	<b>94</b>	<b>15</b>	<b>131</b>

HI- Hearing Impaired, LD- Locomotive Disability, VI- Visually Impaired.

**3.6 Industrial Relations:**

- Industrial relation scenario during this period was cordial and harmonious. There were no man-hours loss on account of Industrial Conflict. In the absence of a recognized Union, efforts were made to resolve issues of mutual concern through deliberations with the Unions on the Bargaining Council and other Unions.
- The Meetings with the Unions on Bargaining Council were conducted on regular basis and issues of mutual concerns like Safety Precautions, Recruitment of Fixed Term employees etc. were settled through bilateral negotiation process. Industrial relations & labour situation at MDL, Mumbai is normal and peaceful.

**3.7 Reservation for SCs/STs/OBCs:**

Your company has been observing all the Government directives and instructions issued from time to time on reservation of posts for SCs/STs/OBCs. All the rosters of SC/ST/OBC/PWD are maintained, which is inspected by the respective Liaison Officer from time to time and perused by the SC/ST Unions also. Detailed

statistics regarding the total number of employees, number of women employees, recruitment made during the Calendar Year 2023 and the representation of SCs/STs/Ex-servicemen as on 01 Jan 2023 are given at Appendices A, B & C to this Report.

**3.8 Grievance Redressal Committees for SCs/STs:**

Weaker sections of the society are given adequate protection in the form of just and equitable treatment at the hands of employer. To ensure the same, a separate 'Grievance Redressal Cell' has been constituted for SC/ST employees. A quarterly meeting of representatives of SC/ST is held with Director (CP&P) wherein grievances related to SC/ST are discussed and resolved.

**3.9 Report on Sexual Harassment under the Act:**

Following enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment. Two (2) complaints were received during the FY 2023-24 and both were disposed-off.

**4. Awards and Recognitions:**

- 21 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2023) hosted by M/s Quality Circle Forum of India, Mumbai Chapter held at Zaverben Auditorium, Ghatkopar East, Mumbai – 400 077 from 30<sup>th</sup> Sept to 01 Oct '2023. All 21 QC teams won Gold (highest) Award. Following awards were Won by MDL QC teams at CCQC-23:
  - 1<sup>st</sup> & 2<sup>nd</sup> Prize in Poster Competition
  - 2<sup>nd</sup> Prize in Essay Competition and 2<sup>nd</sup> and 3<sup>rd</sup> prize in Slogan Competition
  - Best QC Co-ordinator award
  - Best Presentation of the Day Award
- 19 QC teams from MDL had participated in 37<sup>th</sup> National Convention on Quality Concepts (NCQC – 2023) hosted by M/s Quality Circle Forum of India held at Shree Ramdeobaba College of Engineering and Management, Nagpur from 04 to 07 Jan '24. Out of 19, 15 QC teams won Par Excellence Award and 04 QC teams won Excellent Award.
- SODET and M/s. GRSE Ltd jointly organized National Level Quality Circle Competition (QCC for DPSU) from 28-29 Nov '23 held at GRSE Main Unit, Kolkata, West Bengal. 3 QC teams from MDL had participated in SODET QCC and all the QC teams won top most Gold Award.



- d. Dr. Santosh Kumar Mallick, ED(HR) received HR Leadership Award during 10<sup>th</sup> PSU Awards by Governance now, presented by Mrs. Nirmal Kaur, IPS DGP and Padmashri Dr. Sanjeev Bagai, Chairman-NEPHRON on 22 Aug 2024.
- e. MDL won the HR Excellence (Overall) Award during 10<sup>th</sup> PSU Awards by Governance Now, presented by Mrs. Nirmal Kaur, IPS DGP and Padmashri Dr. Sanjeev Bagai, Chairman-NEPHRON on 22.03.2024
- f. Official language Magazine 'Jaltarang' published by MDL was awarded second prize on 25<sup>th</sup> July 2023 by Mumbai TOLIC (Town Official Language Implementation Committee).
- g. MDL's In-house magazine 'Jaltarang' was selected as the best magazine and awarded the first prize by Ashirwad Rajbhasha Sansthan on 26 September 2023.
- h. MDL was honored for the best seminar in the 72nd meeting (half yearly) of TOLIC held at Hotel Trident, Mumbai on 20<sup>th</sup> December, 2023.

## 5. Official Language Implementation

- a) Hindi Diwas/Week/Pakhwada/Month  
Hindi Diwas was celebrated in MDL on 14 September 2023 and Hindi Pakhwada was celebrated from 4<sup>th</sup> September 2023 to 14<sup>th</sup> September 2023 in which hindi typing, quiz, dictation, translation, hindi essay, story-telling, poetry-reading and Singing competitions were organized. Separate competitions are organized in MDL for Hindi speaking and non-hindi speaking Executive and Non-Executives. A program on singing competition was organized which started with the lighting of the lamp by the CMD.
- b) In order to enhance implementation of Hindi language, MDL management has installed 06 digital boards of *Aaj ka shabd* and *Aaj ka Vichar* at important places of the company and apart from this, Management has also approved to install 05 Hindi digital boards in major departments.
- c) Hindi comments have been compiled on the intranet portal of MDL for the promotion of Hindi.

## 6. Vigilance Activities

Your company has a well-established Vigilance Department which carries out preventive, participative and punitive vigilance, suggests systemic Improvements based on the investigation of the complaints/spot

checks/CTE type examination and also ensures that integrity is maintained in all functions of the organization.

Major activities carried out by Vigilance Department are as follows:

- **Preventive Vigilance**

During the period, 17 surprise/spot checks, 7 CTE type intensive examinations were carried out across the company and thereafter, 17 suggestions/corrective measures were recommended for Systemic Improvements and the same were promulgated through Circulars by the Directors concerned. Further, 62 complaints were handled during the period and penal action was taken against 3 employees whereas administrative action was taken against 12 employees. The Vigilance Department also scrutinized 3 CAG Audit and 20 Internal Audit Reports.

- **Vigilance Awareness Week (VAW)**

Following programs were conducted during the VAW:



Inauguration of Vigilance Awareness Week 2023 on 30 Oct '23

Precursor to VAW – 2023- Awareness program on PIDPI complaints, Capacity building programs on related topics were undertaken during the 3 months' period 16 Aug 2023 to 15 Nov 2023.

VAW was observed commencing on 30 Oct 2023 on the theme Say No to Corruption; Commit to the Nation The digital version of MDL's In-house Vigilance Journal Sucharita (Vol. XXVI) was released during the Inaugural function and a skit on the Theme of VAW – 2023 was also performed.



In house activities like essay, slogan, poster, quiz competitions, street plays were organized to create awareness about Vigilance. A session on Preventive Vigilance and case studies was taken by CVO for Executives of the Company.

Outreach activities like mini marathon, drawing, essay, slogan competitions were also organized, Gram-Sabha was arranged for creating awareness about Corruption among school children and citizens at Moroshi village which received a good response. Drawing competition was also conducted at National Skill Training Institute (Women), Mumbai.

Sensitization programs on Vigilance Awareness and Preventive Vigilance were organized using In-house as well as external resources for MDL employees so as to create awareness for eradicating corruption.

- Two-Days Training module on Preventive Vigilance as part of Induction/Mid-Career Training was imparted by MDL Vigilance Team to a total of 83 MDL Executives. Exposure visit of Executives at NDDDB Anand was attended by 215 employees of MDL. Capacity Building Initiatives were taken in which Vigilance executives were trained on various vigilance related aspects through internal & external resources; in turn these executives impart training to MDL Executives & Non-Executives.

## **7. Governance & Sustainability**

### **7.1 Corporate Governance**

In terms of Regulation 34 read with Schedule V of SEBI (LODR) Regulations 2015 and the DPE Guidelines, a report on Corporate Governance for the year ended 31 March, 2024 has been prepared and annexed to this Report. The Company's Secretarial Auditor has issued a certificate on Corporate Governance and is appended to the Corporate Governance Report at Appendix 'D'.

### **7.2 Implementation of Right to Information (RTI) Act, 2005**

Under the (RTI) Act, 2005, to facilitate provision of information to the citizens requesting for the same, your Company has evolved necessary structure by designating officers as Assistant Public Information Officer, Public Information Officer and Appellate Authority for the purpose of implementation of the RTI 2005 Act in the Company. During the FY 2023-24, the Company received 218 applications and 17 first appeals through online/offline mode. The information/

replies sought for were duly furnished. The Quarterly Returns are being uploaded on the Central Information Commission's (CIC) website. Proactive disclosures of information were updated on the website of MDL under RTI Link as directed by CIC

### **7.3 Meetings of the Board**

Against the Statutory requirement of minimum 4 meetings of the Board in a Financial Year, nine meetings of the Board of Directors of the Company were held. These were held on 28 April 2023, 30 May 2023, 26 July 2023, 10 Aug 2023, 10 Oct 2023, 08 Nov 2023, 20 Dec 2023, 12 Feb 2024 and 20 March 2024 during the FY 2023-24.

### **7.4 Company's Policy on Directors Appointment and Remuneration**

As your Company is a Central Government Public Sector Enterprise (CPSE), the appointment, tenure and remuneration of Directors (Functional Directors including the CMD) are determined by Government of India through Public Enterprises Selection Board (PESB), the terms and conditions of appointment, including the period of appointment, the scale of pay and other entitlements are notified by the Government of India.

The Ministry of Defence (Administrative Ministry) appoints the Government Nominee Director and they are not entitled to any remuneration or sitting fees.

The Non-Executive Independent Directors are appointed by the Government of India and they are entitled to sitting fees for attending the Board/Committee meetings as prescribed by the Board in adherence with the statutory rules and regulations.

According to the Ministry of Corporate Affairs, Government of India's Gazette Notification No GSR 463 (E) dated 5 June 2015, your Company, a Government Company, is not required to frame a Policy on Directors' appointment and remuneration including criteria for determining qualifications, evaluation etc., under section 134(3)(e) of the Companies Act, 2013.

### **7.5 Board Evaluation**

Pursuant to the Ministry of Corporate Affairs, Government of India's Gazette Notification No GSR 463 (E) dated 5 June 2015, the statement indicating the manner in which formal Annual Evaluation has been made by the Board of its own performance and that of its committees and individual Directors is not required for your Company, as the performance of Directors is evaluated by the Administrative Ministry.





## 7.6 Changes in the Board/Charge of Director

The following changes took place in the Directorship/ Charge of the Company during the year under review:-

Shri. Chandu Sambasiva Rao (DIN 02296283) was appointed as Independent Director (Part Time Non- Official) w.e.f. 22 Feb 2024 pursuant to the appointment letter received from Department of Defence Production, Ministry of Defence dated 22 Feb 2024.

Ministry of Defence, Dept of Defence Production vide Letter No. F No. 4/1(2)/2018/D(NS) dated May 27, 2024 regarding Current Charge arrangement of the post of Director (Submarine & Heavy Engineering) has conveyed the approval of competent authority that Director (Submarine & Heavy Engineering), MDL, Cdr Jasbir Singh is relieved of this charge with immediate effect. Cdr. Vasudev Puranik, Director Corporate Planning & Personnel, MDL is given the current charge of the post of Director (Submarine & Heavy Engineering), MDL, for a period of three months or till the further orders, whichever is earlier.

Shri. Amit Satija, Joint Secretary (DIN:08989543) has been appointed as the Government Director (Part Time Official Director) on the Board of the Company w.e.f 14 August 2024 in place of Shri. Anurag Bajpai, Additional Secretary (DIN-08948155) pursuant to order conveyed by the Ministry of Defence vide their letter No. 8(32)/2019-D (Coord/ DDP) dated 14 August 2024

## 7.7 Constitution of Audit Committee

Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder has been constituted by the Board. The Committee acts in accordance with the terms of reference as approved by the Board. The composition and other details are disclosed in the Corporate Governance Report. All recommendations made by the Audit Committee were accepted by the Board.

## 7.8 Declaration and Meeting of Independent Directors

All Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under both the Companies Act, 2013 and the SEBI Listing Regulations.

A Separate Meeting of Independent Directors in accordance with the provisions of the Companies Act, 2013 was held on 19 March 2024 and all the Independent Directors were present.

The Independent Directors have also confirmed that they have complied with the "Code of Business

Conduct and Ethics for Board Members and Senior Management" of the Company.

## 7.9 Corporate Social Responsibility (CSR)

MDL is committed to undertake various programs for integrating social and business goals in a sustainable manner through inclusive growth so as to make a positive impact on the society at large. Your Company has adopted CSR policy in compliance with the Section 135 of the Companies Act, 2013 and Rules framed there under.

The CSR Budget of your company for the FY 2023-24 was ₹ 18.37 Crores (2% of average profit of the previous three (3) Financial Years as per section 198 of Companies Act, 2013). In addition to above, a sum of ₹ 5.87 Crores was carried forward from the previous Financial Years as part of multi-year ongoing projects. Out of total amount of ₹ 24.24 Crores, your Company has spent ₹ 22.30 Crores (Rs 18.58 Crores against ₹ 18.37 Crores and ₹ 3.72 Crores against ₹ 5.87 Crores) towards CSR activities during FY 2023-24. Thus, MDL has complied with the requirement of spending 2% of average net profit (₹ 18.37 Crores) as a part of CSR expenditure for FY 2023-24. However, ₹ 2.15 Crores remains unspent towards multiyear/ongoing projects, which will be spent as part of an ongoing projects.

Your Company has executed 30 projects as part of its CSR initiatives mainly in sectors of Education, Health & Sanitation, Skill Development and Village Development. The executed projects are in line with Schedule VII of the Companies Act, 2013. The details of the major projects executed in FY 2023-24 are as under:

- a) **Aspirational Districts:** In line with National Sickle Cell Anaemia Elimination Mission of Gol, your Company has supported District Administration in elimination of Sickle Cell Anaemia in Nandurbar district (one of the Aspirational districts in Maharashtra). Under this project, screening of 1.20 lakhs persons from the target age groups in the district was completed.



Screening of patients under TB MukT Nandurbar project



In order to address the problem of malnutrition in Nandurbar district, your Company has undertaken creation of awareness with regard to the Breastfeeding techniques & Mother/Child Nutrition project through DA – Nandurbar.

Your Company has also undertaken construction of Anganwadi centres in Nandurbar district. Your Company has also worked towards making Nandurbar, a TB Mukta district which is one of the flagship project of Government of India.

- b) **Contribution to Indian Institute of Technology (IITs):** Being part of Schedule VII of Companies Act, 2013 in order to promote efforts of Research & Development through support to Country's premier institutions, your company has joined hands with IIT Bombay, IIT Hyderabad and IIT Indore. The research projects undertaken with IITs is expected to develop technologies in Marine/Ocean/Naval fields.

- c) **Healthcare & Nutrition:** Your Company has continued undertaking new initiatives in the Healthcare sector in the FY 2023-24. Your Company has supported the Government Hospitals in Mumbai i.e. Sir J J Group of Hospitals, Cama & Albess Hospital, BYL Nair Charitable Hospital, Seth A J B Municipal ENT Hospital, and Bharat Ratna Dr. Bhimrao Ambedkar Memorial Hospital and thereby helped in equipping these hospitals with necessary medical items so as to serve the needy sections of the society.

MDL has completed the project to support the Charitable Hospital in Kota district, Rajasthan by providing medical equipment. MDL has continued its support towards construction of health & nutritional facility in Rajkot district, Gujarat and towards Anemia Mukta Bharat project which has benefitted 5898 patients in FY 2023-24.

**Cancer Care:** Your Company has given special focus towards cancer care/treatment and undertook several projects in FY 2023-24. MDL supported two shelter homes in Mumbai & Navi Mumbai so as share the burden of high living cost of patients & their dependents who are required to visit Mumbai, for availing the cancer treatment facilities at reputed institution such as Tata Memorial Hospital etc. MDL has also supported **Socio - Psycho counseling of more than 1.5 Lakhs cancer patients** at seven Regional Cancer Centers in five different States of India.

**Support to Intellectually Disabled Children:** MDL provided much needed support for intellectually deficient children and adults at Children's Home in Mankhurd for the benefit of 265 children who are basically victims of natural calamities, social apathy and loss of parents.

- d) **Education Sector:** MDL has continued its support for "MDL Super 10 project" and a total of 24 students from Shahapur area, Thane district have been provided support to get quality education at Bhonsala Military School, Nagpur.

Further, MDL has provided support for setting up of 100 ABHYASIKAS (Tuition Centres) in Vijayawada Urban slum areas for **educating 2786 underprivileged slum children**.

- e) **Skill Development:** Your Company has continued its support for Apprenticeship Training at Apprenticeship Training School, MDL.

MDL has also provided support for Entrepreneurship Training for the unemployed youths in Andhra Pradesh, through five Skill Development Centres.

The CSR Committee certifies that the implementation and monitoring of the CSR projects being executed are in accordance with the CSR objectives and policy of the company. The Annual Report on CSR contains the requisite details as specified in the Companies Act, 2013 and is placed at **Appendix E**.

#### 7.10 Environment and Pollution Control:

In alignment with the Government of India's policy to increase the quantum of renewable energy and to reduce energy consumption various projects were undertaken by your Company. MDL is committed to reduce the consumption of energy generated by fossil fuel and to increase the generation of renewable energy to the maximum possible extent. MDL has already installed 1.85 MWp roof Top Solar Power Plant.

Information required under Section 134(3)(m) of the Companies Act 2013, pertaining to Conservation of Energy, Technology Absorption is given in **Appendix 'F'** to this Report.

#### 7.11 Swachh Bharat Initiatives

In line with the Swachh Bharat Mission of Government of India, your Company has continued the clean-ship of areas/wards in Mazagon, Mumbai:



Swachha Hi Seva - 2023

- a) Clean-ship of adjacent areas/roads of MDL by external agency: MDL has engaged a clean-ship - specific agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL.
- b) Celebration of 'Swachhata hi Seva 3.0 Campaign' from 01 Oct 2023 to 31 Oct 2023 - Cleanliness drive (Shramadaan) was organized from 01 Oct 2023 to 31 Oct 2023 within and surrounding areas of MDL and conducted various outreach activities like were conducted during the month of Oct 2023:
  - i) Identifications of Scraps
  - ii) Segregation of records and weeding of old records
  - iii) Cleanliness drive in MDL residential complex
  - iv) Cleanliness drive (Shramadaan) in the surrounding public areas viz, road, and market areas
  - v) Plogging (Picking of Single Use Plastic) and collection of Plastic waste
  - vi) Tree Plantation
- c. Celebration of *Swachhta Pakhwada*, 2023 from 01<sup>st</sup> Dec 2023 to 15<sup>th</sup> Dec 2023. In accordance with the Ministry's guidelines promulgated, various outreach activities has been conducted from 01 Dec 2023 to 15 Dec 2023 at MDL.

### 7.12 Particulars of Employees and Related Disclosures

In accordance with the Ministry of Corporate Affairs notification no. GSR 463(E) dated 05 June 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and rules thereof regarding disclosure of particulars of employees drawing remuneration in excess of the specified limit.

### 7.13 Extract of Annual Return

In terms of the Companies Act, 2013 as amended, the Annual Return is available on <http://mazagondock.in/Annual Return>.

### 7.14 Directors' Responsibility Statement

As required under Section 134(3) (c) and 134(5) of the Companies Act, 2013 the Directors' Responsibility Statement is given as under, that:-

- (a) In the preparation of the Annual Accounts for Financial Year ended on 31 March 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2023-24 and of the Profit and Loss of the Company for the Financial Year ended on 31 March 2024;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the Annual Accounts for the Financial Year ended on 31 March 2024 on a going concern basis;
- (e) The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

### 7.15 Statutory Auditors and their Report

The Comptroller and Auditor General of India under Companies Act, 2013 appointed M/s. C.R. Sagdeo & Co, Chartered Accountants, Mumbai as the Statutory Auditors of the Company for the FY 2023-24 as MDL is a CPSE. The Auditors have certified the Accounts and their Report is placed as a part of Annual Report.



The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for further comments. During the year under review, no fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Amendment Rules, 2015.

#### **7.16 Comments of the Comptroller & Auditor General of India**

The Comments of the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013 and the Management reply are placed as a part of Annual Report.

#### **7.17 Cost Auditors**

M/s. Dhananjay V Joshi & Associates, Mumbai were appointed as Cost Auditors for conducting Cost Audit of the Company under Section 148 of the Companies Act, 2013 for the FY 2023-24 and 2024-25 and accordingly such accounts and records are made and maintained.

#### **7.18 Secretarial Audit**

M/s Ragini Chokshi & Co., Practicing Company Secretaries, Mumbai were appointed to conduct Secretarial Audit of the Company for the FY 2023-24 pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations. The Report of the Secretarial Audit in Form MR-3 is annexed to the Directors' Report as Appendix 3 and forms part of this report. The Report does not contain qualification, reservation or adverse remark except that the Company did not have sufficient numbers of Non Executive & Independent Directors on the Board of the Company as stipulated under the SEBI Listing Regulations 2015.

In this regard, your Company being a Government Company, under the Administrative Control of the Ministry of Defence, Department of Defence Production, the power to appoint Directors (including Independent Directors) and finalizing the terms and conditions of appointment vest with the Government of India. The matter regarding appointment of required number of Independent Directors has been taken up with the Administrative Ministry from time to time and the Government is seized of the matter.

#### **7.19 Adequacy of Internal Financial Controls with Reference to the Financial Statements**

- i. The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies with well-defined Annual

Audit Program and significant audit observations are reported to the Audit Committee of Board of Directors. The Internal Audit function is headed at the level of Executive Director who is reporting directly to the Chairperson & Managing Director of the Company.

- ii. Internal Audit of specific areas of the Company's operations has been outsourced to Chartered Accountant firm. In addition to outsourced audit activities, other audit activities are carried out by in-house Internal Audit department. Audit reports given by Internal Auditors were reviewed by Audit Committee and necessary directives were issued. The Company had initiated suitable actions on the said directives.

#### **8. Management Discussion & Analysis Report**

As per Regulation 34(2) (e) of the SEBI Listing Regulations, the Management Discussion and Analysis Report is attached to this Report as Appendix 'G'.

#### **9. Business Risk Management**

As per Regulation 21 of the SEBI Listing Regulations, 2015 the Company has constituted a Risk Management Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

#### **10. Business Responsibility Sustainability Report (BRSR)**

The Listing Regulations mandates the inclusion of the BRSR as a part of Annual Report for the top 1000 listed entities based on Market Capitalization. In compliance with the Listing Regulations, we have integrated BRSR disclosures into our Annual Report.

#### **11. Future Outlook**

Your Company has envisaged following measures of future outlook.

##### **i. Infrastructure**

Your Company is exploring the possibility for setting up a green field shipyard at its Nhava Yard in phased manner with short term and long term development plans. Short term development shall enable MDL to facilitate the immediate use of the existing infrastructure for Shipbuilding and Ship repair business whereas long term development is to facilitate construction of large size Vessels and Submarines including major refit and repairs.

Towards undertaking the construction of advanced and next generation Vessels, MDL has placed order for construction of a New Floating Dry Dock of 12000T capacity.





Your Company is committed towards up-liftment of under privileged sections of society and towards this a skill development hub is being created with an Apprentice Training School (ATS) and associated development work at Gavhan village, Navi Mumbai.

### ii) Diversification:

- a. MDL has also diversified its portfolio and is undertaking the Maintenance, Repair & Overhaul (MRO) and spare parts of MI-17 helicopter of Nepalese Army.
- b. Reinitiated the Heavy Engineering and Offshore Projects vertical and obtained orders from ONGC for Part Replacement of Pipeline Project worth ₹ 1,145 Cr.

### iii. Exports:

Exports is in full alignment with the thrust of the Government of India for having footprints in the International markets. Your Company is vigorously pursuing export avenues with a wide gamut of product portfolio. In this regard, your Company has already appointed channel partners who are globally liaisoning with potential clients for export orders. The effort has already borne fruits and MDL have already bagged the following export orders:

- (a) Inspection of Pipes and Valves from M/s BHIC Submarine Engineering Services Sdn Bhd Malaysia.
- (b) MDL has signed contract with a Danish client for Construction and Delivery of Six (06) 7500 DWT Multi Purpose Hybrid Powered Vessels.
- (c) MDL has facilitated yard facility to M/s Porrira, a Switzerland flag experimental boat.



Session on Ethics and Governance for MDL Top Management and CVOs of other organizations on 26 Sept '23

- (d) Two orders for Maintenance, Repair & Overhaul (MRO) of MI 17 Helicopter for Nepalese Army.
- (e) In addition, MDL has signed Master Ship Repair Agreement (MSRA) with the US Government represented by NAVSUP Fleet Logistics Centre Yokosuka to carry out Voyage repairs of US Navy Vessels.

Your Company's strategic positioning on the west coast of the country provides proximity to the main sea routes criss crossing the Arabian Sea and the Indian Ocean with accessibility to Europe and Middle East. Tie-ups with other small shipyards in the country are in place. MDL has aligned itself with the new thrust on Defence exports.

### Acknowledgements

Your Directors wish to place on record their gratitude and sincere appreciation for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India especially the Ministry of Defence, Department of Defence Production, the Indian Navy, Greater Mumbai Municipal Corporation, Mumbai Port Trust, Principal Controller of Defence Accounts (Navy), the Departments of Customs, Income Tax and GST.

Your Directors also place on record their appreciation for the assistance extended by the Company's Bankers, the valuable advice rendered and co-operation extended by the Statutory Auditors, M/s. Sagdeo & Co., Mumbai, and the officers of the Principal Director of Commercial Audit and Ex-Officio Member of the Audit Board, Bengaluru. Your Directors express their gratitude to the clients, who have extended patronage to the Company. Your Directors also appreciate and acknowledge the devoted efforts put in by the Company's employees at all levels.

Sincere thanks also to all the Stakeholders for having unwavering confidence in the Company and willingness to extend all support to the Company.

Place: Mumbai

Date: 14 August, 2024

For and on behalf of the Board

### Sanjeev Singhal

Chairman & Managing Director (Additional Charge) & Director (Finance)  
DIN: 07642358



## Appendix 'A' to the Directors Report

Statement showing position regarding representation of Schedule Castes and Schedule Tribes in various categories of post on 01<sup>st</sup> January 2023 and 1<sup>st</sup> January 2024

Classification of Posts/Services	As on 01st January 2023			As on 01st January 2024		
	Total Strength	Schedule Caste	Schedule Tribe	Total Strength	Schedule Caste	Schedule Tribe
<b>Permanent:</b>						
Group 'A'	949	181	63	933	180	63
Group 'B'	1	-	-	2	-	-
Group 'C' (Excluding Safaiwala)	2,086	259	153	1,840	241	143
Group 'C' Safaiwala	-	-	-	-	-	-
<b>Temporary:</b>						
Group 'A'	-	-	-	-	-	-
Group 'B'	-	-	-	-	-	-
Group 'C' (Excluding Safaiwala)	-	-	-	-	-	-
Group 'C' Safaiwala	-	-	-	-	-	-
Group 'C' (Apprentice Under Act)	-	-	-	-	-	-
<b>Fixed Term Contract:</b>						
Group 'A'	-	-	-	-	-	-
Group 'B'	-	-	-	-	-	-
Group 'C' (Excluding Safaiwala)	2,908	385	270	3,274	443	315
Group 'C' Safaiwala	-	-	-	-	-	-

\* Includes Board level Executives



## Appendix 'B' to the Directors Report:

Particulars of recruitment made during the Calendar Year 2023. The number filled by SC's/ST's, reason for shortfall and steps taken to improve the position

Classification of Posts/ Services	Total number of posts advertised	Schedule Caste		Schedule Tribe		Reason for shortfall and steps taken to improve the position
		Notified	Filled	Notified	Filled	
<b>Permanent:</b>						
Group 'A'	58	12	12	21	15	No suitable candidate was found & backlog is re advertised.
Group 'B'	-	-	-	-	-	
Group 'C' (Excluding Safaiwala) (Fix Term)	60	11	11	27	27	
Group 'C' Safaiwala	-	-	-	-	-	
<b>Fixed Term Contract</b>						
Group 'A'	-	-	-	-	-	
Group 'B'	-	-	-	-	-	
Group 'C' (Excluding Safaiwala)	537	59	36	54	25	No suitable candidate was found & backlog will be re advertised in next recruitment cycle.
Group 'C' Safaiwala	-	-	-	-	-	



## Appendix 'C' to the Directors' Report

Statement showing representation of Ex-Servicemen in Group 'C' & 'D' and number of women employees as on 01<sup>st</sup> January 2024

Classification of Posts/Services	Total Strength	Ex-servicemen		Women Employees	
		No	%	No	%
<b>Permanent</b>					
Group 'A'	933	89	9.54	67	7.18
Group 'B'	02	-	-	01	50.00
Group 'C' (Excluding Safaiwala)	1,840	4	0.22	52	2.83
Group 'C' Safaiwala	-	-	-	-	-
<b>Fixed Term Contract</b>					
Group 'A'	-	-	-	-	-
Group 'B'	-	-	-	-	-
Group 'C' (Excluding Safaiwala)	3,274	2	0.06	108	3.30
Group 'C' Safaiwala	-	-	-	-	-





## Appendix 'D' to Directors' Report

### CORPORATE GOVERNANCE

#### 1 PHILOSOPHY ON CORPORATE GOVERNANCE

Mazagon Dock Shipbuilders Limited's (MDL) philosophy on Corporate Governance aims to achieve sustainable growth, maximize Shareholders returns, optimize the utilization of resources towards the corporate goal, increase the value of the organization, strengthen its relationships with its stakeholders and practice utmost degree of professionalism and integrity within the Organization and society at large. The Board and its Committees guide, support and supplement the Management team to achieve the set objectives and enrich stakeholders value.

Principles of Accountability, Transparency, Integrity, Social Responsibility, Environment and Regulatory Compliances are integral to our functioning. Besides adhering to the provisions of the Listing Agreement, being a Government Company, its activities are subject to review by several external authorities like the Comptroller and Auditors General of India (CAG), the Central Vigilance Commission (CVC) and Parliamentary Committees.

The Corporate Governance disclosure in compliance with Regulation 34 & Regulation 53 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mandated by the Securities and Exchange Board of India (SEBI) applicable on account of the Listing Agreement executed with the Stock Exchanges as well as notification on Corporate Governance for Public Sector Enterprises issued by the Department of Public Enterprises (DPE), are as under:

#### 2. BOARD OF DIRECTORS

##### 2.1 Composition of Board of Directors as on 31 March 2024

As on 31 March 2024, the Board of Directors of the Company comprised of four Whole-Time/Functional Directors, one Government Nominee Director and four Independent Directors as under:

##### Whole-time Directors:

Shri. Sanjeev Singhal- Chairperson & Managing Director (Additional Charge) & Director (Finance)

Cdr. Jasbir Singh, IN (Retd)- Director (Submarine & Heavy Engineering)\*

Shri Biju George- Director (Shipbuilding)

Cdr. Vasudev Puranik, IN (Retd.) - Director (Corporate Planning & Personnel)\*

##### Government Nominee Director:

Shri Anurag Bajpai, Addl Secretary (DP), Ministry of Defence\*\*

##### Independent Directors:

Shri. Mallikarjunarao Bhyrisetty

Smt. Neeru Singh Jagjeet Kaur

Shri. Dattaprasad Kholkar

Shri. Chandu Sambasiva Rao wef 22.02.2024

\*Ministry of Defence (MOD), Dept of Defence Production vide Letter No. F No. 4/1(2)/2018/D(NS) dated 27 May, 2024 regarding Current Charge arrangement of the post of Director (Submarine & Heavy Engineering) has conveyed the approval of competent authority that Director (Submarine & Heavy Engineering), MDL, Cdr Jasbir Singh is relieved of this charge with immediate effect & Cdr. Vasudev Puranik, Director (CP&P), MDL is given the current charge of the post of Director (Submarine & Heavy Engineering), MDL, for a period of three months or till the further orders, whichever is earlier.

\*\*Shri. Amit Satija, Joint Secretary (DIN:08989543) has been appointed as the Government Director (Part Time Official Director) on the Board of the Company w.e.f 14 August 2024 in place of Shri. Anurag Bajpai, Additional Secretary (DIN-08948155) pursuant to order conveyed by the Ministry of Defence vide their letter No. 8(32)/2019-D (Coord/ DDP) dated 14 August 2024.

##### Note:

During the Financial Year 2023-24:

- Shri. Chandu Sambasiva Rao, (DIN 02296283) was appointed as Independent (Part Time Non-Official Director) w.e.f. 22 February 2024.

As on 31 March 2024, one position of Functional Director (CMD) and two positions of the Independent Directors are lying vacant. Your Company being a Government Company, the appointment of all Directors are made by the President of India, through the Administrative Ministry, Ministry of Defence.

At the time of listing, the Company had received exemptions from SEBI pursuant to the SEBI Exemption Letter dated 17 September 2020 from the compliance of corporate governance requirements (pertaining to shortfall/lack of Woman Director and Independent



Directors and composition of the Board and Committees) as prescribed under Paragraph (10)(F)(g)(i) of Part A of Schedule VI of the SEBI (ICDR) Regulations 2018 for the purpose of listing of Equity Shares on the Stock Exchanges. Your Company became a listed Company on 12 Oct 2020.

Directors are not inter-se related to each other.

## 2.2 Particulars of Directors including Board Meetings and attendance of Directors and their Committee details during the Financial Year 2023-24

(# In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015 Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee are considered)

Sr. No.	Directors	No of Board Meeting(s) held during respective tenure of Director	No. of Board Meeting(s) Attend-ed	Atten-dance in the last AGM held on 27 Sep 2023	No. of Direc-torship in other Compa-nies	Details of Direc-torship in other Listed Compa-nies & category	No. of Committee Memberships across all Companies as on 31 March 2024	
							As Chairman	As Member
<b>Whole-Time/Functional (Executive) Director</b>								
1	Shri. Sanjeev Singhal-Chairman & Managing Director (Additional Charge) & Director (Finance)	9	9	Yes	Nil	Nil	Nil	
2	Cdr. Jasbir Singh, IN (Retd.) (Director Submarine & Heavy Engineering) *	9	9	Yes	Nil	Nil	Nil	1
3	Shri. Biju George (Director Shipbuilding)	9	9	Yes	Nil	Nil	Nil	1
4	Cdr. Vasudev Puranik, IN (Retd.) (Director Corporate Planning & Personnel)**	9	9	Yes	Nil	Nil	Nil	
<b>Government Nominee Director (Non-Executive)</b>								
5	Shri. Anurag Bajpai, AS (DP)	9	9	No	2	1	Nil	
<b>Independent (Non-Executive) Director</b>								
6	Shri. Mallikarjunarao Bhyrisetty	9	9	Yes	Nil	Nil	1	NIL
7	Smt. Neeru Singh Jagjeet Kaur	9	9	Yes	Nil	Nil	1	Nil
8	Shri. Dattaprasad Kholkar	9	9	Yes	Nil	Nil	2	2
9	Shri. Chandu Sambasiva Rao (appointed as an Independent Director w.e.f. 22 Feb 2024)	1	1	NA	1	Nil	Nil	

\*Relieved of the charge wef 27.05.2024

\*\*Additional charge of Directors (Submarine & Heavy Engineering) wef 27.05.2024

Notes:

- None of the Directors is a Member of more than 10 Committees or Chairperson of more than 5 Committees, across all the Companies in which he is a Director;
- None of the Directors serves as a Director in more than 7 listed Companies and as Independent Director in more than 7 listed Companies;



- iii) The Directorship held by Directors in other Companies as mentioned above includes Public and Private Limited Companies but do not include Companies registered under Section 8 of the Companies Act, 2013.
- iv) As on 31 March 2024, none of the Directors is holding any share in the Company;
- v) Details of directorship on the Board of other Companies and Committee positions are as on the date of cessation from the Board of the Company.

### 2.3 Meetings of the Board of Directors

During the Financial Year ended 31 March 2024, nine meetings of the Board of Directors of the Company were held as under:

Sr. No.	Date of Board Meeting
1	28 April 2023
2	30 May 2023
3	26 July 2023
4	10 August 2023
5	10 October 2023
6	08 November 2023
7	20 December 2023
8	12 February 2024
9	20 March 2024

### 2.4 Skill/Expertise/Competence of the Board

Mazagon Dock Shipbuilders Limited, is a Government Company under Section 2(45) of the Companies Act, 2013, under the administrative control of the Ministry of Defence, Department of Defence Production. The skills/expertise/competency of the Board as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly the selection of Directors on the Board of the Company is made by the Government.

The power to appoint/re-appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation etc., is vested with the President of India through the Administrative Ministry. Therefore, the Board Members of the Company have the skill, expertise and competency as per Industry requirement.

### 2.5 Familiarisation Programmes for Independent Directors

The Company provides various familiarization/training programmes from time to time for the Independent Directors in order to familiarize them with their role, rights, responsibilities, business model, nature of

the industry in which the Company operates etc. The familiarization programme for Independent Directors is uploaded on the Company's website at <http://mazagondock.in>

### 2.6 Following policies/codes are uploaded on the Company's website at <https://mazagondock.in> in line with the Companies Act 2013, SEBI (LODR) Regulations 2015 and DPE guidelines:

- Code of Business Conduct and Ethics for Board Members and Senior Management
- Corporate Policy on Materiality for Disclosure of events to the Stock Exchanges
- CSR Policy
- Familiarization Program for Directors
- Materiality Policy
- Preservation of Documents and Archival Policy
- Policy on Related Party Transactions
- Terms and conditions of Appointment of Part-Time Non-Official Directors
- The Code of Internal Procedures and Conduct for Prohibition of Insider Trading in dealing with Securities
- Closure of Trading Window under SEBI(PIT) Regulations, 2015
- Whistle Blower Policy
- Dividend Distribution Policy

## 3 SUB-COMMITTEES OF BOARD OF DIRECTORS

### 3.1 AUDIT COMMITTEE:

- a) During the Financial Year ending 31 March 2024, eight Audit Committee meetings were held on :

Sr. No.	Date of Audit Committee Meeting
1	29 May 2023
2	30 May 2023
3	10 August 2023
4	25 October 2023
5	08 November 2023
6	20 December 2023
7	12 February 2024
8	19 March 2024

- b) Composition of the Committee and meetings attended by each member of the Audit Committee during the Financial Year 2023-24 is as follows:



Sr. No.	Members of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
1.	Shri Mallikarjunarao Bhyrisetty	Independent Director	Chairperson	8	8
2.	Shri. Dattaprasad Kholkar	Independent Director	Member wef 10.10.2023	5	5
3.	Cdr. Jasbir Singh, IN (Retd)	Whole-Time Director	Member till 28.05.2024	8	8
4.	Smt Jagjeet Kaur Neeru Singh	Independent Director	Member till 10.10.2023	3	3

- The Director (Finance) & CFO is a permanent invitee to the Committee.

- c) The terms of reference to the Audit Committee consists the following:
1. The role of the Audit Committee shall include the following:
    - (a) Oversight of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
      - (iv) Significant adjustments made in the Financial Statements arising out of audit findings;
      - (v) Compliance with Listing and other Legal requirements relating to Financial Statements;
      - (vi) Disclosure of any Related Party Transactions;
      - (vii) Modified opinion(s) in the Draft Audit Report.
    - (b) Recommendation to the Board for fixation of remuneration to the Auditors;
    - (c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
    - (d) Reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
      - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
      - (ii) Changes, if any, in Accounting Policies and practices and reasons for the same;
      - (iii) Major accounting entries involving estimates based on the exercise of judgement by management;
  - (e) Reviewing, with the Management, the quarterly/half yearly Financial Statements before submission to the Board for approval;
  - (f) Reviewing with the Management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.), the Statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a Public or Rights Issue and making appropriate recommendations to the Board to take up steps in these matters;
  - (g) Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;
  - (h) Approval or any subsequent modification of transactions of the Company with related parties;





- (i) Scrutiny of Inter-Corporate Loans and Investments;
  - (j) Valuation of undertakings or Assets of the Company wherever it is necessary;
  - (k) Evaluation of Internal Financial Controls and Risk Management Systems;
  - (l) Reviewing with the Management, performance of Internal Auditors, adequacy of the Internal Control Systems;
  - (m) Appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the Internal Auditors;
  - (n) Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (o) Discussion with Internal Auditors of any significant findings and follow up there on;
  - (p) Review the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
  - (q) Review observations of statutory, internal & government auditors and provide recommendations based on the same;
  - (r) To review the follow up action on the audit observations of the C&AG audit;
  - (s) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (t) To look into the reasons for substantial defaults in the payment of the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividend and creditors);
  - (u) To review the functioning of the Whistle Blower Mechanism;
  - (v) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate;
  - (w) Review and monitor the Auditor's independence and performance and effectiveness of audit process;
  - (x) Examination of the Financial Statements and Auditor's Report thereon;
  - (y) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time;
  - (z) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, which-ever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
2. The Audit Committee shall mandatorily review the following information:
- (a) Management Discussion and Analysis of Financial condition and results of Operations;
  - (b) statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by Management;
  - (c) Management letters/letters of Internal Control weaknesses issued by the Statutory Auditors;
  - (d) Internal Audit reports relating to Internal Control weakness;
  - (e) the appointment and removal of the Chief Internal Auditor, shall be subject to review of the Audit Committee;
  - (f) Statement of deviations:
    - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
    - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3.2 NOMINATION AND REMUNERATION COMMITTEE:**

- a) During the Financial Year ending 31 March 2024, eight Nomination and Remuneration Committee meetings were held on:

Sr. No.	Date of NRC Meeting
1	29 May 2023
2	15 June 2023
3	01 September 2023
4	10 October 2023
5	07 November 2023
6	18 December 2023
7	08 February 2024
8	19 March 2024

- b) Composition of the Committee and meetings attended by each member of the Nomination and Remuneration Committee (NRC) during the Financial Year 2023-24 was as follows:

Sr. No.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
1	Shri. Mallikarjunarao Bhyrisetty	Independent Director	Chairman	8	8
2	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	8	8
3	Shri. Dattaprasad Kholkar	Independent Director	Member	8	8

- The Director (Corporate Planning & Personnel) is a permanent invitee and Director (Finance) is a special invitee to the Committee.

- c) The terms of reference of the Nomination and Remuneration Committee consists of the following:

- To identify persons who may be appointed in senior Management in accordance with the criteria laid down & recommend to the Board their appointment and removal;
- To recommend to the Board a policy, relating to the remuneration for the Key Managerial Personnel and other employees;
- To recommend Annual Bonus/Performance Pay/Variable Pay Pool and policy for its distribution across the Executives;
- Formulation and modification of schemes for providing perks and allowances for Executives;
- Any new scheme of compensation to Executives and Non-Executives as the case may be;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.



### 3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

- a) Composition of the Committee and meetings attended by each Members of the Stakeholders Relationship Committee (SRC) during the Financial Year 2023-24 is as follows:

Sr. No.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
1.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Chairperson	1	1
2.	Shri. Dattaprasad Kholkar	Independent Director	Member wef 10.10.2023	NIL	NIL
3.	Shri. Sanjeev Singhal	Whole-Time Director	Member	1	1
4.	Shri. Biju George	Whole-Time Director	Member	1	1
5.	Shri. Mallikarjunarao Bhyrisetty	Independent Director	Member till 10.10.2023	1	1

- b) The terms of reference of the Stakeholders Relationship Committee consists of the following:
- Warrants/Annual Reports/Statutory Notices by the Shareholders of the Company.
- (i) Resolving the grievances of the Security holders of the Company including complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.,
- (ii) Review of measures taken for effective exercise of voting rights by the Shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the unclaimed dividends and ensuring timely receipt of Dividend
- c) During the year, the Stakeholders Relationship Committee had one meeting on 30 May 2023.
- d) Name and Designation of Compliance Officer:  
Smt. Madhavi Kulkarni,  
Company Secretary & Compliance Officer  
Mazagon Dock Shipbuilders Limited  
Dockyard Road, Mumbai 400 010 Maharashtra  
Tel: +91 22 2376 2012  
Email : [investor@mazdock.com](mailto:investor@mazdock.com)
- e) Number of Shareholders' complaints received up to 31 March 2024: Nil
- f) Number of Shareholders' complaints resolved up to 31 March 2024: Nil
- g) Number of Shareholders' complaints pending as on 31 March 2024: Nil

**3.4 COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT(SD)**

- a) Composition of the Committee and meetings attended by each Members of the CSR Committee during the Financial Year 2023-24 is as follows:

Sr. No.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
1.	Shri. Dattaprasad Kholkar	Independent Director	Chairperson till 10.10.2023	2	2
2.	Shri. Mallikarjunarao Bhyrisetty	Independent Director	Chairman till and Member wef 10.10.2023	4	4
3.	Shri. Sanjeev Singhal	Whole-Time Director	Member wef 10.10.2023	2	2
4.	Cdr. Vasudev Puranik, IN (Retd.)	Whole-Time Director	Member	4	4
5.	Shri Biju George	Whole-Time Director	Member till 10.10.2023	2	2
6.	Cdr. Jasbir Singh (Retd.)	Whole-time Director	Member till 10.10.2023	2	2
7.	Smt. Jagjeet Kaur Neeru Singh	Independent Director	Member till 10.10.2023	2	2

- b) The scope and terms of reference of the CSR Committee as guided by the requirements of Section 135 of the Companies Act, 2013 and the guidelines issued by the Department of Public Enterprises are as follows:

- To recommend the amount of expenditure to be incurred on the activities referred under Schedule VII of the Companies Act, 2013; and
- To monitor the Corporate Social Responsibility Policy of your Company from time to time.

- c) During the year, the Corporate Social Responsibility Committee had four meetings on

Sr. No.	Date of CSR Committee Meeting
1	29 May 2023
2	09 August 2023
3	07 November 2023
4	07 December 2023

**3.5 RISK MANAGEMENT COMMITTEE:**

- a) Composition of the Committee and meeting attended by each Members of the Risk Management Committee (RMC) during the Financial Year 2023-24 is as follows:

Sr. No.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
1.	Cdr. Jasbir Singh, IN (Retd)	Whole-Time Director	Chairman till 28.05.2024	2	2
2.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	2	2
3.	Shri. Sanjeev Singhal	Whole-Time Director	Member	2	2
4.	Shri. Biju George	Whole-Time Director	Member	2	2
5.	Cdr. Vasudev Puranik, IN (Retd)	Whole-Time Director	Member	2	2
6.	Shri. B K Sinha	General Manager	Member wef 12.02.2024	1	1
7.	Shri. Sanjay Kumar	General Manager	Member till. 12.02.2024	1	Nil





- b) Scope and terms of reference:
- (i) Framing, implementing, monitoring and reviewing periodically the Risk Management and mitigation policies of the Company's operations.
  - (ii) Reviewing of reports from regulatory agencies related to Risk Management and Compliance issues and the Management responses.
  - (iii) Formulate policies and procedures establishing the Risk Management Governance, Risk Management procedures and Risk control infrastructure for operations.
  - (iv) Review significant risk exposures and steps, including policies and procedures, the Management has undertaken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, Technology (data security, information, business continuity risk, etc.).
  - (v) Review and evaluate the Company's practices with respect to Risk Assessment and Risk Management.
- c) During the year, the Risk Management Committee had two meetings on 26 July, 2023 and 17 January 2024.

#### Other Non-Statutory Committees

##### 3.6 INVESTMENT COMMITTEE:

A Sub Committee of Board of Directors for investment of company's short term surplus funds was constituted by the Board and the following Directors were the Members of the committee as on 31 March 2024.

Shri. Sanjeev Singhal - Chairman

Cdr. Jasbir Singh, IN (Retd) - Member

Shri. Biju George - Member

The Committee has been delegated powers to invest short term surplus funds as per DPE guidelines and within the limits prescribed by the Board.

##### 3.7 PROCUREMENT SUB COMMITTEE(PSC):

The Procurement Sub Committee consisted of following Directors as on 31 March 2024:

Shri. Sanjeev Singhal - Chairman

Cdr. Jasbir Singh, IN (Retd) - Member (till 28.05.2024)-Director of functional domain of proposal

Shri. Biju George - Member till 28.05.2024-Director of functional domain of proposal

Cdr. Vasudev Puranik, IN (Retd) - Member-Director of functional domain of proposal

Shri. Mallikarjunarao Bhyrisetty - Member

Smt. Jagjeet Kaur Neeru Singh - Member

The Procurement Sub-Committee (PSC) of the Board of Directors reviews and approves the procurement proposals as per the powers delegated by the Board.

#### 4. REMUNERATION OF DIRECTORS

Your Company being a Government Company, the remuneration, benefits and Performance related Pay (PRP) of the Functional Directors are as per the extant DPE Guidelines.

Part-Time is Official Director (Government Nominee Directors) are not entitled to any remuneration/sitting fees as per the DPE guidelines.

The Part-time Non-Official Directors (Independent Directors) are paid a sitting fees of ₹ 25,000 for attending each of our Board Meeting and ₹ 20,000 for attending each meeting of the sub-committees of the Board thereof wef 10.08.2023. (till 10.08.2023, sitting fees of ₹ 20,000 for attending each of our Board Meeting and ₹ 15,000 for attending each meeting of the sub-committees was paid).



The details of remuneration paid to the Functional Directors during the Financial Year 2023-24 is as follows:

(Amount in ₹)

Sr. No.	Name/Designation of Directors	Salary & perquisites as per section 17(1) & (2) of the Income Tax Act 1961	Retirement & other benefits*	Total
1	Shri. Sanjeev Singhal, Additional Charge of CMD & Director (Finance)	1,14,85,734.51	10,52,581.22	1,25,38,315.73
2	Cdr. Jasbir Singh, IN (Retd.), Director (Submarines & Heavy Engineering)**	1,07,02,031.6	6,97,489.02	1,13,99,520.62
3	Shri. Biju George, Director (Shipbuilding)	68,05,162.85	6,04,300.26	74,09,463.11
4	Cdr. Vasudev Puranik, IN (Retd.), Director (Corporate Planning & Personnel)**	78,88,707.72	7,12,835.87	86,01,543.59

\*Retirement Benefit includes Gratuity, if paid during the FY and other benefits includes 50% of Perquisite tax borne by the employer

\*\*Cdr. Jasbir Singh, IN (Retd.) relieved of Director (Submarines & Heavy Engineering) charge w.e.f 27.05.2024 and Cdr. Vasudev Puranik, IN (Retd.), Director (Corporate Planning & Personnel) was given additional charge of Director (Submarines & Heavy Engineering) w.e.f 27.05.2024.

During the Financial Year 2023-24, sitting fees paid to the Part-time Non-Official Directors (Independent Directors) for attending the Meetings of the Board is as follows:

(Amount in ₹)

Sr. No.	Name/Designation of Directors	Board Meetings	Committee Meetings	Total Remuneration
1	Shri. Mallikarjunarao Bhyrisetty	2,10,000	6,80,000	8,90,000
2	Smt. Jagjeet Kaur Neeru Singh	2,10,000	5,75,000	7,85,000
3	Shri. Dattaprasad Kholkar	2,10,000	3,10,000	5,20,000
4	Shri. Chandu Sambasiva Rao	25,000	20,000	45,000

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

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on 31 March 2024.

The Code of Conduct for Board Members and Senior Management personnel has been devised by the Company including the duties of Independent Directors as envisaged in Regulation 17(5)(b) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 in compliance with the terms of Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, with the Stock Exchanges.

The code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole-Time Directors and Senior Management Personnel.

## 6. INSIDER TRADING POLICY

The Board of Directors of the Company have approved the Insider Trading Policy for dealing in the Securities of the Company by insiders so that the insiders do not derive any benefit or assist others in deriving any benefit from the access of and possession of price sensitive information about the Company which is not in the public domain pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## 7. CEO/CFO CERTIFICATION

The Compliance Certificate issued by the CEO & CFO on the Financial Statements and Internal Controls related to the financial reporting for the FY 2023-24 is in accordance with Regulation 17(8) of SEBI (LODR) Regulations 2015 was submitted to the Board at the meeting held on 29 May 2024 and is attached to this Report.



## 8. SHAREHOLDING PATTERN AS ON 31 MARCH 2024:

Sr. No.	Category	NUMBER OF SHARES HELD	% OF TOTAL HOLDING
1	Promoters	17,10,90,983	84.83
2	Clearing Members	2,19,395	0.11
3	Domestic Companies	23,66,931	1.17
4	Employees	62,955	0.03
5	Foreign Portfolio - Corp	47,96,803	2.38
6	HUF	5,55,618	0.28
7	Individuals	2,05,34,621	10.18
8	Insurance Companies	3,15,330	0.16
9	NRI Non Rep	1,80,664	0.09
10	NRI Rep	5,08,414	0.25
11	Other Mutual Fund	9,75,427	0.48
12	Alternative Investment Fund	25,476	0.01
13	Trusts	6,626	0.00
14	Foreign Institutional Investors	3,958	0.00
15	Foreign National /Entity	400	0.00
16	Nationalised Banks	25,094	0.01
17	Other Banks	960	0.00
18	Qualified Institutional Buyer	20,345	0.01
	<b>Total</b>	<b>20,16,90,000.00</b>	<b>100.00</b>

## 9. TOP 10 SHAREHOLDERS AS ON 31 MARCH 2024

Sr. No.	Category	NUMBER OF SHARES HELD	% OF TOTAL HOLDING
1	The President of India	17,10,90,983	84.83
2	Mkt Capital LP	11,78,650	0.58
3	Damani Estate and Finance Pvt. Ltd.	11,00,000	0.55
4	Radhakishan Shivkishan Damani	6,49,924	0.32
5	Vanguard Total International Stock Index Fund	4,24,504	0.21
6	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	4,12,324	0.20
7	Ramesh Damani	4,06,081	0.20
8	Government Pension Fund Global	2,99,644	0.15
9	Bright Star Investments Pvt. Ltd.	2,90,000	0.14
10	Edelweiss Trusteeship Co Ltd Ac- Edelweiss Mf Ac- Edelweiss Mid Cap Fund	2,35,974	0.12



## 10. ANNUAL GENERAL MEETINGS

- a) Details of last three Annual General Meetings are as follows:

<b>FY</b>	<b>Place of Meeting</b>	<b>Date and time</b>
2020-21	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	28 Sep 2021 at 1100 hrs
2021-22	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	27 Sep 2022 at 1100 hrs
2022-23	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	27 Sep 2023 at 1100 hrs

- b) No Special Resolution(s) were put up in the last three Annual General Meetings of the Company except appointment of Shri. Dattaprasad P Kholkar which was approved at the last AGM held on 27 Sept 2023
- c) One Ordinary Resolution was passed through Postal Ballot on 26 Jan 2023 for appointment of Shri. Anurag Bajpai, JS (DIP) as the Government Nominee Director.
- d) No Special Resolution was passed last year through postal ballot and no Special Resolution is proposed to be conducted through postal ballot.

### iii) Website:

The Company's website <http://mazagondock.in> contains separate dedicated section for investors where information for Shareholders is made available. The Annual Report and Shareholding Pattern, Corporate Governance Report, other communique of the Company are also available on the website in a user friendly manner.

### iv) Green Initiative:

Annual Report containing Financial Statements, Auditors' Report, Board Report, Management Discussion and Analysis Report (MDAR), Corporate Governance Report and Business Responsibility and Sustainability Report including information for the Shareholders and other important information is circulated through electronic mode to the Members and others entitled thereto, as per MCA circular dated May 2020.

## 11. MEANS OF COMMUNICATION

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is ensured and the major steps taken are as under:

### i) Quarterly/Annual Results:

The Company regularly uploads its audited Financial Results with the Stock Exchanges, in compliance with the listing regulations. These Financial Results are published at least in one leading English newspaper having wide circulation across the Country and at least one in Mumbai having wide circulation across the region. The results are also made available on the Company's website.

### ii) News Release, Presentation etc.:

The official news release, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website.

## 12. SHAREHOLDERS INFORMATION

### a) Annual General Meeting

The 91<sup>st</sup> Annual General Meeting of the Company for the FY 2023-24 will be held through video conferencing as per the MCA circular No 20/2020 dated May 5, 2020 and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and dated January 15, 2021, Circular No. 02/2021 dated January 13, 2021, Circular No. 10/2022 dated December 28, 2022 and dated September 25, 2023 on 26 September 2024 at 1100 hours.





**b) Financial Year**

April 1 of each year till March 31 of the next year.

**c) Financial Calendar**

The financial calendar to approve quarterly/annual Audited Financial Results for the FY 2024-25 is as under:

Approval of quarterly/annual Audited Financial Results	Tentative date of the Meeting of the Board
30 June 2024	On or before 14 August 2024
30 September 2024	On or before 14 November 2024
31 December 2024	On or before 14 February 2025
31 March 2025	On or before 30 May 2025

**d) Book Closure Date(s) for the purpose of AGM and Final Equity Dividend for FY 2023-24:**

20 Sep 2024 to 26 Sep, 2024(Both days inclusive)

**e) Dividend Payment Date**

During the year, your Company has declared and paid Interim dividend of ₹ 15.34 per share of ₹ 10/- each in Nov 2023. The Final dividend of ₹ 12.11 per Equity Share as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible Members/Beneficial Owners within the stipulated period of 30 days after the AGM, as provided under the Companies Act, 2013.

	Interim Dividend for FY 2023-24	Final Dividend for FY 2023-24
Dividend per share	15.34	12.11
Declaration Date	08 <sup>th</sup> Nov 2023	26 <sup>th</sup> Sep 2024
Record Date	20 <sup>th</sup> Nov 2023	19 <sup>th</sup> Sep 2024

**f) Listing on Stock Exchanges as on 31 March 2024:**

i. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	ii. National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051.
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**g) Listing fees:** Listing fees for the FY 2024-25 have been paid to the Stock Exchanges.

**h) Stock Codes:**

BSE :543237

NSE: MAZDOCK

ISIN (for trading in Demat Form): INE249Z01012



- i) **Stock Market Data:** Company's share price on BSE and NSE for each month during the year and performance in comparison to BSE Sensex and NIFTY 50 is as follows:

BSE LIMITED			National Stock Exchange of India Limited		
Month	High (₹ Per Share)	Low (₹ Per Share)	Month	High (₹ Per Share)	Low (₹ Per Share)
April-2023	764.45	649.95	April-2023	764.75	650.2
May-2023	842	737.65	May-2023	842.8	737.5
June-2023	1,337.70	797.20	June-2023	1,337.70	797.5
July-2023	2,040	1,262.65	July-2023	2,042	1,262.25
August-2023	1,985	1,714.35	August-2023	1,985.95	1,714.05
September-2023	2,483	1,874.35	September-2023	2,484.70	1,868.95
October-2023	2,230.60	1,742	October-2023	2,223	1,742
November-2023	2,079.90	1,894.55	November-2023	2,072	1,894.15
December-2023	2,382.55	1,986	December-2023	2,383	1,986.10
January-2024	2,490	2,183.55	January-2024	2,492	2,185.05
February-2024	2,310.50	2,022.25	February-2024	2,302.45	2,022.50
March-2024	2,142.50	1,797.10	March-2024	2,143.80	1,795.40

BSE SENSEX			NSE NIFTY 50		
Month	High	Low	Month	High	Low
April-2023	61,209.46	58,793.08	April-2023	18,089.15	17,312.75
May-2023	63,036.12	61,002.17	May-2023	18,662.45	18,042.4
June-2023	64,768.58	62,359.14	June-2023	19,201.7	18,464.55
July-2023	67,619.17	64,836.16	July-2023	19,991.85	19,234.55
August-2023	66,658.12	64,723.63	August-2023	19,795.6	19,223.65
September-2023	67,927.23	64,818.37	September-2023	20,222.45	19,255.7
October-2023	66,592.16	63,092.98	October-2023	19,849.75	18,837.85
November-2023	67,069.89	63,550.46	November-2023	20,158.7	18,973.7
December-2023	72,484.34	67,149.07	December-2023	21,801.45	20,183.7
January-2024	73,427.59	70,001.60	January-2024	22,124.15	21,137.2
February-2024	73,413.93	70,809.84	February-2024	22,297.5	21,530.2
March-2024	74,245.17	71,674.42	March-2024	22,526.6	21,710.2

- j) **Registrar and Share Transfer Agent:**

The Company has appointed the following Registrar & Transfer Agents for servicing the equity shares of the Company:

M/s Alankit Assignments Limited  
 205-208 Anarkali Complex,  
 Jhandewalan Extension,  
 New Delhi - 110055  
 Tel: +911- 42541100; 42541234  
 Fax: +911-23552001  
 Email id: [rta@alankit.com](mailto:rta@alankit.com)



**k) Share Transfer System**

Activities relating to share transfers are carried out by M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agents of the Company who have arrangements with the Depositories viz. National Securities Depository Limited and Central Depository Services(India) Limited. The transfer of securities would be carried out in dematerialized form in accordance with the amended Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**l) Distribution of Shareholding by size as on 31 March 2024**

Category	Number of Shareholders	% of Shareholders	Total Number of Shares	% of Shareholding
1 - 500	3,89,327	98.80	1,37,58,938	6.82
501 - 1000	2,782	0.71	21,19,295	1.05
1001 - 2000	1,121	0.28	16,31,203	0.81
2001 - 3000	312	0.08	7,88,435	0.39
3001 - 4000	120	0.03	4,34,838	0.22
4001 - 5000	107	0.03	5,02,840	0.25
5001 - 10000	151	0.04	10,88,411	0.54
10001 - 20000	72	0.02	10,38,025	0.51
20001 - 99999999999	78	0.02	18,03,28,015	89.41
<b>TOTAL</b>	<b>3,94,070</b>	<b>100</b>	<b>20,16,90,000</b>	<b>100</b>

**m) Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are admitted in the Depository systems of the NSDL & CDSL. The Company has entered into agreements with The National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialisation of the Equity Shares of the Company.

Trading in Equity Shares of the Company is permitted only in dematerialized form as per the notification issued by the Securities and Exchange Board of India. Total number of equity shares dematerialised as on 31 March 2024 is as follows:

	No. of shares	% of paid up equity shares
Shares dematerialized with NSDL	18,75,35,419	92.98
Shares dematerialized with CDSL	1,41,54,581	7.02
Physical Shares	-	-
Total no. of shares	20,16,90,000	100.00

**n) Commodity Price Risk or Foreign Exchange Risk and hedging activities**

Relevant information in this regard is given in Note No. 48 of Note to the Financial Statements provided in this Annual Report.

**o) Plant/Facility Location:**

In Mazagaon, Mumbai, the North Yard and South Yard are Shipbuilding Yards, while East Yard is a Submarine Construction Yard. The Alcock yard is located above the North Yard of Mazgaon. The land adjacent to the South Yard is available

for construction and accommodation of Ships and Submarines viz. Modular workshop for Shipbuilding, Cradle workshop for Submarine building, Goliath crane, Wet basin.

**p) Address for correspondence:**

Registered/Corporate Office:  
Mazagon Dock Shipbuilders Limited  
Dockyard Road, Mumbai 400 010  
Maharashtra, India  
Tel: +91 22 2376 2000  
Email: [investor@mazdock.com](mailto:investor@mazdock.com)  
Website: <https://mazagondock.in>

**13. DISCLOSURES****a) Particulars of Contracts or Arrangements with Related Parties**

Transactions with related parties that were entered into during the Financial Year were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have a potential conflict with the interests of the Company. The policy on Related Party Transactions (RPT) as approved by the Board as per the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 is uploaded on the website of the Company <https://mazagondock.in>.

All Related Party Transactions were placed before the Audit Committee and the Board for approval, as required. Information pursuant to Section 134(3) (h) of the Companies Act, 2013 Read with rule 8(2) of the Companies (Accounts) Rules, 2014 is attached to this report in Form AOC 2 (Appendix 2).

**b) Details of Compliance/Non-Compliance under SEBI Listing Regulation**

- (i) The Company has complied with all the applicable rules (except otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during the last three years. All returns/reports were filed within stipulated time with stock exchanges/other authorities.
- (ii) During the FY 2023-24 the company did not comply with Regulation 17 of SEBI (LODR), 2015 due to which the NSE and BSE imposed penalty for non-compliance as tabulated below:

FY	Stock Exchange Bombay Stock Exchange (BSE) National Stock Exchange (NSE)	Letter/ E-mail dated	Amount (in ₹) (Including GST)
2023-24	NSE for June 2023 quarter	21.08.2023	5,36,900.00
	BSE for June 2023 quarter	21.08.2023	5,36,900.00
	NSE for Sept 2023 quarter	21.11.2023	5,42,800.00
	BSE for Sept 2023 quarter	21.11.2023	5,42,800.00
	NSE for Dec 2023 quarter	22.02.2024	5,42,800.00
	BSE for Dec 2023 quarter	22.02.2024	5,42,800.00
	NSE for Mar 2024 quarter	22.05.2024	5,36,900.00
	BSE for Mar 2024 quarter	22.05.2024	5,36,900.00
<b>Total for FY 2023-24</b>			<b>43,18,800.00</b>

Your Company in its replies has submitted that being a Government Company, the appointment of the Directors is not under the control of the Company and is vested with the Government/Administrative Ministry (Ministry of Defence). Therefore, Regulations of the SEBI (LODR) Regulations 2015 pertaining to composition of the Board and constitution of the Board Committees were non-compliant due to unavailability of sufficient numbers of Independent Directors. Further, MDL has sought waiver under the policy for exemption of fines levied as per provisions of SEBI SOP circular under impossibility of compliance. Pursuant to the SEBI LODR SOP on non-compliances, it was informed that a case for waiver or reduction of fine shall be considered by the Stock Exchanges only where the applicant company has fully complied with all its compliances under the Listing Regulations and

other applicable regulations and circulars issued thereunder. Further NSE vide letters dated 10 Nov 2022, 15 Feb 2023 and 31 Oct 2023 & BSE vide email dated 15 Mar 2024 have granted waiver for compliance of regulations 17(2A), 18, 19 and 20 of the SEBI LODR as the same were complied by the Company from the Mar 2022 quarter onwards subsequent to appointment of the Independent Directors in Dec 2021. After deducting the waiver received from BSE and NSE, total penalty after deducting the waived amount pertaining to Reg 17 regarding Composition of the Board of Directors (requiring 50 % of the Board - Non Executive) is ₹ 1,44,72,700.

**c) Vigil Mechanism/Whistle -blower Policy**

The Company has a vigil mechanism named Whistle Blowers Policy establishing a mechanism for the Directors and Employees to report





genuine concerns regarding the affairs of the Company to the Audit Committee in accordance with provisions of Section 177(9) of the Companies Act, 2013 read with Rule (7) of the Companies (Meetings of the Board & its Powers) Rules, 2014 and DPE Guidelines for CPSEs and Regulation 22 of SEBI (LODR) Regulations, 2015. The Whistle Blowers Policy is disclosed on the Company website.

The Company being a CPSE, Central Vigilance Commission guidelines are applicable, which provides adequate safeguards against victimization of employees. It is hereby, affirmed that no personnel has been denied access to the Audit Committee/Board.

**d) Details of compliance with non-mandatory requirements**

The Company has not adopted any discretionary requirements provided under Part- E of Schedule II of SEBI(LODR) Regulations, 2015.

**e) Policy for determining material subsidiaries**

The Company has formulated a policy of Material Group Companies with the approval of the Board of Directors. The same has been hosted on the website of the Company and can be accessed at the following link: <http://www.mazagondock.in>;

The Company does not have any Subsidiary Company as on date.

**f) Dividend Policy**

As per CPSE Capital Restructuring Guidelines, all Central Public Sector Enterprises are required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of Dividends on our equity shares is recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles and the Companies Act, 2013. Further, the dividends, if any, depends on number of factors, including but not limited to company's earnings, guidelines issued by the Department of Public Enterprise (DPE), Department of Investment and Public Asset Management (DIPAM), capital requirements and overall financial position of

our Company. Future Dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall Financial position of your Company.

**g) Credit Rating**

During the year, M/s India Ratings & Research Pvt. Ltd. has granted your Company a credit rating of IND AAA/Stable for fund based Bank facilities and IND AAA/Stable/IND A1+ for non-fund based limits.

**h) Details of Unpaid Dividend as on March 31, 2024**

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, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

The Statement of information of unclaimed dividends (interim and final) for the relevant previous years are available on the website of the Company viz. <https://mazagondock.in>

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2024.

**i) Reconciliation of Share Capital**

Reconciliation of Share Capital Audit was carried out by the Secretarial Auditor of the Company every quarter. The report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical and demat form.

Further, yearly certificates on the compliance of share transfer formalities are obtained from the Secretarial Auditor are also submitted to Stock Exchanges pursuant to Regulation 40(10) of the SEBI (LODR) Regulations, 2015.

**j) Accounting Standards**

The Company is in compliance with all the applicable Indian Accounting Standards (Ind AS).



Ministry of Corporate Affairs vide Notification No.1/2/2014-CL-V dated February 23, 2018 has exempted those companies engaged in defence production to the extent of application of Ind AS 108 on 'Operating Segment'. Disclosure in this regard has been made at Note No. 34 of the Accounts.

- k) None of the Directors were debarred/disqualified from being appointed or for continuing as Director of the Company during the year under review.
- l) Details of the total fees for all services paid by the Company, on a consolidated basis to Statutory Auditors during the year are given below:

Particulars	Amount
Audit Fees	19,00,000
Tax audit Fees	6,75,000
Other Services	3,15,000
Reimbursement of expenses	-

**m) Report on Sexual Harassment under the Act.**

Following enactment of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment.

Two complaints were received during the Financial Year and both were disposed-off.

**n) Public Grievance Committee**

- a) Your Company constituted a Public Grievance Committee headed by an Executive of the rank of Executive Director. The Committee examined and disposed grievances based on their merit. A complaint can be filed either on MDL website or by sending hard copy to The President, Redressal of Public Grievance Committee.
- b) CPGRAMS (Central Public Grievance Redressal and Monitoring System): An Executive of the rank of Executive Director has been appointed as nodal officer to deal with redressal of grievances registered on CPGRAMS Portal from the Department of Administrative Reforms & Public Grievances and ensures settlement of online grievances with proper feedback.

**o) Enterprise Risk Management**

The Guidelines on Corporate Governance for CPSEs (Central Public Sector Enterprises) issued by DPE in May 2010 have recommended that the CPSUs should ensure that Risk Management is undertaken as a part of normal business practice and not as a separate task at set times. A standing committee for Enterprise Risk Management (RMC) was constituted (August 2013) to ensure integration and alignment of the Risk Management system with Corporate and Operational objectives of the company. The Risk Management plan formulated by the RMC encompassed Risk Management Framework, Policy, Strategy, Structure, Risk Assessment (Risk Identification, Analysis, Measurement and Evaluation), Risk treatment, Monitoring and Review, Risk categories, Risk reporting, Compliance, Training, Implementation plan etc. The plan indicated the timelines for the implementation and has allocated key roles and responsibilities for Risk Management spanning to all levels of the enterprise.

In compliance, the departments are maintaining Risk Register and are monitoring the occurrences of the risk identified in the Risk Register. As per ERM policy, Standing Committee reports to Internal Audit and Risk Management Committee bi-annually about the Risk Management status.

- p) The company has complied with Presidential Directives issued by the Central Government. There were no items of expenditure debited in books of Accounts, which were not for the purpose of the business. The expenses incurred which were personal in nature and incurred for the Board of Directors and Top Management were NIL.
- q) The company has not entered into any transactions with any Director that may have potential conflict with the interest of the Company at large. The Members of the Board, apart from receiving Directors' Remuneration (wherever applicable), do not have any material or pecuniary relationship or transaction with the company which in the judgment of the Board may affect independence of judgment of the Directors.



#### 14. DECLARATION

In terms of Regulation 34 read with Schedule V of SEBI(LODR) Regulations, 2015 and the guidelines on Corporate Governance for CPSEs 2010 issued by the Department of Public Enterprises, Government of India, it is hereby declared that all the Board Members and Senior Management Executives have affirmed compliance with the code of conduct for Directors and Senior Management Executives of Mazagon Dock Shipbuilders Limited, for the year ended 31 March 2024.

Place: Mumbai

Date: 14 August 2024

**Shri. Sanjeev Singhal**

Chairman & Managing Director (Additional Charge) &  
Director (Finance)

DIN: 07642358



## Ragini Chokshi & Co.

### Company Secretaries

34, Kamer Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai - 400 001.  
E-mail : ragini.c@rediffmail.com / mail@csraginichokshi.com  
web: csraginichokshi.com

Tel. : 022-2283 1120  
022-2283 1134

To,  
The Members,  
**Mazagon Dock Shipbuilders Limited**  
Dockyard Road, Mumbai 400 010

We have examined the compliance of the conditions of Corporate Governance by **Mazagon Dock Shipbuilders Limited (L35100MH1934GOI002079)** ('the Company') for the Financial Year ended March 31, 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Listing Regulations') and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI") was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V to the SEBI Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises for the year ended March 31, 2024 except the following:

- As per Regulation 17 of the SEBI (LODR), 2015, and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
  - Fifty percent of the Board of Directors as Non Executive Independent Directors.

We further state that this certificate 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 Ragini Chokshi & Co.**  
(Company Secretaries)

Sd/-  
**Makarand Patwardhan**  
(Partner)

C.P.NO. 9031  
ACS NO. 11872  
UDIN: A011872f000485961  
PR Certificate no.: 659/2020

Date: 29 May 2024  
Place: Mumbai





## APPENDIX-E

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR Financial Year COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2023

**1. Brief outline on CSR Policy of the Company:** Mazagon Dock Shipbuilders Limited (MDL) is committed to take up various Developmental Projects/Programs as part of its Corporate Social Responsibility initiatives in order to improve the quality of life of underprivileged and downtrodden sections of the society and other stakeholders with an attempt to make a meaningful difference in people's lives and contribute towards sustainability of Society and Nation building.

**2. Composition of CSR Committee:**

Sr. 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
1.	Shri Dattaprasad Kholkar (wef 10.10.2023)	Independent Director Chairman	2	2
2.	Shri Mallikarjunarao Bhyrisetty	Independent Director	4	4
3.	Shri Sanjeev Singhal		2	2
4.	Cdr. Vasudev Puranik, IN (Retd)	Whole-Time Director Member	4	4
5.	Cdr. Jasbir Singh, IN (Retd.) (till 10.10.2023)	Whole-Time Director Member	2	2
6.	Shri. Biju George(till 10.10.2023)	Whole-Time Director Member	2	2
7.	Smt. Neeru Singh Jagjeet Kaur(till 10.10.2023)	Independent Director Member	2	2

**3.** Provide the web link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- **CSR Policy of MDL:** [https://mazagondock.in/images/pdf/CSR\\_Policy\\_of\\_MDL\\_07082023.pdf](https://mazagondock.in/images/pdf/CSR_Policy_of_MDL_07082023.pdf)
- **Composition of CSR Board Committee:** [https://mazagondock.in/images/pdf/Board%20Level%20CSR%20Committee\\_18042024.pdf](https://mazagondock.in/images/pdf/Board%20Level%20CSR%20Committee_18042024.pdf)
- **CSR projects approved by the Board:**

[https://mazagondock.in/images/pdf/CSR%20Project%20Approved%20by%20the%20Board%20in%20FY%202023-24\\_18042024.pdf](https://mazagondock.in/images/pdf/CSR%20Project%20Approved%20by%20the%20Board%20in%20FY%202023-24_18042024.pdf)

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.:**

MDL has been conducting impact assessment of CSR projects to monitor and evaluate the actual impact created on the ground through its CSR Projects. MDL has taken cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as notified w.e.f. 22 Jan 2021.

Accordingly, impact assessment of the eligible projects has been completed. Brief of indicative impact assessment reports is given in **Annexure 'E/A'**, and the relevant reports are available on the MDL website:



Sr. No.	Project Name	Weblink
1	Setting Up of Atal Bihari Vajpayee Covid Hospital - Lucknow Uttar Pradesh	<a href="https://mazagondock.in/images/pdf/Impact-Atal%20Bihari%20COVID%20Hospital%20Lucknow_19042024.pdf">https://mazagondock.in/images/pdf/Impact-Atal%20Bihari%20COVID%20Hospital%20Lucknow_19042024.pdf</a>
2	Supply of Medical Items - Public Hospitals in Mumbai	<a href="https://mazagondock.in/images/pdf/Impact-Public%20Hospitals%20in%20Mumbai_19042024.pdf">https://mazagondock.in/images/pdf/Impact-Public%20Hospitals%20in%20Mumbai_19042024.pdf</a>
3	Comprehensive COVID care project Nandurbar, Maharashtra	<a href="https://mazagondock.in/images/pdf/Impact-COVID%20Care%20Project_Nandurbar_19042024.pdf">https://mazagondock.in/images/pdf/Impact-COVID%20Care%20Project_Nandurbar_19042024.pdf</a>
4	Providing skill training to apprentices at MDL Apprentice Training School	<a href="https://mazagondock.in/images/pdf/Impact-ATS%20Mumbai_19042024.pdf">https://mazagondock.in/images/pdf/Impact-ATS%20Mumbai_19042024.pdf</a>

5. (a) Average Net Profit of the Company as per sub-section (5) of section 135: ₹ 91861 Lakh  
 (b) Two percent of average Net Profit of the company as per sub-section (5) of section 135: ₹ 2424 Lakh (i.e. ₹1837 Lakh as CSR Budget for FY 2023-24 + ₹ 587 Lakh as carry forward from last FY).  
 (c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years: NIL  
 (d) Amount required to be set off for the Financial Year, if any: NA  
 (e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: ₹ 2424 Lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 2118 Lakh  
 (b) Amount spent in Administrative Overheads: ₹ 105 Lakh  
 (c) Amount spent on Impact Assessment, if applicable: ₹ 7 Lakh  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 2230 Lakh (all figures are rounded off to the nearest rupee)  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any specified Fund under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of Transfer	Name of Fund	Amount.	Date of Transfer.
2230 Lakh	NA	NA	NA	NA	NA

- (f) Excess amount for set-off, if any: 21 Lakh

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average Net Profit of the Company as per sub-section (5) of Section 135	1,837 Lakh
(ii)	Total amount spent for the Financial Year	1,858 Lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	21 Lakh
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Year [(iii)-(iv)]	21 Lakh



7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sr. No.	Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1	FY-2020-21	154 Lakh	NIL	NIL	NA	NA	NA
2	FY-2021-22	456 Lakh	73 Lakh	56 Lakh	NIL	NA	17 Lakh
3	FY 2022-23	514 Lakh	514 Lakh	316 Lakh	NIL	NA	198 Lakh

(all figures are rounded off to the nearest rupee)

8. Whether any capital asset has been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital Assets created/ acquired- NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
					NA		

(All the fields should be captured as appearing in the Revenue Record, Flat No, House No, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per sub section (5) of section 135: NA

Sd/-  
(Chief Executive Officer or  
Managing Director or Director)

Sd/-  
(Chairman CSR Committee)



## APPENDIX E/A

Sr. No.	Name of the Project	Summary
1	Setting Up of Atal Bihari Vajpayee Covid Hospital - Lucknow Uttar Pradesh	<p>In the year 2021, during the catastrophic incident of Corona pandemic, the Government of India stepped forward to establish a full-fledged Makeshift Covid Centre at Lucknow in Uttar Pradesh state with sophisticated infrastructure and comprehensive medical care facilities to treat the patients suffering from severe COVID 19 infection. This need of the hour and a massive initiative to cope-up with alarming consequences of the second wave of Corona pandemic was named as Atal Bihari Vajpayee makeshift COVID Care Centre and the site for establishment was allotted at Awadh Shilpgram in Lucknow by the Government of Uttar Pradesh.</p> <p>As per the directions of PMO, the DRDO took up the overall responsibility and handed over the task of construction to the CCE, North which successfully established it within a fortnight and commissioned the centre furnished with 500 beds, 40 KLD cryogenic oxygen gas supply system with pipeline networks, intensive care units, ventilators, lab, dispensary and all other necessary health care facilities. The DRDO facilitated the operations and provided doctors and other staff for the entire working tenure of the centre (5th May, 2021 to 31st March, 2022). An amount of nearly twenty-five crores was mobilised (60% from PM CARES and 40% from CSR). Mazagon Dock Shipbuilders Limited (MDL), Mumbai is also one of the contributors under CSR funds for the ambitious and successful venture from which thousands of critical patients received in-time medical care and the life-saving-treatment.</p> <p>The Energy and Resources Institute, in its Impact Evaluation Report has highlighted the MDL's decision to support the project as a wise and bold decision. It has stated that the involvement of MDL not only reflects significant contribution to the society at the time of calamity, but shows its commitment in extending boosting support for a model approach of building massive medical emergency response.</p>
2	Supply of Medical Items - Public Hospitals in Mumbai	<p>In the Financial Years 2020-21 and 2021-22, during the COVID pandemic, Mazagon Dock Shipbuilders Limited, Mumbai had taken the decision to support five hospitals in Mumbai under CSR by developing medical infrastructure to treat the patients who are suffering from severe COVID-19 infection. The five assisted hospitals with supply of equipment and other items including BYL Nair Hospital, Kasturba Hospital, CAMA &amp; Albles Hospital, Rajawadi Hospital and Mumbai District Aids Control Society. Four hospitals are government-operated and one is a non-profit charitable hospital. All the five were designated as COVID care centres during the Corona pandemic. As the patient flow was very high during the pandemic, hospitals faced shortage of infrastructure facilities and started exploring for quick funding resources through CSR.</p> <p>All the five hospitals approached MDL for funds with the proposal to purchase necessary equipment and other accessory items for treating COVID patients. MDL approved the proposals after scrutiny and immediately released the payment. A total of 28 different types (135 units) of equipment and other accessories were bought for a total of ₹ 177.77 lakhs by the five hospitals, mainly lab equipment for testing of blood and urine samples, patient monitoring devices, NICU devices, X-ray instrument, drug analysis instrument, N95 masks, educational materials, etc.</p>





Sr. No.	Name of the Project	Summary
3	Comprehensive Covid Care Project in Nandurbar District, Maharashtra	<p>These items really helped the hospitals to cope up with the increasing demand of treatment by severe COVID infection. Presently, all the equipment and accessories are in use, the one in Kasturba hospital needs some minor service. Hospital staff Members have informed that action is initiated for the same and will be made in order at the earliest; all the equipment and accessories are under operation and also covered under warranty and CMC. Once that is over, hospital authorities will take AMC for maintaining of the equipment. The project has met all of its physical and financial goals, up to 100%. With MDL's assistance, lacunae of insufficient infrastructure to meet the growing treatment demand during the Corona pandemic was effectively addressed, allowing the hospital staff to treat COVID patients and save many lives.</p> <p>The MDL's investment in COVID-19 management was a worth investment and the perception is that the amount spent is used for a noble cause and such acts will certainly inspire the other Organisations/Companies to come forward and extend handholding support during any calamitous event in future.</p>
4	Skill Training to Apprentices at MDL's Apprentice Training School (ATS)	<p>The deployment of 27 ambulances has significantly improved access to healthcare services, particularly in remote villages with poor road connectivity. The impact of the ambulances in the project villages is profound, ranging from saving lives in emergencies to improving overall health outcomes. The initiative reflects a commitment to address the specific healthcare needs of the tribal population and underscores the importance of strategic interventions in enhancing healthcare access and delivery.</p> <p>The Comprehensive COVID Care Project's supply of the Refrigerated Vaccination Van to the Nandurbar district has demonstrated tangible improvements in vaccine transportation and mass vaccination campaigns. Two hearse vans were also provided to the District Administration, specifically designated for the safe disposal of deceased bodies of COVID-19-infected patients. The citizens' response to this initiative has been noteworthy. The project has generated a positive reaction among the community, evoking a sense of appreciation and approval. Feedback from citizens underscores their satisfaction and acknowledgement of the project's merits, reflecting its positive impact on their lives.</p> <p>In collaboration between ATS Mumbai and MDL, our target was to train 300 students in the academic year 2021-22. Notably, 50% of the trained individuals hold a 12th-grade qualification, and 26.1% completed their 10th grade. The four trades with the highest batch sizes were Fitter, Pipe Fitter, Structural Fitter, and Structural Fitter Ex ITI, each accommodating 40 persons. Participants learned about this unique opportunity through their network of friends and relatives, and the selection process involved either a traditional paper-based examination or an online assessment.</p> <p>Remarkably, all trainees unanimously reported a positive change in their standard of living since the training. A striking 96% express a desire to work in the domain they received training in, showcasing the impact and relevance of the skill improvement program. Trainees exhibit confidence in their career trajectory, emphasizing the transformative potential of our initiative. Given that some individuals are awaiting placements, the overall response to their experience remains positive and hopeful.</p>



## APPENDIX 'F' TO THE DIRECTORS' REPORT

### ADDITIONAL INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT 2013.

1. **CONSERVATION OF ENERGY :** The major energy conservation initiatives undertaken by your company for the FY 2023-24 are as follows :

- (a) Procurement of Inverter based stud welding machines, welding rectifiers
- (b) Procurement of BLDC Pedestal fan
- (c) Procurement of LED lights viz., Flood lights, Street lights, Batten lights, Aviation lights
- (d) Procurement of VFD drives
- (e) Procurement of 5 Star rated ACs.

An investment of ₹ 300 Lakhs have been made for the above energy transitions.

2. **SUSTAINABLE DEVELOPMENT PROJECTS :**

Following sustainable development projects were undertaken by your company for the FY 2023-24 :

- Fuel Cell Electric Boat
- Solar Powered Hybrid Electric Boat

3. **TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

(a) **Innovation:** Your Company has been awarded two patents by Indian Patent Office in the FY 2023 - 24 which is a testament to the technical capabilities of the MDL's own Engineers. In the first patent, MDL adopted a novel procedure for final alignment of Propeller Shaft on a Destroyer Class Vessel while in Dry Dock. This has led to compression of timelines for Shafting activities of the Vessel and the new procedure is implemented in other Vessels of the class under construction at the yard. In the second patent, MDL has carried out Design and Validation of a Technological Shaft in a Propulsion Shafting System for Simulation purpose. This will help in maintaining the Reference Axis and minimizing the effect of launch induced hull defections.

(b) **Basic Design Capabilities:** Your Company has enhanced its basic design capabilities by developing State-of-the-Art basic design for various types of Ships like Next Generation Missile Vessels, Next Generation Corvette, Next Generation Destroyers, Cadet Training Ships, Multi Purpose Vessels, Survey Training Ships, Next Generation Offshore Patrol Vessels, Fast

Patrol Vessels etc. As a next step towards this your Company is also carrying out the model test of selected hulls of the above mentioned Vessels to enable finalization of propulsion system and fine tune the design. MDL has also demonstrated capabilities in the specialized areas of Finite Element Analysis (FEA) as well as Computational Fluid Dynamics (CFD).

(c) **Shipbuilding 4.0:** Your company has implemented the following aspects under Shipbuilding 4.0 to enhance productivity, efficiency and flexibility while enabling more intelligent decision making and customization in the construction process :

(i) **Product Data Management/Product Lifecycle Management (PDM/PLM):** Your

Company has implemented PDM/PLM for the under construction Ships. PDM enables to manage the entire lifecycle of the Ship through its design, production and service life. The PDM will serve as an information management system to foster seamless collaboration between various disciplines associated with the production of the Ship. PLM is an integrated information driven approach comprising of people, processes/practices and technology to all aspects of a product's life, from its design through manufacture, deployment and maintenance culminating in the product's removal from service and final disposal. PDM/PLM enables the yard to develop and maintain a digital replica of Ships and makes the data accessible to the various agencies involved in the entire lifecycle of the Ships.

(ii) **IoT:** MDL has installed IoT based Predictive Maintenance system for Twelve motors of Impounding pump and Level Luffing Crane Nos. 18 & 19 under Industry 4.0.

(iii) **Virtual Reality & Augmented Reality:** Your Company houses a state-of-the-art Virtual Reality Lab facility for validating 3D models of the Ship and its compartment layouts. This tool is very effective both economically and technologically since it reduces immense physical re-work efforts on board. The facility is now augmented and updated



with newer technologies like Augmented Reality. Your company is also leveraging the Augmented Reality modules through which the 3D model with the help of gadgets can be viewed on board for inspections and thereby facilitating understanding the mismatches and to evaluate the final fit.

**(d) Test Facility :** Setting up of In-house Fluid Testing Laboratory:

- (i) The Submarine Division of your Company has setup an in-house Fluid Testing Laboratory in Alcock Yard for testing the cleanliness, pH and water content of hydraulic oil (FHARI 7311) used in the Submarines.
- (ii) Initially, due to lack of facility, oil samples were sent to CETEC laboratory, France through Naval Group which used to take approx. 30-45 days to get test results resulting in production delay specially when a sample failed in first attempt, another 45 days were lost.
- (iii) Your Company has set up its own facility by procuring an advanced version of Leica optical microscope DM4M and

constructing an ISO Class-5 Clean Room apart from training and qualification of the operator. This has resulted in immediate testing of oil samples collected from the boat and result is known within 2-4 hrs. thereby avoiding consequential project delay.

- (iv) All test procedures for determination of Particulate Contamination, pH, Chloride content, Water content etc. were developed based on Indian and International Standards.

**(e) Measuring Instrumentation :** MDL has acquired self-reliance in acoustic measurement and its analysis for various equipment which used to be performed by the collaborator in the beginning.

**(f) Online Interaction :** Your company has adopted online video conferencing platforms for conducting discussions/meetings/seminars including the Technical Negotiations, Commercial Negotiation and Price Negotiations with various agencies. Every department concerned is augmented with media set up including cameras, large screen LCD displays, etc. to facilitate this.



## APPENDIX 'G'

### FORWARD LOOKING STATEMENTS

*Statements in this management discussion and analysis of financial condition and results of operations of the company describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent development, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally.*

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2023-24

##### **A. Industry Structure and Developments, Strengths, Weaknesses, Opportunities and Threats, major initiatives undertaken and planned to ensure sustained Performance and Growth:**

The world is in a transition, driven by rapidly evolving geopolitical and technological challenges, causing stress in international orders and transforming the global hierarchies. India's defence and security policy is a function of its principled commitment to regional and international peace and prosperity. A complex and increasingly unpredictable interplay of regional and global developments characterize India's security environment. Further, India's strategic location on the international maritime route provides us with a unique Shipbuilding/Ship repair opportunity. Hence, during the Sectorial Review of Ports, Shipping and Waterways for FY 2022-23 chaired by the Hon'ble Prime Minister one of the decisions was to make India a Shipbuilding hub.

The Economic Survey 2022-23 tabled in the Parliament also recognized the Shipbuilding sector as a 'strategically important industry' for India's energy security, defence and the development of the heavy engineering industry. The Shipbuilding industry has the potential to significantly enhance the contribution of the industry and services sector to the nation's Gross Domestic Product (GDP).

The survey brought out two distinct aspects of the Shipbuilding industry viz. Employment multiplier and

Investment multiplier. Among manufacturing activities, Shipbuilding has one of the highest employment multipliers of 6.48 and is capable of generating mass employment in remote, coastal and rural areas. Further, based on International Shipbuilding statistics, if one takes a conservative Marginal Consumption to GDP Ratio (MCGR) of 0.45 for the Shipbuilding sector, the investment multiplier would be approx. 1.82. For example, an injection of approx. ₹1.5 lakh crore in naval Shipbuilding projects would accrue a circulation of ₹2.73 lakh crore in the Shipbuilding sector due to the multiplier effect.

From the Maritime Defence Perspective, India is placed with a coastline of about 7,500 KMs and territorial border over 15,000 KMs. India being a maritime nation is situated across a large number of busy international shipping lanes that crisscross the Indian Ocean. Mercantile trade constitutes a substantial portion of India's GDP, and is likely to increase in the future. India's economic resurgence is directly linked to her overseas trade and energy needs, most of which are transported by sea. India being a rapidly growing economy seeking new markets worldwide, the volume of maritime trade will only grow in times to come.

The Indian Navy is the key enabler and guarantor of the country's maritime sovereignty and carries out innumerable sea activities in conjunction with the Indian Coast Guard and other Central and State agencies. Its fleet consists of various categories of Vessels right from Aircraft Carriers to Small Patrol Boats.

The global shipbuilding industry comprises of construction and modification of Ships, offshore Vessels and rigs. The domestic Shipbuilding industry primarily caters to two sub-segments: the Indian Navy and Indian Coast Guard. In December 2015, the Cabinet approved the new Shipbuilding policy, which aims to provide financial assistance to Shipbuilders and grant infrastructure status for the industry. The government has set aside ₹ 40 billion to implement the scheme over 10 years.

Indian Naval Indigenisation Plan (INIP), 2015-2030, states that the domestic industry can play a vital role in meeting the sophisticated needs of the armed forces through cost-effective utilisation of its know-how and existing infrastructure, in pursuance of the government's vision of 'Make in India' to enunciate the need for developing various advanced systems for its platforms.



Your Company is a Defence Public Sector Undertaking shipyard under the Department of Defence Production, Ministry of Defence (MoD) engaged in the construction and repair of Warships and Submarines for the Ministry of Defence, for use by the Indian Navy and other Vessels for commercial clients. Your Company is a Government of India (GoI) Company, conferred with the 'Mini-Ratna-I' status in 2006, by the Department of Public Enterprises. Your Company is India's only Shipyard to have built Destroyers and conventional Submarines for the Indian Navy and are also one of the initial Shipyards to manufacture Corvettes (Veer and Khukri Class) in India.

Your Company plays a vital role in fulfilling the aspirations of the Indian Navy as major contributor to the Indian defence Shipbuilding and Submarine construction requirements. Your Company has a rich legacy of building wide variety of high-tech Warships and has adopted the motto 'Building Quality Ships On Time'. Some of the Vessels built and delivered by your Company in the past include, six Leander class Frigates, three Godavari class Frigates, three Corvettes, four Missile Boats, nine Destroyers, seven Submarines and three Shivalik class frigates for the MoD for use by the Indian Navy and constructed and delivered seven offshore patrol Vessels to the Indian Coast Guard. Your Company in the past has also fabricated and delivered Jackets, Main decks of wellhead platforms, process platforms and Jack up rigs, etc.

The business in which your Company operates are (i) Shipbuilding and (ii) Submarine and Heavy Engineering. The Shipbuilding division includes the building and repair of Commercial Vessels and refit of Naval Ships. The Submarine and heavy engineering division includes building, repair and refits of diesel electric Submarines. Since 1960, your Company has built a total of 802 Vessels including Warships, from advanced Destroyers to missile boats and seven Submarines. Your Company has also delivered cargo Ships, passenger Ships, supply Vessels, multipurpose support Vessels, Water Tankers, Tugs, Dredgers, Fishing Trawlers, Barges and border outposts for various customers in India as well as abroad.

Shipbuilding Industry has its unique set of distinctions and is multidisciplinary in nature. With the embryonic threat perception, defence technology as such is very dynamic and to keep pace with the technological developments world over is indeed one of the major challenges of defence Warship building segment. A modern infrastructure, highly skilled workforce, a group of dedicated engineers has collectively transformed the yard into a center of excellence.

## B. SWOT ANALYSIS

### 1. STRENGTHS

- **Capacity:** The world class infrastructure and facilities with ISO 9001:2015 certified Shipbuilding and Submarine and Heavy Engineering sections, Nhava Yard, the completed Mazdock Modernization Project, Newly acquired South Yard annexe and the Shore Integration facility, available at our Shipyard combined with our vast expertise are capable of serving the requirements of both the Ministry of Defence as well as commercial sector.
- Accordingly, your Company has a capacity to build ten Warships and eleven conventional Submarines simultaneously including following facilities:
  - Module workshop with two 50T EOT Crane and retractable roof designed for fabrication of large Hull blocks, substantially pre-outfitted within a covered environment.
  - Goliath Crane with a capacity of 300 T with a span of 138 meter straddling over two slipways and the module shop.
  - New wet Basin equipped with about 27,000 sq. meters of area to accommodate two (2) large Frigates and two submarines for outfitting.
  - Cradle assembly shop used for fabrication and pre-outfitting of cradle structure in unit block assemblies.
- **Make in India:** Your Company has set up a dedicated 'Make in India' department for Indigenization. Indigenous content in Warships & Submarines built has increased in past 5 years. Large number of equipment have been Indigenized in order to give an impetus to the GoI's 'Make in India' campaign. Indigenous content in Warships & Submarines has been increasing over the years and has led to a reduction in construction cost. Indigenization has reduced reliance on third party component manufacturers. Your Company continuously endeavors to increase the quantum of Indigenized components for Warships and Submarines in order to give an impetus to the GoI's 'Make in India' campaign.
- **Geographical Location:** The shipyard is strategically located on the West coast of India, on the sea route connecting Europe, West Asia and the Pacific Rim, a busy international





maritime route and is headquartered in Mumbai which is also the headquarters of the Western Naval Command of the Indian Navy. The city is commercial capital of the country and is regarded as a major hub for business and finance, there is a presence of strong ancillary industry in the areas in and around Mumbai for supporting Shipbuilding ecosystem.

- Your customers such as the Indian Navy, the Indian Coast Guard and Vendors are based in Mumbai, and this results in closer co-ordination and greater efficiencies. Further, a majority of our sub-contractors are based in and around Mumbai, which provides us with an ease of access to labour.
- **Design Capabilities:** Technical capabilities, quality and efficiency of Vessels constructed by the company enhanced maturity in design and equipment available at the time of commencement of production giving an impetus to the pace of construction supplemented by your Company's experienced senior management team in the industry and a large pool of experienced Naval architects, engineers and draftsmen.
- **Niche Capabilities:** Your Company is the only Public Sector Defence Shipyard constructing conventional Submarines and Destroyers for the Indian Navy and are also one of the initial Shipyards to manufacture Corvettes (Veer and Khukri Class) in India.
- **Infrastructure Upgrade:** Your Shipyard has a freehold land spread over an area of 40 acres at Nhava, Navi Mumbai which can be developed into a greenfield Shipyard at Nhava, Navi Mumbai with a Shiplift, Wet Basin, Workshops, Stores and Buildings and a Ship Repair facility as per the operational requirement of the Company. Further your Company has also newly acquired 15 acres of contiguous land just adjacent to MDL from Mumbai Port Authority on a long lease for a period of 29 years.

## 2. WEAKNESSES

- **Developmental Systems:** Our Warship building and Submarine projects generally have long gestation periods due to technological and process complexities.
- **Tidal Restrictions:** The waterfront of our Company is prone to siltation and involves constant maintenance of dredging to maintain the water depth. If we are required to incur

substantial expenditure on dredging in relation to this, it may affect our results of operations and financial condition.

- **Complex Manufacturing Process:** The manufacturing processes for our products are highly complex, requires technically advanced and costly equipment and hazardous materials, and involve risks including breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, environmental hazards and industrial accidents. In addition, defects in or malfunctioning of our products could cause severe damage to property and death or serious injury to our customers' personnel, which could expose us to litigation and damages.
- **Consequences of Delays:** Imposition of liquidated damages and invocation of performance bank guarantees/indemnity bonds by customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.
- **Delayed deliveries from OEMs:** Dependency on suppliers for timely delivery of raw materials, equipment and components and non-adherence to the agreed timelines may adversely affect our delivery timelines.
- **Requirement of Skilled Workforce:** Warship building industry is highly capital intensive with the requirement of highly skilled workforce and involves integration of high technology, weapon-sensor platforms to meet the strategic mission requirements of the Navy.
- **Globally Competitive Pricing:** The general downturn in the commercial Shipbuilding industry, cutting edge price competition presented by some of the developing nations continues to be ground realities that impede export volumes.
- **Dependence on foreign OEMs:** Critical dependency on foreign sources for Equipment, Weapons, Sensors and Propulsion systems.

## 3. OPPORTUNITIES

- **Shipbuilding Financial Assistance Policy:** The government has set aside ₹ 40 billion to implement the scheme over 10 years under the Shipbuilding Policy 2015, which aims to provide financial assistance to Shipbuilders and grant infrastructure status for the industry. The Financial Assistance Policy of 2015 coupled with exemption from Customs and Central Excise



Duties on all raw material and parts for use in the manufacture of Ships/Vessels/Tugs, Pusher Crafts etc. shall reduce the cost of manufacturing Ships in India, thus improving the competitiveness of Indian Shipbuilders.

- **Make in India/Indigenization** : The Indigenization Plan of the Indian Navy up to 2015-2030 states that the industry, including the private sector, can play a vital role in parts to meet the sophisticated needs of the armed forces through cost-effective utilization of its know-how and existing infrastructure, in pursuance of the Government of India's (GoI) vision of Make in India.
- **Sagarmala Project** : As per this project, coastal and inland waterways traffic is expected to shoot up 15 times over the next 20 years. Similarly, capacity augmentation is expected to result in a five times rise in traffic capacity, from the existing 350 million tonnes. This is expected to bring in additional Ship repair business.
- **Future Orders** : MDL is a strong contender for major future projects of Indian Navy, Indian Coast Guard and Overseas Clients. Some of the identified major business opportunities where MDL is a strong contender are 5 in numbers Next Generation Destroyers and Project P75(I) conventional Submarines 6 in number, Your Company as the lead Shipyard for construction of frontline Warships and Submarines is a highly potential contender to build Warships and Submarines envisaged to meet Indian Navy's acquisition plan.
- **Atmanirbhar Bharat** : MoD has released the draft Defence Production Policy 2018 ('**Draft DPP 2018**') which aims to create a robust and competitive defence industry as part of 'Make in India' initiative. The Draft DPP 2018 also seeks to achieve self-reliance in development and manufacture of platforms such as Warships and liberalise FDI in the defence sector, with up to 74% under automatic route in niche technology areas.
- **Repairs/Refits** : India's strategic position along the east bound and west bound international trade routes offers an opportunity to undertake repairs of the Vessels plying on these routes. A main container route connecting America and Europe to the East passes very close to the Indian coastline, presenting a major opportunity for repairs.

- Your Company has unique strengths and skill sets that have been meticulously developed in the past eight decades and are adapted in the complex activities of weapon integration sensors for export of high tech defence platforms for the defence needs in the international market which continues to rise. Artificial Intelligence (AI) presents opportunities to complement and supplement human intelligence and enrich the way people live and work. AI is a key component of the Ind 4.0 revolution is poised to disrupt our world.
- **Diversification** : Your company has also started diversifying the product portfolio into aviation segment and has taken MRO contract for repair of Helicopter.

#### 4. THREATS

- **DPP Strategic Partnership Model**: Government of India identified a few Indian private companies as strategic partners who would tie up with shortlisted foreign OEMs to manufacture military platforms and equipment, under the strategic partnership model under DPP 2016 policies introduced in 2017. This has raised the level of Competition.
- **International Markets**: There is stiff competition from various private sector Shipyards in the International markets such as China, Japan and South Korea who based on their stronger market positions, competitive labour cost, government supports and larger production capacities, these Shipyards may compete vigorously on price, however we believe that customers consider, among other things, the technical capabilities, quality and efficiency of Vessels constructed by us.
- **Telescopic Design** : Frozen design which ensures design and procurement maturities become inevitable for honouring contractual timelines and price-lines and it may not be commercially viable to continue with telescopic designing of Warship as we are dependent on foreign suppliers for weapons and propulsions systems to be fitted on the Warships and the Submarines. Delays in procurement, nomination or any other decision making by our customers and collaborators may result in time and cost overruns in completion of our Shipbuilding and Submarine projects, which may have an adverse effect on our business, financial condition and results of operations.



- **Terrorism** : Terrorism and radicalisation are the biggest threats to peace and security that the world is facing today. India has reiterated, at a number of bilateral and multilateral platforms, its resolve to combat terrorism in all its forms and manifestations.
- **International Sanctions** : Our Company or its technical collaborators may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.
- **Fixed Profits** : Our earnings and margins may vary based on the mix of our contracts and programs, our performance, and our ability to control costs. We may incur losses as a result of cost overruns, time overruns, lack of clarity in standards and specifications and stringent defence procurement procedures which may have an adverse effect on our business, financial condition and results of operations.

### C. BUSINESS RISKS AND CONCERNS

Your Company has developed an appropriate Risk Management Framework to strategize, monitor, identify, assess and mitigate risks that may potentially impact the Company's performance and barriers to success. The risks that may affect the Company include:

- Delay in the deliveries may materially and adversely affect our reputation, operations and financial condition. Unsatisfactory quality of work performed by subcontractors could result in a negative impact on our business, reputation, financial condition and results of operations. Non-availability of critical imported raw material in the International market coupled with exchange rate fluctuation and volatile prices play adversely on the competitive edge of the Company.
- The waterfront of our Company is prone to siltation and requires constant maintenance by dredging to maintain the requisite water depth.
- Changing laws, rules and regulations and legal uncertainties, including adverse application of Tax laws and regulations, may adversely affect our business, results of operations and cash flows.
- For being competitive, your Company needs to meet the build timelines and pricing of leading nations in the Shipbuilding Industry. With the ancillary industrial ecosystem yet to fully mature, your Company may not be in a position to match the international standards of pricing and

build period. Labour is a major cost, accounting for about 10-15% of total cost. Lower labour cost compared with China, South Korea and Japan can improve competitiveness along with greater Indigenization of the Company. Indian Shipbuilders import 65-70% of equipment, due to absence of manufacturing equipment in the country and equipment costs constitute 50-55% of Shipbuilding cost. This increases the cost of Ships.

- Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could adversely affect our results of operations, therefore our current order book may not necessarily translate into future income in its entirety.

### D. The performance highlights of the Company during the year ended 31 March 2024 are as follows:

(₹ in lakhs)

Particulars	As on 31st March 2024	As on 31st March 2023
Total Income	10,60,460	8,54,066
Revenue from Operations	9,46,658	7,82,718
Gross Margin (EBIDTA)	2,54,963	1,51,128
Profit before Exceptional Items & Tax	2,46,138	1,42,933
Exceptional Item	-	-
Profit Before Tax After Exceptional Items	2,46,138	1,42,933
Tax Expense	61,595	35,661
Profit After Tax	1,84,543	1,07,272
Net Worth	5,57,068	4,17,756
Book Value per Share (in ₹)	276.20	207.13
Earnings per Share (in ₹)	91.50	53.19
Dividend per Share (in ₹)	27.45	15.96

Efficiency Ratios (%)	FY 2024	FY 2023
PBT Margin	26.00	18.26
PAT Margin	19.49	13.71
Debtors Turnover	7.71	7.66
Basic EPS	91.50	53.19

- **Total Income** has increased by 24.17% from ₹ 8,54,066 lakh in 2022-23 to ₹ 10,60,460 lakh in 2023-24.



- **Revenue from Operations** has increased from ₹ 7,82,718 lakhs in FY 2022-23 to ₹ 9,46,658 lakhs in FY 2023-24.
- **Profit Before Tax (PBT)** has increased from ₹ 1,42,933 lakhs in FY 2022-23 to ₹ 2,46,138 lakhs in 2023-24.
- **Book Value per Share** has increased from ₹ 207.13 in FY 2022-23 to ₹ 276.20 in 2023-24.
- **Net Worth** has increased by 33.35 % from ₹ 4,17,756 lakh in FY 2022-23 to ₹ 5,57,068 lakh in FY 2023-24.

#### E. CORPORATE INITIATIVES FOR ENSURING SUSTAINED PERFORMANCE AND GROWTH:

- Your Company has revived refit and repairs of Warships, Submarines and has already entered into the repairs of commercial Ships. To generate revenue from Ship repair stream, MDL aims to increase Ship repair/refit business activities in the coming years.
- Your Company intends to diversify into the field of underwater equipment and platform, Marine equipment, Heavy Engineering equipment, offshore platform etc. In this regard an additional project team is formed in East Yard (Submarine division) and a separate marketing manual has also been promulgated to give boost to our diversification programme.
- Your Company continues to modernise the equipment and infrastructure to keep pace with emerging Shipbuilding process and technologies.
- Export has been identified as a thrust area and dedicated efforts are on to enter the highly competitive market. Indigenisation of equipment and systems have also been given priority in tune with Government of India initiatives for self-reliance.
- Your Company is committed towards up gradation /modernization of existing facilities from time to time. The company is taking up replacement of existing 12 nos. Vintage level luffing cranes with new cranes in a phased manner. Company has also commenced the work of manufacture of new Caisson Gate for the East Yard Dry Dock for replacement of existing one. The construction is expected to be completed by June 2024.
- Your Company has initiated steps for setting up a green field Shipyard at its Nhava Yard in a phased manner with short term and long term development plan. Short term development shall

enable MDL to facilitate the immediate use of the existing infrastructure for Shipbuilding and Ship repair business whereas long term development is to facilitate construction of large sized Vessels and major refit and repairs.

- Towards undertaking the construction of advanced and next generation Vessels, MDL has undertaken construction of a New Floating Dry Dock of 12000T capacity which will get dovetailed into the facility at Nhava Yard.

#### F. INFORMATION TECHNOLOGY

The company has institutionalized SAP/ERP to support its operations. The details are provided in the Directors' Report.

#### G. MARKETING AND BUSINESS DEVELOPMENT

The company has participated in various Naval/Defence related exhibitions in India as well as abroad in order to project its capability and to assimilate the product range. The details are provided in the Directors' Report.

#### H. HUMAN RESOURCE INITIATIVES

Your Company has taken a number of initiatives on the Human Resource Management (HRM) front. Some of the initiatives are as below:

- a) Some important events like 'International Yoga Day' and 'Samvidhan Diwas', 'Marathi Rajbhasha Din' were celebrated and various activities were carried out in order to spread awareness amongst Executives & Non-Executives.
- b) 'Shivaji Maharaj Jayanti', 'Dr Ambedkar Jayanti', 'Mahaparinirvan Diwas' and 'Yard Open Day', were celebrated as part of Employee engagement activities.
- c) All HR MoU parameters have been complied/achieved.
- d) Settlement of PF & Gratuity on the last day of the month has been initiated for Superannuating employees. Pension Payment Order (PPO) has been handed over to employees on the last date of the month in which they attain the age of Superannuation.
- e) Celebration of 'World Environment Day' on 05 Jun 2023 was organised through programs like Bicycle Rally to promote LiFE (Life Style for Environment) & Workshop on LiFE awareness at MDL.
- f) Celebration of 'World Blood Donor Day' on 14th June 2023 by conducting outreach activities like



- Health Talk on Blood Donation, Blood Group Testing, and organizing Blood Donation Camp wherein 1461 employees actively participated.
- g) Important events like the 'International Yoga Day' was celebrated in virtual mode on 21 Jun 2023, 'Samvidhan Diwas' (Constitution Day) was celebrated on 26 Nov 2023 and 'Satyanarayan Mahapooja' was celebrated on 09 Dec '23.
- h) Celebration like 'Har Ghar Tiranga' and 'Meri Maati Mera Desh' Campaign were conducted during Independence week 13 Aug 2023 to 15 Aug 2023. On occasion of 'Har Ghar Tiranga' and 'Meri Maati Mera Desh' Campaign, employees have taken the Panch Pran Pledge on 14 Aug 2023.
- i) Central Kitchen was Inaugurated by CMD, MDL at Alcock Yard on occasion of Independence day on 15 Aug 2023.
- j) 'Suraksha Bandhan' on occasion of Raksha Bandhan was conducted through various outreach activities like motivational speech on 'Shivaji Maharaj and Indian Navy', Raksha Bandhan to security personnel & cultural programmes on 29 Aug 2023. Around 260 employees actively participated.
- k) The Departmental Promotion for Executives in June 2023 and Dec 2023 and for Non-Executives w.e.f. 01 Oct 2023 were completed in time.
- l) The Annual Performance Report for Executives had been triggered online and the same has been completed for assessment year 2023-24.
- m) Annual Health Check-up for all employees was conducted. Total 5750 Employees undergone Annual Medical Examination by certifying Surgeon till 31 March 2024.
- n) HR Department has been complying with all applicable Industrial & Labour Laws, local laws like The Municipal Corporation Act and other laws viz. RTI Act, 2005 and Official Languages Act.
- o) MDL filled up 488 vacancies during the FY 2023-24 which includes vacancies filled under Government initiative of Recruitment under Mission Mode.
- p) MDL has been laying emphasis on the overall growth & development of Human Resources and is committed to continue its relentless efforts in updating the competencies of its executives through exposure to various Learning & Development programs organized by Institutes of National Importance and through sponsoring function based Seminar/Conferences /Workshops.
- q) Clean Ship of adjacent areas/roads of MDL by external agency: MDL has engaged a cleanship - specific agency for carrying out daily cleaning of roads (approx. 4.5 kms) adjacent to MDL.
- r) Celebration of 'Swachhta Pakhwada', 2023 from 01 Dec 2023 to 15 Dec 2023. In accordance with the Ministry's guidelines promulgated, various outreach activities has been conducted between 01 Dec 2023 to 15 Dec 2023 at MDL.
- s) Various programs like Skill Mela, Mini Marathon, Quiz Competitions, Nukkad Natak, Tiranga yatra, Sports events were conducted for commemorating India@75 'Azadi ka Amrut Mahotsav'.
- t) Training for BOAT Apprentices and Graduate Apprentices on 'Behavioural and Spiritual aspects' of 1 day was conducted for self-development of apprentice students.
- u) Mazdock Mumbai 10K Challenge - Mazdock Mumbai 10K Challenge was organized on 07 Jan 2024 at Nariman Point, Mumbai for employees as a part of MDL existence of 250 years. Around 2,500 persons participated wholeheartedly in 10KM Challenge Run and 3KM Family Run.
- v) The Travelling Allowance and Daily Allowance of Non-executives on temporary duty was revised w.e.f 21 Dec 2023. The revision of Travelling Allowance and Daily Allowance took place after 10 years. The 'Daily Allowance/Daily Allowance-own arrangement' to be revised to the extent of 50% of the increase in Dearness Allowance over one-year period from April to March of the previous Financial Year.
- w) Implementation of extended zone of consideration in promotion of Non-Executives for SC/ST employees
- I. Empowerment and Welfare of Women**
- a) There are around 248 Women employees (Executives and staff) in MDL. Women employees were imparted training on various topics viz. Leadership, Soft Skills and Technical training.
- b) MDL also provided Apprenticeship for skill enhancement in various trades to 64 girl Apprentices during FY 2023-24.





- c) Women employees are Members in the Forum of Women in Public Sector (WIPS). WIPS carries out various women empowering activities viz. National & Regional Meet - WIPS, celebration of International Women Day.
- d) Following enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redress) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment.
- e) Regular Awareness programs for enhancement of the prevention and redressal of Sexual Harassment at the workplace also conducted through print and digital media and regular training programs conducted from external agencies to sensitize employees about appropriate behavior and prevention of Sexual Harassment. Internal lady faculties shall be developed from within to impart training on POSH to both, on roll and contract lady employees.
- f) The Company provides Crèche facility for the children of Women/Lady Employees under the supervision of a lady Doctor and two female attendants. Currently, 6 children are utilising the crèche facility on regular basis.
- g) Female employees who are on the permanent as well as Contract basis are entitled to Maternity Leave @ 180 days. Similarly, 45 days maximum leave is allowed in case of Miscarriage.

#### Promotion to Leadership Roles

The percentage of Women employees at the Middle and Higher management level has increased on account of promotion in management grade.

- i) One of the Independent Director in the board is a Woman Director.
- ii) 07 Women Executives are heading various Sections/Departments at MDL.
- iii) 7.19% Women Executives in Middle Management/higher Management level of MDL.
- iv) The President of MDL Officers Association is chaired by Woman Executive.
- v) Office bearers of Unions at MDL is also represented by Women Non-Executives.
- vi) The Directors of MDL employees Co-operative Credit Society chaired by 02 Women Non-Executives.

- vii) Two Women Non-Executives have participated on board Sailing of Submarine thereby creating history by sailing for the first time over by women.

#### Other Committees

There are number of other committees wherein Women employees represent, these are:

- i) Grievance Redressal of Executives of all Yards of MDL;
- ii) Grievance Redressal Cell for SC/ST Employees;
- iii) Grievance Redressal of Staff/Sub Staff & Workmen of MDL, Mumbai Anik Chembur Yard & Nhava Yard;
- iv) Redressal of Complaints of Sexual Harassment;
- v) Women/WIPS Cell;
- vi) Award Committee.

#### Learning & Development

With a view to upgrade the knowledge and skill of employees, MDL has conducted various training programs in which lady employees also participated. Lady employees are provided with equal opportunity for skill development and career progression in MDL.

- i) Women in Public Sector (WIPS) – Participated National and Regional Conference.
- ii) 'Shatter the Glass' for woman in Leadership role
- iii) Women Empowerment – Leadership Development
- iv) Stress Management – stress management for working women
- v) 'Mahila Manomilan' – Traditional methodology for Women Team building
- vi) Medical Awareness Sessions (Gynecology/ Cancer)
- vii) Leadership Development through IIM – Specialized training programme for Leadership Development
- viii) Regular sessions on Prevention of Sexual Harassment (POSH) at workplace



- ix) Decoding Values – Woman participation in core values identification
- x) Personality Development - Self Defence and Confidence building
- xi) Security Sensitization (Prevention/Protection from Social crime) - Conducted through Mumbai Police
- xii) Mentorship – Woman Executives appointed as Mentors

#### **J. INFORMATION TECHNOLOGY FOR HUMAN RESOURCE:**

- a) MDL launched online web portal for employees named MDL e-Connect where employees can access static employee details like Pay Slip, PF Slip, Contributory Pension details, Leave balance, Procedures/Manuals and Recent Circulars digitally. The process is a green initiative aimed at reducing the use of paper thereby the carbon footprint of MDL. The online system is simple and user-friendly and this will make the process hassle free for employees. It will also optimize the workload of HR by helping in compliance and reporting. The launch of these initiatives seeks to realize the goal of inclusive development by adopting to the technology. This will further consolidate MDL's initiative of digital transformation and MDL's commitment in participating with the Government of India's flagship initiative of 'Digital India'.
- b) Payroll in SAP system has been merged to single payroll area from three different payroll areas having two different timelines for running of payroll. This has streamlined the payroll process by bringing down the number of man-days required for running of payroll. This has also brought efficiency in payment of statutory dues, reconciliation of payroll data and posting of payroll data in finance module.

#### **K. SKILL INDIA INITIATIVES:**

In line with the Skill India Mission of Government of India, your Company has set up an ambitious target for Skill Development Projects.:

- a) **Trade Apprentices:**
  - i. Induction of 466 apprentices in Oct 2023 Batch in MDL.
  - ii. Basic Training, Soft skill training and on-the-job training were imparted to trade apprentices.

#### **b) Graduate & Diploma Apprentices:**

- i. Selection of 200 Diploma, Engineering Graduate & General Stream Graduate for one Year on-the-job apprenticeship training in MDL as per Apprentices Act under the Board of Apprenticeship Training, Western Region (BOAT-WR).
- ii. General Stream Graduate of B.Com, BCA & BBA disciplines were selected and deputed to Finance, Commercial, CIT, HR & Admin dept. for one year on the job training.
- iii. 67 nos. of Batch 2022-23 completed one year on-the-job training in March 24 and 102 nos. joined training in March 24 under batch 2023-24.

#### **c) Marine Engineering Apprenticeship Scheme:**

- i. 384 cadets of Shipping Corporation of India (SCI), Marine Engineering and Research Institute (MERI), TS-Rahman, AMET Chennai and BP marine Mumbai were trained during the FY 2023-24.

#### **d) MDL Participation with various Government Schemes:**

- i. Centre of Excellence in Welding is registered on Skill India Portal under Capital Goods Sector Skill Council with Registration Number: TC220117 for imparting short term training under Skill India Mission.

MDL ATS is also registered with registration number TC225915 for imparting training to un-organized sectors such as Boat Maker & Carpenter under PM Vishwakarma Scheme.

#### **L. INTERNAL CONTROL SYSTEM**

- i. The Company has an Internal control system commensurate with the nature and size of business which monitors efficient use and safeguarding of resources, compliance with statutes, policies and procedure and maintains accuracy of recording transactions and reporting the same to the Audit Committee and Board. The system of Internal Control comprises of well defined organization structures, pre-identified authority level and procedure issued by management covering all vital and important areas of activities which includes purchase, inventory consumption, Fixed Assets, Cash & Bank management and Treasury, Payroll, Statutory Compliance, Personnel & all other activities involved in financial statement closing process.



## Appendix 1

### Form AOC-1

#### Part 'A' Subsidiaries

(Rs in Lakh)

Sr.No.	Particulars	
1	Name of the Subsidiary	MDL has no subsidiaries
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share Capital	NA
5	Reserve & Surplus	NA
6	Total Asset	NA
7	Total Liabilities	NA
8	Investment	NA
9	Turnover	NA
10	Profit Before taxation	NA
11	Provision for taxation	NA
12	Profit after taxation	NA
13	Proposed Dividend	NA
14	% of Shareholding	NA
1	Name of subsidiaries which are yet to commence operations	NA
2	Names of subsidiaries which have been liquidated or sold during the year	NA

#### Part 'B' Associates & Joint Ventures

Sr. No.	Name of Associates	GOA SHIPYARD LIMITED
1	Latest audited Balance Sheet Date	31 March, 2024
2	Shares of Associates held by the company on the year end	
	Numbers	5,49,57,600
	Amount of Investment in Associates	600
	Extent of Holding %	47.21%
3	Description of how there is significant influence	Voting Rights



## Appendix 2

### Form 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 of arrangements or transaction not at arm's length basis
  - (a) Name (s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts /agreements/transactions: Not Applicable
  - (c) Duration of the contracts/agreements/transactions: Not Applicable
  - (d) Salient terms of the contracts or agreements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date (s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) 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 contract or arrangements or transactions at arm's length basis
  - 2.1
    - (a) Name (s) of the related party and nature of relationship: Indian Navy
    - (b) Nature of contracts /agreements/transactions: Various Naval Vessel construction and repair
    - (c) Duration of the contracts/agreements/transactions: various
    - (d) Salient terms of the contracts or agreements or transactions including the value, if any: -Not Applicable
    - (e) Date (s)of approval by the Board: Not Applicable
    - (f) Amount paid as advances, if any: Not Applicable
  - 2.2
    - (a) Name (s) of the related party and nature of relationship: Not Applicable
    - (b) Nature of contracts/agreements/transactions: Not Applicable
    - (c) Duration of the contracts/agreements/transactions: Not Applicable
    - (d) Salient terms of the contracts or agreements or transactions including the value, if any: Not Applicable
    - (e) Date (s) of approval by the Board: Not Applicable
    - (f) Amount paid as advances, if any : Not Applicable



## Appendix 3

### FORM NO MR-3 SECRETARIAL AUDIT REPORT FOR THE Financial Year ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
Dockyard Road,  
Mumbai – 400010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAZAGON DOCK SHIPBUILDERS LIMITED (CIN: L35100MH1934GOI002079)** (hereinafter called ‘the Company’) for the year ended on March 31, 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2023 to March 31, 2024 complied with the statutory provisions listed hereunder 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 March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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; (not applicable to the company during the audit period)
- (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; **(not applicable to the company during the period under review)**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(not applicable to the company during the period under review)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(not applicable to the company during the period under review)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(not applicable to the company during the period under review)**





- g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2021; **(not applicable to the company during the period under review)**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(not applicable to the company during the period under review)**
  - i. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018. **(To the extent applicable).**
- (vi) We are of the opinion that the management has complied with the following laws specifically applicable to the Company:
1. Factories Act, 1948;
  2. Industrial Disputes Act, 1947;
  3. Environment Protection Act, 1986;
  4. Water (Prevention and control of pollution) Act, 1981;
  5. Air (Prevention and control of pollution) Act, 1974;
  6. Hazardous Waste (Management and handling) Rules, 1989;
  7. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India;
  8. Guidelines on Corporate Social Responsibility and sustainability for Central Public Sector Enterprises.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The Company being a Government Company under the administrative control of the Ministry of Defence ("MoD"), Government of India, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India;
2. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulation 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- As per Regulation 17 of the SEBI (LODR), 2015, and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
  - a. Fifty percent of the Board of Directors as Non Executive and Independent Directors.

**We further report that:**

The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, the Company has not been able to appoint requisite number of Independent Directors, as required under the provisions of the Act, Rules and Regulations.

Adequate notice is given to all directors to schedule the Board 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, if any 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 had the following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc as mentioned herein:

1. The Board of Directors of the Company at its Meeting held on May 30, 2023 has recommended Final Dividend of ₹ 6.86 per equity share of face value of ₹10/- each aggregating to ₹ 138.36 crore for Financial Year 2022-23.
2. The Board of Directors of the Company at its Meeting held on November 08, 2023 has declared Interim Dividend of 153.00% i.e. ₹ 15.34 per equity share of face value of ₹10/- each aggregating to ₹ 309.39 crore for Financial Year 2023-24.
3. Cessation of Smt. Vijayalakshmi Kumar from the position of Company Secretary and Compliance Officer with effect from December 01, 2023.
4. Appointment of Smt. Madhavi Kulkarni as Company Secretary and Compliance Officer with effect from December 01, 2023.
5. Appointment of Shri. Chandu Sambasiva Rao as a Part-Time Non-Official (Independent) Director with effect from February 22, 2024.

**For Ragini Chokshi and Co.**  
(COMPANY SECRETARIES)

Sd/-

**Makarand Patwardhan**

(Partner)

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872F000485884

PR Certificate no.: 659/2020

Date: 29.05.2024

Place: Mumbai

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



## Annexure A

To,  
**The Members,**  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
Dockyard Road,  
Mumbai – 400010

Our report of even date is to be read along with the 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 process 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. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate Governance and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ragini Chokshi and Co.**  
COMPANY SECRETARIES

Sd/-

**Makarand Patwardhan**  
(Partner)

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872F000485884

PR Certificate no.: 659/2020

Date: 29.05.2024

Place: Mumbai



## Appendix 4

### 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,  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
Dockyard road,  
Mumbai – 400010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MAZAGON DOCK SHIPBUILDERS LIMITED** having **CIN:L35100MH1934GOI002079** and having registered office at Dockyard Road, Mumbai 400010 (hereinafter referred to as 'the Company'), produced before 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/our opinion and to the best of my/our information and according to the verifications including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me/us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Shri Sanjeev Singhal	07642358	08/01/2020
2.	Shri Anurag Bajpai	08948155	10/11/2022
3.	Cdr. Jasbir Singh, IN (Retd)	08556592	01/11/2019
4	Shri Biju George	09343562	27/10/2021
5.	Shri Vasudev Ranganath Puranik	09623387	09/06/2022
6.	Shri Mallikarjunarao Bhyrisetty	06557777	24/12/2021
7	Smt Jagjeet Kaur Neeru Singh	09449410	27/12/2021
8.	Shri Dattaprasad Kholkar	10054086	23/02/2023
9.	Shri. Sambasiva Rao Chandu	02296283	22/02/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our 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 Ragini Chokshi and Co.**  
COMPANY SECRETARIES

Sd/-

**Makarand Patwardhan**

(Partner)

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872F000485939

PR Certificate no.: 659/2020

Date: 29.05.2024

Place: Mumbai

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## Appendix 5

### CEO and CFO Certificate under regulation 33 (2) (a) of SEBI (LODR) Regulation 2015

To  
The Board of Directors of  
**Mazagon Dock Shipbuilders Ltd**

- A. We have reviewed financial statements and the cash flow statement of Mazagon Dock Shipbuilders Ltd for the quarter/year ended on 31<sup>st</sup> March 2024 and to the best of our knowledge and belief:
- (1) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - (2) These statements together present a true and fair view of the listed entity affair and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief no transactions entered in to by the listed entity, during the quarter/year ended on 31st March 2024 which are fraudulent, illegal or violative of Companies' code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- D. We have indicated to the auditors;
- I. significant changes in internal control over financial reporting during the quarter/year.
  - II. significant changes in accounting policies during the quarter/year and that the same have been disclosed in the notes to the financial statements and
  - III. instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

Date - 29th May, 2024  
Place – Mumbai.

**Sanjeev Singhal**

Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN: 07642358





## Appendix 6

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SDG ALIGNMENT

Mazagon Dock Shipbuilders Limited recognizes the imperative of aligning with Sustainable Development Goals as a cornerstone for fostering a sustainable and responsible business model. MDL not only underpins its commitment to making a positive environmental, social, and economic impact but also ensures its operations contribute constructively to the global agenda for 2030. This alignment is not only essential for maintaining MDL's reputation as an industry leader but is integral for promoting long-term growth, innovation, and resilience. As MDL operates in a sector closely tied with national defense and security, its adoption of SDG principles also reflects the broader commitment to safeguarding the planet and its people, setting a precedent for the industry and contributing to the collective global effort to achieve a sustainable future.



The Dockyard Employees Union at MDL exemplified community spirit and commitment to public health by organizing a blood donation camp, aligning with the United Nations Sustainable Development Goal 3. Employees turned out in large numbers, eagerly participating in this act of selflessness to aid those requiring blood transfusions.

**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



MDL's focus on gender equality and women's empowerment, in line with UN Sustainable Development Goal 5, was evident in an interactive session led by Independent Director, Ms. Neeru Singh, with the company's women employees. During this engagement, Ms. Singh addressed the challenges that women often encounter in the workplace, fostering an open dialogue that also explored opportunities for improvement and growth. Her commitment to advancing the well-being of MDL's female workforce extended to a thorough evaluation of the washroom facilities for women in the yard, ensuring that the company's infrastructure meets the needs and supports the dignity of all employees. Such actions are crucial steps towards creating a more inclusive and equitable work environment.



**6** CLEAN WATER AND SANITATION



**11** SUSTAINABLE CITIES AND COMMUNITIES



The comprehensive cleanliness drive deployed by MDL as part of the Swachhata campaign from 1-31 Oct'23 has made a significant impact in fostering a clean and hygienic environment, aligning harmoniously with several UN Sustainable Development Goals, particularly Goal 6 and Goal 11. Extensive efforts were undertaken to collect scrap and unused materials from Common Stock Stores, workshops, and the Alcock Scrap Yard, enhancing the aesthetics and safety of the work areas. The workshops' washrooms and restrooms benefited from meticulous cleaning, employing cleaning machines for a thorough outcome. Roads and open spaces within and surrounding MDL premises witnessed a transformative cleanliness operation with the use of vacuum cleaners and mechanized cleaning methods, including a truck-mounted road sweeper for the SSA Workshop. The initiative extended beyond the operational zones to residential areas, where debris was removed, garbage bins were placed, and outreach activities raised cleanliness awareness among local residents, marked by the display of posters during the drive.

Strengthening its commitment to hygiene, MDL has also focused on improving sanitation facilities by adding additional ladies' washrooms throughout the workplace. This extensive cleanliness campaign, powered by the collective efforts of 20 Integrated Facility Management Service employees, not only contributes to a healthier and more sustainable environment but also encourages community involvement and awareness in maintaining cleanliness standards.





## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## 6 CLEAN WATER AND SANITATION



## 13 CLIMATE ACTION



MDL has taken a commendable step towards environmental sustainability and the mitigation of climate change by installing solar panels with a combined capacity of 1850 KWP across various locations within their facilities. This renewable energy initiative is closely aligned with Sustainable Development Goal 7 and Goal 13. The strategic placement of these installations, from the rooftops of workshops and stores to the wide expanse of the Anik Chembur Yards, maximizes the utilization of solar energy, thereby reducing Greenhouse Gas emissions significantly. Complementing these efforts, MDL's introduction of emission-free Electronic Golf cars exemplifies the company's innovative approach to reduce its carbon footprint and promote clean energy use within its operations.

MDL's waste management initiative displays a strong commitment to sustainability, significantly contributing to the attainment of a zero garbage status since the fiscal year 2010-11. This consistent effort demonstrates an alignment with the United Nations Sustainable Development Goals, particularly Goal 12 and 13. By engaging with NGOs/Sahakari Sansthas, MDL ensures the daily removal of refuse from its yards without any financial burden, effectively turning waste into a resource. Establishing separate rate contracts for various types of scrap material, and promoting the sorting and recycling of plastics, MDL sets an example of responsible waste management and resource efficiency. The Disposal Cell's auction system for metal and wooden scrap further underlines the company's dedication to minimizing environmental impact and fostering a circular economy.

MDL's implementation of a Zero Liquid Discharge system in their Submarine Section Assembly workshop is a substantial move toward water conservation and pollution prevention, directly contributing to Sustainable Development Goal 6 and 14, which focuses on clean water and sanitation and conservation of life below water. Initiated in the fiscal year 2016-17, this composite system integrates a Sewage Treatment Plant, Grey Wastewater Treatment Plant, and Oil Water Treatment Plant. These facilities collectively aim to reduce the levels of Biological Oxygen Demand, Chemical Oxygen Demand, and Total Suspended Solids, while ensuring that the treated water is safe for diverse reuse applications such as gardening and toilet flushing. By disinfecting and repurposing domestic sewage, greywater, and oil-contaminated water, MDL not only optimizes water usage but also protects the local waterways from pollution. This ZLD system exemplifies a proactive approach to environmental stewardship, showcasing how industrial processes can be aligned with global sustainability standards.

## 7 AFFORDABLE AND CLEAN ENERGY



## 14 LIFE BELOW WATER







MDL paid homage to Mahatma Gandhi's vision of cleanliness and environmental stewardship through the launch of the 'Ek Tareekh, Ek Ghanta, Ek Saath' campaign. This initiative not only supported the principles of the Swachh Bharat mission but also directly contributed to the United Nations Sustainable Development Goals, particularly Goal 15. Complementing the cleanliness efforts, the tree plantation activity at MDL's Residential Complex demonstrated a green commitment, signifying the importance of sustainability and care for the planet's natural resources. The CMD administered the Swachhata Pledge to all employees and three Swachhata teams were flagged off to conduct Shramadaan at different locations, highlighting MDL's resolve to build a cleaner and more sustainable community.



In observance of World Blood Donor Day on June 14th, MDL demonstrated its commitment to community health and social responsibility by organizing a two-day event to raise awareness about the importance of blood donation. The event featured health talks aimed at educating MDL employees about the lifesaving impact of blood donation and addressing common misconceptions that may deter voluntary contributions. Additionally, a blood donation camp was set up, encouraging employees to actively participate in this altruistic act.





## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity:

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L35100MH1934GOI002079						
2.	<b>Name of the Listed Entity</b>	Mazagon Dock Shipbuilders Limited						
3.	<b>Year of incorporation</b>	1934						
4.	<b>Registered office address</b>	Dockyard Road, Mumbai - 400 010						
5.	<b>Corporate address</b>	Dockyard Road, Mumbai - 400 010						
6.	<b>E-mail</b>	<a href="mailto:investor@mazdock.com">investor@mazdock.com</a>						
7.	<b>Telephone</b>	+91 22 2376 2000/3000/4000						
8.	<b>Website</b>	<a href="https://mazagondock.in">https://mazagondock.in</a>						
9.	<b>Financial Year for which reporting is being done</b>	2023-2024						
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Exchange</th> <th style="text-align: left;">Stock Code</th> </tr> </thead> <tbody> <tr> <td>NSE</td> <td>MAZDOCK</td> </tr> <tr> <td>BSE</td> <td>543237</td> </tr> </tbody> </table>	Name of the Exchange	Stock Code	NSE	MAZDOCK	BSE	543237
Name of the Exchange	Stock Code							
NSE	MAZDOCK							
BSE	543237							
11.	<b>Paid-up Capital</b>	INR 201,69,00,000/-						
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Smt. Madhavi Kulkarni, Company Secretary ; Phone No.: +91 22 2376 2012; Email id: mdlcs@mazdock.com						
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated Financial Statements, taken together).</b>	The disclosures under this report are made on standalone basis for Mazagon Dock Shipbuilders Limited (MDL).						
14.	<b>Name of assurance provider</b>	Not Applicable as per the SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.						
15.	<b>Type of assurance obtained</b>	Not Applicable as per the SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.						

Note:

- The numbers have been rationalized, wherever required.
- We/Company/MDL/Mazagon are used interchangeably in the report.

### II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing/Building/Fabrication	Manufacturing/Building/Fabrication of Submarine & Ships	97
2.	Repair Activity	Medium Refit & Life Certification of Submarines & Ships	3





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

S. No.	Product/Service	NIC Code	% of Turnover contributed
1.	Manufacturing/building/fabrication of Submarine & Ships	3011289061000 (HSN code)	97.00
2.	Medium Refit & Life Certification of Submarines & Ships	998729 (HSN code)	3.00

**III. Operations**

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

Location	Number of plants	Number of offices	Total
<b>National</b>	Mazagon conducts all its activities from a single site in Mumbai, Maharashtra. It has multiple specialized sections: The North Yard, South Yard, Nhava Yard and the Anik Yard are designated for Shipbuilding. The East Yard is a Submarine Construction Yard. The land next to the South Yard is earmarked for the construction and housing of both Ships and Submarines, including facilities such as the Modular Workshop for Ship construction, Cradle Workshop for Submarine assembly, a Goliath Crane and a Wet Basin.		
<b>International</b>	Nil		

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

**a. Number of locations**

Locations	Number
National (No. of States & UTs)	1 (Maharashtra)
International (No. of Countries)	Nil

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

0.16

**c. A brief on types of customers:**

MDL provides services to both national and international clientele within the Defence sector, alongside civilian operations. Nevertheless, the Company predominantly conducts business with the Indian Defence Services, primarily serving the Indian Navy and the Indian Coast Guard.

**IV. Employees**

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

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

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	946	875	92.49	71	7.51
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	946	875	92.49	71	7.51
<b>WORKERS</b>						
4.	Permanent (F)	1,868	1,816	97.22	52	2.78
5.	Other than Permanent (G)	3,513	3,388	96.44	125	3.56
6.	<b>Total workers (F + G)</b>	5,381	5,204	96.71	177	3.29



**b. Differently abled Employees and Workers:**

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	30	30	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	30	30	100	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	41	39	95.12	2	4.88
5.	Other than permanent (G)	60	58	96.67	2	3.33
6.	<b>Total differently abled workers (F + G)</b>	101	97	96.04	4	3.96

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

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11.11
Key Management Personnel (Other than BoD)	5*	1	20

\*4 out of 5 KMPs are also part of the Board.

**22. Turnover rate for permanent Employees and Workers (in percent)**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	1.37	5.80	1.70	0.90	1.50	1.20	0.65	2.96	1.80
<b>Permanent Workers</b>	0.05	-	0.05	0.19	-	0.10	0.33	3.45	1.89

**V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**

**23. (a) Names of Holding/Subsidiary/Associate Companies/Joint Ventures**

S. No.	Name of the Holding/ Subsidiary/Associate Companies/Joint Ventures (A)	Indicate whether Holding/Subsidiary/ Associate/Joint Venture	% of shares held by Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Listed Entity? (Yes/No)
1.	Goa Shipyard Limited	Associate	47.21%	No

**VI. CSR Details**

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

(ii) Turnover (in ₹) – 9,466.58 lakhs

(iii) Net worth (in ₹) – 5,570.68 lakhs



**VII. Transparency and Disclosures Compliances**

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *  (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	17	0	The grievances were resolved promptly	18	0	The grievances were resolved promptly
Investors (other than Shareholders)				NA			
Shareholders	Yes*	0	0	NA	2	0	The grievances were resolved promptly
Employees and workers	Yes	4	0	The grievances were resolved promptly	12	2	The grievances were related to service related matters and resolution of pending grievances is in progress
Customers	Yes**	All the complaints/issues by customer (Indian Navy) are being discussed during Working Level Meetings and Combined Project Review Meetings by Controller of Warship Production and Acquisition (CWP&A). Since the project is carried out for Ministry of Defence, details of complaints cannot be put in public domain.					
Value Chain Partners	Yes	1	0	The grievance was resolved promptly	6	2	Resolution in progress

\* The Stakeholder Relationship Committee of the Company redresses the complaints received from the Shareholders as per SEBI Listing Regulations, hence there is no weblink.

\*\* MDL deals with Defence Customers and therefore all the communication are through confidential mode as per the requirement of Customer and is not part of public domain. The issues have been deliberated in structured meeting with the Customers and have been attended.



26. Overview of the entity's material responsible business conduct 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<sup>1</sup>

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	Energy Management	Risk	The evolving landscape of regulations that affect emissions and climate change presents a significant risk due to the potentially dangerous nature of the operations we conduct.	Mazagon is committed to renewable energy and has undertaken various initiatives to reduce greenhouse gas emissions. The company has installed solar panels with a total capacity of 1850 KWP. This includes 390 KWP from installations on the rooftops of the MDL SB-Pipe Shop, EY-Pipe Shop, P&A Shop and Bond Store; 350 KWP at the Submarine Workshop in the Alcock Yard; 100 KWP on the SB-Sheet Metal Shop rooftop; 650 KWP across the Anik Chembur Yards, the Cradle Assembly Shop, and the EY Store Building terrace; and 360 KWP on the rooftops of the MDL NY Assembly Shop and the FOB Shop. Additionally, MDL has introduced electric golf cars with 4 and 8 seats, which operate without contributing to greenhouse gas emissions.	Negative (There has been no negative impact during the reporting period)

<sup>1</sup> Material issues identified are referred from the Sustainability Accounting Standards Board (SASB) 2023-24 version. SASB Standards are maintained and enhanced by the International Sustainability Standards Board (ISSB); this follows the SASB's merger with the International Integrated Reporting Council (IIRC) into the Value Reporting Foundation (VRF) and subsequent consolidation into the IFRS® Foundation in 2022



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)
2	Hazardous Waste Management	Risk	In MDL's manufacturing processes, there is a potential for generating hazardous process waste which comprises of heavy metals and sludge from wastewater treatment. Mazagon, like other entities in the industry, encounters regulatory and operational hurdles in waste management. This is due to certain wastes being governed by Regulations concerning their transportation, treatment, storage and disposal.	MDL implements a comprehensive waste management strategy by collaborating with authorized vendors to either recycle waste materials, reuse them within its operations or sell them to authorized vendors. This approach ensures environmentally responsible disposal and promotes sustainability by minimizing waste and contributing to a circular economy.	Negative (There has been no negative impact during the reporting period)
3	Data Security	Risk	MDL operating in the Defence industry develops sensitive naval products and entities in this industry may be at risk for cyber-attacks. A data security breach may be costly for an entity and its clients when information systems are compromised.	Ensuring data security requires defence entities to invest in research and development and increase capital expenditures in the short to medium term to improve the security of systems and products. Significant or frequent disruptions or security breaches may result in regulatory action, legal action or adversely affects the revenue and brand value.  The Company has a well formulated cyber security policy and abides by the guidelines provided by the government.	Negative (There has been no negative impact during the reporting period)





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)
4	Product Safety	Risk	Ensuring product safety is paramount for Mazagon, given its significant role in both commercial and military operations within the Defence industry. Incidents related to product safety could lead to various financial repercussions such as escalated expenses regulatory fines or detrimental effects on brand value potentially resulting in decline in the market share. Moreover, Mazagon faces the added risk of safety incidents due to counterfeit components infiltrating the defence supply chain, consequently compromising product quality and safety standards.	At MDL, we ensure the long-term safety of our products through meticulous product design, thorough supplier vetting, and proactive customer engagement including maintenance and accident investigations, if any. By implementing these practices, we mitigate potential financial consequences such as revenue loss and uphold the highest standards of safety and reliability in our industry.	Negative (There has been no negative impact during the reporting period)

- 1 Material issues identified are referred from the Sustainability Accounting Standards Board (SASB) 2023-24 version. SASB Standards are maintained and enhanced by the International Sustainability Standards Board (ISSB); this follows the SASB's merger with the International Integrated Reporting Council (IIRC) into the Value Reporting Foundation (VRF) and subsequent consolidation into the IFRS® Foundation in 2022.



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)
5	Fuel Economy & Emissions in Use-phase	Opportunity	In response to evolving customer preferences and regulatory incentives, Mazagon recognizes a growing demand for energy-efficient and low-emission products within the Defence sector. Many products in this industry rely on fossil fuels resulting in the release of greenhouse gases (GHGs) and other air emissions during operation. As a leading designer and manufacturer of defence transportation fleets worldwide, Mazagon has a unique opportunity to support various industries and government agencies in achieving their goals related to GHG emissions and fuel management. Products engineered for higher fuel efficiency and reduced emissions stand poised to capture a larger market share and better adapt to changing customer preferences and regulatory standards surrounding fuel economy and emissions.	NA	Positive



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)
6	Materials Sourcing	Risk	Mazagon, like other defence entities, faces supply chain risk associated with the use of critical material in its products. These materials often lack substitutes and are predominantly sourced from a limited number of countries, exposing Mazagon to geopolitical uncertainties. Moreover, the industry contends with rising global demand for these materials from various sectors leading to potential price hikes and supply disruptions.	By limiting the use of critical materials through the adoption of alternatives and securing a stable supply as well as implementing a rigorous vetting procedure for vendors, MDL can mitigate the financial impacts associated with supply disruptions and volatile input prices. Our vendor vetting process ensures that suppliers meet our stringent standards for reliability, quality and ethical practices, further safeguarding our operations and financial stability.	<b>Negative</b> (There has been no negative impact during the reporting period)
7	Business Ethics	Risk	Mazagon faces potential regulatory scrutiny of its business ethics due to operating and selling products in regions with varying enforcement levels of business ethics laws. Engaging in unethical practices poses risks such as jeopardizing future revenue growth, incurring substantial legal expenses and facing heightened reputational risks.	Implementing robust governance practices helps MDL mitigate the risk of breaching business ethics laws and the resulting regulatory penalties or impact on brand value. Through stringent oversight and adherence to ethical standards, we ensure compliance and maintain our reputation for integrity and trustworthiness.	<b>Negative</b> (There has been no negative impact during the reporting period)



## 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes, the policies are approved by Board/Competent authorities as per the delegated powers.								
c. Web Link of the policies, if available	All the SEBI mandated policies could be found at: <a href="https://mazagondock.in/English/pages/Policies">https://mazagondock.in/English/pages/Policies</a>								

Sr. No.	Name of policy	Link to Policy	Which Principles each policies goes into
1	Health, Safety and Environment Policy	<a href="https://mazagondock.in/images/pdf/H_S_E_M_S_POLICY.pdf">https://mazagondock.in/images/pdf/H_S_E_M_S_POLICY.pdf</a>	P2, P3, P6
2	Dividend Distribution Policy	<a href="https://mazagondock.in/images/pdf/Dividend-Distribution-Policy-19052022.pdf">https://mazagondock.in/images/pdf/Dividend-Distribution-Policy-19052022.pdf</a>	P3, P4
3	Process of Grievance Redressal	<a href="https://mazagondock.in/images/pdf/Process-of-Redress-of-Grievance.pdf">https://mazagondock.in/images/pdf/Process-of-Redress-of-Grievance.pdf</a>	P3, P5, P9
4	Code of Business Conduct and Ethics for Board Members	<a href="https://mazagondock.in/images/pdf/mdl-code-of-conduct-for-director-and-senior-mngt.pdf">https://mazagondock.in/images/pdf/mdl-code-of-conduct-for-director-and-senior-mngt.pdf</a>	P1
5	Policy on materiality for Disclosure of Event	<a href="https://mazagondock.in/images/pdf/Materiality_policy_on_stock_exchange_disclosure_updated_29022024.pdf">https://mazagondock.in/images/pdf/Materiality_policy_on_stock_exchange_disclosure_updated_29022024.pdf</a>	P1, P4, P7
6	CSR Policy	<a href="https://mazagondock.in/images/pdf/Revised-CSR-and-Sustainability-Policy-of-MDL-approved-on-17-06-2019.pdf">https://mazagondock.in/images/pdf/Revised-CSR-and-Sustainability-Policy-of-MDL-approved-on-17-06-2019.pdf</a>	P4, P8
7	Familiarization programme for Independent Directors	<a href="https://mazagondock.in/images/pdf/mdl-familiarisation-programme-for-ind-directors.pdf">https://mazagondock.in/images/pdf/mdl-familiarisation-programme-for-ind-directors.pdf</a>	P1
8	Materiality Policy	<a href="https://mazagondock.in/images/pdf/policy-on-materiality-mdl05102018-8119.pdf">https://mazagondock.in/images/pdf/policy-on-materiality-mdl05102018-8119.pdf</a>	P1, P7
9	Preservation of Documents and Archival Policy	<a href="https://mazagondock.in/images/pdf/mdl-policy-on-preservation-of-documents.pdf">https://mazagondock.in/images/pdf/mdl-policy-on-preservation-of-documents.pdf</a>	P1
10	Related Party Transactions policy	<a href="https://mazagondock.in/images/pdf/related-party-transaction-policy.pdf">https://mazagondock.in/images/pdf/related-party-transaction-policy.pdf</a>	P1, P4, P7
11	Code of Internal Procedures and Conduct	<a href="https://mazagondock.in/images/pdf/Insider-Trading-Policy-MDL-05082019.pdf">https://mazagondock.in/images/pdf/Insider-Trading-Policy-MDL-05082019.pdf</a>	P1
12	Whistle Blower Policy	<a href="https://mazagondock.in/images/pdf/whistle-blower-policy.pdf">https://mazagondock.in/images/pdf/whistle-blower-policy.pdf</a>	P1

Additionally, the company maintains a few other policies such as IT Policy that is available on the Intranet and the same is accessible to all employees.



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your Value Chain partners? (Yes/No)	The company's current policies do not encompass its value chain partners. However, all vendors associated with MDL are required to adhere to the Purchase Manual and procurement guidelines of the Government of India.								
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.	<ul style="list-style-type: none"> <li>SEBI Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE) issued by Department of Public Enterprises (DPE) ensuring ethical, transparent and accountable business conduct among others are followed by MDL.</li> <li>MDL's integrated Health, Safety &amp; Environment Management System (HSEMS) is certified for ISO 14001:2015 and ISO 45001:2018 and follows required operational standards accordingly.</li> <li>MDL's Quality Management Systems are conforming to the ISO 9001:2015, further MDL's Information Security Management System (ISMS) is conforming to ISO/IEC 27001:2013.</li> <li>MDL has been instrumental in developing a defence manufacturing ecosystem in the country through engaging with Indian Private Industries including MSMEs, procurement through GeM portal, making available the opportunities for indigenization and Make in India through Srijan portal and other initiatives for supporting Indian Industry</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	In its ESG Journey, MDL looks forward to set short, medium and long term targets for sustainability KPIs related to climate change, energy, water, waste management, air emission reduction, GHG reduction and biodiversity protection.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

### Governance, leadership and oversight

7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements:

*As a defence enterprise, we are deeply committed to Environmental, Social and Governance (ESG) principles. Our environmental efforts include rigorous monitoring of emissions and waste generated during extensive sea trials, where diesel engines are tested, ensuring compliance with Pollution Control Board Regulations. We actively engage in environmental conservation activities to build a sustainable future for the community.*

*On the social front, we drive socio-economic renewal through targeted CSR initiatives, including healthcare efforts, skill development for job creation and self-employment, educational support, sanitation improvements, provision of drinking water, environmental sustainability projects and sports development.*

*In terms of governance, as a Central Public Sector Enterprise (CPSE), the appointment of our Directors is managed by the Government of India, which means the Company must adhere to Government Regulations and timelines for filling vacancies, ensuring transparency and accountability in our operations.*

- Cdr. Vasudev Puranik, IN (Retd.)





8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies). Cdr. Vasudev Puranik, Indian Navy (Retd.)  
Director (Corporate Planning and Personnel)  
+91 22 2376 4022  
Email Id : dcppoffice@mazdock.com
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. The Company has dedicated committee for CSR, Sexual Harassment of Women at the Workplace and Risk Management. For the other policies, the Company has adequate internal control on their review and implementation.
10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was under taken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee, CSR Committee and Audit Committee as applicable and as per statutorily mandated periodicity.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Complied except with respect to composition of the Board of Directors under SEBI (LODR) Regulations, 2015 due to non- appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the MoD for filling up the post and the same is awaited with MoD/DPE.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	In addition to periodic internal evaluation at Board and Committee level assurance, comfort is sought by MDL on its policies/procedures/codes through periodic audits by external agencies. For the purpose of this report through an extensive exercise, assessment of operationalization and effectiveness of policies mentioned in this section, is done by Dhir & Dhir Associates, an eminent Law firm.								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	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)									



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**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*
<b>Board of Directors</b>	3	The Board of Directors received training focused on strategic decision-making aligned with the Company's values, understanding the role of Human Resources leadership in achieving self-reliance (Atmanirbhar Bharat) and comprehensive familiarization for Independent Directors on their roles and the industry as mandated by the Securities and Exchange Board of India and the Companies Act, 2013.	89.00
<b>Key Managerial Personnel</b>	27	Key Managerial Personnel were provided with training on the topics of Industry Awareness, Woman Empowerment (self-defence and leadership), Business Communication and Presentation skills, Core Values of the organization, Procurement through GEM portal, National and International Defence sector, role of IO and PO, Enterprise Risk Management, Wealth Management, Yoga and Health, Cyber Security, Accounting procedures, Leadership skills, Time and stress management, and Preventive Vigilance, Ethics & Governance. They were also provided customized management development program, and training on digital workspaces, role of women in public sector, mind and money management, present HR practices, recent developments in RTI, team building among various stakeholders, transparency audit and Corporate Social Responsibility.	91.00
<b>Employees other than BoD and KMPs</b>	32	Employees other than BoD and KMPs were provided with customized management development program at IIM, online investment program from SEBI and trainings on topics of project management, Intellectual Property Rights, Cyber Security, Preventive Vigilance, 5S Six Sigma and Kaizen, Artificial Intelligence, Business Communication and Presentation skills, Direct and Indirect tax, basics of accounting procedure, Procurement through Gem portal, energy efficiency and renewable energy, Leadership skills, Enterprise Risk Management, core values of the organization, time and stress management, Yoga and Health, Woman Empowerment (self-defence and leadership), Industry awareness, renewal of QA certification, digital workplace. They were also provided training on the role of women in the public sector, mind and money management, international marketing, vigilance, project management, public procurement and team building. Additionally, a cross functional training on Design, Planning, Commercial and Production was also provided.	86.00



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*
Workers	14	Workers were given training on mind and money management, team building, core trade, safety, first aid, fire fighting and fire hazards, capacity building, core values of the organization, preventive vigilance, ethics and governance, 5S, Six Sigma and Kaizen, energy efficiency and renewable energy, time and stress management, health, women empowerment (leadership and self-defence).	85.00

\*The percentage of persons in respective category covered by the awareness programmes has been calculated as an average

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 (basis the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

The Company, its Directors and/or KMPs have not been subjected to any thresholds of the materiality policy to pay any fines, penalties, punishments, awards, compounding fees, or settlement amounts in the Financial Year.

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					
Settlement		Nil			
Compounding Fee					
Non-Monetary					
Imprisonment					
Punishment		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
	Not Applicable

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

Yes, the Conduct, Discipline and Appeal (CDA) Rules, 1980 address instances of bribery and corruption. Both permanent and casual workers adhere to established procedures detailed in the Standing Orders. Additionally, the Company's Code of Conduct outlines the ethical principles and behavioral standards for the Company and its personnel. Moreover, a Whistle Blower Policy has been established to offer a structured process for Directors and Employees to relay legitimate concerns about the Company's operations to the Audit Committee.

Web Link: <https://mazagondock.in/images/pdf/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 2023-24	FY 2022-23
<b>Directors</b>	Nil	Nil
<b>KMPs</b>		
<b>Employees</b>		
<b>Workers</b>		

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

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
<b>Number of complaints received in relation to issues of Conflict of Interest of the Directors</b>	Nil		Nil	
<b>Number of complaints received in relation to issues of Conflict of Interest of the KMPs</b>				

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.

Not Applicable as there was no fines/penalties/action taken by any regulators/law enforcement authority during the Financial Year.

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

	FY 2023-24	FY 2022-23
<b>Number of days of Accounts Payables</b>	322	368

9. Open-ness of Business

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

Parameters	Metrics	FY 2023-24	FY 2022-23
<b>Concentration of Purchases</b>	<b>Purchases from Trading houses as % of total purchases</b>	Nil	
	<b>Number of trading houses where purchases are made from</b>		
	<b>Purchases from top 10 trading houses as % of total purchases from trading houses</b>		
<b>Concentration of Sales</b>	<b>Sales to dealers/distributors as % of total sales</b>	Nil	
	<b>Number of dealers/distributors to whom sales are made</b>		
	<b>Sales to top 10 dealers/distributors as % of total sales to dealers/distributors</b>		



Parameters	Metrics	FY 2023-24	FY 2022-23
Share of RPTs in	<b>Purchases (Purchases with related parties/Total Purchases)</b>	Please refer Note No. 44 of the Financial Statements on Related Party Disclosure	Please refer Note No. 42 of the Financial Statements on Related Party Disclosure
	<b>Sales (Sales to related parties/Total Sales)</b>		
	<b>Loans &amp; advances (Loans &amp; advances given to related parties/Total loans &amp; advances)</b>		
	<b>Investments (Investments in related parties/Total Investments made)</b>		

#### 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	Topic/Principles covered under the training	% age of value chain partners covered (by value of business done with such partners) that were assessed
42	MSME Conclave (Awareness Programme on Indigenization for MSME vendors, Fire Safety, Cyber Security, Women Empowerment, Health, Safety, Technical training)	We are currently unable to provide the data required in %. MDL shall take adequate measure to calculate this data from the upcoming years.

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, in line with the applicable sections of the Companies Act, 2013 and the Code of Conduct, the Board Members are required to:

- i) Provide notification of alterations in their positions on other boards, any associations with different businesses and any other events or circumstances that might hinder their capacity to fulfill their duties on the Board or Board Committees or that may impact the judgement of the Board and the Guidelines of DPE.
- ii) Commit to refraining from any apparent conflicts of interest without the prior consent of the disinterested Members of the Board.
- iii) Refrain from leveraging their professional roles for personal gain.

For further details, please refer to the Code of Conduct for Directors and Senior Management available at: <https://mazagondock.in/images/pdf/mdl-code-of-conduct-for-director-and-senior-mngt.pdf>





## PRINCIPLE 2: Businesses 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.

	2023-24	2022-23	Details of Improvements in Environmental and Social Impacts
<b>R&amp;D</b>	34.29% (Total - ₹ 7.33 Crore allocated for R&D)	12.59% (Total - ₹ 96.52 Crores allocated for R&D)	<ul style="list-style-type: none"> <li>Solar Powered Electric Boat</li> <li>24 Pax Electric Boat</li> </ul>
<b>Capex</b>	3.36% (Total - ₹ 309.94 Crore allocated for Capex)	10.57% (Total - ₹ 114.98 Crores allocated for Capex).	<ul style="list-style-type: none"> <li>Lithium ion battery</li> <li>Desk studies for creation of a greenfield Shipyard at MDL's Nhava Yard</li> <li>Commissioning of inverter based welding rectifier of 600 Amps</li> <li>Artificial Intelligence enabled robotic welding inspection using advanced phased array technique to replace manual radiography</li> </ul>

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Contractual Standard Terms & Conditions set by MDL for dealing with vendors encompass all pertinent legal compliance obligations from Central and State Government laws related to labor employment, including but not limited to, the Inter-state Migrant Workmen Act (Regulation of Employment and Condition of Service) Act, 1979; the Employment of Children Act, 1938; the Workmen's Compensation Act, 1923; the Factories Act, 1948; the Minimum Wages Act, 1948; the Contract Labour (Regulation & Abolition) Act, 1970; the Apprentices Act, 1970; the Apprentices Act, 1961 along with any amendments or re-enactments currently effective.

Additionally, MDL offers a purchase preference to local suppliers, Micro and Small Enterprises and Startups in line with the prevailing Government Policy of 2012 as well as the purchase preference to Make in India Initiative. Procurements below the value of ₹200 Crores are specifically sourced from indigenous vendors or through domestic contracts.

- b. If yes, what percentage of inputs were sourced sustainably?

The value/percentage of inputs pertaining to sustainable source is currently not captured by the Company. However, the same shall be assessed and taken up by MDL accordingly in the upcoming years.

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.

The primary products manufactured by the Company include Destroyers, Frigates and Submarines, which are primarily destined for Strategic/National Security purposes. Typically, these products do not return to the company once delivered, except when they are due for refits, which means that the Company is unable to reclaim the products thereafter. Nevertheless, MDL has established a specific procedure for the disposal of any waste or scrap that results from its manufacturing operations.

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 Company's operations.



**Leadership Indicators**

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

NIC Code	Name of Product/Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The company is currently not conducting LCA for its products/services. However, the same would be assessed in the coming years and taken up accordingly.

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

Name of Product/Service	Description of the Risk/Concern	Action Taken
Not Applicable as the company is currently not conducting LCA for its services.		

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

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

Metal scraps are being used at MDL. However, the same is currently not being quantified.

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

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
<b>Plastics (including packaging)</b>	As previously stated, the products once delivered rarely return to the company, with the exception of scheduled refits. Consequently, the company is not equipped to reclaim the products after delivery.					
<b>E-waste</b>						
<b>Hazardous Waste</b>						
<b>Other waste</b>						

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

Indicate product category	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
Not Applicable	


**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										
	Total (A)	Health Insurance		Accident Insurance		Maternity* Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
<b>Male</b>	875	875	100	875	100	NA	NA	875	100	NA	NA
<b>Female</b>	71	71	100	71	100	71	100	NA	NA	71	100
<b>Total</b>	946	946	100	946	100	71	100	875	100	71	100
<b>Other than Permanent Employees</b>											
<b>Male</b>	Nil. There are no 'other than permanent Employees' in the company										
<b>Female</b>											
<b>Total</b>											

\*Percentage of (D) – maternity benefit is calculated as 100% as per FAQs on BRSR issued by NSE dt. May 10, 2024 as it is computed as percentage of only female employees.

## b. Details of measures for the well-being of workers: #

	% of Employees covered by										
	Total (A)	Health Insurance*		Accident Insurance		Maternity Benefits**		Paternity Benefits**		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Worker</b>											
<b>Male</b>	1816	1816	100	1816	100	NA	NA	1816	100	NA	NA
<b>Female</b>	52	52	100	52	100	52	100	NA	NA	52	100
<b>Total</b>	1868	1868	100	1868	100	52	100	1816	100	52	2.79
<b>Other than Permanent Worker</b>											
<b>Male</b>	3388	3388	100	3388	100	NA	NA	3388	100	NA	NA
<b>Female</b>	125	125	100	125	100	125	100	NA	NA	125	100
<b>Total</b>	3513	3513	100	3513	100	125	100	3388	100	125	3.56

\*Medical needs of Permanent Employees/Workers have been taken care by Company. Occupational Health Centre (OHC) set up in the Company premises. In case of hospitalization, Employees/Workers are referred to empanelled hospitals and expenses are borne by the Company.

\*\*Percentage for Maternity & Paternity Benefits represented as a percentage of total female & male employees respectively

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

	FY 2023-24	FY 2022-23
<b>Cost incurred on well-being measures as a % of Total Revenue of the Company</b>	1.00	1.00



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

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
<b>PF</b>	100.00	100.00	Y	100.00	100.00	Y
<b>Gratuity</b>	100.00	100.00	NA	100.00	100.00	NA
<b>ESI</b>	100.00	100.00	Y	100.00	100.00	Y

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.

We are committed to fostering an inclusive atmosphere where our staff and workers feel secure and supported. To support this commitment, the company offers various amenities such as ramps, railings and wheelchairs to accommodate employees and workers with disabilities. Furthermore, the Company is prepared to add any additional facilities, whenever they become necessary.

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.

At MDL, we are dedicated to ensuring every individual has access to equal employment opportunities without discrimination based on race, gender, religion, nationality, age or disability. Our ongoing efforts are to cultivate a just and inclusive work environment where all employees feel appreciated and are given the chance to thrive. While we are yet to formalize these practices into a written policy, our commitment remains to do so in the future. Moreover, we adhere to the Rights of Persons with Disabilities Act, 2016.

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

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
<b>Male</b>	100	100	100	100
<b>Female</b>	100	100	100	100
<b>Total</b>	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.

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
<b>Permanent Workers</b>	Yes, since December 9, 1985, MDL has an established employee grievance redress system. The system includes Standing Committees appointed by the Competent Authority for both Executives and Non-Executives including a President and 3-4 Members drawn from Middle and Senior Management from various departments.  The various standing committees for redressal of grievance are as below: - Redressal of Public Grievances - Grievance Redressal of Executives - Grievance Redressal of Staff/Sub-Staff and Workmen - Grievance Redressal Cell for SC/ST employees - Redressal of Complaints of Sexual Harassment - Redressal of Problems of Minority Community - Grievance Redressal Cell for Physically Challenged Employees - Grievance Redressal Cell for Other Backward Class (OBC) Employees - Management Representatives on the Bargaining Council
<b>Other than Permanent Workers</b>	
<b>Permanent Employees</b>	
<b>Other than Permanent Employees redressal</b>	

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

Category	FY 2023-24			FY 2022-23		
	Total Employees/Workers in respective category (A)	No. of Employees/Workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total Employees/Workers in respective category (C)	No. of Employees/Workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	946	824	87.10	941	815	86.61
Male	875	770	88.00	874	766	87.64
Female	71	54	76.05	67	49	73.14
<b>Total Permanent Worker</b>	1,868	1868	100.00	2046	2046	100.00
Male	1,816	1816	100.00	1992	1992	100.00
Female	52	52	100.00	54	54	100.00





8. Details of training given to employees and workers:

	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety measures		On Skill upgradation*		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Male</b>	875	692	79.09	4,631	529.26	874	287	32.84	874	100.00
<b>Female</b>	71	53	74.65	506	712.68	67	9	13.43	67	100.00
<b>Total</b>	946	745	78.75	5137	543.02	941	296	31.46	941	100.00
<b>Workers</b>										
<b>Male</b>	5,204	3,518	67.60	4,283	82.30	4826	1226	25.40	1144	23.70
<b>Female</b>	177	171	96.61	842	475.71	147	147	100.00	147	100.00
<b>Total</b>	5,381	3,689	68.56	5125	95.24	4973	1402	28.19	1417	28.49

\* Multiple training on skill upgradation were given to employee/worker. Hence, the percentage at some places is exceeding 100

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
<b>Male</b>	875	875	100	874	874	100
<b>Female</b>	71	71	100	67	67	100
<b>Total</b>	946	946	100	941	941	100
<b>Workers</b>						
<b>Male</b>	5,204	5,204	100	4,826	2,176	45.09
<b>Female</b>	177	177	100	147	129	87.76
<b>Total</b>	5,381	5,381	100	4973	2,346	47.17

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 of such system?

Yes, MDL has achieved certification for ISO 14001:2015 and ISO 45001:2018. In addition, the company has an integrated Health, Safety and Environmental Management System in place which is applied across all its divisions, encompassing 46 sections or departments.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

For every individual section or department within the organization, Hazard Identification & Risk Assessment ('HIRA') processes have been conducted and are detailed within their specific departmental manuals. The following procedures have been established to recognize and evaluate potential hazards:

- Gathering and analyzing relevant data concerning possible or existing hazards in the work environment.
- Performing regular and systematic inspections of the workplace to identify both new and recurring hazards.
- Investigating occurrences that result in injury, illness or near misses to ascertain their root causes and any deficiencies within the safety and health programs.



- Aggregating similar incidents to spot trends in reported hazards, injuries and illnesses.
  - Addressing potential hazards that might arise during emergency scenarios or non-routine operations.
  - Assessing the potential severity and probability of outcomes from each identified hazard, using this information to prioritize the implementation of corrective measures.
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
- Yes. There is an established Incident Report system which enables all stakeholders to report any potential hazards or incidents to the designated authorities.
- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)
- Yes, the company offers medical facilities and an Occupational Health & Safety Center available to all stakeholders within the premises. Note (i) provided under Essential Indicator 1 above may be referred to.

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	<b>Employees</b>	-	-
	<b>Workers</b>	0.29	0.18
<b>Total recordable work-related injuries</b>	<b>Employees</b>	-	-
	<b>Workers</b>	8	4
<b>No. of fatalities</b>	<b>Employees</b>	-	-
	<b>Workers</b>	1	-
<b>High consequence work-related injury or ill-health (excluding fatalities)</b>	<b>Employees</b>	-	-
	<b>Workers</b>	-	-

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

The Company implements the following measures to maintain a safe and healthy workplace:

- (i) The Medical & Occupational Health & Safety Department organizes various health talks and awareness sessions.
- (ii) There is a routine disposal of bio-medical waste, handled by the MCGM-authorized agency M/s. SMS Envoclean.
- (iii) Daily safety inspections are conducted, adhering to the Work Permit System, holding Safety Committee Meetings, and providing safety training for all employees, including subcontractors. Safety Week is also observed, with various competitions held to encourage a culture of safety.

Moreover, a few additional steps taken to ensure workplace safety and health include:

- a. Employees receiving training focused on safety practices.
- b. Safe behaviors are acknowledged and rewarded among employees.
- c. Posters and slogans promoting safe practices are prominently displayed.
- d. The factory maintains high standards of housekeeping.
- e. Jobs are provided with the proper tools and equipment which undergoes regular inspections.
- f. An incident reporting procedure is established and actively used.
- g. Thorough accident investigations are carried out.
- h. Detailed records of first aid treatments, inspections and training activities related to safety are maintained.
- i. Workplace safety is regularly inspected.
- j. Frequent safety meetings are conducted to discuss and improve workplace safety.



13. Number of Complaints on the following made by Employees and Workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Working Conditions</b>	0	0	Nil	1	0	The complaint was regarding Action on replacement of Gas stove despite BER and several reminders and the same has been resolved.
<b>Health &amp; Safety</b>	0	0	Nil	0	0	Nil

14. Assessments for the year:

<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>	
<b>Health and Safety Practices</b>	100.00 (Safety Audit at MDL is conducted by the Directorate of Industrial Safety and Health (DISH) approved auditor)
<b>Working Conditions</b>	

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.

Central Safety Committee Meeting is held on Quarterly basis wherein preventive measures regarding incident are discussed. Also, there is display of Safety Chart on happening of any incident so as not to repeat the similar incident. Further Regular training are also being imparted for Safety.

#### 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).

Yes, MDL offers Group Personal Accident Insurance and has a financial assistance scheme for employees who pass away or who retire early due to incapacitation before reaching the age of 55. Moreover, in the event of death, each worker contributes a specific amount, which is matched by the company:

- For accidental death - ₹ 50 per employee
- For natural death - ₹ 25 per employee

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

MDL has implemented the following steps to guarantee that statutory obligations are properly deducted and remitted by its value chain partners:

- All vendors and contractors are required to have a valid Permanent Account Number.
- All vendors and contractors must be registered in accordance with the Goods and Services Tax Act and its applicable regulations.
- Payments to suppliers and contractors are processed only after confirming that they have complied with the necessary statutory requirements.



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

	Total no. of affected Employees/ Workers		No. of Employees/Workers that are rehabilitated and placed in suitable employment or whose family Members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
<b>Employees</b>	Nil	Nil	Nil	Nil
<b>Workers</b>	Nil	Nil	Nil	Nil

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)

Yes, MDL offers provisions for both Executive and Non-Executive personnel. The company has a consultancy policy that allows for the re-engagement of retired executives on a fixed tenure or contractual basis.

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
<b>Health and safety practices</b>	The Company provides for certain mandates in the tender that the supplier needs to follow. However, the Company currently, do not conduct the assessment of its value chain partners. The same shall be analysed and be taken up accordingly in the coming years.
<b>Working Conditions</b>	

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

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

#### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its Stakeholders

##### Essential Indicators

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

Our Stakeholder identification protocol includes recognizing essential internal and external stakeholders, followed by an assessment of how each stakeholder group impacts our business operations and how our business affects them in turn. Through this evaluation, we prioritize our primary stakeholders to better comprehend their expectations and apprehensions.

By regularly engaging with our stakeholders through various communication channels, we've been able to fortify our rapport and refine our organizational strategy. MDL's stakeholder engagement is a continuous effort with the company engaging with its stakeholders at different tiers to acknowledge and meet their expectations and to work collaboratively in creating shared value.

The Company has fostered positive relationships with all stakeholders, underpinned by mutual trust, transparency, ethical standards and accountability. Ongoing dialogues with stakeholders, coupled with their input on various aspects of the company's functioning, have been instrumental in forming enduring connections.

Key stakeholders for the company include Customers, Suppliers, Employees, Shareholders and Government along with Regulatory & Statutory Bodies.



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
<b>Customers</b>	No	Email, Letters, Meeting	Monthly, Quarterly, Half Yearly as and when required	Issues related to technical, logistic, timelines, terms and condition etc
<b>Vendors/ Suppliers</b>	No	Website, Emails, MDL e-portal, Meeting	Against Specific Tender Monthly, Quarterly, Yearly	Tenders are hosted on website
<b>Shareholders/ Investors</b>	No	Website, Email, Letters, Meetings, Newspaper Publication, Annual Reports	As and when required	Shareholders meeting and Resolution of grievance
<b>Employees</b>	No	Employee portal, E-Newsletter, circulars	Monthly, Weekly, Occasionally and Fortnightly	Information on Company activities
<b>Regulators and Statutory bodies</b>	No	Email, Letters, Meeting	As and when required	Compliance of applicable laws
<b>Communities</b>	No	As and when required: Governance, periodic reporting; RFIs/RFPs; Presentation project meetings; reviews; due diligence; calls and meetings; conference and seminars; press conferences; media interviews and quotes; sponsored events, Analyst meetings	Monthly, Quarterly, Half Yearly	Communicate Performance and strategy; Share and contribute to insight into public and business concerns; Discuss response to responsible business issues of MDL.
<b>Media</b>	No	As and when required: Governance, periodic reporting; RFIs/RFPs; Presentation project meetings; reviews; due diligence calls and meetings; conference and seminars; press conferences; media interviews and quotes sponsored events, Analyst meetings	Monthly, Quarterly, Half Yearly	Communicate Performance and strategy; Share and contribute insight into public and business concerns; Discuss response to responsible business issues of MDL.
<b>Industry Associations</b>	No	Email, letters, meeting	As and when required	Compliance of applicable laws

**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.

The Company places great importance on stakeholder feedback. When an issue is raised, the Company engages in thorough consultations with the relevant stakeholders including board-level discussions if necessary. The goal is to implement changes that provide mutual benefits for all parties involved.

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.

At MDL, stakeholders have open channels to raise any concerns or issues. When an issue is brought up, the Company promptly engages in discussions to address and resolve it. Even though there were no such instance in the reporting period, in the past years decisions based on such discussion were taken.

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

The Company's CSR initiatives are designed to benefit those who are disadvantaged, vulnerable and marginalized in society. All CSR projects conform to the Company's CSR Policy. The key areas of concentration for the Company's CSR commitment are Health, Nutrition & Sanitation, Skill Development, Education and Rural Development.

Even though there were no such instance in the reporting period, in the past years decisions based on such discussion were taken.

#### PRINCIPLE 5: Businesses should respect and promote Human Rights

##### Essentials Indicators

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
<b>Permanent</b>	946	946	100	941	158	16.80
<b>Other than permanent</b>	-	-	-	-	-	-
<b>Total Employees</b>	946	946	100	941	158	16.80
<b>Workers</b>						
<b>Permanent</b>	1,868	1,868	100	2,046	-	-
<b>Other than permanent</b>	3,513	423	12.04	2,927	151	5.10
<b>Total Workers</b>	5,381	2291	42.58	4,973	151	3.00



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

Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	946			946	100.00					
Male	875	Nil		875	100.00	941	Nil		941	100.00
Female	71			71	100.00	67			67	100.00
Other than Permanent										
Male			NA					NA		
Female										
<b>Workers</b>										
Permanent	1,868			1,868	100.00					
Male	1,816	Nil		1,816	100.00	1,992			1,992	100.00
Female	52			52	100.00	54	Nil		54	100.00
Other than Permanent	3,513			3,513	100.00					
Male	3,388		Nil	3,388	100.00	4,225	3199	75.72	1,026	24.28
Female	125			125	100.00	359	124	34.54	235	65.46

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

- a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ Salary/Wages of respective category	Number	Median remuneration/ Salary/Wages of respective category
Board of Directors (BoD)	8	92,95,369	1	NA
Key Managerial Personnel	-	-	1	27,51,976
Employees other than BoD and KMP	871	26,17,436	70	19,48,175
Workers	5,204	7,13,998	177	4,57,824

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

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	3.67%	3.71%

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

Yes, the Head of the Human Resources Department serves as the focal point responsible for managing and responding to any human rights impacts or issues that the business has caused or contributed to.



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

The Company has a steadfast commitment to prevent any discrimination, retaliation or harassment against employees who file reports through the Vigil Mechanism or are involved in any subsequent investigations. The Whistleblower Policy, Code of Conduct and Grievance Policy all uphold a firm pledge to protect the identity of those reporting concerns and to ensure confidentiality throughout the investigation process.

An Internal Complaints Committee, established in accordance with legal requirements, is dedicated to addressing and resolve sexual harassment issues. The works committee addresses complaints related to working conditions and safety, while the grievance redressal policy offers a structure for reporting and resolving employee grievances.

MDL has constituted the following committees to address grievances associated with human rights:

- Redressal of Public Grievances Committee
- Grievance Redressal of Executives for all Yards of MDL Committee
- Grievance Redressal Cell for SC/ST Employees Committee
- Grievance Redressal of Staff/Sub-staff & Workmen of MDL Committee
- Redressal of Complaints of Sexual Harassment Committee
- Women/WIPS Cell Committee
- Redressal of problems of Minority Communities Committee
- Grievance Redressal Cell for Physically Challenged Employees Committee
- Grievance Redressal Cell for Other Backward Class (OBC) Employees Committee

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

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
<b>Sexual Harassment</b>	2	2	Exonerated	1	0	Resolved
<b>Discrimination at workplace</b>	Nil			Nil		
<b>Child Labour</b>						
<b>Forced Labour/Involuntary Labour</b>						
<b>Wages</b>						
<b>Other Human Rights related issues</b>						

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

	FY 2023-24	FY 2022-23
<b>Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)</b>	2	1
<b>Complaints on POSH as a % of female employees/workers</b>	0.80	0.47
<b>Complaints on POSH upheld</b>	0	0



8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases  
 The Company has implemented the following policies to safeguard complainants from adverse repercussions in cases of discrimination and harassment:

- Public Interest Disclosure & Protection of Informer
- Whistle Blower Policy

9. Do human rights requirements form part of your business agreements and contracts?

Yes, the Company's contract agreements include necessary compliance obligations with respect to all pertinent Central and State Government laws and ordinances related to the employment of personnel. Further, MDL is in process of reviewing the additional strictures that can be incorporated in its business agreements.

10. Assessments for the year:

<b>% of your plants and Offices that were assessed (by entity or statutory authorities or third parties)</b>	
<b>Child Labour</b>	100.00
<b>Forced/involuntary labour</b>	100.00
<b>Sexual Harassment</b>	100.00
<b>Discrimination at workplace</b>	100.00
<b>Wages</b>	100.00

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not Applicable, no adverse remarks have been raised in the assessment.

#### Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints  
 The Company is committed to make changes in the processes as and when required and has an open door policy towards all employees and stakeholders. However, no such compelling case for process modification has arisen during the reporting period.

2. Details of the scope and coverage of any Human rights due-diligence conducted.  
 The Company currently does not undertake any Human rights due diligence, However, it is open to assessing the relevance of it and implementing it in the upcoming years.

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?  
 The Company provides infrastructure support to differently abled visitors i.e., ramps, wheelchair and railings.

4. Details on assessment of value chain partners:

<b>% of value chain partners (by value of business done with such partners) that were assessed</b>	
<b>Sexual Harassment</b>	The Company provides for certain mandates in the tender that the supplier needs to follow. However, the Company currently does not conduct the assessment of its value chain partners. The same shall be analysed and taken up accordingly in the coming years.
<b>Discrimination at workplace</b>	
<b>Child Labour</b>	
<b>Forced Labour/Involuntary Labour</b>	
<b>Wages</b>	



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

Not Applicable.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Mega joules)	FY 2022-23 (Mega joules)
<b>From Renewable Sources</b>		
Total electricity consumption (A)	50,14,671.78	53,93,679.98
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
<b>Total Energy consumption from renewable sources (A+B+C)</b>	<b>50,14,671.78</b>	<b>53,93,679.98</b>
<b>From Non-Renewable Sources</b>		
Total electricity consumption (D)	4,90,76,112.64	5,58,26,768.10
Total fuel consumption (E)	21,30,528.448	35,13,320.16
Energy consumption through other sources (F)	0.00	0.00
<b>Total Energy consumption from non-renewable sources (D+E+F)</b>	<b>5,12,06,641.09</b>	<b>5,93,40,088.26</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>5,62,21,312.87</b>	<b>6,47,33,768.24</b>
Energy intensity per rupee of turnover (Total energy consumption/Revenue from Operations)	0.00059	0.00083
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.013	0.018
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

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

Not applicable, since the Company is not in the category of Designated Consumers mandated under PAT Scheme





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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	6000	7,500
(iii) Third party water	3,37,928	3,18,448
(iv) Seawater/desalinated water	6,000.00	6,000.00
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>3,43,928</b>	<b>3,31,948</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,43,928</b>	<b>3,31,948</b>
Water intensity per rupee of turnover (Water consumed/Revenue from operations)	0.000004	0.000004
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00008	0.00009
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

4. Provide the following details related to water discharged

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
<b>(i) To Surface water</b>	This data is not quantified for the reporting year.	Nil
- No treatment		
- With treatment – please specify level of treatment		
<b>(ii) To Groundwater</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(iii) To Seawater</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(iv) Sent to third-parties</b>		
- No treatment		3,28,448
- With treatment – please specify level of treatment		Nil
<b>(v) Others</b>		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		3,28,448

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

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

Yes, MDL has established a Zero Liquid Discharge system within their Submarine Section Assembly workshop in the FY 2016-17. This system comprises a Sewage Treatment Plant, Grey Wastewater Treatment Plant and an Oil Water



Treatment Plant. The Sewage Treatment Plant has the capacity to treat up to 2 cubic meters per hour of domestic sewage and ensures the output water quality is suitable for discharge or reuse in flushing and gardening. The plant aims to reduce biological oxygen demand, chemical oxygen demand and total suspended solids levels and disinfects the treated water using a hypochlorite solution.

The Grey Water Treatment Plant treats up to 4 cubic meters per hour of wastewater for reuse. It reduces BOD, COD and TSS levels, disinfects the water and employs a pressure sand filter and activated carbon filter to further purify the water.

The Oil Water Treatment Plant is capable of processing up to 5 cubic meters per hour of oil-contaminated water for reuse. It consists of components such as a collection sump, raw sewage transfer pumps, a corrugated plate interceptor, a final holding tank, an oil sensor unit and transfer pumps.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>NOx</b>		Stack emission are currently not being quantified. However, the Company shall assess this and take it up as per requirement in the upcoming year.	Nil
<b>SOx</b>			
<b>Particulate matter (PM)</b>			
<b>Persistent organic pollutants (POP)</b>			
<b>Volatile organic compounds (VOC)</b>			
<b>Hazardous air pollutants (HAP)</b>			
<b>Others – please specify</b>			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency – No

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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions <b>(Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>	Metric tonnes of CO <sub>2</sub> equivalent	505.30	589.13
Total Scope 2 emissions <b>(Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>	Metric tonnes of CO <sub>2</sub> equivalent	9760.69	12561.02
Total Scope 1 and Scope 2 emissions per rupee of turnover <b>(Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)</b>	Metric tonnes of CO <sub>2</sub> equivalent/ Rupees	0.0000001	0.0000002
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) <b>(Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)</b>		0.0000024	0.0000037
Total Scope 1 and Scope 2 emissions intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – <b>the relevant metric may be selected by the entity</b>		-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency – No

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

Yes, the Company has established Solar Panels with a total capacity of 1850 KWP as a part of their renewable energy initiatives to lower greenhouse gas emissions. The energy provided includes 390 KWP from installations on the rooftops



of the MDL SB-Pipe Shop, EY-Pipe Shop, P&A Shop and Bond Store; 350 KWP at the Submarine Workshop in the Alcock Yard; 100 KWP on the SB-Sheet metal shop rooftop and 650 KWP across the Anik Chembur Yards, the Cradle Assembly Shop and the EY Store Building terrace. Additionally, 360 KWP has been installed on the rooftops of the MDL NY Assembly Shop and the FOB Shop.

MDL has introduced Electronic Golf carts of 4 and 8 seats, which operate without contributing to greenhouse gas emissions.

Furthermore, MDL towards its commitment to environment has provided environment friendly features in the Ships i.e. Oil Water Separator System, Sewage Treatment Plant and Infrared Suppression System (IRSS) for diesel engines to minimize engine exhaust.

9. Provide details related to Waste Management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	10.3	-
E-waste (B)	5.332	-
Bio-medical waste (C)	0.13	0.075
Construction and demolition waste (D)	26,000.00	19,073.01
Battery waste (E)	1.6	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please Specify, if any. (G) 1. Used Oil (lubricant)	0.00	44.1
Other Non-hazardous waste generated (H). Please specify, if any.		
<b>1. Wood waste (Scrap, wood logs)</b>	182.92	386.1
<b>2. Steel Waste (MS Scrap, SS Scrap)</b>	1,171.88	2,118.54
<b>3. Aluminum Waste (Scrap, Cable waste)</b>	10.00	10.5
<b>4. Copper Waste (Scrap, Cable Scrap)</b>	54.00	18.67
<b>5. Brass Scrap</b>	0.50	0.96
<b>6. Cu-Ni Scrap</b>	8.00	8
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>27,444.662</b>	<b>21,662.955</b>
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000003	0.0000003
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0000006	0.0000006
Waste intensity in terms of physical output	-	-
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste</b>		
(i) Re-cycled	1,427.3	2,542.77
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>1,427.3</b>	<b>2,542.77</b>



Parameter	FY 2023-24	FY 2022-23
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency – No

10. Briefly describe the waste management practices adopted in your establishment. 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

Since the FY 2010-11, MDL has been successfully managing the disposal of rubbish and refuse from its yards on a daily basis with the assistance of NGOs/Sahakari Sansthas, without incurring any charge or payment. This initiative has enabled MDL to attain a zero garbage status by collaborating with these organizations.

MDL has established separate rate contracts for the removal of accumulated scrap materials such as metal, wood, copper, aluminum and furniture, in addition to other waste materials like rubber and paper. Plastic waste is collected daily by an NGO or contractor who then sorts it for reuse and recycling. MDL has also provided distinct bins for sorting wooden, metal, ferrous and non-ferrous scrap to ensure safe and efficient disposal. Additionally, various other types of scrap including metal and wood are sold off through the Disposal Cell's auction system.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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The Company does not have any facilities or offices situated near ecologically sensitive zones. Therefore, the Company is not subject to obtaining environmental approvals or clearances that are required for operations in such areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
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Not Applicable no project attracting provisions of EIA was undertaken in the reporting year.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Serial Number	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Yes, the Company adheres to all relevant environmental laws, regulations and guidelines in India.



**Leadership Indicators**

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Nil, the company does not withdraw, consume and discharge in areas of water stress

Nil, the company does not withdraw, consume and discharge in areas of water stress

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency – No





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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

The company did not measure its Scope 3 emissions in the reporting year. However, it is working towards providing the relevant data in the upcoming years

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, the Company has no operations/offices in/around ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Recycling of rubbish/garbage	Waste collection, which encompasses all forms of dry waste such as plastic, is carried out daily by an NGO or contractor. The collected waste is then sorted by them for potential reuse and recycling. The NGO or contractor provides this waste management service on a break-even basis, without profit or loss.	Significant reduction in percentage of dry waste.
2	Sewage Treatment Plant	Sewage treatment units (STP) offer a unique approach to waste water treatment on smaller Vessel, commercial Ships & defence Vessel. Sewage treatment units provides safe and effective treatment of the waste-waters on board your Vessel. The system results in discharge effluent quality well below the MARPOL Annex IV and MEPC 227.64 requirement.  The sewage treatment system uses a proprietary, forced oxidation electrolytic disinfection technology. The system eliminates storage, handling and purchasing of hazardous chemicals normally required with other treatment technologies. STP helps in environmental monitoring and compliance by remote sensing & automation and continuous monitoring system	Diminishing levels of biological oxygen demand, chemical oxygen demand and total suspended solids leads to minimal contamination and enhanced quality of water.



Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
3	Oil water separator	<p>An oil water separator (OWS) is an essential device in maritime operations and various industries designed to separate oil and other contaminants from water. Its role in environmental sustainability is significant for several reasons:</p> <ol style="list-style-type: none"> <li>1. Pollution Prevention - OWS ensure that only clean water is discharged, they mitigate the harmful effects of oil on aquatic life, ecosystems and human health.</li> <li>2. Compliance with Regulation – International Maritime Organization (IMO) requires Ships to install OWS systems to limit (5ppm - 15ppm) oil discharge into to the sea.</li> <li>3. Protection of marine life - Oil spills and discharge can be devastating to marine life, affecting everything from plankton to large marine mammals. OWS helps in such incidents, thereby protecting marine habitats and species.</li> <li>4. Public Health – By preventing oil contamination in water sources, OWS units contribute to protection of human health.</li> <li>5. Technological advancement – The development and improvement of OWS technologies drive innovation in environmental engineering, encouraging the creation of more efficient and effective systems for pollution control.</li> </ol>	<p>OWS unit plays a critical role in promoting environmental sustainability by reducing oil pollution, protecting marine ecosystems and ensuring compliance with environmental regulations. Continuous improvement in technology and stricter enforcement of regulations further enhances which their effectiveness in safeguarding our water resources.</p>

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, MDL's Contingency Plan is developed from an in-depth evaluation of potential threats and risks that the organization could encounter, with the main objective of limiting the repercussions of an anticipated incident that might result in damage to assets or harm to personnel. The plan laid out offers ample opportunity for executive leaders to carry out preventative measures to return to normalcy in the event of adverse situations such as accidents, fires, explosions, natural disasters, etc. The plan can be activated in whole or in part based on the specific circumstances. It provides detailed guidance on the actions management should take when circumstances depart from normalcy or present challenges to law and order, including clear instructions on notification procedures, designated responsibilities and required presence of personnel. The essential elements of the contingency plan are centered around 'Who needs to be informed' 'Who is to do what,' and 'Who needs to be where.'

Additionally, there is a confidential Long Term Business Continuity Vision Plan that extends until 2033, which is steered by the Government of India under the auspices of the Ministry of Defence.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has not been any significant adverse impact to the environment arising from the value chain of the entity

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

Not Applicable.



**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.

Four

- 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.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/Associations (State/National)
1	Standing Conference of Public Enterprises (SCOPE)	National
2	Confederation of Indian Industry (CII)	National
3	Society of Defence Technologists (SODET)	National
4	Indian Shipbuilders Association (ISBA)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective active taken
Not Applicable. There were no issues identified related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities hence, it is not applicable to us.		

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others - please specify)	Web Link, If available
The Company did not engage in any public policy advocacy during the reporting year.					

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Name and Brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable no project attracting SIA was undertaken in the reporting year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No	Name of Project for which R&R is ongoing	State	District	No. of Project affected Families (PAFs)	5 of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable no project attracting R&R was undertaken by the Company in the reporting year.						



3. Describe the mechanisms to receive and redress grievances of the community.

The company acknowledges the necessity of persistent efforts to safeguard the well-being of communities in proximity to the company's operational zones. Residents have the opportunity to voice any concerns via the Public Grievance Portal.

Weblink: <https://mazagondock.in/English/Forms/PublicGrievance>

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	27.66	34.20
Sourced directly from within India	59.28	63.72

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	100.00	100.00

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts 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 as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Nandurbar	2,94,48,744/-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, the Company has a Government mandated Public Procurement Policy for Micro and Small Enterprises (MSE)

- (b) From which marginalized/vulnerable groups do you procure?

As per the Public Procurement Policy, preference is given to MSEs, MSEs owned by Schedule Caste/Schedule Tribes (SC/ST) & Women

- (c) What percentage of total procurement (by value) does it constitute?

MSME's constitute almost 27.66% of the total procurement. Procurement from SC/ST MSEs & Women MSEs were 0.00% and 0.43% respectively.



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:

Sr. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Not applicable since no benefits have been derived from the Intellectual Properties based on traditional knowledge.			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective Action taken
	Not Applicable	

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
1	Education	5,210	100%. The beneficiaries are always from the under privileged, marginalized, vulnerable and backward community of the society.
2	Health	3,23,712	
3	Nutrition	5,675	
4	Sanitation	2,040	
5	Skill Development	2,011	

#### 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.  
Indian Navy has a well-established structure and periodic meetings for raising issues. Warranty/guarantee defects are also addressed post-delivery of the products by deputing a guarantee officer. Same is being followed and complied by the Company. These documents are treated as confidential by Indian Navy.
2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	MDL provides elaborate Standard Operating Procedures for all its products. The same specifies safe and responsible usage of the product.
Safe and responsible usage	
Recycling and/or safe disposal	





3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the Year	Pending resolution at end of year		Received during the Year	Pending resolution at end of year	
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-Security	Nil	Nil	NA	01	Nil	Reported to CERT-In & CIRA
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
<b>Total</b>	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Nil

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, the company has a Cyber-Security policy formulated. The same is available on the intranet portal and is accessible to all employees.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

The company has implemented the following corrective measures:

- Advisory notices pertaining to Cyber Security from the Cyber Security Group- Department of Defence Production, the Cyber Investigation Research Agency, CERT-In and the National Informatics Center are disseminated and employees are made aware of them.
- Regular Vulnerability Assessment and Penetration Testing Audits are carried out.
- Updates on Cyber Security Status and the actions undertaken are consistently reported back to CSG-DDP.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Nil



### Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the company's products and services can be found on our website and social media handles. The link to the same are as follows:

Website - <https://mazagondock.in/>

Twitter: <https://x.com/MazagonDockLtd?mx=2>

Facebook: <https://www.facebook.com/MDLMumbai>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
By way of our comprehensive standard operating procedures and guides, we make certain that our customers are provided with the essential understanding and abilities to utilize our products and services in a secure manner.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
The consumers are informed of any risk of disruption/discontinuation of essential services via periodical meetings where consumer is updated about status of project.
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)  
No.



## OUR INITIATIVES

Beyond its core operations, MDL engages in a suite of initiatives that go the extra mile in nurturing community relations, upholding exemplary governance, and ensuring the well-being of its workforce. Community engagement programs are designed to foster local development and upliftment, whereas good governance practices ensure that MDL adheres to the highest standards of ethics and transparency in all its dealings. Equally, employee welfare is at the heart of MDL's ethos, where various initiatives create an environment that not only supports but also empowers its employees. Together, these initiatives encapsulate MDL's holistic approach to corporate citizenship, demonstrating an earnest commitment to the broader societal and environmental landscape in which it operates.



MDL's celebration of the 75th Republic Day was a vibrant example of community engagement and recognition of dedication. The event, graced by the presence of the CVO, MDL Directors, and employees, was marked by patriotic fervor. The Director took the opportunity to address the attendees and honor the commitment of CISF personnel with awards for their distinguished service.



MDL's 250 years journey celebration was brought to life with a spirited 3K family run, flagged off by the iconic cricketer Mr. Dilip Vengsarkar. The event was a milestone in MDL's community engagement and saw a heartwarming turnout of eager kids, senior citizens, and families.



The inauguration of the newly developed Bal Udyan, a play area at Mazagon Dock Residential Complex, exemplifies MDL's dedication to employee wellbeing and family inclusivity. Designed to cater to a diverse age range, Bal Udyan provides a safe and stimulating environment where children of MDL employees can enjoy outdoor play. This initiative reflects the company's commitment to fostering a supportive work-life balance and enhancing the quality of life for employees' families.



In a step toward enhancing transparency and good governance at MDL, the Chairman and Managing Director, alongside the Chief Vigilance Officer and Directors, inaugurated Vigilance Awareness Week 2023. This significant event was marked by the launch of “e-VIDHAN,” an electronic portal for the Vigilance Management System, symbolizing MDL’s commitment to integrating technology into its vigilance mechanisms.

MDL officials and apprentices at the Submarine Division and Apprentice Training School within the yard demonstrated a creative approach to good governance by performing a skit to raise awareness about the Public Interest Disclosure and Protection of Informer (PIDPI). Through this artistic medium, the MDL community was able to better understand the importance of adhering to high standards of conduct and the role of vigilance in preventing corruption, thus reinforcing the organization’s commitment to transparency and accountability.



MDL’s employees took a significant step towards environmental conservation by taking a pledge to implement changes aimed at sustainability, under the guidance of CMD Mr. Sanjeev Singhal. This commitment reflects a collective responsibility towards nurturing a greener future and aligns with the broader Sustainable Development Goals. Reinforcing this pledge, a training session on Lifestyle for Environment awareness was organized, equipping the MDL workforce with knowledge and practical measures to minimize their ecological footprint.





MDL embraced the spirit of International Yoga Day with enthusiasm and passion, sending out a resounding message to incorporate the tenets of Yoga into daily living. Recognizing the profound benefits of Yoga in harmonizing the body, mind, and soul, MDL aimed to cultivate a sense of unity and teamwork among its employees. To this end, an exclusive in-house yoga session was organized for MDL staff at the Sagarika Auditorium as part of the ongoing celebrations for International Yoga Day 2023. This initiative not only promoted physical well-being and mental clarity among the participants but also strengthened the bonds within the MDL community, reinforcing the company's commitment to holistic employee welfare and a balanced work-life culture.



MDL's dedication to fostering a culture of ethical conduct and good governance was prominently displayed through the organization of a session on 'Ethics and Governance' as a precursor to Vigilance Awareness Week 2023. This event saw the collaboration of various leadership figures, including CMDs of MDL, Directors, and Chief Vigilance Officers from multiple Mumbai-based organizations. Through discourse and knowledge sharing, the session aimed to reinforce the principles of transparency, accountability, and ethical leadership—cornerstones of good governance that are essential for the trust and efficiency within organizations and their stakeholders.



The inauguration of the newly established Central Kitchen at Alcock Yard by the CMD of MDL marks a significant milestone in employee welfare initiatives. Encompassing an expansive 550 square meters, the facility is outfitted with cutting-edge cooking equipment, designed to serve nutritious meals to up to 2500 personnel. This emphasizes MDL's commitment to the health and well-being of its workforce, ensuring that meals are prepared in a hygienic environment.



# Standalone Financial Statements





# INDEPENDENT AUDITORS' REPORT

To,  
**The Members of Mazagon Dock Shipbuilders Limited,**  
**Mumbai**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **MAZAGON DOCK SHIPBUILDERS LTD.** ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2024, the Standalone Statement of Profit and Loss Account (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Standalone Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024 and its profit including other comprehensive income, changes in equity and its cash flow for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (the ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Emphasis of Matter

We draw attention to the following matters in the notes to the standalone Ind AS financial Statements;

1. Registration formalities and renewals of certain Leased hold properties in name of company are pending. (Refer Note 2 Point No. viii)
2. Balance of advances to vendors and balances outstanding in sundry creditors are subject to confirmation. (Refer Note 36 Point No. 1)
3. Balance due to/from Indian Navy (Debtor) is subject to reconciliation and confirmation. (Refer Note 36 Point No. 2)
4. Liquidated Damages (LD) amounted to ₹ 91,552 Lakhs reduced from Contract Revenue. (Refer Note 57)

Our opinion is not modified in respect of these matters.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Revenue Recognition for Ship/Submarine Construction &amp; repair contracts</b></p> <p>Referred to in <b>Note No. 1 - 2.2(j)</b> of the Financials Statements</p> <p>The company recognizes the revenue from Ship/Submarine Construction/ repair contracts when the company satisfies a performance obligation by transferring goods or service to a customer.</p>	<ul style="list-style-type: none"> <li>We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue.</li> </ul>



The company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.

When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)

- Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract. In this regard, we have relied on the data provided by the technical departments.

- Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs provided by the management.

- Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.

### Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that gives a true and fair view of the financial position, financial performance (including other comprehensive income), change in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management's and Board of Directors' are 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 Management and Board of Directors also responsible for

overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on



whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements 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 and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Director's use of the going concern basis of accounting in preparation of Standalone Financial Statement 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure I**" a statement on the matters specified in Paragraph 3 and 4 of the Order.
2. As required by the directions issued by the office of the Comptroller & Auditor General of India under Section 143(5) of the Act, we give in "**Annexure II**", a statement on the matters referred to in those directions.
3. As required by Section 143(3) of the Act, based on our audit 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) In view of exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by Ministry of Corporate Affairs, the provision of section 164(2) of the Act, regarding disqualification of the directors are not applicable to the Government Company;
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and operating effectiveness of such controls, refer to our separate Report in "**Annexure III**". Our report expresses an unmodified opinion on the adequacy and operating



effectiveness of the company's internal financial control over financial reporting with reference to Standalone Financial Statements;

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, the exemption has been given for the said section vide notification no. G.S.R 463(E) dated June 05, 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, (as amended), 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 Standalone Financial Statements; (Refer of Note No.35.2 to the Standalone Financial Statements)
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. (Refer Note No 39 to the Standalone Financial Statements)
  - iii. There are no amounts which are required to be transferred to the Investors' Education and Protection Fund during the year ended 31<sup>st</sup> March, 2024;
  - iv. a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 51 to the Standalone Financial Statements, 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(s) or entity(ies), including foreign entity(ies) ("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, as disclosed in the Note No. 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity(ies) ("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 (iv) (a) and (iv) (b) contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31<sup>st</sup>, 2024, which has the feature of recording audit trail (Edit Log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For C.R.Sagdeo & Co,**  
Chartered Accountants  
F.R.N: 108959W

**CA. Sachin V. Luthra**  
Partner  
Membership No.:109127  
UDIN: 24109127BKCAFJ1213

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai





## Annexure 'I' to the Independent Auditor's Report

(Referred to in Paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

- i. In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
  - (B) The Company has maintained proper records showing full particulars of Intangible Assets;
  - The Company has a program of verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management through an External Auditor during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - The Title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreement is duly executed in favor of the lessee) are held in the name of the Company except for the list of immovable properties and the lease agreements expired but yet to be renewed disclosed as follows:

(Amount in Lakhs)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in name of the company*
					*also indicate if in dispute
<b>Lease hold Land</b>					
North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation	No	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (Gol). An Agreement dated 19 <sup>th</sup> April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on, the Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to "Mazagon Dock Shipbuilders limited". Considering the facts, the updation with respect to name of the Company in the land records/ lease agreements and renewal of lease with respect to land at north and south yard, MDL, Mumbai are under process. MDL has approached Ministry of Defense and O/o the Principal Director, Directorate General Defense Estate, New Delhi to provide the acquisition documents for correcting/ regularizing the land records.
North Yard, Near Mazdock House, Mumbai	-	Company (P & O S.N.Co)	No	1975	
South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	No	1959	
South Yard, Near Mogul House, MDL, Mumbai	-			1947	



Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in name of the company*
					*also indicate if in dispute
355 Phase North yard	-	Mumbai Port Trust (Mbpt)	No	1976	The leases agreement is not renewed for these four land from 2006 due to increase in upfront premium/lease rent by MBPT which was disputed by MDL. MDL has now paid the revised Upfront Premium of ₹ 48.31 Cr. on 01 Apr 2024 to Mumbai Port Authority (MbPA) for renewal leases for 04 Plots for a period of 29 Years from 01.04.2024 to 31.03.2053. The execution of Lease Deed is under process.
Extension of Phase II	-			1979	
Extension of Slipway in SY	-			1995	
Additional water area for Extn of Slipway	-			2003	
Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	No	1984	The company is in possession of approx. 10-acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.

- d. The Company has not revalued its Property, Plant & Equipment (including Right of Use Assets) or Intangible Assets or both during the year;
- e. According to the information and explanations given to us, there are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of the Company's Inventory:
- a. As per the information and explanations given to us, the Inventory (except those held with third parties) has been physically verified by the Management and the external auditor during the year at reasonable intervals. The coverage and procedures of the verification carried out by the Management are appropriate. The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of accounts. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed;
- b. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed by the company with such banks are in agreement with the books of accounts of the Company.
- iii. As per the information and explanations given to us, the Company has not made investment in, provided any guarantee or security or granted any loan and advance in nature of loans secured or unsecured to companies, firms, limited liabilities partnerships or any other parties except one unsecured loan. The Company has granted loans or advances in the nature of unsecured loans, to other party during the year, in respect of which the requisite information is as below:
- a. During the year, the company has provided loan or provided advances in the nature of loan to any company.
- A. Based on the audit procedure carried on by us and as per the information and explanation given to us, the Company has not given any loans or advances in the nature of loans or stood guarantee or provided security to subsidiaries, joint ventures and associates.
- B. Based on the audit procedure carried on by us and as per the information and explanation given to us, the Company has given one unsecured loan in the nature of loans to parties other than subsidiaries, joint ventures and associates, as listed below:



(Amount in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
<b>Aggregate amount of loan granted during the year</b>				
Subsidiaries*	-	-	-	-
Joint Ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	2,000.00	-
<b>Balance outstanding as at balance sheet date</b>				
Subsidiaries*	-	-	-	-
Joint Ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	2,000.00	-

\*As per Companies Act,2013

- b. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the above loan are, prima facie, not prejudicial to the Company's interest.
- c. In respect of loan, the schedule of repayment of principal and payment of interest has been stipulated. As per the repayment schedule, the repayments or receipts are not yet due as at March 31<sup>st</sup>, 2024.
- d. In our opinion and according to the information and explanations given to us, as the repayments or receipts are not yet due as at March 31<sup>st</sup>, 2024, this clause is not applicable.
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f. As the repayment schedule is neither based on 'Repayable on demand' nor 'Without specifying any terms or period of repayment', this clause is not applicable.
- iv. The Company has not granted any loan, given any guarantee or provided any security covered under Section 185 of the Act and Section 186 of the Act relating to investments, loans granted, guarantees given and security provided is not applicable to the Company being a Government Company engaged in Defence equipment production;
- v. According to the explanation and information given to us, the Company has not accepted deposits or amounts which are deemed to be deposits during the year and does not have any unclaimed deposits as at March 31<sup>st</sup>, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi. We have broadly reviewed the cost records maintained by the Company, as prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate and complete;
- vii. According to the information and explanation given to us, in respect of the Company's statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date they became payable.
- Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been fully deposited as at March 31<sup>st</sup>, 2024 on account of dispute are given below:



Name of the Statute	Nature of Dues	Period	Amount (in Lakhs)	Forum where dispute is pending	Part-payment made under protest (In Lakhs)
Central Excise Act, 1944	Excise Duty (Including Interest/Penalty)	FY 2000-01 to FY 2003-04	257	Commissioner (Appeals)	NIL
BST Act, 1959	Sales Tax	FY 1980-81 to FY 2004-05	99,620.15	Maharashtra sales tax tribunal, Mumbai	263
CST Act, 1956	Sales Tax	FY 1981-82, FY 1991-92 & FY 2011-12	21.77	Jt. Commissioner of sales tax & MSTT	2.28
MVAT Act, 2002	Value added Tax	FY 2005-06 to FY 2017-18	16,125.31	Jt. Commissioner of sales tax & MSTT	404
Karnataka Sales Tax Act	Karnataka Sales Tax	FY 1989-90 to FY 1992-93, FY 1995-96 to FY 1996-97	316.40	Pending before Karnataka sales tax appellate Tribunal	12.60
Service Tax Act, 1994	Service Tax (Including Interest/Penalty)	FY 2001-02 to FY 2003-04	4,618	Appeal before Bombay High Court	NIL
Customs Act, 1962	Custom Duty (Including Interest/Penalty)	FY 2008-09, FY 2021-22, FY 2021-22	144	Assistant Commissioner of Customs	NIL
Income Tax Act, 1961	Interest U/s 234(c)	FY 2021-22	28.51	CIT(A)	NIL

- viii. 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. According to the information and explanation given to us:
- The Company has taken working capital loan from bank. But there is no default committed by Company in repayment of loan or interest.
  - The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority;
  - The Company has not obtained any term loans during the year. Accordingly, the provision of clause 3(ix)(c) of the Order is not applicable;
  - No funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable;
- The Company has not taken any funds from the entity or person on account of or to meet the obligations of its associate. The company does not hold any investment in any subsidiary or joint venture;
  - The Company has not raised loans during the year on the pledge of securities held in its associates. The company does not hold any investment in any subsidiary or joint venture. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
    - 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 preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, clause 3(x)(b) of the order is not applicable to the company;



- xi. To the best of our knowledge and according to the information and explanations given to us:
- No fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year;
  - No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
  - No whistle-blower complaints were received during the year by the company;
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) (a), (b) & (c) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards;
- xiv. a. According to the information and explanations given to us and on the basis of our examination, the Company has an Internal Audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit;
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable to the Company;
- xvi. According to the information & explanation given to us and as per the records examined by us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 xvi (a), (b), (c) & (d) of the Order are not applicable to the Company;
- xvii. According to the information and records examined by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, clause 3 xvii of the Order is not applicable to the company;
- xviii. There has been no resignation of the Statutory Auditor during the year, Accordingly, clause 3 xviii of the Order is not applicable to the Company;
- xix. In our opinion and according to the information and explanations given to us, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. a. CSR activities and expenses are pertaining to Ongoing projects only. Accordingly, clause 3 xx (a) of the Order is not applicable to the company;
- b. There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- xxi. There is no qualifications or adverse remarks in the CARO Report of the Associate Company namely, Goa Shipyard Limited, which is included in the Consolidated Financial Statements.

**For C.R.Sagdeo & Co,**  
Chartered Accountants  
F.R.N: 108959W

**CA. Sachin V. Luthra**  
Partner  
Membership No.:109127  
UDIN: 24109127BKCAFJ1213

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai





## Annexure II to Independent Auditor's Report

**To,  
The Members of Mazagon Dock Shipbuilders Limited,  
Mumbai.**

As referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in our Auditor's Report of even date and as required by the directions issued by the Office of the "Comptroller & Auditor General of India" (C & AG) under Section 143(5) of the Companies Act, 2013, we give below our comments on the matters referred therein:

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
  - According to the information and explanations given to us and based on our verifications of the records of the Company, the Company has an ERP system in place to process all the transactions through the IT System. All the processing of accounting transactions are mapped through ERP. Therefore, any implications of processing accounting transactions outside IT system on the integrity of the accounts along with financial implications does not arise.
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests 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)
  - According to the information and explanations given to us and based on our verifications of the records of the Company, there were no 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 loans in FY 2023-24.
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 terms and conditions? List the case of deviation.
  - According to the information and explanations given to us and based on our verifications of the records of the Company, there were no such cases of any funds received by the Company during FY 2023-24 from Central/ State Governments or it's agencies under any schemes.

**For C.R.Sagdeo & Co,**  
Chartered Accountants  
F.R.N: 108959W

**CA. Sachin V. Luthra**  
Partner  
Membership No.:109127  
UDIN: 24109127BKCAFJ1213

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai



## Annexure III to The Independent Auditor's Report

(Referred to in Paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 **Mazagon Dock Shipbuilders Ltd.** ("the Company") as of March 31<sup>st</sup>, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's and Board of Director's Responsibility for Internal Financial Controls:

The Management's and 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 (the "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 respective 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 of the Company 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to the audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating

effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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 Internal Financial Controls system over financial reporting of the Company.

#### 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

**Opinion:**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C.R.Sagdeo & Co,**  
Chartered Accountants  
F.R.N: 108959W

**CA. Sachin V. Luthra**  
Partner  
Membership No.:109127  
UDIN: 24109127BKCAFJ1213

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2024.**

The preparation of standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and the related Audit Report.

**A. Comment on Disclosure**

**Statement of Profit & Loss account**

**Revenue from Operations- Rs. 9466.58 crore (Note 26)**

The value of production (VoP) lying in the books of the company was higher than the billing amount for the project XXX recorded over the years by Rs. 20.81 crore. The management analysed that the VoP might have been booked excess in earlier year for the said project and hence considering the project was on-going, the current year VoP was reduced to align with the billing data. Accordingly, the excess VoP booked in earlier years was reversed during the year. The Management has, however, not disclosed the fact in the Financial Statements of the Company for the year ended 31 March 2024, required as per para 49 of Ind AS 8.

Thus, the disclosures forming part of Financial Statements of the Company for the year ended 31 March 2024 are deficient to that extent.

**For and on behalf of the  
Comptroller & Auditor General of India**

*Rajesh Ranjan*  
**(Rajesh Ranjan, IA&AS)**

**Principal Director of Audit (Defence-Commercial)**

**Bangalore**

**Date: 26 July 2024**





**REPLIES TO THE COMMENTS OF THE C&AG U/S 143(6)(b) FOR THE FY 2023-24  
AS APPROVED BY BOARD OF DIRECTORS**

<p><b>COMMENTS OF THE COMPTROLLER AND AUDITORS GENERAL OF INDIA U/S 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ANNUAL ACCOUNTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2024</b></p>	<p><b>REPLY BY THE MANAGEMENT OF THE COMPANY</b></p>
<p><b>COMMENT ON DISCLOSURE</b> Statement of Profit &amp; Loss account Revenue from Operation – Rs. 9466.58 crore (Note 26)</p> <p><i>The value of production (VoP) lying in the books of the company was higher than the billing amount for the project XXX recorded over the years by Rs. 20.81 crores. The management analysed that the VoP might have been booked excess in earlier year for the said project and hence considering the project was on-going, the current year VoP was reduced to align with the billing data. Accordingly, the excess VoP booked in earlier years was reversed during the year. The Management has, however, not disclosed the fact that in the Financial Statements of the Company for the Company for the year ended 31<sup>st</sup> March 2024, required as per para 49 of Ind AS 8.</i></p> <p><i>Thus, the disclosures forming part of Financial Statements of the Company for the year ended 31<sup>st</sup> March 2024 are deficient to that extent</i></p>	<p>As per definition of materiality a <b>non-disclosure of information is material if it could reasonably be expected to influence decisions made by Primary users</b>. The Reduction in VOP (revenue) in this case amounts to a mere 0.22 % of total revenue of the company of Rs 9466.58 cr for FY 2023-24. Thus considering materiality aspect, the impact on Financial Statements is insignificant for the reader of the accounts to form any different view about the financial health of the company.</p>



# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

₹ in lakhs

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	78,030	77,763
Right-of-use assets	2	3,935	22,934
Capital work-in-progress	3	6,824	6,162
Other intangible assets	2	1,829	1,736
Intangible assets under development	4	339	-
		<b>90,957</b>	<b>1,08,595</b>
<b>Financial assets</b>			
Investments	5	600	600
Trade receivable	6	1,765	1,802
Loans	7	2,000	-
Other financial assets	8	13,745	13,167
Deferred tax assets (net)	9	59,980	45,010
Non-current tax assets (net)		17,856	26,550
Other non-current assets	10	1,11,880	83,814
<b>Total non-current assets</b>		<b>2,98,783</b>	<b>2,79,538</b>
<b>Current assets</b>			
Inventories	11	5,71,337	7,35,686
<b>Financial assets</b>			
Trade receivables	12	1,84,693	1,00,233
Cash and cash equivalents	13	3,52,348	1,86,842
Bank balances other than cash and cash equivalents	14	10,68,615	11,41,800
Loans		-	-
Other financial assets	15	30,756	22,140
Contract assets		5,730	28,323
Assets held for sale		7	32
Other current assets	16	3,65,333	3,93,463
<b>Total current assets</b>		<b>25,78,819</b>	<b>26,08,519</b>
<b>TOTAL ASSETS</b>		<b>28,77,602</b>	<b>28,88,057</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	17	20,169	20,169
Other equity		5,36,899	3,97,587
<b>Total equity</b>		<b>5,57,068</b>	<b>4,17,756</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liability		81	31
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		-	-
ii. total outstanding dues other than (i) above	18	1,765	1,802
Other financial liabilities	19	69	48
Long-term provisions	20	42,521	41,085
Other non-current liabilities	21	12,663	13,350
<b>Total non-current liabilities</b>		<b>57,099</b>	<b>56,316</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liability		12	573
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		16,863	4,659
ii. total outstanding dues other than (i) above	22	4,29,779	4,41,620
Other financial liabilities	23	19,674	14,658
Contract liability		17,72,339	19,33,334
Other current liabilities	24	5,626	1,728
Short-term provisions	25	19,142	17,413
<b>Total current liabilities</b>		<b>22,63,435</b>	<b>24,13,985</b>
<b>Total liabilities</b>		<b>23,20,534</b>	<b>24,70,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,77,602</b>	<b>28,88,057</b>
Significant accounting policies and notes to the Financial Statements	1 to 59		

As per our report of even date

**C. R. Sagdeo & Co.**Chartered Accountants  
Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**Partner  
Membership No. 10912729<sup>th</sup> May, 2024  
Place - Mumbai

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For and on behalf of the Board of Directors

Sd/-

**Sanjeev Singhal**Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-

**Biju George**Director (Shipbuilding)  
DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary





## STATEMENT OF STANDALONE PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>INCOME</b>				
1	Revenue from operations	26	9,46,658	7,82,718
2	Other income	27	1,13,802	71,348
3	<b>Total income</b>		<b>10,60,460</b>	<b>8,54,066</b>
<b>EXPENSES</b>				
	Cost of materials consumed	28	5,08,164	4,44,585
	Procurement of base and depot spares		1,14,583	69,322
	Employee benefit expenses	29	89,655	79,271
	Finance costs	30	512	637
	Depreciation and amortization expenses		8,313	7,558
	Sub-contract		38,244	45,508
	Power and fuel		1,769	1,646
	Other expenses - project related	31	15,761	28,875
	Other expenses	32	20,471	21,992
	Provisions	33	16,850	11,739
	<b>Total expenses</b>		<b>8,14,322</b>	<b>7,11,133</b>
5	<b>Profit before tax and exceptional items</b>		<b>2,46,138</b>	<b>1,42,933</b>
6	Exceptional items		-	-
7	<b>Profit before tax and after exceptional items</b>		<b>2,46,138</b>	<b>1,42,933</b>
8	<b>Tax expense</b>			
	Current tax		76,388	35,887
	Deferred tax (credit)/charge		(14,969)	(327)
	Adjustment of tax relating to earlier years		176	101
9	<b>Profit for the year/period</b>		<b>1,84,543</b>	<b>1,07,272</b>
10	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	Remeasurement of defined employee benefit plan		(610)	(11)
	Income tax effect		154	3
11	<b>Total comprehensive income for the year/period</b>		<b>1,84,087</b>	<b>1,07,264</b>
12	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>91.50</b>	<b>53.19</b>
	Significant accounting policies and notes to the Financial Statements	1 to 59		

As per our report of even date

**C. R. Sagdeo & Co.**  
Chartered Accountants  
Firm Registration No. 108959W

Sd/-  
**Sachin V. Luthra**  
Partner  
Membership No. 109127

29<sup>th</sup> May, 2024  
Place - Mumbai

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For and on behalf of the Board of Directors

Sd/-  
**Sanjeev Singhal**  
Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-  
**Biju George**  
Director (Shipbuilding)  
DIN - 09343562

Sd/-  
**Madhavi Kulkarni**  
Company Secretary



# STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2024 Audited	Year Ended March 31, 2023 Audited
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax but after exceptional items</b>	2,46,138	1,42,933
	<b>Adjustments for :</b>		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation/amortization	8,313	7,558
	Finance cost	512	637
	Amortization of prepaid rentals	15	15
	Forex variation	2	(10)
	<b>(-) Non operating income</b>		
	(Profit)/Loss on sale of fixed assets	(148)	(90)
	Interest income	(99,441)	(60,177)
	Dividend received	(3,655)	(2,665)
	Amortization gain on deferred deposits of vendors	(4)	(5)
	Amortization of deferred revenue (customer funded assets)	(687)	(687)
	Interest Income on deferred payment liability to foreign supplier	(433)	(474)
	Interest Income on deferred deposit with MbPT	(25)	(23)
	<b>Operating profit before working capital changes</b>	<b>1,50,587</b>	<b>87,012</b>
	<b>Movement in working capital</b>		
	Decrease/(Increase) in Inventories	1,64,349	34,324
	Decrease/(Increase) in Trade receivables and loans and advances	(85,965)	776
	Decrease/(Increase) Other current and non current assets	56,590	1,80,826
	(Decrease)/Increase in Trade payables and provisions	2,444	(1,80,194)
	(Decrease)/Increase in Other current and non current liabilities	(1,51,914)	60,031
	<b>Cash flow from operations</b>	<b>1,36,091</b>	<b>1,82,775</b>
	<b>Direct tax paid (net of refunds)</b>	(67,716)	(31,215)
	<b>Net cash from (used in) operating activities (A)</b>	<b>68,375</b>	<b>1,51,560</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	10,303	(13,557)
	Capital work in progress	(1,001)	2,532
	Proceeds from sale of property, plant and equipment	166	131
	Capital advance	(43,117)	(526)
	Interest received	99,441	60,177
	Dividend received	3,655	2,665
	Fixed Deposits/Term Deposits	73,185	(65,800)
	Principal portion of lease payments	(651)	(588)



## STATEMENT OF STANDALONE CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2024 Audited	Year Ended March 31, 2023 Audited
	<b>Net cash from/(used in) investing activities (B)</b>	<b>1,41,981</b>	<b>(14,966)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Dividend paid	(44,775)	(21,642)
	Finance costs - Lease	(75)	(155)
	Finance costs - Others	-	(2)
	<b>Net cash from/(used in) financing activities (C)</b>	<b>(44,850)</b>	<b>(21,799)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,65,506</b>	<b>1,14,795</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,86,842</b>	<b>72,047</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>3,52,348</b>	<b>1,86,842</b>

Note: Figure in bracket indicate outflow

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2024 Audited	Year Ended March 31, 2023 Audited
	<b>Components of cash and cash equivalents:</b>		
	Balances with banks:-		
	- In Current accounts		
	i) In India	3,08,097	35,208
	ii) Outside India	36	35
	- In cash credit accounts	17	-
	- In flexi deposit accounts	44,198	1,51,599
	<b>Total</b>	<b>3,52,348</b>	<b>1,86,842</b>

As per our report of even date

**C. R. Sagdeo & Co.**

Chartered Accountants  
Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**

Partner  
Membership No. 109127

29<sup>th</sup> May, 2024  
Place - Mumbai

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

Sd/-

**Sanjeev Singhal**

Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-

**Biju George**

Director (Shipbuilding)  
DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary



# STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2024

## (A) Equity share capital

For the period ended March 31, 2024

₹ in lakhs

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the period	Balance as at March 31, 2024
20,169	-	20,169	-	20,169

For the period ended March 31, 2023

₹ in lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
20,169	-	20,169	-	20,169

## (B) Other equity

For the period ended March 31, 2024

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2023</b>	1,59,073	2,31,244	5	1,037	12,123	(5,895)	3,97,587
Profit/(loss) for the year	1,84,543						1,84,543
Other comprehensive income/(loss) for the year						(456)	(456)
Dividends							
Interim	(30,939)						(30,939)
Final	(13,836)						(13,836)
<b>Balance as at March 31, 2024</b>	<b>2,98,841</b>	<b>2,31,244</b>	<b>5</b>	<b>1,037</b>	<b>12,123</b>	<b>(6,351)</b>	<b>5,36,899</b>

For the period ended March 31, 2023

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2022</b>	73,443	2,31,244	5	1,039	12,123	(5,887)	3,11,967
Adjustments during the year				(2)			(2)
Profit/(loss) for the year	1,07,272						1,07,272
Other comprehensive income/(loss) for the year						(8)	(8)
Dividends							
Interim	(18,354)						(18,354)
Final	(3,288)						(3,288)
<b>Balance as at March 31, 2023</b>	<b>1,59,073</b>	<b>2,31,244</b>	<b>5</b>	<b>1,037</b>	<b>12,123</b>	<b>(5,895)</b>	<b>3,97,587</b>



The description of the nature and purpose of reserve within equity is as follows:

**Capital reserve:** The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

**Capital redemption reserve:** These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

**Other Comprehensive Income:** These reserves are created on account of actuarial valuation of defined employee benefit plan.

**Indigenisation Fund:** These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

**Dividend:** The Board has recommended the final dividend for FY 2023-24 of ₹ 24,425 lakhs (i.e ₹ 12.11 per share). This proposed dividend is subject to the approval of Shareholders in ensuing Annual General Meeting.

As per our report of even date

**C. R. Sagdeo & Co.**

Chartered Accountants  
Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**

Partner  
Membership No. 109127

29<sup>th</sup> May, 2024

Place - Mumbai

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

Sd/-

**Sanjeev Singhal**

Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-

**Biju George**

Director (Shipbuilding)  
DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary





## Note 1 - Statement of Significant Accounting Policies

### 1) Corporate information:

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of Ships, submarines, various types of Vessels and related engineering products for its customers.

### 2) Significant accounting policies:

#### 2.1 Basis of preparation:

These Financial Statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

#### 2.2 Summary of significant accounting policies:

##### a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. 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/materialized.

**Estimates and assumptions are required in particular for:**

##### i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:

Useful life of tangible assets is based on the life prescribed in Schedule II of 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.

##### 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 correspond 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 and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the unused tax losses can be utilized. 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 vary.

##### 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 method.

##### vi. Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. The estimates are revised periodically.

##### b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

##### i. An asset is treated 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.

**ii. A liability is treated as current when it is:**

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is 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.

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

**c) Property, plant and equipment:**

- i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.
  - Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.
  - When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
  - When a major inspection is performed, its cost is recognised in the carrying amount of the property, 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.

- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1<sup>st</sup> April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1<sup>st</sup> April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

**ii. Depreciation:**

- (a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30



- (b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.
- (c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.
- (d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.
- (e) In respect of additions/extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.
- (f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each Financial Year end and adjusted prospectively, if appropriate.
- (g) Depreciation on property, plant and equipment commences when the assets are ready for intended use
- (h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.
- (i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.
- (j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

**d) Intangible assets:**

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

**e) Impairment of assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of

impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f) Investment in associate:**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

**Exemption availed under Ind AS 101:** On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

**g) Foreign currency transactions:**

The Financial Statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

**h) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs



consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

#### **i) Inventory valuation**

- i. Raw materials and stores and general spares are valued at weighted average cost.
- ii. Equipment for specific projects are valued at cost.
- iii. Stock-in-transit is valued at cost.
- iv. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- v. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.
- vi. Scrap is valued at estimated net realizable value.
- vii. Work in progress and finished goods other than construction contracts & Ship repair contracts have been valued at lower of cost and net realisable value.

#### **j) Revenue recognition**

##### **i. Ship construction & repair contracts**

Revenue from Ship Construction/repair Contracts shall be 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
- (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.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

##### **Fixed Price Contract:**

Revenues from construction contracts with customers are 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.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction/repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

##### **Cost Plus Contract:**

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

##### **Contract Asset:**

The Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).



**Contract Liability:**

The Company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

**Revenue from supply of Base & Depot (B&D) spares:**

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

**Revenue for contract is yet to be finalized or under revision:**

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

**Significant financing component:**

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

**ii. Dividend income**

Dividend income from investments is recognized when the Company's right to receive payment has been established.

**iii. Interest income**

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

**iv. 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.

**k) Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:**

**i. 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.

**ii. 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.

**iii. 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.

**iv. 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 the other comprehensive income.

**v. 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.

**vi. Investment in equity instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity



instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

**vii. Investment in debt instruments:**

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

**viii. Impairment of financial asset:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

**ix. 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 loans & borrowings, trade and other payables.

**i. 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

**ii. Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each Financial Year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

**iii. 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.

**iv. Retentions**

Retention amount payable/receivable under the terms of the contracts with the vendors/customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

**v. Security deposit**

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

**l) Leases**

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 'Leases', Appendix A of Ind AS 17 'Operating Leases—Incentives', Appendix B of Ind AS 17 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. and Appendix C of Ind AS 17 'Determining Whether an Arrangement Contains a Lease'.

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.





The Company adopted the new standard Ind AS 116 for accounting period beginning on or after April 1, 2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

### Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease' is maintained for existing contracts.

#### i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1, 2018..
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1, 2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1, 2018 have been treated as short term.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis



across the life of the lease.

- b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of ₹ 1,00,000/- has been utilised to define 'low value'.

The Company's operating leases mainly relate to real estate assets, Company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31, 2019, measured under Ind AS 17.

**ii. As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**m) 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 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 for non-executives; and
- (b) defined contribution plans such as pension and post-retirement medical scheme for executives.

**Gratuity**

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions based on actuarial valuation are charged to revenue. 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.

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 scheme**

The post-retirement medical scheme to the non-executive employees is a defined benefit plan and is determined based on actuarial valuation as per Ind AS 19 on Employee Benefits using Projected Unit Credit method which recognizes 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.

The post-retirement medical scheme liability towards executives is recognised on accrual basis and charged to statement of profit and loss, which is a contribution plan.

#### **Provident fund**

The Provident Fund Trust of Company has to declare interest on the Provident Fund at a rate not less than notified by the Employee Provident Fund Organization. Company has obligation to make good the shortfall, if any, in case trust is not able to meet the interest liability. Obligation of Company is calculated annually by actuaries using projected Unit Credit method.

#### **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.

#### **n) Dividend to equity Shareholders**

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **o) Provision for current & deferred tax**

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **Current income tax:**

Current tax comprises of the expected tax payable on the taxable income for the year. 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.

#### **Deferred tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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:

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

#### **p) Provision for doubtful debts and loans and advances:**

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

#### **q) Warranty provision:**

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

#### **r) Provision, contingent liabilities and contingent assets:**

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.



₹ in lakhs

## Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-2023
<b>A</b>	<b>Assets Owned by MDL</b>											
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772
2	Buildings: i) Factory Building	11,946	7	(3)	16	11,934	1,173	396	-	16	1,553	10,381
	ii) Office and Staff Quarters											
	a) RCC	5,742	2,158	-	-	7,900	1,110	147	-	-	1,257	6,643
	b) Non RCC	1,716	310	-	-	2,026	286	72	-	-	358	1,668
	iii) Others (Temporary structure)	116	30	-	-	146	103	8	-	-	111	35
3	Road	4,318	123	-	-	4,441	952	705	-	-	1,657	2,784
4	Plant and Equipment	26,955	1,618	3	116	28,460	9,556	2,064	-	108	11,512	16,948
5	Furniture and Fixtures	2,092	401	-	15	2,479	1,211	186	-	10	1,387	1,092
6	Vehicles	2,203	17	-	18	2,202	1,727	80	-	17	1,790	412
7	Office Equipment	4,268	740	-	108	4,900	2,995	585	-	104	3,476	1,424
8	Computers and Data Processing Units											
	i) Desktops, Laptops etc.	846	440	-	148	1,138	699	117	-	148	668	470
	ii) Server and Network	4,537	52	-	363	4,226	3,710	488	-	360	3,838	388
9	Loose Tools	642	207	-	-	849	607	64	-	-	671	178
10	Ship - Launches and Boats	4,934	-	-	-	4,934	760	173	-	-	933	4,001
11	Electrical Installation and Equipments	2,907	569	-	37	3,439	1,426	264	-	35	1,655	1,784
12	Right to use asset - Leasehold land	28,363	-	(20,426)	-	7,937	5,474	1,376	(2,763)	-	4,087	3,850
13	Right to use asset - Vehicles	502	-	58	-	560	457	18	-	-	475	85
	<b>Sub-total</b>	<b>1,12,862</b>	<b>6,672</b>	<b>(20,368)</b>	<b>821</b>	<b>98,346</b>	<b>32,246</b>	<b>6,743</b>	<b>(2,763)</b>	<b>798</b>	<b>35,428</b>	<b>80,616</b>
	Previous Year's Figures	1,01,238	12,187	-	563	1,12,862	26,708	6,072	-	534	32,246	80,616

Note: Vessels under the head 'Launches and Boats' costing ₹ 4934 lakhs (2023 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act, 1838/Indian Vessels Act, 1917.



Note 2 - Property, Plant and Equipment (Contd.....)

B Jointly Funded Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-24	As on 31-03-2023
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,721	507	-	-	4,228	12,016	12,523
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	175	29	-	-	204	1,442	1,471
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	2,735	376	-	-	3,111	4,422	4,798
4	Electrical Installation and Equipments	649	-	-	-	649	376	62	-	-	438	211	273
5	Furniture and Fixtures	216	-	-	-	216	125	20	-	-	145	71	91
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9	9
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	-	-
8	Ship - Launches and Boats	1,143	-	-	-	1,143	243	39	-	-	282	861	900
	<b>Sub-total</b>	<b>28,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>7,978</b>	<b>1,033</b>	<b>-</b>	<b>-</b>	<b>9,011</b>	<b>19,048</b>	<b>20,081</b>
	Previous Year's Figures	28,059	-	-	-	28,059	6,932	1,046	-	-	7,978	20,081	21,127
	<b>Total Tangibles Assets (A+B)</b>	<b>1,40,921</b>	<b>6,672</b>	<b>(20,368)</b>	<b>821</b>	<b>1,26,404</b>	<b>40,224</b>	<b>7,776</b>	<b>(2,763)</b>	<b>798</b>	<b>44,439</b>	<b>81,965</b>	<b>1,00,697</b>
	Previous Year's Figures	1,29,296	12,187	-	563	1,40,921	33,640	7,118	-	534	40,224	1,00,697	95,656

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-24	As on 31-03-2023
A	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	968	59	-	-	1,027	62	121
2	Other than SAP-ERP	6,166	630	-	-	6,796	4,551	478	-	-	5,029	1,767	1,615
	<b>Sub Total</b>	<b>7,255</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>7,885</b>	<b>5,519</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>6,056</b>	<b>1,829</b>	<b>1,736</b>
	Previous Year's Figures	5,885	1,370	-	-	7,255	5,079	440	-	-	5,519	1,736	806



**Note 2 - Property, Plant and Equipment (Contd.....)**

**B Jointly Funded Assets**

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-2023
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	<b>Total Intangible Assets (A+B)</b>	<b>8,436</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>9,066</b>	<b>6,700</b>	<b>537</b>	<b>-</b>	<b>7,237</b>	<b>1,829</b>	<b>1,736</b>
	Previous Year's Figures	7,066	1,370	-	-	8,436	6,260	440	-	6,700	1,736	806
	<b>Total Assets (i+ii)</b>	<b>1,49,357</b>	<b>7,302</b>	<b>(20,368)</b>	<b>821</b>	<b>1,35,470</b>	<b>46,924</b>	<b>8,313</b>	<b>(2,763)</b>	<b>798</b>	<b>51,676</b>	<b>1,02,433</b>
	Previous Year's Figures	1,36,362	13,557	-	563	1,49,357	39,900	7,558	-	534	46,924	96,462

(i) Government of Kerala has assigned 'Free of Cost' (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled 'National Institute for Research and Design in Defence Shipbuilding' (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the Shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Lease term expired for four plots leased by Mumbai Port Authority (MbPA) in the year 2006. MbPA offered lease renewal at approximately 10 times higher rates. Company did not agree with offered rates and the matter was referred to Tariff Authority for Major Ports (TAMP). TAMP passed order in November 21, revising the lease rate. The Company did not agree with the rates offered in TAMPs order and the matter was taken up with Ministry of Ports, Shipping & Waterways (MoPSW) through Ministry of Defence (MoD). As there was no finality in the dispute and the company's intent to renew the lease, company implemented the lease as per TAMP's order in conformity to Ind AS 116, recording upfront lease payments as Right to use (ROU) and liability in the books of accounts during FY 2021-22. Later on MbPA offered revised rates in Feb 2024 and the same was agreed by Company. The Lease hold land Right to Use and Liability created in FY 2021-22 were reversed in FY 2023-24. The lease of 4 plots as per the revised rates will be renewed from 01-04-2024 for 29 years.

(vi) Building as at 31st March 2024 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(vii) Capital expenditure on Research and Development aggregating to ₹ 733 lakhs (Previous year - ₹ 2120 lakhs) is reflected under respective various heads in the above note.





**Note 2 - Property, Plant and Equipment (Contd.....)**  
**(viii) Assets jointly funded by MDL and Indian Navy**

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric In-stallations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2024	As on 31-03-2023
1	Total Cost upto 31.03.2024	33,963	703	64,467	345	96	1,984	162	241	1,418	133	<b>1,03,512</b>	<b>1,03,512</b>
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	<b>92,759</b>	<b>92,759</b>
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	<b>10,753</b>	<b>10,753</b>
	Previous Year's Figures	<b>6,041</b>	<b>21</b>	<b>4,154</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,753</b>	<b>10,753</b>

₹ in lakhs

**(ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2024**

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
PPE	<b>Lease hold Land</b>					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Government of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Government of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1947	

MDL has approached Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/regularising the land records.


**Note 2 - Property, Plant and Equipment (Contd.....)**

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
	355 Phase North yard	-	Mumbai Port Trust (Mbpt)	NO	1976	MDL has paid the upfront premium of ₹ 48.75 Cr. on 01 April 2024 to Mumbai Port Authority (MbPA) for renewal of leases for 04 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. The leases of 04 Plots are renewed after payment. The execution of Lease deed is under process.
	Extension of Phase II	-			1979	
	Extension of Slipway in SY	-			1995	
	Additional water area for Extn of Slipway	-			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-



₹ in lakhs

**Note 2 - Property, Plant and Equipment**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposals	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposals	Balance 31-03-23	As on 31-03-2022
<b>A Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772
2	Buildings: i) Factory Building ii) Office and Staff Quarters	6,271	5,675	-	-	11,946	927	246	-	-	1,173	10,773
	a) RCC	5,200	542	-	-	5,742	988	123	-	1	1,110	4,632
	b) Non RCC	1,532	184	-	-	1,716	223	63	-	-	286	1,430
	iii) Others (Temporary structure)	109	7	-	-	116	97	6	-	-	103	13
3	Road	1,110	3,208	-	-	4,318	661	291	-	-	952	3,366
4	Plant and Equipment	25,842	1,593	-	480	26,955	8,209	1,808	-	461	9,556	17,399
5	Furniture and Fixtures	1,918	196	-	22	2,092	1,048	174	-	11	1,211	881
6	Vehicles	2,011	196	-	4	2,203	1,633	98	-	4	1,727	476
7	Office Equipment	4,061	220	-	13	4,268	2,416	596	-	17	2,995	1,273
8	Computers and Data Processing Units											
	i) Desktops, Laptops etc.	704	144	-	2	846	629	72	-	2	699	147
	ii) Server and Network	4,534	17	-	14	4,537	3,042	680	-	12	3,710	827
9	Loose Tools	626	16	-	-	642	552	55	-	-	607	35
10	Ship - Launches and Boats	4,917	17	-	-	4,934	587	173	-	-	760	4,174
11	Electrical Installation and Equipments	2,816	119	-	28	2,907	1,186	266	-	26	1,426	1,481
12	Right to use asset - Leasehold land	28,363	-	-	-	28,363	4,106	1,368	-	-	5,474	22,889
13	Right to use asset - Vehicles	449	53	-	-	502	404	53	-	-	457	45
	<b>Sub-total</b>	<b>1,01,238</b>	<b>12,187</b>	-	<b>563</b>	<b>1,12,862</b>	<b>26,708</b>	<b>6,072</b>	-	<b>534</b>	<b>32,246</b>	<b>80,616</b>
	Previous Year's Figures	79,156	23,389	-	1,310	1,01,238	21,792	5,821	-	905	26,708	74,530

Note: Vessels under the head 'Launches and Boats' costing ₹ 4934 lakhs (2022 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act, 1838/Indian Vessels Act, 1917.



₹ in lakhs

## Note 2 - Property, Plant and Equipment (Contd.....)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,214	507	-	-	3,721	13,030
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	146	29	-	-	175	1,500
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12
3	Plant and Equipment	7,533	-	-	-	7,533	2,346	389	-	-	2,735	5,187
4	Electrical Installation and Equipments	649	-	-	-	649	314	62	-	-	376	335
5	Furniture and Fixtures	216	-	-	-	216	105	20	-	-	125	111
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9
7	Computers and Data Processing Units											
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	-
8	Ship - Launches and Boats	1,143	-	-	-	1,143	204	39	-	-	243	939
	<b>Sub-total</b>	<b>28,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>6,932</b>	<b>1,046</b>	<b>-</b>	<b>-</b>	<b>7,978</b>	<b>21,127</b>
	Previous Year's Figures	28,013	42	-	-	28,059	5,884	1,048	-	-	6,932	22,129
	<b>Total Tangibles Assets (A+B)</b>	<b>1,29,296</b>	<b>12,187</b>	<b>-</b>	<b>563</b>	<b>1,40,921</b>	<b>33,640</b>	<b>7,118</b>	<b>-</b>	<b>534</b>	<b>40,224</b>	<b>95,656</b>
	Previous Year's Figures	1,07,169	23,431	-	1,310	1,29,296	27,676	6,869	-	905	33,640	79,493

Intangible Assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
<b>A</b>	<b>Assets Owned by MDL</b>											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	905	63	-	-	968	184
2	Other than SAP-ERP	4,796	1,370	-	-	6,166	4,174	377	-	-	4,551	622
	<b>Sub Total</b>	<b>5,885</b>	<b>1,370</b>	<b>-</b>	<b>-</b>	<b>7,255</b>	<b>5,079</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>5,519</b>	<b>806</b>
	Previous Year's Figures	5,689	196	-	-	5,885	4,497	582	-	-	5,079	1,192

₹ in lakhs



₹ in lakhs

**Note 2 - Property, Plant and Equipment (Contd.....)**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	<b>Total Intangible Assets (A+B)</b>	<b>7,066</b>	<b>1,370</b>	<b>-</b>	<b>-</b>	<b>8,436</b>	<b>6,260</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>6,700</b>	<b>1,736</b>
	Previous Year's Figures	6,870	196	-	-	7,066	5,678	582	-	-	6,260	806
	<b>Total Assets (i+ii)</b>	<b>1,36,362</b>	<b>13,557</b>	<b>-</b>	<b>563</b>	<b>1,49,357</b>	<b>39,900</b>	<b>7,558</b>	<b>-</b>	<b>534</b>	<b>46,924</b>	<b>1,02,433</b>
	Previous Year's Figures	1,14,039	23,627	-	1,310	1,36,362	33,354	7,451	-	905	39,900	96,462

- (i) Government of Kerala has assigned 'Free of Cost' (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled 'National Institute for Research and Design in Defence Shipbuilding' (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the Shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.
- (iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (v) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in Financial Statements for the year ended 31st March, 2022.
- (vi) Building as at 31st March 2023 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.
- (vii) Capital expenditure on Research and Development aggregating to ₹ 2120 lakhs (Previous year - ₹ 628 lakhs) is reflected under respective various heads in the above note.



**Note 2 - Property, Plant and Equipment (Contd.....)**

(vii) **Assets jointly funded by MDL and Indian Navy** ₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric In-stallations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2024	As on 31-03-2023
1	Total Cost upto 31.03.2023	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

**viii) Title deeds of immovable properties not held in the name of the company as on 31.03.2023**

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
PPE	<b>Lease hold Land</b>					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Government of India (Gol). An Agreement dated 19th April 1960, was executed between the President of India (Government of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)		1947	





₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd.....)

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
	355 Phase North yard	9,699	Mumbai Port	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of
	Extension of Phase II	3,051	Trust (Mbpt)		1979	lease agreements are under process.MDL is regularly paying rent
	Extension of Slipway in SY	5,136			1995	according to the terms and condition of the old lease agreement.
	Additional water area for Extn of Slipway	2,539			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
<b>Building</b>						
	Flats at Vashi	14	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Registration of Deed of apartment is pending however, the share certificates and other documents are in the name of the Company. Execution of deed of apartment for 09flats is under process with CIDCO.
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-



### 3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Capital work-in-progress</b>				
<b>1. Own resources</b>				
<b>A. Tangible assets</b>				
Opening balance	6,162		8,694	
Add: Expenditure during the period	7,686		9,602	
Less: Capitalisation during the period	(6,671)	7,177	(12,134)	6,162
<b>Less: Provision for Tangible assets</b>		(353)		-
<b>Total</b>		<b>6,824</b>		<b>6,162</b>

#### Ageing for capital work-in-progress as at March 31, 2024 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	1,612	2,345	1,764	1,103	6,824
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	(353)	(353)
<b>Total</b>	<b>1,612</b>	<b>2,345</b>	<b>1,764</b>	<b>1,103</b>	<b>6,824</b>

#### Completion schedule - Time and Cost overrun 2023-24

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	17	-	-	17
Consultancy for MDP at Gavan	-	243	-	-	243
Greenfield Shipyard at Nhava	-	-	200	-	200
Fire Alarm & Fire Fighting System	-	-	96	-	96
Caisson Gate	929	-	-	-	929
Upgradation of MDL Tug MT Andaman	125	-	-	-	125
Replacement of cladding sheet EYworkshps	42	-	-	-	42
Repair Facility at NHAVA Yard	-	-	43	-	43
IIT-Madras - A.I enabled Robotic Welding inspection	385	-	-	-	385
Desk Studies For Creation Of A Greenfield Shipyard At Nhava Yard	-	-	65	-	65
Submarine Launch Facility	418	-	-	-	418
Portable Cutting Machine.	3	-	-	-	3
Heating And Brazing Torch	4	-	-	-	4
Supply And Installation Of Remote Controls	11	-	-	-	11
Bionic 7Fp Biometric Punching Machines	8	-	-	-	8
Procurment of Modular Furniture	19	-	-	-	19
Procurement of 24 Pax Electric Boat	88	-	-	-	88
<b>Total*</b>	<b>2,032</b>	<b>260</b>	<b>404</b>	<b>-</b>	<b>2,696</b>

\*There is no cost over run in any project, only time over run which is as per above table

**Capital work-in-progress (Contd.....)****Completion schedule - Suspended projects 2023-24**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers	353	-	-	-	353
<b>Total</b>	<b>353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353</b>

**Ageing for capital work-in-progress as at March 31, 2023 as follows:**

₹ in lakhs

Particulars	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*	759	1,591	121	3,691	6,162
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>759</b>	<b>1,591</b>	<b>121</b>	<b>3,691</b>	<b>6,162</b>

**Completion schedule - Time and Cost overrun 2022-23**

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	-	17	-	17
Recp Centre	120	-	-	-	120
Construction Morcha Gate betn Gate 6&10	2,245	-	-	-	2,245
Consultancy for MDP Gavan Land	-	-	214	-	214
Fire Alarm & Fire Fighting System	2	-	-	-	2
Goliath Crane NY Slipway	54	-	-	-	54
Modernisation of Bond Stores	3	-	-	-	3
Greenfield Shipyard at Nhava	65	-	-	-	65
IIT-Madras - A.I enabled Robotic Welding inspection	385	-	-	-	385
Portable Slipway Covers.	353	-	-	-	353
Supply Of Breathing Apparatus	14	-	-	-	14
Dry Dock Pump (Vertical Turbine Pump)	53	-	-	-	53
Leeb Portable Hardness Tester	1	-	-	-	1
Multigas Detector	3	-	-	-	3
Double Door Refrigerator	1	-	-	-	1
Lithium Ion Battery Project	97	-	-	-	97
<b>Total*</b>	<b>3,396</b>	<b>-</b>	<b>231</b>	<b>-</b>	<b>3,627</b>

\*There is no cost over run in any project, only time over run which is as per above table

**Completion schedule - Suspended projects 2022-23**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



#### 4 Intangible assets under development

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Opening balance	-		-	
Add: Expenditure during the period	969		1,370	
Less: Capitalisation/adjustments during the period	(630)	339	(1,370)	-
<b>Total</b>	<b>339</b>		<b>-</b>	

#### Intangible assets under development ageing schedule as at March 31, 2024 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	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*	339	-	-	-	339
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339</b>

#### Intangible assets under development completion schedule as at March 31, 2024 as Follows:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Intangible assets under development ageing schedule as at March 31, 2023 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	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	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Intangible assets under development completion schedule as at March 31, 2023 as Follows:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**5 Non-current investments**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Investments in equity instruments (At cost, unquoted)		
In Equity shares of Associate Concern - Goa Shipyard Limited	600	600
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)		
<b>Total</b>	<b>600</b>	<b>600</b>

**6 Trade receivables - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
Deferred debts	2,239	2,276
Less: Amount receivable within 12 months	(474)	(474)
<b>Total</b>	<b>1,765</b>	<b>1,802</b>

**Ageing for trade receivables-non-current outstanding as at March 31, 2024 is as follows:**

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	-	-	-	-	1,765	1,765
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,765</b>	<b>1,765</b>



## 6 Trade receivables - non-current (Contd.....)

Ageing for trade receivables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	-	-	-	-	1,802	1,802
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,802</b>	<b>1,802</b>

## 7 Loans - non-current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	2,000	-
Loans Receivables which have significant increase in credit Risk; and	-	-
Loans Receivables credit impaired	-	-
	<b>2,000</b>	<b>-</b>

## 8 Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
Security deposits:		
Security deposits with Mumbai Port Trust	461	427
Other deposits	341	341
Fixed deposits with bank with maturity over 12 months	340	340
(The above deposits are under lien with Mumbai Port Trust)		
Leave encashment fund	12,603	12,059
<b>Total</b>	<b>13,745</b>	<b>13,167</b>



**9 Deferred tax assets (net)**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Deferred tax assets/(liabilities)				
Deferred tax assets				
Provisions	66,383		51,378	
Others	-	66,383	-	51,378
Deferred tax liabilities				
Depreciation	(6,403)	(6,403)	(6,368)	(6,368)
<b>Total Deferred tax assets (net)</b>		<b>59,980</b>		<b>45,010</b>

**10 Other non-current assets**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Capital advances		43,986		869
Other receivables - considered good	469		957	
Other receivables - considered doubtful	2,757		2,790	
Less: Allowance for doubtful receivables	(2,757)	469	(2,790)	957
Advances paid to vendors - considered doubtful	123		5	
Less: Allowance for doubtful advances	(123)	-	(5)	-
VAT/sales tax receivable		6,494		6,491
GST input tax credit		60,757		75,247
Prepaid expenses				
Prepaid deposits (MbPT)	26		41	
Less: amortisation/unwinding of prepaid deposits	(15)		(15)	
Less: current year portion	(11)	-	(15)	11
Others		174		239
<b>Total</b>		<b>1,11,880</b>		<b>83,814</b>

**11 Inventories**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Raw materials</b>				
Material in stores	9,308		8,405	
Less: Provision for obsolescence	(196)	9,112	(75)	8,330
<b>Stores and spares</b>				
Material in stores	2,356		2,172	
Less: Provision for obsolescence	(138)	2,218	(162)	2,010
<b>Equipment for specific projects</b>				
Material in stores/site	4,91,042		6,53,564	
Less: Provision for obsolescence	(1,128)		(1,014)	
		4,89,914		6,52,550
Stock in transit	15,465		13,476	
Materials pending inspection	53,691	5,59,070	58,118	7,24,144
Scrap		937		1,202
<b>Total</b>		<b>5,71,337</b>		<b>7,35,686</b>



## 11 Inventories (Contd....)

Note:

- (i) Inventory costing ₹ 11,219 lakhs (Previous year: ₹ 27,055 lakhs) is held with other vendors.
- (ii) Inventory costing ₹ 70 Lakhs (Previous year: ₹ 659 Lakhs) is held at customer's store.
- (iii) As on 31<sup>st</sup> March, 2024, Inventory held on behalf of Navy is ₹ 4,403 lakhs (Previous year - ₹ 1,499 lakhs) which is excluded from above inventory.

## 12 Trade receivables - current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Trade receivables considered good - unsecured	1,84,693	1,00,233
Trade receivables considered doubtful - unsecured	46,261	75,275
Total	2,30,954	1,75,508
Loss allowance	(46,261)	(75,275)
<b>Total</b>	<b>1,84,693</b>	<b>1,00,233</b>

Ageing for trade receivables-current outstanding as at March 31, 2024 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	61,119	1,00,547	7,927	10,122	3,969	1,009	1,84,693
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>61,119</b>	<b>1,00,547</b>	<b>7,927</b>	<b>10,122</b>	<b>3,969</b>	<b>1,009</b>	<b>1,84,693</b>



**12 Trade receivables - current** (Contd....)

Ageing for trade receivables-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total	
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
		(i) Undisputed Trade receivables- considered good	70,663	6,222	13,646	9,115		174
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>70,663</b>	<b>6,222</b>	<b>13,646</b>	<b>9,115</b>	<b>174</b>	<b>413</b>	<b>1,00,233</b>	

**13 Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks:-		
- In current accounts		
i. In India	3,08,097	35,208
ii. Outside India	36	35
- In cash credit accounts		17
- In flexi deposit accounts		44,198
<b>Total</b>	<b>3,52,348</b>	<b>1,86,842</b>

**14 Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
In fixed deposit accounts - more than 3 months but not more than 12 months maturity	10,68,600	11,41,793
Earmarked balances with banks for Unpaid Dividend	15	7
<b>Total</b>	<b>10,68,615</b>	<b>11,41,800</b>



## 15 Other financial assets - current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Insurance claims receivable	-	71
Interest accrued on deposits and advances	30,756	22,069
<b>Total</b>	<b>30,756</b>	<b>22,140</b>

## 16 Other current assets

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
(Unsecured, considered good, unless otherwise specified)		
<b>Advances</b>		
Advances paid to vendors	3,64,763	3,92,841
Travel advance to employees	26	91
Employee related	107	87
Others	17	20
	3,64,913	3,93,039
<b>Prepaid expenses</b>		
Prepaid deposits (MbPT)	11	15
Others	409	420
	420	424
<b>Total</b>	<b>3,65,333</b>	<b>3,93,463</b>

## 17 Share Capital

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
<b>Authorized share capital</b>		
32,37,20,000 (Previous year - 32,37,20,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each	32,372	32,372
<b>Total</b>	<b>32,372</b>	<b>32,372</b>
<b>Issued, subscribed and fully paid-up shares</b>		
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.	20,169	20,169
<b>Total</b>	<b>20,169</b>	<b>20,169</b>

## Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Shareholder</b>				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%



## 17 Share Capital (Contd..)

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Particulars	March 31, 2024		March 31, 2023		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Particulars	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

## 18 Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Deferred payment liability to a foreign supplier	2,239	2,276
Less: Amount payable within 12 months	(474)	(474)
<b>Total</b>	<b>1,765</b>	<b>1,802</b>

Ageing for trade payables-non-current outstanding as at March 31, 2024 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,765	1,765
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,765</b>	<b>1,765</b>

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,802	1,802
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,802</b>	<b>1,802</b>



## 19 Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Security and other deposits	69	48
<b>Total</b>	<b>69</b>	<b>48</b>

## 20 Provisions - non-current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
<b>Employee benefits</b>		
Post retirement benefit schemes		
Medical	10,256	9,302
Gift card	117	140
Leave salary encashment	10,892	10,260
<b>Other provisions</b>		
Provision for liquidated damages	18,983	18,983
Others	2,273	2,400
<b>Total</b>	<b>42,521</b>	<b>41,085</b>

## 21 Other non-current liabilities

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Funds received from customer for infrastructure projects	92,761	92,761
Less: Transferred to fixed assets for capitalisation	(73,419)	(73,419)
Less: Amortisation of deferred revenue	(6,682)	(5,995)
Deferred deposits	3	3
<b>Total</b>	<b>12,663</b>	<b>13,350</b>

## 22 Trade payables - current

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Other vendors	4,29,305	4,41,146
Deferred payment liability to a foreign supplier	474	474
<b>Total</b>	<b>4,29,779</b>	<b>4,41,620</b>



**Note 22- Trade Payables-current (Contd..)****Ageing for trade payables-current outstanding as at March 31, 2024 is as follows:**

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	16,751	112	-	-	-	16,863
Others	3,85,662	44,102	13	-	2	4,29,779
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,02,413</b>	<b>44,214</b>	<b>13</b>	<b>-</b>	<b>2</b>	<b>4,46,642</b>

**Ageing for trade payables-current outstanding as at March 31, 2023 is as follows:**

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4,659	-	-	-	-	4,659
Others	4,31,060	10,560	-	-	-	4,41,620
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,35,719</b>	<b>10,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,46,279</b>

**23 Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Retention money payable	57	57
Interest payable on advances received from customer	3,705	1,753
Employee related	15,506	12,357
Others	2	47
Security and other deposits	389	437
Unclaimed dividend	15	7
<b>Total</b>	<b>19,674</b>	<b>14,658</b>

**24 Other current liabilities**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Statutory dues	5,623	1,725
Deferred deposits	3	3
<b>Total</b>	<b>5,626</b>	<b>1,728</b>



## 25 Provisions - current

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Employee benefits</b>				
Post retirement benefit				
Medical	1,148		1,032	
Gift card	54	1,202	81	1,113
Leave salary encashment		1,675		2,127
Gratuity		1,450		1,435
<b>Other provisions</b>				
Guarantee repairs	14,389		12,312	
Custom duty	426	14,815	426	12,738
<b>Total</b>	<b>19,142</b>		<b>17,413</b>	

## 26 Revenue from operations

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Contract revenue</b>				
Ship construction		7,52,770		6,66,772
Others		323		
<b>Sale of goods</b>				
Sale of base and depot spares		1,21,715		74,764
Others		2,129		
<b>Sale of Services</b>				
Ship Repair		29,864		16,867
<b>Other operating revenue</b>				
Sale of scrap and stores	1,260		947	
Sale of services (others)	3,143		1,771	
Reversal of Liquidated damages	35,719		20,797	
Changes in Inventory of Scrap	(265)	39,857	800	24,315
<b>Total</b>	<b>9,46,658</b>		<b>7,82,718</b>	

## Contract Revenue Recognition with Respect to Projects/Vessels in WIP:

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
The amount of contract revenue recognised as revenue for the period		9,06,801		7,58,403
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		14,77,230		14,42,479
The amount of advances received (gross)		32,42,927		33,47,493
The amount of retentions by customers		13,109		42,861

- The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23<sup>rd</sup> February, 2018 by amending notification no G.S.R. 463(E) dated 5<sup>th</sup> June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- Revenue from operations includes revenue from Export of goods/services is ₹ 1544 Lakhs that is 0.16% of Revenue from operation.



27 Other Income

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Interest from</b>				
Deposits with banks	1,01,755		59,618	
Less: Interest liability to customer on advances	(3,705)		(1,753)	
	98,050		57,865	
On income tax refund	246		1,171	
Other interest	1,145	99,441	1,141	60,177
Dividend from Goa Shipyard Ltd.		3,655		2,665
Liabilities/provisions no longer required written back		7,188		3,708
Insurance claims		20		392
Profit on Sale/scraping of fixed assets (net)		148		90
<b>Liquidated damages recovered</b>				
Capital		145		17
Others		1,527		1,508
Miscellaneous income/recoveries		469		1,464
Amortisation gain on deferred deposits of vendors		4		5
Unwinding of lease charges - Land		47		57
Unwinding of lease charges - Vehicles		13		60
Amortisation of deferred revenue (customer funded assets)		687		687
Interest Income on deferred payment liability to foreign supplier		433		474
Interest Income on deferred deposit with MbPT		25		23
Foreign exchange variation (net)		-		21
<b>Total</b>		<b>1,13,802</b>		<b>71,348</b>

28 Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Opening stock</b>				
Raw materials, stores and spares	10,577		14,160	
Equipment for specific projects	6,53,564		6,00,026	
Stock-in-transit and materials pending inspection	71,594	7,35,735	1,55,690	7,69,876
<b>Add: Purchases</b>		3,46,887		4,12,518
		10,82,622		11,82,394
<b>Less: Closing stock</b>				
Raw materials, stores and spares	(11,664)		(10,577)	
Equipment for specific projects	(4,91,042)		(6,53,564)	
Stock-in-transit and materials pending inspection	(69,156)	(5,71,862)	(71,594)	(7,35,735)
		5,10,760		4,46,659
Less: Provision for obsolete stock		(210)		(29)
Less: Stores and spares consumption included in other expenses		(2,386)		(2,045)
<b>Total</b>		<b>5,08,164</b>		<b>4,44,585</b>



## 29 Employee benefit expenses

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Salaries, wages, allowances and bonus	69,019	62,603
Pension	2,295	2,236
Contribution to provident fund	4,194	4,053
Workmen and staff welfare expenses	9,878	6,810
Gratuity	1,065	938
Encashment of privilege leave	3,204	2,631
<b>Total</b>	<b>89,655</b>	<b>79,271</b>

## 30 Finance cost

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Interest cost on deferred deposits of vendors	4	6
Interest cost on deferred payment liability to foreign supplier	433	474
Interest cost on lease	75	155
Others	-	2
<b>Total</b>	<b>512</b>	<b>637</b>

## 31 Other expenses - Projects related

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Technician fees and other expenses	2,654	1,784
Advising team fees and other expenses	1,103	16,377
Facility hire	3,147	3,703
Bank charges and guarantee commission	534	190
Travelling expenses	186	47
Sea trial, launching and commissioning expenses	307	566
Legal, professional and consultant fees	7,236	5,946
Miscellaneous expenses	594	262
<b>Total</b>	<b>15,761</b>	<b>28,875</b>

**32 Other expenses**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Repairs and maintenance:				
Buildings	1,458		312	
Plant and machinery	328		289	
Steam launches and boats, motor cars, lorries, etc.	662		656	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(5)	2,443	(1)	1,256
Facility hire	826		542	
Water expenses	342		266	
Rent	867		1,520	
Insurance	1,067		1,093	
Rates and taxes	645		3,243	
Bank charges and guarantee commission	49		14	
Printing and stationery	18		22	
Travelling expenses	936		890	
Business promotion expenses	692		753	
Sea trial, launching and commissioning expenses	1		35	
Corporate Membership expenses	52		58	
Foreign exchange variation (net)	2		11	
Miscellaneous expenses	2,226		1,051	
Audit fees	19		12	
Vehicle hire charges	72		85	
Legal, professional and consultant fees	88		358	
Books and periodicals	22		26	
Postage, telegrams and phones	79		99	
Training expenses	239		293	
CISF and security board expenses	2,754		2,787	
Directors fees and expenses	29		20	
Provision for obsolete stock	210		29	
Liquidated damages	2,161		3,354	
Consumption of stores and spares etc.	2,386		2,045	
Other interest	372		267	
Amortisation/unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,859	18,028	1,848	20,736
<b>Total</b>		<b>20,471</b>		<b>21,992</b>

Foreign Exchange gain for the period ended 31st March, 2024 is ₹ 313 lakhs and foreign exchange gain for previous year is ₹ 761 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Revenue Expenditure on Research and Development and allied expenses aggregating to ₹ 8,975 lakhs (Previous year - ₹ 7,532 lakhs) is reflected under respective various heads in the above note.



### 33 Provisions

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Doubtful debts/receivable	7,120	2,130
Guarantee repairs	8,838	6,353
Others	892	3,256
<b>Total</b>	<b>16,850</b>	<b>11,739</b>

### 34 Business Segment Reporting

- The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 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.
- For management purposes, the Company is organized into two major segments – Shipbuilding (New Construction and Ship Repairs) and Submarine.
- There are no geographical segments within the business segments.

### 35 Contingent Assets, Contingent Liabilities and Commitments:

#### 35.1 Amounts for which Company may be contingently liable:

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>A.</b>	<b>Contingent Assets</b>	-	-
<b>B.</b>	<b>Contingent Liabilities and Commitments</b>		
(i)	Estimated amount of contracts remaining to be executed on capital account.(Net of Advances)*	1,30,692	2,631
(ii)	b) Estimated amount of liquidated damages on contracts under execution**	10,224	83,579
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	59,849	61,095
	(b) Guarantees and counter guarantees	70,486	5,288
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	34,55,638	25,79,820
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

\*\*Customer has extended the delivery up to 31.12.2024 however, customer has kept right to levy LD with them & company is confident that LD will be waived off. The financial implication for the same is ₹ 102.24 cr in the event of levy of LD by customers

#### 35.2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Suppliers and sub-contractors	3,985	1,315
(ii)	Others	1,884	2,369
(iii)	Interest on (i) and (ii) above	531	789
	<b>Total</b>	<b>6,400</b>	<b>4,473</b>



**Note 35 - Contingent Assets, Contingent Liabilities and Commitments (Contd..)****35.3 Amounts paid/payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment/Appellate Authorities relating to:**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Sales Tax *	1,16,084	1,16,084
(ii)	Excise Duty (including interest and penalties)		
	(a) On Vendors	224	217
	(b) On MDL	34	33
	<b>Total (i) + (ii)</b>	<b>257</b>	<b>250</b>
		<b>1,16,341</b>	<b>1,16,333</b>

\* Against the above claim, part payments of ₹ 682 lakhs has been made till 31.03.2024.

**35.4 Appeals against disputed tax demands pending before Adjudicating/Appellate Authorities not provided for in matters relating to:**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Excise Duty*	-	15
(ii)	Service Tax (including interest and penalties)	4,618	4,522
	<b>Total</b>	<b>4,618</b>	<b>4,537</b>

\* Appeal against disputed tax demand is settled.

**35.5 Appeals pending against disputed demands pending before Adjudicating/Appellate authorities**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Custom Duty (Including Interest)	144	59

**36.1** Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. But confirmation letters from all vendors are not received. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

**36.2** Balances due to/from Indian Navy (Debtors) included in current assets/current liabilities/advances are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

**37 Normal Operating Cycle**

The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

- In case of Ship/Submarine building and Ship/Submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/Letter of Intent (LOI) to the date of expiry of guarantee period.
- In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.



### 38 Employee Benefits as per Ind AS 19

#### 38.1 Various benefits provided to employees are classified as under:-

##### (I) Defined Contribution Plans

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(a) State Defined Contribution Plans		
(i) Employers' Contribution to Employees' State Insurance		
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.		
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.		
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-		
1. Employers' Contribution to Provident Fund	4,194	4,001
2. Employers' Contribution to Employees' State Insurance	-	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)	2,295	2,236
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	46	53

Retirement benefits in the form of Pension is a defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

##### (II) Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.23%	7.60%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation and is provided for, on the basis of an actuarial valuation on projected net credit method made at the end of each Financial Year. The Gratuity Fund is invested in a Group Gratuity-Cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening Balance	16,586	20,364
Add : Credit from Company	1,200	600
Less : Amount paid towards claims	(3,809)	(5,525)
Add : Interest credited	1,083	1,148
Closing Balance	15,060	16,587
Present value of past service benefit	15,130	16,641

The actuarial liability excludes the fixed term employees, for which separate provision exists.



**Note 38 - Employee Benefits as per Ind AS 19 (Contd..)**

**38.2 Actuarial valuation of liability towards Gratuity**

**Defined Benefit Plans Gratuity - as per actuarial valuation**

The Ind AS-19 Employee Benefits stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on Government Bonds. The currency and term of the Government Bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>i)</b>	<b>Assumptions</b>		
	a) Discount Rate	7.23%	7.60%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	12
<b>ii)</b>	<b>Table showing changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	16,641	20,377
	Add: Transfer of canteen employees liability	-	-
		16,641	20,377
	Interest cost	1,106	1,242
	Current service cost	760	843
	Benefits paid	(3,809)	(5,525)
	Actuarial (gain)/loss on obligations	432	(295)
	Present value of obligations as at end of year	15,130	16,641
<b>iii)</b>	<b>Table showing changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	16,586	20,364
	Expected return on plan assets	1,261	1,454
	Contributions	1,200	600
	Benefits paid	(3,809)	(5,525)
	Actuarial gain/(loss) on plan assets	(177)	(306)
	Fair value of plan assets at the end of year	15,060	16,586
<b>iv)</b>	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	16,586	20,364
	Actual return on plan assets	1,261	1,454
	Contributions	1,200	600
	Benefits paid	(3,809)	(5,525)
	Fair value of plan assets at the end of year	15,060	16,586
	Funded status	71	55
	Excess of Actual over estimated return on plan assets	-	-
<b>v)</b>	<b>Actuarial gain/loss recognized</b>		
	Actuarial (gain)/loss for the year - obligation	610	11
	Actuarial (gain)/loss for the year - plan assets	-	-


**Note 38 - Employee Benefits as per Ind AS 19 (Contd..)**

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	Total (gain)/loss for the year	610	11
	Actuarial (gain)/loss recognised in the year	610	11
	Un-recognised actuarial (gains)/losses at the end of year	-	-
<b>vi)</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligations as at the end of year	15,130	16,641
	Fair value of plan assets as at the end of the year	15,060	16,586
	Funded status	(70)	(55)
	Net Asset/(Liability) recognized in balance sheet	(70)	(55)
<b>vii)</b>	<b>Expenses recognized in statement of Profit and Loss</b>		
	Current service cost	760	843
	Interest cost	(155)	(211)
	Expected return on plan assets	-	-
	Expenses recognized in statement of profit and loss	606	631
<b>viii)</b>	<b>Expenses recognized in Other Comprehensive Income</b>		
	Actuarial (gain)/loss recognised in the year	610	11
<b>ix)</b>	<b>Current/Non-current Liability</b>		
	Current Liability	2,867	4,184
	Non-current Liability	12,263	12,457
	Present Value of the Defined Gratuity Benefit Obligation	15,130	16,641

**Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 7.10%) (Previous year - 6.64%)	589 3.89%		546 3.28%	
if Discount rate is increased to 8.10%) (Previous year - 7.64%)		548 3.62%		508 3.05%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.5%) (Previous year - 7.50%)	329 2.18%		314 1.89%	
if Discount rate is decreased to 6.5%) (Previous year - 6.50%)		321 2.12%		308 1.85%



**Note 38 - Employee Benefits as per Ind AS 19 (Contd..)**

**38.3 Actuarial valuation of liability towards Leave Encashment**

**Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 Employee Benefits stipulates that the rate used to discount Post Employment Benefit Obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>i)</b>	<b>Assumptions</b>		
	Discount rate	7.23%	7.60%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	12	12
<b>ii)</b>	<b>Table showing changes in present value of obligations</b>		
	Present value of obligation as at the beginning of the year	12,387	13,007
	Add : Liability Transfer from Canteen Employees	-	-
		12,387	13,007
	Interest cost	854	838
	Current service cost	918	979
	Benefits paid	(1,670)	(1,895)
	Actuarial (gain)/loss on obligations	78	(544)
	Present value of obligation as at the end of the year	12,567	12,387
<b>iii)</b>	<b>Table showing changes in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the year	12,059	13,035
	Expected return on plan assets	916	931
	Contributions	1,350	-
	Benefits paid	(1,670)	(1,895)
	Actuarial gain/(loss) on plan assets	(53)	(12)
	Fair value of plan assets at the end of the year	12,602	12,059
<b>iv)</b>	<b>Tables showing fair value of plan assets</b>		
	Fair value of plan asset at the beginning of the year	12,059	13,035
	Actual return on plan assets	916	931
	Contributions/(withdrawals)	1,350	-
	Benefits paid	(1,670)	(1,895)
	Actuarial gain/(loss) on plan assets	(53)	(12)
	Fair value of plan asset at the end of the year	12,602	12,059
	Funded status	(35)	328
<b>v)</b>	<b>Actuarial gain/loss recognized</b>		
	Actuarial (gain)/loss for the year - obligation	78	(544)
	Actuarial (gain)/loss for the year - plan assets	-	-
	Total (gain)/loss for the year	78	(544)
	Actuarial (gain)/loss recognised in the year	78	(544)
	Un-recognised actuarial (gains)/losses at the end of year		

**Note 38 - Employee Benefits as per Ind AS 19 (Contd..)**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>vi)</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligation as at the end of the year	12,567	12,387
	Fair value of plan assets as at end of the year	12,602	12,059
	Funded status	35	(328)
	Unrecognized actuarial (gains)/losses	-	-
	Net asset/(liability) recognized in balance sheet	35	(328)
<b>vii)</b>	<b>Expenses recognized in statement of profit and loss</b>		
	Current service cost	918	979
	Interest cost	854	838
	Actuarial (gain)/loss recognised in the year	78	(544)
	Expenses recognized in the statement of profit and loss	1,850	1,274
<b>viii)</b>	<b>Current/Non-current Liability</b>		
	Current Liability	1,675	2,310
	Non-current Liability	10,892	10,077
	Present Value of the Defined Leave Encashment Benefit Obligation	12,567	12,387

**Sensitivity of Leave Encashment Benefit Liability to key assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 7.10%	574		512	
(Previous year - 6.64%)	4.56%		4.13%	
if Discount rate is increased to 8.10%		532		474
(Previous year - 7.64%)		4.23%		3.83%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.5%	572		512	
(Previous year - 7.50%)	4.55%		4.13%	
if Discount rate is decreased to 6.5%		535		479
(Previous year - 6.50%)		4.26%		3.87%

**38.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its Members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by Company and the shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit



**Note 38 - Employee Benefits as per Ind AS 19 (Contd..)**

expenses. in accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual Members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Fair value of plan assets	71,875	74,476
Present value of defined benefit obligations	(71,875)	(74,476)
Net excess/(shortfall)	-	-

The plan assets have been primarily invested in Government, Public Sector and Corporate Bonds

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Provident Fund interest rate guarantee	8.25%	8.15%
Salary increase rate	7.00%	7.00%
Government of India - Bond yield for the outstanding term of liabilities	7.23%	7.60%
Government of India - Bond yield for the outstanding term of assets	7.17%	7.30%
Expected average remaining working lives of employees (years)	12	12

**39 Provisions made, utilised, written back :**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>a)</b>	<b>Provision for Custom Duty Demand:</b>		
	Opening Balance	426	426
	Additions	-	-
	Utilised/Adjusted	-	-
	Closing Balance	<b>426</b>	<b>426</b>
<b>b)</b>	<b>Provision for Liquidated Damages:</b>		
	Opening Balance	18,983	35,821
	Additions	-	-
	Adjusted	-	(16,838)
	Closing Balance	<b>18,983</b>	<b>18,983</b>
<b>c)</b>	<b>Provision for Guarantee Repairs:</b>		
	Opening Balance	12,312	5,959
	Additions	8,838	6,353
	Utilised/Adjusted	(6,761)	-
	Closing Balance	<b>14,389</b>	<b>12,312</b>
<b>d)</b>	<b>Other Provisions:</b>		
	Opening Balance	2,241	107
	Additions	355	2,241
	Utilised/Adjusted	-	(107)
	Closing Balance	<b>2,596</b>	<b>2,241</b>



- 40** Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31<sup>st</sup> March, 2024 based on available information with the Company are as under:

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Payment made beyond the appointed day during the year	51,748	5,115
Interest accrued and remaining unpaid on above	510	31

**41 Other Expenses include:**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Remuneration to the Statutory Auditors		
i) Audit fees	19	12
ii) Tax audit fees	2	2
	21	14

**42 Russian (USSR) deferred State Credit**

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain Ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9,628 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₹ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 474 lakhs (Previous year - ₹ 474 lakhs) includes yearly installment of ₹ 214 lakhs (Previous year - ₹ 214 lakhs) and ₹ 260 lakhs (Previous year - ₹ 260 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2024. These payments are reimbursable by Indian Navy. Accordingly, ₹ 6,165 lakhs (amortised costs of ₹ 2,236 lakhs) held at foreign supplier deferred credit as on 31st March 2024.

- 43** Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the Financial Statements.

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

**44 Related Party Disclosure**

As MDL 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

**i) Key Managerial Personnel****a) Functional Directors & Company Secretary**

₹ in lakhs

Particulars	Appointment	Designation	31 <sup>st</sup> March, 2024		
			Salary	Company Contribution to PF/Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairman and Managing Director	14	0	14
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	107	7	114
Shri Sanjeev Singhal**	(From 08.01.2020)	Director (Finance)	115	11	126
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	68	6	74
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	79	7	86
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	21	2	23
Smt. Madhvi Kulkarni	(From 01.12.2023)	Company Secretary	12	1	13

₹ in lakhs

Particulars	Appointment	Designation	31 <sup>st</sup> March, 2023		
			Salary	Company Contribution to PF/Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairman and Managing Director	79	6	85
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	72	6	78
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	71	6	77
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	58	6	64
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	49	5	54
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	26	3	29

\* As per Statement of Profit and Loss Account.

\*\*Shri Sanjeev Singhal holds Additional Charge of Chairman and Managing Director from 01.02.2023

Besides the remuneration indicated above, the Chairman and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.



#### 44 Related Party Disclosure (Contd..)

##### b) PART TIME NON-OFFICIAL DIRECTORS

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March,2024	31st March,2023
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	9	7
Shri Shambhuprasad Baldevdas Tundiya	(Upto 13.11.2022)	Independent Director	-	1
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	8	7
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	5	-
Shri. Chandu Sambasiva Rao	(From 22.02.2024)	Independent Director	-	-

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

##### ii) Other Related Parties

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

##### a) Ministry of Defence

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable /(payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2024	9,03,815	2,27,531	37,982
	31st March,2023	7,58,403	1,75,508	18,358

##### b) Goa Shipyard Ltd. (Associate Company)

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.***	31st March,2024	3,655
	31st March,2023	2,665

\*\*\*Other transaction includes rent, sales & amount receivable are not significant in nature.

These transactions are conducted in the ordinary course of the company business.

#### 45 Earnings per share (EPS)

₹ in lakhs

Particulars	31st March 2024	31st March 2023
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit/(Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	1,84,543	1,07,272
Adjustment to Restated Net Profit/(Loss):		
None		
A Net Profit/(Loss) for calculation of basic EPS (₹ in lakhs)	1,84,543	1,07,272
B Weighted average number of equity shares for calculating basic EPS	20,16,90,000	20,16,90,000
<b>C EPS (₹) - Basic (A/B)</b>	<b>91.50</b>	<b>53.19</b>
D Net Profit/(Loss) for calculation of diluted EPS (₹ in lakhs)	1,84,543	1,07,272
Weighted average number of equity shares	20,16,90,000	20,16,90,000
Effect of dilution:	-	-
E Weighted average number of equity shares for calculating diluted EPS	20,16,90,000	20,16,90,000
<b>F EPS (₹) - Diluted (D/E)</b>	<b>91.50</b>	<b>53.19</b>



**Note 46**

**Statement of Income tax expense and accounting**

(₹ in lakhs)

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
A <b>Profit Before Tax as per Statement of Profit &amp; Loss</b>	<b>2,46,138</b>	<b>1,42,933</b>
B Tax at statutory rate (%)	25.168%	25.168%
C Tax expenses at statutory rate	61,948	35,973
Prior year tax	176	101
	<b>62,124</b>	<b>36,074</b>
<b>Adjustment for permanent difference</b>		
1 Expenses disallowed/Income allowed	2,545	2,100
2 Income exempt under Income Tax Act	(145)	(17)
3 Others	(2,566)	(2,498)
D <b>Total Permanent Difference</b>	<b>(167)</b>	<b>(414)</b>
<b>Adjustment for timing difference</b>		
1 Difference between book depreciation and income tax depreciation	1,599	1,576
2 Provision for anticipated losses and gains	67,939	2,314
3 Disallowances under Sec 43B	1,260	(1,049)
4 Others	(13,873)	(2,784)
E <b>Total timing difference</b>	<b>56,924</b>	<b>58</b>
F <b>Net Adjustments</b>	<b>56,757</b>	<b>(356)</b>
G=F*B Tax expenses/(Savings) thereon	<b>14,286</b>	<b>(90)</b>
H Current Tax (C+G)	76,234	35,884
Current Tax as per Books	76,234	35,884
I Deferred Tax charge/(Credit)	(14,969)	(327)
J Short (excess provision for earlier year)	176	101
K <b>Total Tax expenses (H+I+J)</b>	<b>61,441</b>	<b>35,658</b>

**47 Fair Value Measurement**

**Financial Instruments by Category**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024			31 <sup>st</sup> March 2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	461	-	-	427
Russian Deferred Debit	-	-	2236	-	-	2276
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	2236	-	-	2276
Security Deposits	-	-	69	-	-	48

**Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.



## 47 Fair Value Measurement (Contd..)

### 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
- (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

### Financial assets and liabilities measured at amortised cost

₹ in lakhs

Particulars	Fair value Hierarchy	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	461	461	451	427
Russian Deferred Debit	Level 3	6165	2,236	6640	2,276
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	6165	2,236	6640	2,276
Security Deposits	Level 3	76	69	54	48

## 48 Financial risk management

### 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 asset

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 (being department of Government of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

#### ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises (DPE) guidelines on investment of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public/private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

### 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.



**48 Financial risk management (Contd..)**

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.

**c) Market Risk****i) Foreign currency risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. 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 (₹). In most of the Contracts, the gains/losses from forex exchange fluctuations are passed on/borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

**ii) Foreign Currency Risk Exposure**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

₹ in lakhs

Particulars	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31 <sup>st</sup> March 2024	17,097	318	-	1	1,156
31 <sup>st</sup> March 2023	11,584	589	6	1	1,784

**Sensitivity**

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

₹ in lakhs

Particulars	Impact on Profit Before Tax	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	855	579
INR/EUR decreases by 5%	(855)	(579)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	16	29
INR/GBP decreases by 5%	(16)	(29)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	58	89
INR/USD decreases by 5%	(58)	(89)

\* Holding all other variables constant



## 49 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares.

## 50 Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the period is detailed as follows:

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2023-24	2022-23
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	1,692	436
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	337	311
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	-	55
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	-	3
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	-	296
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	89	14
Clause (x)	Rural development projects;	-	79
	<b>Total</b>	<b>2,118</b>	<b>1,194</b>

₹ in lakhs

Particulars	2023-24	2022-23
Unspent amount brought forward	587	456
Amount required to be spent by the Company during the period	1,837	1,392
Amount spent during the period (incl. Administration Expenses)	2,230	1,261



**Note 50 -Expenditure on Corporate Social Responsibilities (CSR) Activities (Contd..)**  
**CSR Liability Movement Statement As on 31.03.2024**

₹ in lakhs

Particulars	
Amount b/f from last year i.e. FY 2022-23	587
Amount Spent on CSR Expenses during the year 2023-24	372
Unspent amount c/f to next year of FY 2022-23	215

₹ in lakhs

Amount Unspent					
Total Amount spent for the year	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
2,230	-	-	-	-	-

- 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.
- 52** In FY 2016-17, the provision of ₹ 35,719 Lakhs was created for Liquidated Damages (LD) for second Submarine and the same was adjusted in retained earnings in the Reinstated Financials prepared from 01/04/2015. In FY 2023-24, the company received confirmation from customer regarding levy of LD of ₹ 5,260 Lakhs for delay of third & fourth Submarine against provision of ₹ 35,719 Lakhs. In view of , considering the finalisation of LD during the year company has accounted for ₹ 2,161 Lakhs as Liquidated Damages (LD) for third Submarine and adjusted the debtors to that extent & made provision towards LD for ₹ 3,099 for fourth submarine. Further, the provision created in earlier year is now reversed and shown as other operating income as per company's accounting policy.

**53 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under**

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-23	(7,63,673.43)	(7,63,673.43)	-	0.00%
Sep-23	(8,32,404.63)	(8,32,404.63)	-	0.00%
Dec-23	(8,04,533.14)	(8,04,533.14)	-	0.00%
Mar-24	(7,58,805.52)	(7,58,805.52)	-	0.00%

MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.



## 54 Disclosure of Relationship with Struck off Companies is as under

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	
Universal Flexibles Private Limited	Vendor	-	1	-
Shine Industries	Vendor	3	-	-

## 55. Key Financial Ratios: Standalone

Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr No.	Particulars	Numerator	Denominator	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year	
				Audited	Audited			
				March 31, 2024	March 31, 2023			
a.	Debt - Equity Ratio (in times)	The company does not have any debt hence, these ratios are not applicable.						
b.	Debt Service Coverage Ratio (in times)							
c.	Interest service coverage ratio							
d.	Outstanding redeemable preference shares (quantity and value)	Not Applicable						
e.	Capital redemption reserve (₹ In Cr.)	Capital redemption reserve		121.23	121.23	0.00%		
f.	Net worth (₹ In Cr.)	Share Capital + Reserves & Surplus		5570.68	4,177.56	33.35%	Change is due to increase in Net profit as compared to previous year	
g.	Net profit after tax (₹ In Cr.)	Net profit after tax		1,845.43	1,072.72	72.03%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit	



**Note 55 - Key Financial Ratios : Standalone (Contd..)**

Sr No.	Particulars	Numerator	Denominator	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
				Audited	Audited		
				March 31, 2024	March 31, 2023		
h.	Earnings per share	Profit for the year (PAT)	Weighted average No. of shares	91.50	53.19	72.03%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit
i.	Current Ratio (in times)	Current Assets	Current Liabilities	1.14	1.08	5.44%	
j.	Long term debt to working capital	The company does not have any long term debt and hence these ratios are not applicable.					
k.	Bad debts to Account receivable ratio	Bad debts written off	Gross Trade Receivable				
l.	Current liability ratio (in times)	Current Liabilities	Total Liabilities	0.98	0.98	-0.19%	
m.	Total debts to total assets	The company does not have any debt hence, these ratios are not applicable.					
n.	"Trade Receivables turnover Ratio - Annualised (in times)"	Revenue from Operation	Average Account Receivables	6.56	7.66	-14.33%	
o.	Inventory Turnover Ratio Annualised (in times)	Cost of Goods sold	Average Inventory	0.78	0.59	31.67%	Change is due to increase in Cost of Goods sold as compared to previous year
p.	Operating margin (%)	Profit before tax - Other income	Revenue from operations	13.98%	9.15%	52.85%	Change is due to increase in revenue from operation by 20.94% as compared to previous year
q.	Net profit margin (%)	Profit for the year (PAT)	Revenue from operations	19.49%	13.71%	42.24%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit



- 56** National Institute For R&D in Defence Ship Building (NIRDESH) was established on 20th November, 2010 as a society with objective of conducting research in defence Shipbuilding and related areas. Currently, the Members of NIRDESH include four PSU shipbuilding companies (MDL, GRSE, GSL & HSL) and co-opted Members of Indian Navy, Coast Guard and DRDO. The society is headed by CMD, MDL and Director (Shipbuilding) MDL is designated as Director (NIRDESH). The total capital contribution paid by MDL is ₹ 1,780.74 Lakhs and 2,098.76 Lakhs is contribution payable to NIRDESH as on 31-03-2024, which is reflected under head Trade Payable. The total amount of ₹ 3,878.50 Lakhs has already been charged to expenditure in earlier years. NIRDESH has not carried out any research activity in FY 2022-23 and FY 2023-24, as per Object of the Society.
- 57** Company is executing construction of Frigates for Ministry of Defence (MoD). The deliveries under this project are delayed due to Covid-19 pandemic, shortage of industrial oxygen etc. Therefore, company has approached MoD for revising the delivery dates for all the Frigates of the project. The company has received approval from MoD for partial extension of delivery dates. Management still anticipates that there will be probable delay in delivery of Frigates and the company will be liable for late delivery(LD) charges. Hence, as per accounting policy consistently followed by the company, LD for said delay of ₹ 91,552 Lakhs (PY 16,104 Lakhs) is reduced from revenue for FY 2023-24.
- 58** Company has entered into a new lease with Mumbai Port Authority (MbPA) for land admeasuring 14.55 Acres and building (Workshop land and Clarke Basin), adjacent to the company's land. This lease agreement is for a duration of 29 years commencing from April 1, 2024. The total amount paid for said new lease is ₹ 34,141 lakhs in FY 2023-24 to MbPA. The amount paid to MbPA is recorded as advance for land in the company's books of accounts in FY 2023-24 and the same will be accounted as Right to Use Asset (RoU) after execution of Lease agreement in FY 2024-25.
- 59** In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped/reclassified, wherever considered necessary to conform to current year presentation.

As per our report of even date

Sd/-

**C. R. Sagdeo & Co.**

Chartered Accountants

Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**

Partner

Membership No. 109127

29<sup>th</sup> May, 2024

Place - Mumbai

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

Sd/-

**Sanjeev Singhal**

Chairman and Managing Director (Additional Charge) & Director (Finance)

DIN - 07642358

Sd/-

**Biju George**

Director (Shipbuilding)

DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary



# Consolidated Financial Statements





## INDEPENDENT AUDITORS' REPORT

To,  
**The Members of Mazagon Dock Shipbuilders Limited,**  
**Mumbai**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **MAZAGON DOCK SHIPBUILDERS LTD.** ("the Parent Company") and its associate (the Parent and its Associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements gives the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March, 2024 and its profit including other comprehensive income, changes in equity and its cash flow for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements

that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Ind AS Financial Statements;

1. Registration formalities and renewals of certain Leased hold properties in name of Parent Company are pending.  
(Refer Note 2 Point No. viii)
2. Balance of advances to vendors and balances outstanding in sundry creditors are subject to confirmation.  
(Refer Note 36 Point No. 1)
3. Balance due to/from Indian Navy (Debtors) is subject to reconciliation and confirmation.  
(Refer Note 36 Point No. 2)
4. Liquidated Damages (LD) amounted to ₹ 91,552 Lakhs reduced from Contract Revenue.  
(Refer Note 57)

Our opinion is not modified in respect of these matters.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<b><u>Revenue Recognition for Ship/Submarine Construction &amp; repair contracts</u></b> Referred to in Note No. 1 - 2.2(j) of the Financials Statements	• We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue.



The Parent Company recognizes the revenue from Ship/ Submarine Construction/repair contracts when the Parent Company satisfies a performance obligation by transferring goods or service to a customer.

The Parent Company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.

When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)

- Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract. In this regard, we have relied on the data provided by the technical departments.

- Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs provided by the Management.

- Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.

### Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that gives a true and fair view of the financial position, financial performance (including other comprehensive income), change in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the

Board of Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system with reference to Consolidated Financial Statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group 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 Consolidated Financial Results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements

may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the 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 Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure I' a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable, for Associate Company.
2. As required by Section 143(3) of the Act, based on our audit 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 Parent Company so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow



dealt with by this Report are in agreement with the relevant books of account;

- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) In view of exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 regarding disqualification of the directors are not applicable to the Government Company.
  - f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and operating effectiveness of such controls, refer to our separate Report in **"Annexure II"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent Company's internal financial control over financial reporting with reference to Consolidated Financial Statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, the exemption has been given for the said section vide notification no. G.S.R 463(E) dated June 05, 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, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Parent Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2014, on its financial position in its Consolidated Financial Statements; (Refer Note No.35.2 to the Consolidated Financial Statements)
    - ii. The Parent Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. (Refer Note No 39 to the Consolidated Financial Statements)
    - iii. There are no amounts which are required to be transferred to the Investors' Education and Protection Fund during the year ended 31<sup>st</sup> March, 2024;
- iv. a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 51 to the Consolidated Financial Statements, 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 Parent Company to or in any other person(s) or entity(ies), including foreign entity(ies) ("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 Parent 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, as disclosed in the Note No. 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person(s) or entity(ies), including foreign entity(ies) ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent 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 performed 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 (iv) (a) and (iv) (b) contain any material misstatement.
  - v. The dividend declared or paid during the year by the Parent Company is in compliance with Section 123 of the Act.
  - vi. Based on our examination which included test checks and that performed by the respective auditors of associate which is



incorporated in India whose financial statement have been audited under the Act, the Parent Company have used accounting software for maintaining its books of account which has the feature of recording audit trail (Edit Log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred associate did not come across any instance of audit trail feature being tampered with.

**For C.R.Sagdeo & Co,**  
Chartered Accountants  
F.R.N: 108959W

**CA. Sachin V. Luthra**  
Partner  
Membership No.:109127  
UDIN: 24109127BKCAFK6366

Date: 29<sup>th</sup> May, 2024  
Place: Mumbai





## Annexure 'I' to the Independent Auditor's Report

(Referred to in Paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

xxi. There is no qualifications or adverse remarks in the CARO Report of the Associate Company namely, Goa Shipyard Limited, which is included in the Consolidated Financial Statements.

**For C. R. Sagdeo & Co**

Chartered Accountants

F.R.N: 108959W

**CA. Sachin V. Luthra**

Partner

Membership No. 109127

UDIN: 24109127BKCAFK6366

Date: May 29<sup>th</sup>, 2024

Place: Mumbai



## Annexure II to The Independent Auditor's Report

(Referred to in Paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 **MAZAGON DOCK SHIPBUILDERS LTD.** ("the Company") as of March 31<sup>st</sup>, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### Management's and Board of Director's Responsibility for Internal Financial Controls:

The Management's and 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 (the '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 respective 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 of the Company 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') issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to the audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating

effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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 Internal Financial Controls system over financial reporting of the Company.

#### 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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



**Opinion:**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C. R. Sagdeo & Co**

Chartered Accountants

F.R.N: 108959W

**CA. Sachin V. Luthra**

Partner

Membership No. 109127

UDIN: 24109127BKCAFK6366

Date: May 29<sup>th</sup>, 2024

Place: Mumbai



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2024.**

The preparation of Consolidated Financial Statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 29 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2024 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of its associate, **Goa Shipyard Limited, Goa**. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and the related Audit Report.

**A. Comment on Disclosure**

**Statement of Profit & Loss account**

**Revenue from Operations- Rs. 9466.58 crore (Note 26)**

The value of production (VoP) lying in the books of the company was higher than the billing amount for the project XXX recorded over the years by Rs. 20.81 crore. The management analysed that the VoP might have been booked excess in earlier year for the said project and hence considering the project was on-going, the current year VoP was reduced to align with the billing data. Accordingly, the excess VoP booked in earlier years was reversed during the year. The Management has, however, not disclosed the fact in the Financial Statements of the Company for the year ended 31 March 2024, required as per para 49 of Ind AS 8.

Thus, the disclosures forming part of Financial Statements of the Company for the year ended 31 March 2024 are deficient to that extent.

**For and on behalf of the  
Comptroller & Auditor General of India.**

*Rajesh Ranjan*  
(Rajesh Ranjan IA&AS)

**Principal Director of Audit (Defence-Commercial)**

**Place: Bangalore**

**Date: 26 July 2024**





**REPLIES TO THE COMMENTS OF THE C&AG U/S 143(6)(b) FOR THE FY 2023-24  
AS APPROVED BY BOARD OF DIRECTORS**

<b>COMMENTS OF THE COMPTROLLER AND AUDITORS GENERAL OF INDIA U/S 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ANNUAL ACCOUNTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2024</b>	<b>REPLY BY THE MANAGEMENT OF THE COMPANY</b>
<p><b>COMMENT ON DISCLOSURE</b> Statement of Profit &amp; Loss account Revenue from Operation – Rs. 9466.58 crore (Note 26)</p> <p><i>The value of production (VoP) lying in the books of the company was higher than the billing amount for the project XXX recorded over the years by Rs. 20.81 crores. The management analysed that the VoP might have been booked excess in earlier year for the said project and hence considering the project was on-going, the current year VoP was reduced to align with the billing data. Accordingly, the excess VoP booked in earlier years was reversed during the year. The Management has, however, not disclosed the fact that in the Financial Statements of the Company for the Company for the year ended 31<sup>st</sup> March 2024, required as per para 49 of Ind AS 8.</i></p> <p><i>Thus, the disclosures forming part of Financial Statements of the Company for the year ended 31<sup>st</sup> March 2024 are deficient to that extent</i></p>	<p>As per definition of materiality a <b>non-disclosure of information is material if it could reasonably be expected to influence decisions made by Primary users</b>. The Reduction in VOP (revenue) in this case amounts to a mere 0.22 % of total revenue of the company of Rs 9466.58 cr for FY 2023-24. Thus considering materiality aspect, the impact on Financial Statements is insignificant for the reader of the accounts to form any different view about the financial health of the company.</p>



# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

₹ in lakhs

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	78,030	77,763
Right-of-use assets	2	3,935	22,934
Capital work-in-progress	3	6,824	6,162
Other intangible assets	2	1,829	1,736
Intangible assets under development	4	339	-
		<b>90,957</b>	<b>1,08,595</b>
<b>Financial assets</b>			
Investments	5	67,879	58,860
Trade receivable	6	1,765	1,802
Loans	7	2,000	-
Other financial assets	8	13,745	13,167
Deferred tax assets (net)	9	59,980	45,010
Non-current tax assets (net)		17,856	26,550
Other non-current assets	10	1,11,880	83,814
<b>Total non-current assets</b>		<b>3,66,062</b>	<b>3,37,798</b>
<b>Current assets</b>			
Inventories	11	5,71,337	7,35,686
<b>Financial assets</b>			
Trade receivables	12	1,84,693	1,00,233
Cash and cash equivalents	13	3,52,348	1,86,842
Bank balances other than cash and cash equivalents	14	10,68,615	11,41,800
Loans		-	-
Other financial assets	15	30,756	22,140
Contract assets		5,730	28,323
Assets held for sale		7	32
Other current assets	16	3,65,333	3,93,463
<b>Total current assets</b>		<b>25,78,819</b>	<b>26,08,519</b>
<b>TOTAL ASSETS</b>		<b>29,44,881</b>	<b>29,46,317</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	17	20,169	20,169
Other equity		6,04,178	4,55,847
<b>Total equity</b>		<b>6,24,347</b>	<b>4,76,016</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liability		81	31
Trade payables			
i. total outstanding dues of micro and small enterprises		-	-
ii. total outstanding dues other than (i) above	18	1,765	1,802
Other financial liabilities	19	69	48
Long-term provisions	20	42,521	41,085
Other long-term liabilities	21	12,663	13,350
<b>Total non-current liabilities</b>		<b>57,099</b>	<b>56,316</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liability		12	573
Trade payables			
i. total outstanding dues of micro and small enterprises		16,863	4,659
ii. total outstanding dues other than (i) above	22	4,29,779	4,41,620
Other financial liabilities	23	19,674	14,658
Contract liability		17,72,339	19,33,334
Other current liabilities	24	5,626	1,728
Short-term provisions	25	19,142	17,413
<b>Total current liabilities</b>		<b>22,63,435</b>	<b>24,13,985</b>
<b>Total liabilities</b>		<b>23,20,534</b>	<b>24,70,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,44,881</b>	<b>29,46,317</b>
Significant accounting policies and notes to the Financial Statements	1 to 59		

As per our report of even date

**C. R. Sagdeo & Co.**

Chartered Accountants

Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**

Partner

Membership No. 109127

29<sup>th</sup> May, 2024

Place - Mumbai

Annual Report 2023 - 24

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

Sd/-

**Sanjeev Singhal**

Chairman and Managing Director (Additional Charge) & Director (Finance)

DIN - 07642358

Sd/-

**Biju George**

Director (Shipbuilding)

DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary





# STATEMENT OF CONSOLIDATED PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>INCOME</b>				
1	Revenue from operations	26	9,46,658	7,82,718
2	Other income	27	1,10,147	68,683
3	<b>Total income</b>		<b>10,56,805</b>	<b>8,51,401</b>
<b>EXPENSES</b>				
	Cost of materials consumed	28	5,08,164	4,44,585
	Procurement of base and depot spares		1,14,583	69,322
	Employee benefit expenses	29	89,655	79,271
	Finance costs	30	512	637
	Depreciation and amortization expenses		8,313	7,558
	Sub-contract		38,244	45,508
	Power and fuel		1,769	1,646
	Other expenses - project related	31	15,761	28,875
	Other expenses	32	20,471	21,992
	Provisions	33	16,850	11,739
	<b>Total expenses</b>		<b>8,14,322</b>	<b>7,11,133</b>
5	<b>Profit before tax and exceptional items</b>		<b>2,42,483</b>	<b>1,40,268</b>
6	Exceptional items		-	-
7	<b>Profit before tax and after exceptional items</b>		<b>2,42,483</b>	<b>1,40,268</b>
8	<b>Tax expense</b>			
	Current tax		76,388	35,887
	Deferred tax (credit)/charge		(14,969)	(327)
	Adjustment of tax relating to earlier years		176	101
9	<b>Profit for the year/period (excluding associate)</b>		<b>1,80,888</b>	<b>1,04,607</b>
10	<b>Share of Net Profit/(loss) of associate</b>		<b>12,809</b>	<b>7,296</b>
11	<b>Profit for the year</b>		<b>1,93,697</b>	<b>1,11,903</b>
12	<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>				
	Remeasurement of defined employee benefit plan		(610)	(11)
	Income tax effect		154	3
	Remeasurement of post employment benefit obligation of associate		(136)	(3)
13	<b>Total comprehensive income for the year/period</b>		<b>1,93,105</b>	<b>1,11,892</b>
14	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>96.04</b>	<b>55.48</b>
	Significant accounting policies and notes to the Financial Statements	1 to 59		

As per our report of even date

**C. R. Sagdeo & Co.**  
Chartered Accountants  
Firm Registration No. 108959W

Sd/-  
**Sachin V. Luthra**  
Partner  
Membership No. 109127

29<sup>th</sup> May, 2024  
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-  
**Sanjeev Singhal**  
Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-  
**Biju George**  
Director (Shipbuilding)  
DIN - 09343562

Sd/-  
**Madhavi Kulkarni**  
Company Secretary



## STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

₹ in lakhs

Sr No.	Particulars	March 31, 2024	March 31, 2023
		Audited	Audited
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax and exceptional items</b>	2,42,483	1,40,268
	<b>Adjustments for :</b>		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation/amortization	8,313	7,558
	Finance cost	512	637
	Amortization of prepaid rentals	15	15
	Forex variation	2	(10)
	<b>(-) Non operating income</b>		
	Profit/Loss on sale of fixed assets	(148)	(90)
	Interest income	(99,441)	(60,177)
	Amortization gain on deferred deposits of vendors	(4)	(5)
	Amortization of deferred revenue (customer funded assets)	(687)	(687)
	Interest Income on deferred payment liability to foreign supplier	(433)	(474)
	Interest Income on deferred deposit with MbPT	(25)	(23)
	<b>Operating profit before working capital changes</b>	<b>1,50,587</b>	<b>87,012</b>
	<b>Movement in working capital</b>		
	Decrease/(Increase) in Inventories	1,64,349	34,324
	Decrease/(Increase) in Trade receivables and loans and advances	(85,965)	776
	Decrease/(Increase) Other current and non current assets	56,590	1,80,826
	(Decrease)/Increase in Trade payables and provisions	2,444	(1,80,194)
	(Decrease)/Increase in Other current and non current liabilities	(1,51,914)	60,031
	<b>Cash flow from operations</b>	<b>1,36,091</b>	<b>1,82,775</b>
	<b>Direct tax paid (net of refunds)</b>	<b>(67,716)</b>	<b>(31,215)</b>
	<b>Net cash from (used in) operating activities (A)</b>	<b>68,375</b>	<b>1,51,560</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	10,303	(13,557)
	Capital work in progress	(1,001)	2,532
	Proceeds from sale of property, plant and equipment	166	131
	Capital advance	(43,117)	(526)
	Interest received	99,441	60,177
	Dividend received	3,655	2,665
	Fixed Deposits/Term Deposits	73,185	(65,800)
	Principal portion of lease payments	(651)	(588)
	<b>Net cash from/(used in) investing activities (B)</b>	<b>1,41,981</b>	<b>(14,966)</b>



# STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

₹ in lakhs

Sr No.	Particulars	March 31, 2024	March 31, 2023
		Audited	Audited
<b>C</b>	<b>Cash flow from financing activities</b>		
	Dividend paid	(44,775)	(21,642)
	Finance costs - Lease	(75)	(155)
	Finance costs - Others	-	(2)
	<b>Net cash from/(used in) financing activities (C)</b>	<b>(44,850)</b>	<b>(21,799)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,65,506</b>	<b>1,14,795</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,86,842</b>	<b>72,047</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>3,52,348</b>	<b>1,86,842</b>

Note: Figure in bracket indicate outflow

₹ in lakhs

Sr No.	Particulars	March 31, 2024	March 31, 2023
		Audited	Audited
	<b>Components of cash and cash equivalents:</b>		
	Balances with banks:-		
	- In Current accounts		
	i) In India	3,08,097	35,208
	ii) Outside India	36	35
	- In cash credit accounts	17	-
	- In flexi deposit accounts	44,198	1,51,599
	<b>Total</b>	<b>3,52,348</b>	<b>1,86,842</b>

As per our report of even date

**C. R. Sagdeo & Co.**Chartered Accountants  
Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**Partner  
Membership No. 10912729<sup>th</sup> May, 2024  
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**Sanjeev Singhal**Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-

**Biju George**Director (Shipbuilding)  
DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary



## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2024

### (A) Equity share capital

For the period ended March 31, 2024

₹ in lakhs

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the period	Balance as at March 31, 2024
20,169	-	20,169	-	20,169

For the period ended March 31, 2023

₹ in lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
20,169	-	20,169	-	20,169

### (B) Other equity

For the period ended March 31, 2024

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2023</b>	2,16,560	2,32,017	5	1,037	12,123	(5,895)	4,55,847
Profit/(loss) for the year	1,80,888						1,80,888
Share of change in reserves of associate	12,674						12,674
Other comprehensive income/(loss) for the year						(456)	(456)
Dividends							
Interim	(30,939)						(30,939)
Final	(13,836)						(13,836)
<b>Balance as at March 31, 2024</b>	<b>3,65,347</b>	<b>2,32,017</b>	<b>5</b>	<b>1,037</b>	<b>12,123</b>	<b>(6,351)</b>	<b>6,04,178</b>



For the period ended March 31, 2023

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2022</b>	1,26,302	2,32,017	5	1,039	12,123	(5,887)	3,65,599
Profit/(loss) for the year	1,04,607						1,04,607
Adjustments during the year				(2)			(2)
Share of change in reserves of associate	7,293						7,293
Other comprehensive income/(loss) for the year						(8)	(8)
Dividends							
Interim	(18,354)						(18,354)
Final	(3,288)						(3,288)
<b>Balance as at March 31, 2023</b>	<b>2,16,560</b>	<b>2,32,017</b>	<b>5</b>	<b>1,037</b>	<b>12,123</b>	<b>(5,895)</b>	<b>4,55,847</b>

**Capital reserve:** The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

**Capital redemption reserve:** These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

**Other Comprehensive Income:** These reserves are created on account of actuarial valuation of defined employee benefit plan.

**Indigenisation Fund:** These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

**Dividend:** The Board has recommended the final dividend for FY 2023-24 of ₹ 24425 lakhs (i.e ₹ 12.11 per share). This proposed dividend is subject to the approval of Shareholders in ensuing Annual General Meeting.

As per our report of even date

**C. R. Sagdeo & Co.**Chartered Accountants  
Firm Registration No. 108959W

Sd/-

**Sachin V. Luthra**Partner  
Membership No. 10912729<sup>th</sup> May, 2024  
Place - Mumbai**For and on behalf of the Board of Directors**

Sd/-

**Sanjeev Singhal**Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-

**Biju George**Director (Shipbuilding)  
DIN - 09343562

Sd/-

**Madhavi Kulkarni**

Company Secretary



## Note 1: Statement of Significant Accounting Policies

### 1) Principles of Consolidation

**The consolidated Financial Statements consist of Mazagon Dock Shipbuilders Limited (“The Company”) and its associate Company. The Consolidated Financial Statements are prepared on the following basis:**

Investments in associates where the Company holds more than 20% of equity are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28- ‘Investments in Associates and Joint Ventures’.

The consolidated Financial Statements are prepared using uniform accounting policies and are presented to the extent possible in the same manner as the Company's separate financial statement except where adjustment for the differences are immaterial/ impractical.

The goodwill/capital reserve arising on acquisition of Associate is included in the carrying amount of the investment and disclosed separately. The carrying amount of the investment in associates is adjusted by the share of net profits/losses in the Consolidated Balance Sheet.

### 2) Corporate information:

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of Ships, submarines, various types of Vessels and related engineering products for its customers.

### 3) Significant accounting policies:

#### 3.1 Basis of preparation:

These Financial Statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

#### 3.2 Summary of significant accounting policies:

##### a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. 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/materialized.

**Estimates and assumptions are required in particular for:**

##### i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:

Useful life of tangible assets is based on the life prescribed in Schedule II of 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.

##### 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 correspond 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 and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the unused tax losses can be utilized. 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 vary.





**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 amortized cost, interest is accrued using the effective interest method.

- vi.** Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. The estimates are revised periodically.

**b) Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**i. An asset is treated 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.

**ii. A liability is treated as current when it is:**

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is 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.

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

**c) Property, plant and equipment:**

- i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.

- When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

- When a major inspection is performed, its cost is recognised in the carrying amount of the property, 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.

- Spares purchased along with PPE are capitalised.

- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1<sup>st</sup> April 2015, at deemed cost being



the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1<sup>st</sup> April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

ii. Depreciation:

- (a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

- (b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.
- (c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.
- (d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.
- (e) In respect of additions/extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.
- (f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each Financial Year end and adjusted prospectively, if appropriate.
- (g) Depreciation on property, plant and equipment commences when the assets are ready for intended use
- (h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.

- (i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.
- (j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

**d) Intangible assets:**

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

**e) Impairment of assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f) Investment in associate:**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

**Exemption availed under Ind AS 101:** On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.



**g) Foreign currency transactions:**

The Financial Statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

**h) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**i) Inventory valuation**

- i. Raw materials and stores and general spares are valued at weighted average cost.
- ii. Equipment for specific projects are valued at cost.
- iii. Stock-in-transit is valued at cost.
- iv. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- v. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.
- vi. Scrap is valued at estimated net realizable value.
- vii. Work in progress and finished goods other than construction contracts & Ship repair contracts

have been valued at lower of cost and net realizable value.

**j) Revenue recognition**

**i. Ship construction & repair contracts**

Revenue from Ship Construction/repair Contracts shall be 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
- (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.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

**Fixed Price Contract:**

Revenues from construction contracts with customers are 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.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.



When the outcome of a construction/repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

**Cost Plus Contract:**

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

**Contract Asset:**

The Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

**Contract Liability:**

The Company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

**Revenue from supply of Base & Depot (B&D) spares:**

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

**Revenue for contract is yet to be finalized or under revision**

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

**Significant financing component:**

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of

the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

**ii. Dividend income**

Dividend income from investments is recognized when the Company's right to receive payment has been established.

**iii. Interest income**

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

**iv. 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.

**k) Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:**

**i. Classification:**

The Company classifies financial assets as subsequently measured at amortized 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.

**ii. 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.

**iii. Financial assets measured at amortized cost:**

Financial assets are measured at amortized 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 amortized 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.

**iv. 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 the other comprehensive income.

**v. 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.

**vi. Investment in equity instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

**vii. Investment in debt instruments:**

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

**viii. Impairment of financial asset:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

**ix. Derecognition of financial assets:**

A financial asset is primarily derecognized 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 loans & borrowings, trade and other payables.

**i. 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

**ii. Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each Financial Year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

**iii. 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.

**iv. Retentions**

Retention amount payable/receivable under the terms of the contracts with the vendors/customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

**v. Security deposit**

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.



## I) Leases

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 'Leases', Appendix A of Ind AS 17 'Operating Leases—Incentives', Appendix B of Ind AS 17 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C of Ind AS 17 'Determining Whether an Arrangement Contains a Lease'.

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Company adopted the new standard Ind AS 116 for accounting period beginning on or after April 1, 2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

### Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease' is maintained for existing contracts.

#### i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period

(which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1, 2018..
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.





- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1, 2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1, 2018 have been treated as short term.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.
- b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of ₹1,00,000/- has been utilised to define 'low value'.

The Company's operating leases mainly relate to real estate assets, Company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31, 2019, measured under Ind AS 17.

## ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## m) 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 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 for non-executives; and
- (b) defined contribution plans such as pension and post-retirement medical scheme for executives.

### Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions based on actuarial valuation are charged to revenue. 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.

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 scheme**

The post-retirement medical scheme to the non executives employees is a defined benefit plan and is determined based on actuarial valuation as per Ind AS 19 on Employee Benefits using Projected Unit Credit method which recognizes 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.

The post-retirement medical scheme liability towards executives is recognised on accrual basis and charged to statement of profit and loss, which is a contribution plan.

#### **Provident fund**

The Provident Fund Trust of Company has to declare interest on the Provident Fund at a rate not less than notified by the Employee Provident Fund Organization. Company has obligation to make good the shortfall, if any, in case trust is not able to meet the interest liability. Obligation of Company is calculated annually by actuaries using projected Unit Credit method.

#### **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.

#### **n) Dividend to equity Shareholders**

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **o) Provision for current & deferred tax**

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### **Current income tax:**

Current tax comprises of the expected tax payable on the taxable income for the year. 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.

##### **Deferred tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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:

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

#### **p) Provision for doubtful debts and loans and advances:**

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

#### **q) Warranty provision:**

Provision for warranty related costs are recognised when the product is sold or services are rendered to the



customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

**r) Provision, contingent liabilities and contingent assets:**

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.



₹ in lakhs

## Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-2023
<b>A Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772
2	Buildings: i) Factory Building	11,946	7	(3)	16	11,934	1,173	396	-	16	1,553	10,381
	ii) Office and Staff Quarters											
	a) RCC	5,742	2,158	-	-	7,900	1,110	147	-	-	1,257	6,643
	b) Non RCC	1,716	310	-	-	2,026	286	72	-	-	358	1,668
	iii) Others (Temporary structure)	116	30	-	-	146	103	8	-	-	111	35
3	Road	4,318	123	-	-	4,441	952	705	-	-	1,657	2,784
4	Plant and Equipment	26,955	1,618	3	116	28,460	9,556	2,064	-	108	11,512	16,948
5	Furniture and Fixtures	2,092	401	-	15	2,479	1,211	186	-	10	1,387	1,092
6	Vehicles	2,203	17	-	18	2,202	1,727	80	-	17	1,790	412
7	Office Equipment	4,268	740	-	108	4,900	2,995	585	-	104	3,476	1,424
8	Computers and Data Processing Units											
	i) Desktops, Laptops etc.	846	440	-	148	1,138	699	117	-	148	668	470
	ii) Server and Network	4,537	52	-	363	4,226	3,710	488	-	360	3,838	388
9	Loose Tools	642	207	-	-	849	607	64	-	-	671	178
10	Ship - Launches and Boats	4,934	-	-	-	4,934	760	173	-	-	933	4,001
11	Electrical Installation and Equipments	2,907	569	-	37	3,439	1,426	264	-	35	1,655	1,784
12	Right to use asset - Leasehold land	28,363	-	(20,426)	-	7,937	5,474	1,376	(2,763)	-	4,087	3,850
13	Right to use asset - Vehicles	502	-	58	-	560	457	18	-	-	475	85
	<b>Sub-total</b>	<b>1,12,862</b>	<b>6,672</b>	<b>(20,368)</b>	<b>821</b>	<b>98,346</b>	<b>32,246</b>	<b>6,743</b>	<b>(2,763)</b>	<b>798</b>	<b>35,428</b>	<b>62,918</b>
	Previous Year's Figures	1,01,238	12,187	-	563	1,12,862	26,708	6,072	-	534	32,246	80,616

Note: Vessels under the head 'Launches and Boats' costing ₹ 4934 lakhs (2023 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act, 1838/Indian Vessels Act, 1917.



Note 2 - Property, Plant and Equipment (Contd.....)

B Jointly Funded Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-24	As on 31-03-2023
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,721	507	-	-	4,228	12,016	12,523
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	175	29	-	204	1,442	1,471	
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	
2	Roads	133	-	-	-	133	121	-	-	121	12	12	
3	Plant and Equipment	7,533	-	-	-	7,533	2,735	376	-	3,111	4,422	4,798	
4	Electrical Installation and Equipments	649	-	-	-	649	376	62	-	438	211	273	
5	Furniture and Fixtures	216	-	-	-	216	125	20	-	145	71	91	
6	Office Equipment	153	-	-	-	153	144	-	-	144	9	9	
7	Computers and Data Processing Units	-	-	-	-	-	-	-	-	-	-	-	
	i) Server and Network	338	-	-	-	338	338	-	-	338	0	0	
8	Ship - Launches and Boats	1,143	-	-	-	1,143	243	39	-	282	861	900	
	<b>Sub-total</b>	<b>28,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>7,978</b>	<b>1,033</b>	<b>-</b>	<b>9,011</b>	<b>19,048</b>	<b>20,081</b>	
	Previous Year's Figures	28,059	-	-	-	28,059	6,932	1,046	-	7,978	20,081	21,127	
	<b>Total Tangible Assets (A+B)</b>	<b>1,40,921</b>	<b>6,672</b>	<b>(20,368)</b>	<b>821</b>	<b>1,26,404</b>	<b>40,224</b>	<b>7,776</b>	<b>(2,763)</b>	<b>798</b>	<b>44,439</b>	<b>81,965</b>	<b>1,00,697</b>
	Previous Year's Figures	1,29,296	12,187	-	563	1,40,921	33,640	7,118	-	534	40,224	1,00,697	95,656

Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
		Cost as on 01-04-23	Additions	Adjustments	Disposal	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposal	Balance 31-03-24	As on 31-03-24	As on 31-03-2023
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	968	59	-	-	1,027	62	121
2	Other than SAP-ERP	6,166	630	-	-	6,796	4,551	478	-	5,029	1,767	1,615	
	<b>Sub Total</b>	<b>7,255</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>7,885</b>	<b>5,519</b>	<b>537</b>	<b>-</b>	<b>6,056</b>	<b>1,829</b>	<b>1,736</b>	
	Previous Year's Figures	5,885	1,370	-	-	7,255	5,079	440	-	5,519	1,736	806	



**Note 2 - Property, Plant and Equipment (Contd.....)**

**B Jointly Funded Assets**

₹ in lakhs

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-23	Additions	Adjustments	Disposals	Balance 31-03-24	Opening 01-04-23	For the period	Adjustments	Disposals	Balance 31-03-24	As on 31-03-2023
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	<b>Total Intangible Assets (A+B)</b>	<b>8,436</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>9,066</b>	<b>6,700</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>7,237</b>	<b>1,829</b>
	Previous Year's Figures	7,066	1,370	-	-	8,436	6,260	440	-	-	6,700	1,736
	<b>Total Assets (i+ii)</b>	<b>1,49,357</b>	<b>7,302</b>	<b>(20,368)</b>	<b>821</b>	<b>1,35,470</b>	<b>46,924</b>	<b>8,313</b>	<b>(2,763)</b>	<b>798</b>	<b>51,676</b>	<b>83,794</b>
	Previous Year's Figures	1,36,362	13,557	-	563	1,49,357	39,900	7,558	-	534	46,924	1,02,433

(i) Government of Kerala has assigned 'Free of Cost' (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled 'National Institute for Research and Design in Defence Shipbuilding' (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the Shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Lease term expired for four plots leased by Mumbai Port Authority (MbPA) in the year 2006. MbPA offered lease renewal at approximately 10 times higher rates. Company did not agree with offered rates and the matter was referred to Tariff Authority for Major Ports (TAMP). TAMP passed order in November 21, revising the lease rate. The Company did not agree with the rates offered in TAMPs order and the matter was taken up with Ministry of Ports, Shipping & Waterways (MoPSW) through Ministry of Defence (MoD). As there was no finality in the dispute and the company's intent to renew the lease, company implemented the lease as per TAMP's order in conformity to Ind AS 116, recording upfront lease payments as Right to use (ROU) and liability in the books of accounts during FY 2021-22. Later on MbPA offered revised rates in Feb 2024 and the same was agreed by Company. The Lease hold land Right to Use and Liability created in FY 2021-22 were reversed in FY 2023-24. The lease of 4 plots as per the revised rates will be renewed from 01-04-2024 for 29 years.

(vi) Building as at 31st March 2024 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(vii) Capital expenditure on Research and Development aggregating to ₹ 733 lakhs (Previous year - ₹ 2120 lakhs) is reflected under respective various heads in the above note.





**Note 2 - Property, Plant and Equipment (Contd.....)**  
**(viii) Assets jointly funded by MDL and Indian Navy**

₹ in lakhs

Sr. No.	Particulars	Office and Factory Building	Electric In-stallations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2024	As on 31-03-2023
1	Total Cost upto 31.03.2024	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	<b>Previous Year's Figures</b>	<b>6,041</b>	<b>21</b>	<b>4,154</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,753</b>	<b>10,753</b>

**(ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2024**

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
				promoter/director	or employee of promoter/director		
PPE	<b>Lease hold Land</b>						
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Government of India (Gol). An Agreement dated 19th April 1960, was executed between the President of India (Government of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later on the Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	NO	1947	

MDL has approached Ministry of Defence and O/o the Principal Director, Directorate General Defence Estate, New Delhi to provide the acquisition documents for correcting/regularising the land records.


**Note 2 - Property, Plant and Equipment (Contd.....)**

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
	355 Phase North yard	-	Mumbai Port Trust (Mbpt)	NO	1976	MDL has paid the upfront premium of ₹ 48.75 Cr. on 01 April 2024 to Mumbai Port Authority (MbPA) for renewal of leases for 04 Plots for a period of 29 Years from 01/04/2024 to 31/03/2053. The leases of 04 Plots are renewed after payment. The execution of Lease deed is under process.
	Extension of Phase II	-			1979	
	Extension of Slipway in SY	-			1995	
	Additional water area for Extn of Slipway	-			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building	-				
Investment Property	Land	-				
	Building	-				
Noncurrent asset held for sale	Land	-				
	Building	-				
Others		-				



₹ in lakhs

**Note 2 - Property, Plant and Equipment**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposals	Balance 31-03-23	Opening 01-04-22	For the period	Disposals	Balance 31-03-23	As on 31-03-2022	
<b>A Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building ii) Office and Staff Quarters	6,271	5,675	-	-	11,946	927	246	-	1,173	10,773	5,344
	a) RCC	5,200	542	-	-	5,742	988	123	1	1,110	4,632	4,212
	b) Non RCC	1,532	184	-	-	1,716	223	63	-	286	1,430	1,309
	iii) Others (Temporary structure)	109	7	-	-	116	97	6	-	103	13	12
3	Road	1,110	3,208	-	-	4,318	661	291	-	952	3,366	449
4	Plant and Equipment	25,842	1,593	-	480	26,955	8,209	1,808	461	9,556	17,399	17,633
5	Furniture and Fixtures	1,918	196	-	22	2,092	1,048	174	11	1,211	881	870
6	Vehicles	2,011	196	-	4	2,203	1,633	98	4	1,727	476	378
7	Office Equipment	4,061	220	-	13	4,268	2,416	596	17	2,995	1,273	1,645
8	Computers and Data Processing Units											
	i) Desktops, Laptops etc.	704	144	-	2	846	629	72	2	699	147	75
	ii) Server and Network	4,534	17	-	14	4,537	3,042	680	12	3,710	827	1,492
9	Loose Tools	626	16	-	-	642	552	55	-	607	35	74
10	Ship - Launches and Boats	4,917	17	-	-	4,934	587	173	-	760	4,174	4,330
11	Electrical Installation and Equipments	2,816	119	-	28	2,907	1,186	266	26	1,426	1,481	1,630
12	Right to use asset - Leasehold land	28,363	-	-	-	28,363	4,106	1,368	-	5,474	22,889	24,257
13	Right to use asset - Vehicles	449	53	-	-	502	404	53	-	457	45	45
	<b>Sub-total</b>	<b>1,01,238</b>	<b>12,187</b>	<b>-</b>	<b>563</b>	<b>1,12,862</b>	<b>26,708</b>	<b>6,072</b>	<b>-</b>	<b>534</b>	<b>32,246</b>	<b>74,530</b>
	Previous Year's Figures	79,156	23,389	-	1,310	1,01,238	21,792	5,821	-	905	26,708	57,364

Note: Vessels under the head 'Launches and Boats' costing ₹ 4934 lakhs (2022 - ₹ 4934 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act, 1838/Indian Vessels Act, 1917.



Note 2 - Property, Plant and Equipment (Contd.....)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Disposal	Balance 31-03-23	As on 31-03-2022	
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,214	507	-	3,721	12,523	13,030
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	146	29	-	175	1,471	1,500
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	121	12	12
3	Plant and Equipment	7,533	-	-	-	7,533	2,346	389	-	2,735	4,798	5,187
4	Electrical Installation and Equipments	649	-	-	-	649	314	62	-	376	273	335
5	Furniture and Fixtures	216	-	-	-	216	105	20	-	125	91	111
6	Office Equipment	153	-	-	-	153	144	-	-	144	9	9
7	Computers and Data Processing Units	-	-	-	-	-	-	-	-	-	-	-
	i) Server and Network	338	-	-	-	338	338	-	-	338	0	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	204	39	-	243	900	939
	<b>Sub-total</b>	<b>28,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>6,932</b>	<b>1,046</b>	<b>-</b>	<b>7,978</b>	<b>20,081</b>	<b>21,127</b>
	Previous Year's Figures	28,013	42	-	-	28,059	5,884	1,048	-	6,932	21,127	22,129
	<b>Total Tangibles Assets (A+B)</b>	<b>1,29,296</b>	<b>12,187</b>	<b>-</b>	<b>563</b>	<b>1,40,921</b>	<b>33,640</b>	<b>7,118</b>	<b>-</b>	<b>40,224</b>	<b>1,00,697</b>	<b>95,656</b>
	Previous Year's Figures	1,07,169	23,431	-	1,310	1,29,296	27,676	6,869	-	33,640	95,656	79,493

## Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Disposal	Balance 31-03-23	As on 31-03-2022	
<b>A</b>	<b>Assets Owned by MDL</b>											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	905	63	-	968	121	184
2	Other than SAP-ERP	4,796	1,370	-	-	6,166	4,174	377	-	4,551	1,615	622
	<b>Sub Total</b>	<b>5,885</b>	<b>1,370</b>	<b>-</b>	<b>-</b>	<b>7,255</b>	<b>5,079</b>	<b>440</b>	<b>-</b>	<b>5,519</b>	<b>1,736</b>	<b>806</b>
	Previous Year's Figures	5,689	196	-	-	5,885	4,497	582	-	5,079	806	1,192



Note 2 - Property, Plant and Equipment (Contd.....)

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	<b>Total Intangible Assets (A+B)</b>	<b>7,066</b>	<b>1,370</b>	<b>-</b>	<b>-</b>	<b>8,436</b>	<b>6,260</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>6,700</b>	<b>806</b>
	Previous Year's Figures	6,870	196	-	-	7,066	5,678	582	-	-	6,260	1,192
	<b>Total Assets (i+ii)</b>	<b>1,36,362</b>	<b>13,557</b>	<b>-</b>	<b>563</b>	<b>1,49,357</b>	<b>39,900</b>	<b>7,558</b>	<b>-</b>	<b>534</b>	<b>46,924</b>	<b>1,02,433</b>
	Previous Year's Figures	1,14,039	23,627	-	1,310	1,36,362	33,354	7,451	-	905	39,900	80,685

(i) Government of Kerala has assigned 'Free of Cost' (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled 'National Institute for Research and Design in Defence Shipbuilding' (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the Shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.

(ii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(v) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in Financial Statements for the year ended 31st March, 2022.

(vi) Building as at 31st March 2023 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(vii) Capital expenditure on Research and Development aggregating to ₹ 2120 lakhs (Previous year - ₹ 628 lakhs) is reflected under respective various heads in the above note.



**Note 2 - Property, Plant and Equipment (Contd.....)**  
**(vii) Assets jointly funded by MDL and Indian Navy**

₹ in lakhs

Sr. Particulars No.	Office and Factory Building	Electric In-stallations & Equip-ment	Plant and Equip-ment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equip-ment	Furni-ture and Fixtures	Intan-gible assets	Roads	Total as on 31-03-2024	As on 31-03-2023
1	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

**viii) Title deeds of immovable properties not held in the name of the company as on 31.03.2023**

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
PPE	<b>Lease hold Land</b>					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Government of India (Gol). An Agreement dated 19th April 1960, was executed between the President of India (Government of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1947	





Note 2 - Property, Plant and Equipment (Contd.....)

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in 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
	355 Phase North yard	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process.MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	Extension of Phase II	3,051			1979	
	Extension of Slipway in SY	5,136			1995	
	Additional water area for Extn of Slipway	2,539			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
<b>Building</b>						
	Flats at Vashi	14	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Registration of Deed of apartment is pending however, the share certificates and other documents are in the name of the Company. Execution of deed of apartment for 09flats is under process with CIDCO.
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-



## Note - 3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Capital work-in-progress</b>				
<b>1. Own resources</b>				
<b>A. Tangible assets</b>				
Opening balance	6,162		8,694	
Add: Expenditure during the period	7,686		9,602	
Less: Capitalisation during the period	(6,671)	7,177	(12,134)	6,162
<b>Less: Provision for Tangible assets</b>		(353)		-
<b>Total</b>		<b>6,824</b>		<b>6,162</b>

## Ageing for capital work-in-progress as at March 31, 2024 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,612	2,345	1,764	1,103	6,824
Projects temporarily suspended	-	-	-	353	353
Less: Provision	-	-	-	(353)	(353)
<b>Total</b>	<b>1,612</b>	<b>2,345</b>	<b>1,764</b>	<b>1,103</b>	<b>6,824</b>

## Completion schedule - Time and Cost overrun 2023-24

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	17	-	-	17
Consultancy for MDP at Gavan	-	243	-	-	243
Greenfield Shipyard at Nhava	-	-	200	-	200
Fire Alarm & Fire Fighting System	-	-	96	-	96
Caisson Gate	929	-	-	-	929
Upgradation of MDL Tug MT Andaman	125	-	-	-	125
Replacement of cladding sheet EYworkshps	42	-	-	-	42
Repair Facility at NHAVA Yard	-	-	43	-	43
IIT-Madras - A.I enabled Robotic Welding inspection	385	-	-	-	385
Desk Studies For Creation Of A Greenfield Shipyard At Nhava Yard	-	-	65	-	65
Submarine Launch Facility	418	-	-	-	418
Portable Cutting Machine.	3	-	-	-	3
Heating And Brazing Torch	4	-	-	-	4
Supply And Installation Of Remote Controls	11	-	-	-	11
Bionic 7Fp Biometric Punching Machines	8	-	-	-	8
Procurment of Modular Furniture	19	-	-	-	19
Procurment of 24 Pax Electric Boat	88	-	-	-	88
<b>Total*</b>	<b>2,032</b>	<b>260</b>	<b>404</b>	<b>-</b>	<b>2,696</b>

\*There is no cost over run in any project, only time over run which is as per above table

**Note - 3 Capital work-in-progress (Contd..)****Completion schedule - Suspended projects 2023-24**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Design, Fabrication, Transportation, Installation and Commission of Portable Slipway Covers.	353	-	-	-	353
<b>Total</b>	<b>353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353</b>

**Ageing for capital work-in-progress as at March 31, 2023 as follows:**

₹ in lakhs

Particulars	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	759	1,591	121	3,691	6,162
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>759</b>	<b>1,591</b>	<b>121</b>	<b>3,691</b>	<b>6,162</b>

**Completion schedule - Time and Cost overrun 2022-23**

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
New shed for PPT Plant	-	-	17	-	17
Recp Centre	120	-	-	-	120
Construction Morcha Gate betn Gate 6&10	2,245	-	-	-	2,245
Consultancy for MDP Gavan Land	-	-	214	-	214
Fire Alarm & Fire Fighting System	2	-	-	-	2
Goliath Crane NY Slipway	54	-	-	-	54
Modernisation of Bond Stores	3	-	-	-	3
Greenfield Shipyard at Nhava	65	-	-	-	65
IIT-Madras - A.I enabled Robotic Welding inspection	385	-	-	-	385
Portable Slipway Covers.	353	-	-	-	353
Supply Of Breathing Apparatus	14	-	-	-	14
Dry Dock Pump (Vertical Turbine Pump)	53	-	-	-	53
Leeb Portable Hardness Tester	1	-	-	-	1
Multigas Detector	3	-	-	-	3
Double Door Refrigerator	1	-	-	-	1
Lithium Ion Battery Project	97	-	-	-	97
<b>Total*</b>	<b>3,396</b>	<b>-</b>	<b>231</b>	<b>-</b>	<b>3,627</b>

\*There is no cost over run in any project, only time over run which is as per above table

**Completion schedule - Suspended projects 2022-23**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



#### Note - 4 Intangible assets under development

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Opening balance	-		-	
Add: Expenditure during the period	969		1,370	
Less: Capitalisation/adjustments during the period	(630)	339	(1,370)	-
<b>Total</b>	<b>339</b>		<b>-</b>	

#### Intangible assets under development ageing schedule as at March 31, 2024 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	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*	339	-	-	-	339
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339</b>

#### Intangible assets under development completion schedule as at March 31, 2024 as Follows:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Intangible assets under development ageing schedule as at March 31, 2023 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	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	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Intangible assets under development completion schedule as at March 31, 2023 as Follows:

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Note - 5 Non-current investments**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Investments in equity instruments (Unquoted)		
In Equity shares of Associate Concern - Goa Shipyard Limited	67,879	58,860
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)		
<b>Total</b>	<b>67,879</b>	<b>58,860</b>

**Note - 6 Trade receivables - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
Deferred debts	2,239	2,276
Less: Amount receivable within 12 months	(474)	(474)
<b>Total</b>	<b>1,765</b>	<b>1,802</b>

**Ageing for trade receivables-non-current outstanding as at March 31, 2024 is as follows:**

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	-	-	-	-	1,765	1,765
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,765</b>	<b>1,765</b>

**Note - 6 Trade receivables - non-current (Contd.)**

Ageing for trade receivables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	-	-	-	-	-	1,802	1,802
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>1,802</b>	<b>1,802</b>

**Note - 7 Loans - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	2,000	-
Loans Receivables which have significant increase in credit Risk; and	-	-
Loans Receivables credit impaired	-	-
<b>Total</b>	<b>2,000</b>	<b>-</b>

**Note - 8 Other financial assets - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	-	-
Loans Receivables which have significant increase in credit Risk; and	461	427
Loans Receivables credit impaired	341	341
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)	340	340
Leave encashment fund	12,603	12,059
<b>Total</b>	<b>13,745</b>	<b>13,167</b>



**Note - 9 Deferred tax assets (net)**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Deferred tax assets/(liabilities)				
Deferred tax assets				
Provisions	66,383		51,378	
Others	-	66,383	-	51,378
Deferred tax liabilities				
Depreciation	(6,403)	(6,403)	(6,368)	(6,368)
<b>Total Deferred tax assets (net)</b>		<b>59,980</b>		<b>45,010</b>

**Note - 10 Other non-current assets**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Capital advances		43,986		869
Other receivables - considered good	469		957	
Other receivables - considered doubtful	2,757		2,790	
Less: Allowance for doubtful receivables	(2,757)	469	(2,790)	957
Advances paid to vendors - considered doubtful	123		5	
Less: Allowance for doubtful advances	(123)	-	(5)	-
VAT/sales tax receivable		6,494		6,491
GST input tax credit		60,757		75,247
Prepaid expenses				
Prepaid deposits (MbPT)	26		41	
Less: amortisation/unwinding of prepaid deposits	(15)		(15)	
Less: current	(11)	-	(15)	11
Others		174		239
<b>Total</b>		<b>1,11,880</b>		<b>83,814</b>

**Note - 11 Inventories**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Raw materials</b>				
Material in stores	9,308		8,405	
Less: Provision for obsolescence	(196)	9,112	(75)	8,330
<b>Stores and spares</b>				
Material in stores	2,356		2,172	
Less: Provision for obsolescence	(138)	2,218	(162)	2,010
<b>Equipment for specific projects</b>				
Material in stores/site	4,91,042		6,53,564	
Less: Provision for obsolescence	(1,128)		(1,014)	
		4,89,914		6,52,550
Stock in transit	15,465		13,476	
Materials pending inspection	53,691	5,59,070	58,118	7,24,144
Scrap		937		1,202
<b>Total</b>		<b>5,71,337</b>		<b>7,35,686</b>

**Note - 11 Inventories (Contd..)**

Note:

- (i) Inventory costing ₹ 11,219 lakhs (Previous year: ₹ 27,055 lakhs) is held with other vendors.
- (ii) Inventory costing ₹ 70 Lakhs (Previous year: ₹ 659 Lakhs) is held at customer's store.
- (iii) As on 31st March, 2024, Inventory held on behalf of Navy is ₹ 4,403 lakhs (Previous year - ₹ 1,499 lakhs) which is excluded from above inventory.

**Note - 12 Trade receivables - current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Trade receivables considered good - unsecured	1,84,693	1,00,233
Trade receivables considered doubtful - unsecured	46,261	75,275
Total	2,30,954	1,75,508
Loss allowance	(46,261)	(75,275)
<b>Total trade receivables (current)</b>	<b>1,84,693</b>	<b>1,00,233</b>

**Ageing for trade receivables-current outstanding as at March 31, 2024 is as follows:**

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	61,119	1,00,547	7,927	10,122	3,969	1,009	1,84,693
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>61,119</b>	<b>1,00,547</b>	<b>7,927</b>	<b>10,122</b>	<b>3,969</b>	<b>1,009</b>	<b>1,84,693</b>



**Note - 12 Trade receivables - current (Contd..)**

Ageing for trade receivables-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	70,663	6,222	13,646	9,115	174	413	1,00,233
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>70,663</b>	<b>6,222</b>	<b>13,646</b>	<b>9,115</b>	<b>174</b>	<b>413</b>	<b>1,00,233</b>

**Note - 13 Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
<b>Cash and cash equivalents</b>		
Balances with banks:-		
- In current accounts		
i. In India	3,08,097	35,208
ii. Outside India	36	35
- In cash credit accounts		17
- In flexi deposit accounts		44,198
<b>Total</b>	<b>3,52,348</b>	<b>1,86,842</b>

**Note - 14 Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
In fixed deposit accounts - more than 3 months but not more than 12 months maturity	10,68,600	11,41,793
Earmarked balances with banks for Unpaid Dividend	15	7
<b>Total</b>	<b>10,68,615</b>	<b>11,41,800</b>

**Note - 15 Other financial assets - current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Insurance claims receivable	-	71
Interest accrued on deposits and advances	30,756	22,069
Others	-	-
<b>Total</b>	<b>30,756</b>	<b>22,140</b>

**Note - 16 Other current assets**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
(Unsecured, considered good, unless otherwise specified)		
<b>Advances</b>		
Advances paid to vendors	3,64,763	3,92,841
Travel advance to employees	26	91
Employee related	107	87
Others	17	20
	3,64,913	3,93,039
<b>Prepaid expenses</b>		
Prepaid deposits (MbPT)	11	15
Others	409	424
	420	424
<b>Total</b>	<b>3,65,333</b>	<b>3,93,463</b>

**Note - 17 Share Capital**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
<b>Authorized share capital</b>		
32,37,20,000 (Previous year - 32,37,20,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each	32,372	32,372
<b>Total</b>	<b>32,372</b>	<b>32,372</b>
<b>Issued, subscribed and fully paid-up shares</b>		
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.	20,169	20,169
<b>Total</b>	<b>20,169</b>	<b>20,169</b>

**Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Shareholder</b>				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%

**Note - 17 Share Capital (Contd..)**

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Particulars	March 31, 2024		March 31, 2023		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Particulars	March 31, 2024		March 31, 2023		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

**Note - 18 Trade payables - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Deferred payment liability to a foreign supplier	2,239	2,276
Less: Amount payable within 12 months	(474)	(474)
<b>Total</b>	<b>1,765</b>	<b>1,802</b>

Ageing for trade payables-non-current outstanding as at March 31, 2024 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
		MSME	-	-	-	
Others	-	-	-	1,765	1,765	
Disputed dues - MSME	-	-	-	-	-	
Disputed dues - Others	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,765</b>	<b>1,765</b>	

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
		MSME	-	-	-	
Others	-	-	-	1,802	1,802	
Disputed dues - MSME	-	-	-	-	-	
Disputed dues - Others	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,802</b>	<b>1,802</b>	

**Note - 19 Other financial liabilities - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Security and other deposits	69	48
<b>Total</b>	<b>69</b>	<b>48</b>

**Note - 20 Provisions - non-current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
<b>Employee benefits</b>		
Post retirement benefit schemes		
Medical	10,256	9,302
Gift card	117	140
Leave salary encashment	10,892	10,260
<b>Other provisions</b>		
Provision for liquidated damages	18,983	18,983
Others	2,273	2,400
<b>Total</b>	<b>42,521</b>	<b>41,085</b>

**Note - 21 Other non-current liabilities**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Funds received from customer for infrastructure projects	92,761	92,761
Less: Transferred to fixed assets for capitalisation	(73,419)	(73,419)
Less: Amortisation of deferred revenue	(6,682)	(5,995)
Deferred deposits	3	3
<b>Total</b>	<b>12,663</b>	<b>13,350</b>

**Note - 22 Trade payables - current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Other vendors	4,29,305	4,41,146
Deferred payment liability to a foreign supplier	474	474
<b>Total</b>	<b>4,29,779</b>	<b>4,41,620</b>



**Note - 22 Trade payables - current (Contd..)**

Ageing for trade payables-current outstanding as at March 31, 2024 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	16,751	112	-	-	-	16,863
Others	3,85,662	44,102	13	-	2	4,29,779
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,02,413</b>	<b>44,214</b>	<b>13</b>	<b>-</b>	<b>2</b>	<b>4,46,642</b>

Ageing for trade payables-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	4,659	-	-	-	-	4,659
Others	4,31,060	10,560	-	-	-	4,41,620
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,35,719</b>	<b>10,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,46,279</b>

**Note - 23 Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Retention money payable	57	57
Interest payable on advances received from customer	3,705	1,753
Employee related	15,506	12,357
Others	2	47
Security and other deposits	389	437
Dividend Payable	15	7
<b>Total</b>	<b>19,674</b>	<b>14,658</b>

**Note - 24 Other current liabilities**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Statutory dues	5,623	1,725
Deferred deposits	3	3
<b>Total</b>	<b>5,626</b>	<b>1,728</b>



## Note - 25 Provisions - current

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Employee benefits</b>				
Post retirement benefit				
Medical	1,148		1,032	
Gift card	54	1,202	81	1,113
Leave salary encashment		1,675		2,127
Gratuity		1,450		1,435
<b>Other provisions</b>				
Guarantee repairs	14,389		12,312	
Custom duty	426	14,815	426	12,738
<b>Total</b>		<b>19,142</b>		<b>17,413</b>

## Note - 26 Revenue from operations

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Contract revenue</b>				
Ship construction		7,52,770		6,66,772
Others		323		-
<b>Sale of goods</b>				
Sale of base and depot spares		1,21,715		74,764
Others		2,129		-
<b>Sale of Services</b>				
Ship Repair		29,864		16,867
<b>Other operating revenue</b>				
Sale of scrap and stores	1,260		947	
Sale of services (others)	3,143		1,771	
Reversal of Liquidated damages	35,719		20,797	
Changes in Inventory of Scrap	(265)	39,857	800	24,315
<b>Total</b>		<b>9,46,658</b>		<b>7,82,718</b>

## Contract Revenue Recognition with Respect to Projects/Vessels in WIP:

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
The amount of contract revenue recognised as revenue for the period		9,06,801		7,58,403
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		14,77,230		14,42,479
The amount of advances received (gross)		32,42,927		33,47,493
The amount of retentions by customers		13,109		42,861

- The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23<sup>rd</sup> February, 2018 by amending notification no G.S.R. 463(E) dated 5<sup>th</sup> June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- Revenue from operations includes revenue from Export of goods/services is ₹ 1544 Lakhs that is 0.16% of Revenue from operation.



**Note - 27 Other Income**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Interest from</b>				
Deposits with banks	1,01,755		59,618	
Less: Interest liability to customer on advances	(3,705)		(1,753)	
	98,050		57,865	
On income tax refund	246		1,171	
Other interest	1,145	99,441	1,141	60,177
Liabilities/provisions no longer required written back		7,188		3,708
Insurance claims		20		392
Profit on Sale/scraping of fixed assets (net)		148		90
<b>Liquidated damages recovered</b>				
Capital		145		17
Others		1,527		1,508
Miscellaneous income/recoveries		469		1,464
Amortisation gain on deferred deposits of vendors		4		5
Unwinding of lease charges - Land		47		57
Unwinding of lease charges - Vehicles		13		60
Amortisation of deferred revenue (customer funded assets)		687		687
Interest Income on deferred payment liability to foreign supplier		433		474
Interest Income on deferred deposit with MbPT		25		23
Foreign exchange variation (net)		-		21
<b>Total</b>		<b>1,10,147</b>		<b>68,683</b>

**Note - 28 Cost of materials consumed**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
<b>Opening stock</b>				
Raw materials, stores and spares	10,577		14,160	
Equipment for specific projects	6,53,564		6,00,026	
Stock-in-transit and materials pending inspection	71,594	7,35,735	1,55,690	7,69,876
<b>Add: Purchases</b>		3,46,887		4,12,518
		10,82,622		11,82,394
<b>Less: Closing stock</b>				
Raw materials, stores and spares	(11,664)		(10,577)	
Equipment for specific projects	(4,91,042)		(6,53,564)	
Stock-in-transit and materials pending inspection	(69,156)	(5,71,862)	(71,594)	(7,35,735)
		5,10,760		4,46,659
Less: Reduction in Value-included in Other Expenses				
Less: Provision for obsolete stock		(210)		(29)
Less: Stores and spares consumption included in other expenses		(2,386)		(2,045)
<b>Total</b>		<b>5,08,164</b>		<b>4,44,585</b>

**Note - 29 Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Salaries, wages, allowances and bonus	69,019	62,603
Pension	2,295	2,236
Contribution to provident fund	4,194	4,053
Workmen and staff welfare expenses	9,878	6,810
Gratuity	1,065	938
Encashment of privilege leave	3,204	2,631
<b>Total</b>	<b>89,655</b>	<b>79,271</b>

**Note - 30 Finance cost**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Interest cost on deferred deposits of vendors	4	6
Interest cost on deferred payment liability to foreign supplier	433	474
Interest cost on lease	75	155
Others	-	2
<b>Total</b>	<b>512</b>	<b>637</b>

**Note - 31 Other expenses - Projects related**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Technician fees and other expenses	2,654	1,784
Advising team fees and other expenses	1,103	16,377
Facility hire	3,147	3,703
Bank charges and guarantee commission	534	190
Travelling expenses	186	47
Sea trial, launching and commissioning expenses	307	566
Legal, professional and consultant fees	7,236	5,946
Miscellaneous expenses	594	262
<b>Total</b>	<b>15,761</b>	<b>28,875</b>

**Note - 32 Other expenses**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
Repairs and maintenance:				
Buildings	1,458		312	
Plant and machinery	328		289	
Steam launches and boats, motor cars, lorries, etc.	662		656	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(5)	2,443	(1)	1,256
Facility hire	826		542	
Water expenses	342		266	
Rent	867		1,520	
Insurance	1,067		1,093	
Rates and taxes	645		3,243	
Bank charges and guarantee commission	49		14	
Printing and stationery	18		22	
Travelling expenses	936		890	
Business promotion expenses	692		753	
Sea trial, launching and commissioning expenses	1		35	
Corporate Membership expenses	52		58	
Foreign exchange variation (net)	2		11	
Miscellaneous expenses	2,226		1,051	
Audit fees	19		12	
Vehicle hire charges	72		85	
Legal, professional and consultant fees	88		358	
Books and periodicals	22		26	
Postage, telegrams and phones	79		99	
Training expenses	239		293	
CISF and security board expenses	2,754		2,787	
Directors fees and expenses	29		20	
Provision for obsolete stock	210		29	
Liquidated damages	2,161		3,354	
Consumption of stores and spares etc.	2,386		2,045	
Other interest	372		267	
Amortisation/unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,859	18,028	1,848	20,736
<b>Total</b>		<b>20,471</b>		<b>21,992</b>

Foreign Exchange gain for the period ended 31st March, 2024 is ₹ 313 lakhs and foreign exchange gain for previous year is ₹ 761 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Revenue Expenditure on Research and Development and allied expenses aggregating to ₹ 8,975 lakhs (Previous year - ₹ 7,532 lakhs) is reflected under respective various heads in the above note.

**Note - 33 Provisions**

₹ in lakhs

Particulars	March 31, 2024	March 31, 2023
Doubtful debts/receivable	7,120	2,130
Guarantee repairs	8,838	6,353
Others	892	3,256
<b>Total</b>	<b>16,850</b>	<b>11,739</b>

**Note - 34 Business Segment Reporting**

- a) The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 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.
- b) For management purposes, the Company is organized into two major segments – Shipbuilding (New Construction and Ship Repairs) and Submarine.
- c) There are no geographical segments within the business segments.

**Note - 35 Contingent Assets, Contingent Liabilities and Commitments:****35.1 Amounts for which Company may be contingently liable:**

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>A.</b>	<b>Contingent Assets</b>	-	-
<b>B.</b>	<b>Contingent Liabilities and Commitments</b>		
(i)	Estimated amount of contracts remaining to be executed on capital account.(Net of Advances)*	1,30,692	2,631
(ii)	b) Estimated amount of liquidated damages on contracts under execution.**	10,224	83,579
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	59,849	61,095
	(b) Guarantees and counter guarantees	70,486	5,288
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	34,55,638	25,79,820
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

\*\*Customer has extended the delivery up to 31.12.2024 however, customer has kept right to levy LD with them & company is confident that LD will be waived off. The financial implication for the same is ₹ 102.24 cr in the event of levy of LD by customers

**35.2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Suppliers and sub-contractors	3,985	1,315
(ii)	Others	1,884	2,369
(iii)	Interest on (i) and (ii) above	531	789
		<b>6,400</b>	<b>4,473</b>



**Note - 35 Contingent Assets, Contingent Liabilities and Commitments (Contd..)****35.3 Amounts paid/payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment/Appellate Authorities relating to:**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Sales Tax *	1,16,084	1,16,084
(ii)	Excise Duty		
	(a) On Vendors	224	217
	(b) On MDL	34	33
		<b>257</b>	<b>250</b>
		<b>1,16,341</b>	<b>1,16,333</b>

\* Against the above claim, part payments of ₹ 682 lakhs has been made till 31.03.2024.

**35.4 Appeals against disputed tax demands pending before Adjudicating/Appellate Authorities not provided for in matters relating to:**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Excise Duty*	-	15
(ii)	Service Tax (including interest and penalties)	4,618	4,522
		<b>4,618</b>	<b>4,537</b>

\* Appeal against disputed tax demand is settled.

**35.5 Appeals pending against disputed demands pending before Adjudicating/Appellate authorities**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Custom Duty (Including Interest)	144	59

**36.1** Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. But confirmation letters from all vendors are not received. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

**36.2** Balances due to/from Indian Navy (Debtors) included in current assets/current liabilities/Advances are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

**Note - 37 Normal Operating Cycle**

- The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

- In case of Ship/Submarine building and Ship/submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/Letter of Intent (LOI) to the date of expiry of guarantee period.
- In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.



## Note - 38 Employee Benefits as per Ind AS 19

### 38.1 Various benefits provided to employees as per IND AS 19 are classified as under:-

#### (I) Defined Contribution Plans

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(a) State Defined Contribution Plans		
(i) Employers' Contribution to Employees' State Insurance		
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.		
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.		
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-		
1. Employers' Contribution to Provident Fund	4,194	4,001
2. Employers' Contribution to Employees' State Insurance	-	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)	2,295	2,236
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	46	53

Retirement benefits in the form of Pension is defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

#### (II) Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.23%	7.60%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation and is provided for, on the basis of an actuarial valuation on projected net credit method made at the end of each Financial Year. The Gratuity Fund is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening Balance	16,586	20,364
Add : Credit from Company	1,200	600
Less : Amount paid towards claims	(3,809)	(5,525)
Add : Interest credited	1,083	1,148
Closing Balance	15,060	16,587
Present value of past service benefit	15,130	16,641

The actuarial liability excludes the fixed term employees, for which separate provision exists.



**Note - 38 Employee Benefits as per Ind AS 19 (Contd..)**

**38.2 Actuarial valuation of liability towards Gratuity**

**Defined Benefit Plans Gratuity - as per actuarial valuation**

The Ind AS-19 Employee Benefits stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>i)</b>	<b>Assumptions</b>		
	a) Discount Rate	7.23%	7.60%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	12
<b>ii)</b>	<b>Table showing changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	16,641	20,377
	Add: Transfer of canteen employees liability	-	-
		16,641	20,377
	Interest cost	1,106	1,242
	Current service cost	760	843
	Benefits paid	(3,809)	(5,525)
	Actuarial (gain)/loss on obligations	432	(295)
	Present value of obligations as at end of year	15,130	16,641
<b>iii)</b>	<b>Table showing changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	16,586	20,364
	Expected return on plan assets	1,261	1,454
	Contributions	1,200	600
	Benefits paid	(3,809)	(5,525)
	Actuarial (gain)/loss on plan assets	(177)	(306)
	Fair value of plan assets at the end of year	15,060	16,586
<b>iv)</b>	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	16,586	20,364
	Actual return on plan assets	1,261	1,454
	Contributions	1,200	600
	Benefits paid	(3,809)	(5,525)
	Fair value of plan assets at the end of year	15,060	16,586
	Funded status	71	55
	Excess of Actual over estimated return on plan assets	-	-
<b>v)</b>	<b>Actuarial gain/loss recognized</b>		
	Actuarial (gain)/loss for the year - obligation	610	11
	Actuarial (gain)/loss for the year - plan assets	-	-


**Note - 38 Employee Benefits as per Ind AS 19 (Contd..)**

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	Total (gain)/loss for the year	610	11
	Actuarial (gain)/loss recognised in the year	610	11
	Un-recognised actuarial (gains)/losses at the end of year		
<b>vi)</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligations as at the end of year	15,130	16,641
	Fair value of plan assets as at the end of the year	15,060	16,586
	Funded status	(70)	(55)
	Net Asset/(Liability) recognized in balance sheet	(70)	(55)
<b>vii)</b>	<b>Expenses recognized in statement of Profit and Loss</b>		
	Current service cost	760	843
	Interest cost	(155)	(211)
	Expected return on plan assets	-	-
	Expenses recognized in statement of profit and loss	606	631
<b>viii)</b>	<b>Expenses recognized in Other Comprehensive Income</b>		
	Actuarial (gain)/loss recognised in the year	610	11
<b>ix)</b>	<b>Current/Non-current Liability</b>		
	Current Liability	2,867	4,184
	Non-current Liability	12,263	12,457
	Present Value of the Defined Gratuity Benefit Obligation	15,130	16,641

**Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 7.10%) (Previous year - 6.64%)	589		546	
	3.89%		3.28%	
if Discount rate is increased to 8.10%) (Previous year - 7.64%)		548		508
		3.62%		3.05%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.5%) (Previous year - 7.50%)	329		314	
	2.18%		1.89%	
if Discount rate is decreased to 6.5%) (Previous year - 6.50%)		321		308
		2.12%		1.85%



**Note - 38 Employee Benefits as per Ind AS 19 (Contd..)**

**38.3 Actuarial valuation of liability towards Leave Encashment**

**Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 Employee Benefits stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>i)</b>	<b>Assumptions</b>		
	Discount rate	7.23%	7.60%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	12	12
<b>ii)</b>	<b>Table showing changes in present value of obligations</b>		
	Present value of obligation as at the beginning of the year	12,387	13,007
	Add : Liability Transfer from Canteen Employees	-	-
		12,387	13,007
	Interest cost	854	838
	Current service cost	918	979
	Benefits paid	(1,670)	(1,895)
	Actuarial (gain)/loss on obligations	78	(544)
	Present value of obligation as at the end of the year	12,567	12,387
<b>iii)</b>	<b>Table showing changes in the fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the year	12,059	13,035
	Expected return on plan assets	916	931
	Contributions	1,350	-
	Benefits paid	(1,670)	(1,895)
	Actuarial gain/(loss) on plan assets	(53)	(12)
	Fair value of plan assets at the end of the year	12,602	12,059
<b>iv)</b>	<b>Tables showing fair value of plan assets</b>		
	Fair value of plan asset at the beginning of the year	12,059	13,035
	Actual return on plan assets	916	931
	Contributions/(withdrawals)	1,350	-
	Benefits paid	(1,670)	(1,895)
	Actuarial gain/(loss) on plan assets	(53)	(12)
	Fair value of plan asset at the end of the year	12,602	12,059
	Funded status	(35)	328
<b>v)</b>	<b>Actuarial gain/loss recognized</b>		
	Actuarial (gain)/loss for the year - obligation	78	(544)
	Actuarial (gain)/loss for the year - plan assets	-	-
	Total (gain)/loss for the year	78	(544)
	Actuarial (gain)/loss recognised in the year	78	(544)


**Note - 38 Employee Benefits as per Ind AS 19 (Contd..)**

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	Un-recognised actuarial (gains)/losses at the end of year		
<b>vi)</b>	<b>The amounts to be recognized in the balance sheet</b>		
	Present value of obligation as at the end of the year	12,567	12,387
	Fair value of plan assets as at end of the year	12,602	12,059
	Funded status	35	(328)
	Unrecognized actuarial (gains)/losses	-	-
	Net asset/(liability) recognized in balance sheet	35	(328)
<b>vii)</b>	<b>Expenses recognized in statement of profit and loss</b>		
	Current service cost	918	979
	Interest cost	854	838
	Actuarial (gain)/loss recognised in the year	78	(544)
	Expenses recognized in the statement of profit and loss	1,850	1,274
<b>viii)</b>	<b>Current/Non-current Liability</b>		
	Current Liability	1,675	2,310
	Non-current Liability	10,892	10,077
	Present Value of the Defined Leave Encashment Benefit Obligation	12,567	12,387

**Sensitivity of Leave Encashment Benefit Liability to key assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 7.10%) (Previous year - 6.64%)	574 4.56%		512 4.13%	
if Discount rate is increased to 8.10%) (Previous year - 7.64%)		532 4.23%		474 3.83%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.5%) (Previous year - 7.50%)	572 4.55%		512 4.13%	
if Discount rate is decreased to 6.5%) (Previous year - 6.50%)		535 4.26%		479 3.87%

**38.4 Actuarial valuation of liability towards Provident Fund**
**Defined Benefit Plan Provident Fund as per actuarial valuation**

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its Members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by Company and the



**Note - 38 Employee Benefits as per Ind AS 19 (Contd..)**

shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit expenses. in accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual Members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Fair value of plan assets	71,875	74,476
Present value of defined benefit obligations	(71,875)	(74,476)
Net excess/(shortfall)	-	-

The plan assets have been primarily invested in Government, public sector and corporate bonds

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Provident Fund interest rate guarantee	8.25%	8.15%
Salary increase rate	7.00%	7.00%
Government of India - Bond yield for the outstanding term of liabilities	7.23%	7.60%
Government of India - Bond yield for the outstanding term of assets	7.17%	7.30%
Expected average remaining working lives of employees (years)	12	12

**Note - 39 Provisions made, utilised, written back :**

₹ in lakhs

Sr No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>a)</b>	<b>Provision for Custom Duty Demand:</b>		
	Opening Balance	426	426
	Additions	-	-
	Utilised/Adjusted	-	-
	Closing Balance	426	426
<b>b)</b>	<b>Provision for Liquidated Damages:</b>		
	Opening Balance	18,983	35,821
	Additions	-	-
	Adjusted	-	(16,838)
	Closing Balance	18,983	18,983
<b>c)</b>	<b>Provision for Guarantee Repairs:</b>		
	Opening Balance	12,312	5,959
	Additions	8,838	6,353
	Utilised/Adjusted	(6,761)	
	Closing Balance	14,389	12,312
<b>d)</b>	<b>Other Provisions:</b>		
	Opening Balance	2,241	107
	Additions	355	2,241
	Utilised/Adjusted		(107)
	Closing Balance	2,596	2,241



**Note - 40** Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2024 based on available information with the Company are as under:

₹ in lakhs

Particulars	31st March 2024	31st March 2023
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Payment made beyond the appointed day during the year	51,748	5,115
Interest accrued and remaining unpaid on above	510	31

**Note - 41 Other Expenses include:**

₹ in lakhs

Particulars	31st March 2024	31st March 2023
Remuneration to the Statutory Auditors		
i) Audit fees	19	12
ii) Tax audit fees	2	2
	21	14

**Note - 42 Russian (USSR) deferred State Credit**

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain Ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9,628 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₹ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 474 lakhs (Previous year - ₹ 474 lakhs) includes yearly installment of ₹ 214 lakhs (Previous year - ₹ 214 lakhs) and ₹ 260 lakhs (Previous year - ₹ 260 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2024. These payments are reimbursable by Indian Navy. Accordingly, ₹ 6,165 lakhs (amortised costs of ₹ 2,236 lakhs) held at foreign supplier deferred credit as on 31st March 2024.

**Note - 43** Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the Financial Statements.

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

**Note - 44 Related Party Disclosure**

As MDL 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

**i) Key Managerial Personnel****a) Functional Directors & Company Secretary**

₹ in lakhs

Particulars	Appointment	Designation	31 <sup>st</sup> March, 2024		
			Salary	Company Contribution to PF/Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairperson and Managing Director	14	0	14
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	107	7	114
Shri Sanjeev Singhal**	(From 08.01.2020)	Director (Finance)	115	11	126
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	68	6	74
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	79	7	86
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	21	2	23
Smt. Madhvi Kulkarni	(From 01.12.2023)	Company Secretary	12	1	13

Particulars	Appointment	Designation	31 <sup>st</sup> March, 2023		
			Salary	Company Contribution to PF/Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairperson and Managing Director	79	6	85
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	72	6	78
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	71	6	77
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	58	6	64
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	49	5	54
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	26	3	29

\* As per Statement of Profit and Loss Account.

\*\*Shri Sanjeev Singhal holds Additional Charge of Chairperson and Managing Director from 01.02.2023

Besides the remuneration indicated above, the Chairperson and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.


**Note - 44 Related Party Disclosure (Contd..)**
**b) PART TIME NON-OFFICIAL DIRECTORS**

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March,2024	31st March,2023
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	9	7
Shri Shambhuprasad Baldevdas Tundiya	(Upto 13.11.2022)	Independent Director	0	1
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	8	7
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	5	-
Shri. Chandu Sambasiva Rao	(From 22.02.2024)	Independent Director	0	-

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

**ii) Other Related Parties**

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

**a) Ministry of Defence**

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable /(payable) by related parties	Dividend paid/ payable
Ministry of Defence	31 <sup>st</sup> March, 2024	9,03,815	2,27,531	37,982
	31 <sup>st</sup> March, 2023	7,58,403	1,75,508	18,358

**b) Goa Shipyard Ltd. (Associate Company)**

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.***	31 <sup>st</sup> March,2024	3,655
	31 <sup>st</sup> March,2023	2,665

\*\*\*Other transaction includes rent, sales & amount receivable are not significant in nature.

These transactions are conducted in the ordinary course of the company business.

**Note - 45 Earnings per share (EPS)**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit/(Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	1,93,697	1,11,903
Adjustment to Restated Net Profit/(Loss):		
None		
A Net Profit/(Loss) for calculation of basic EPS (₹ in lakhs)	1,93,697	1,11,903
B Weighted average number of equity shares for calculating basic EPS	20,16,90,000	20,16,90,000
<b>C EPS (₹) - Basic (A/B)</b>	<b>96.04</b>	<b>55.48</b>
D Net Profit/(Loss) for calculation of diluted EPS (₹ in lakhs)	1,93,697	1,11,903
Weighted average number of equity shares	20,16,90,000	20,16,90,000
Effect of dilution:	-	-
E Weighted average number of equity shares for calculating diluted EPS	20,16,90,000	20,16,90,000
<b>F EPS (₹) - Diluted (D/E)</b>	<b>96.04</b>	<b>55.48</b>



**Note - 46 Fair Value Measurement**

**Financial Instruments by Category**

₹ in lakhs

Particulars	31 <sup>st</sup> March 2024			31 <sup>st</sup> March 2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	461	-	-	427
Russian Deferred Debit	-	-	2,236	-	-	2,276
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	2,236	-	-	2,276
Security Deposits	-	-	69	-	-	48

**Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**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
- (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

**Financial assets and liabilities measured at amortised cost**

₹ in lakhs

Particulars	Fair value Hierarchy	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	461	461	451	427
Russian Deferred Debit	Level 3	6,165	2,236	6,640	2,276
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	6,165	2,236	6,640	2,276
Security Deposits	Level 3	76	69	54	48



## Note - 47 Financial risk management

### 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 asset

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 (being department of Government of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

#### ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemtn of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public/private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

### 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.

### c) Market Risk

#### i) Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. 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 (₹). In most of the Contracts, the gains/losses from forex exchange fluctuations are passed on/borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.



**Note - 47 Financial risk management (Contd..)**

## ii) Foreign Currency Risk Exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

₹ in lakhs

Particulars	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31 <sup>st</sup> March 2024	17,097	318	-	1	1,156
31 <sup>st</sup> March 2023	11,584	589	6	1	1,784

**Sensitivity**

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

₹ in lakhs

Particulars	Impact on Profit Before Tax	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	855	579
INR/EUR decreases by 5%	(855)	(579)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	16	29
INR/GBP decreases by 5%	(16)	(29)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	58	89
INR/USD decreases by 5%	(58)	(89)

\* Holding all other variables constant

**Note - 48 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares.



### Note - 49 Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the period is detailed as follows:

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2023-24	2022-23
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	1,692	436
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	337	311
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	-	55
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	-	3
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	-	296
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	89	14
Clause (x)	Rural development projects;	-	79
	<b>Total</b>	<b>2,118</b>	<b>1,194</b>

₹ in lakhs

Particulars	2023-24	2022-23
Unspent amount brought forward	587	456
Amount required to be spent by the Company during the period	1,837	1,392
Amount spent during the period (incl. Administration Expenses)	2,230	1,261

### CSR Liability Movement Statement As on 31.03.2024

₹ in lakhs

Particulars	₹ in lakhs
Amount b/f from last year i.e. FY 2022-23	587
Amount Spent on CSR Expenses during the year 2023-24 from B/f CSR Amount	372
Unspent amount c/f to next year of FY 2022-23	215

₹ in lakhs

Total Amount spent for the year	Amount Unspent				
	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
2,230	-	-	-	-	-



**Note - 50 Additional Notes to the Consolidated Financial Statements**

**50.1 Interest in Associate**

Name of the Company	Country of Incorporation	% of Ownership as at 31 <sup>st</sup> March 2024	% of Ownership as at 31 <sup>st</sup> March 2023
Goa Shipyard Limited	India	47.21%	47.21%

**50.2 Disclosure of Additional Information pertaining to the Parent Company and Associate**

Name of the Company	Share of Profit/(Loss)					
	31 <sup>st</sup> March, 2024					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	93.39%	1,80,888	77.03%	-456	93.44%	1,80,432
Goa Shipyard Limited	6.61%	12,809	22.97%	-136	6.56%	12,673
<b>Total</b>	<b>100%</b>	<b>1,93,697</b>	<b>100%</b>	<b>-592</b>	<b>100%</b>	<b>1,93,105</b>

Name of the Company	Share of Profit/(Loss)					
	31 <sup>st</sup> March, 2023					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	93.48%	1,04,607	72.73%	-8	93.48%	1,04,599
Goa Shipyard Limited	6.52%	7,296	27.27%	-3	6.52%	7,293
<b>Total</b>	<b>100.00%</b>	<b>1,11,903</b>	<b>100.00%</b>	<b>-11</b>	<b>100.00%</b>	<b>1,11,892</b>

**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** In FY 2016-17, the provision of ₹ 35,719 Lakhs was created for Liquidated Damages (LD) for second Submarine and the same was adjusted in retained earnings in the Reinstated Financials prepared from 01/04/2015. In FY 2023-24, the company received confirmation from customer regarding levy of LD of ₹ 5,260 Lakhs for delay of third & fourth Submarine against provision of ₹ 35,719 Lakhs. In view of , considering the finalisation of LD during the year company has accounted for ₹ 2,161 Lakhs as Liquidated Damages (LD) for third Submarine and adjusted the debtors to that extent & made provision towards LD for ₹ 3,099 for fourth submarine. Further, the provision created in earlier year is now reversed and shown as other operating income as per company's accounting policy.


**Note - 53 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under**

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-23	(7,63,673.43)	(7,63,673.43)	-	0.00%
Sep-23	(8,32,404.63)	(8,32,404.63)	-	0.00%
Dec-23	(8,04,533.14)	(8,04,533.14)	-	0.00%
Mar-24	(7,58,805.52)	(7,58,805.52)	-	0.00%

MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

**Note - 54 Disclosure of Relationship with Struck off Companies is as under**

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	
Universal Flexibles Private Limited	Vendor	-	1	-
Shine Industries	Vendor	3	-	-

**Note - 55. Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**
**Key Financial Ratios: Consolidated**

Sr No.	Particulars	Numerator	Denominator	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
				Audited March 31, 2024	Audited March 31, 2023		
a.	Debt - Equity Ratio (in times)	The company does not have any debt hence, these ratios are not applicable					
b.	Debt Service Coverage Ratio (in times)						
c.	Interest service coverage ratio						
d.	Outstanding redeemable preference shares (quantity and value)	Not Applicable					
e.	Capital redemption reserve (₹ In Cr.)	Capital redemption reserve		121.23	121.23	0.00%	-
f.	Net worth (₹ In Cr.)	Share Capital + Reserves & Surplus		6243.47	4,760.16	31.16%	Change is due to increase in Net profit as compared to previous year



**Note - 55. Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: (Contd..)**

Sr No.	Particulars	Numerator	Denominator	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
				Audited	Audited		
				March 31, 2024	March 31, 2023		
g.	Net profit after tax (₹ In Cr.)	Net profit after tax		1,936.97	1,119.03	73.09%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit
h.	Earnings per share	Profit for the year (PAT)	Weighted average No. of shares	96.04	55.48	73.09%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit
i.	Current Ratio (in times)	Current Assets	Current Liabilities	1.14	1.08	5.44%	-
j.	Long term debt to working capital	The company does not have any long term debt and hence these ratios are not applicable					-
k.	Bad debts to Account receivable ratio	Bad debts written off	Gross Trade Receivable				-
l.	Current liability ratio (in times)	Current Liabilities	Total Liabilities	0.98	0.98	-0.19%	-
m.	Total debts to total assets	The company does not have any debt hence, these ratios are not applicable					-
n.	Trade Receivables turnover Ratio - Annualised (in times)	Revenue from Operation	Average Account Receivables	6.56	7.66	-14.33%	-
o.	Inventory Turnover Ratio Annualised (in times)	Cost of Goods sold	Average Inventory	0.78	0.59	31.67%	Change is due to increase in Cost of Goods sold as compared to previous year
p.	Operating margin (%)	Profit before tax - Other income	Revenue from operations	13.98%	9.15%	52.85%	Change is due to increase in revenue from operation by 20.94% as compared to previous year



**Note - 55. Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: (Contd..)**

Sr No.	Particulars	Numerator	Denominator	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
				Audited	Audited		
				March 31, 2024	March 31, 2023		
q.	Net profit margin (%)	Profit for the year (PAT)	Revenue from operations	20.46%	14.30%	43.12%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit

**Note - 56** National Institute For R&D in Defence Ship Building (NIRDESH) was established on 20th November, 2010 as a society with objective of conducting research in defence Shipbuilding and related areas. Currently, the Members of NIRDESH include four PSU Shipbuilding companies (MDL, GRSE, GSL & HSL) and co-opted Members of Indian Navy, Coast Guard and DRDO. The society is headed by CMD, MDL and Director (Shipbuilding) MDL is designated as Director (NIRDESH). The total capital contribution paid by MDL is ₹ 1,780.74 Lakhs and 2,098.76 Lakhs is contribution payable to NIRDESH as on 31-03-2024, which is reflected under head Trade Payable. The total amount of ₹ 3,878.50 Lakhs has already been charged to expenditure in earlier years. NIRDESH has not carried out any research activity in FY 2022-23 and FY 2023-24, as per Object of the Society.

**Note - 57** Company is executing construction of Frigates for Ministry of Defence (MoD). The deliveries under this project are delayed due to Covid-19 pandemic, shortage of industrial oxygen etc. Therefore, company has approached MoD for revising the delivery dates for all the Frigates of the project. The company has received approval from MoD for partial extension of delivery dates. Management still anticipates that there will be probable delay in delivery of Frigates and the company will be liable for late delivery(LD) charges. Hence, as per accounting policy consistently followed by the company, LD for said delay of ₹ 91,552 Lakhs (PY 16,104 Lakhs) is reduced from revenue for FY 2023-24.

**Note - 58** Company has entered into a new lease with Mumbai Port Authority (MbPA) for land admeasuring 14.55 Acres and building (Workshop land and Clarke Basin), adjacent to the company's land. This lease agreement is for a duration of 29 years commencing from April 1, 2024. The total amount paid for said new lease is ₹ 34,141 lakhs in FY 2023-24 to MbPA. The amount paid to MbPA is recorded as advance for land in the company's books of accounts in FY 2023-24 and the same will be accounted as Right to Use Asset (RoU) after execution of Lease agreement in FY 2024-25.

**Note - 59** In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped/ reclassified, wherever considered necessary to conform to current year presentation.

As per our report of even date

Sd/-  
**C. R. Sagdeo & Co.**  
Chartered Accountants  
Firm Registration No. 108959W

Sd/-  
**Sachin V. Luthra**  
Partner  
Membership No. 109127

29<sup>th</sup> May, 2024  
Place - Mumbai

Annual Report 2023 - 24

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

Sd/-  
**Sanjeev Singhal**  
Chairman and Managing Director (Additional Charge) & Director (Finance)  
DIN - 07642358

Sd/-  
**Biju George**  
Director (Shipbuilding)  
DIN - 09343562

Sd/-  
**Madhavi Kulkarni**  
Company Secretary



माझगांव डॉक शिपबिल्डर्स लिमिटेड  
MAZAGON DOCK SHIPBUILDERS LIMITED







**माझगांव डॉक शिपबिल्डर्स लिमिटेड**  
**MAZAGON DOCK SHIPBUILDERS LIMITED**

(Government of India Enterprise, Ministry of Defence)

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