GOA SHIPYARD LIMITED

A PREMIER DPSU SHIPYARD

Passion for Excellence

Annual Report 2019-20

CRISIL CREDIT RATING
Long - Term "AAA"
Short - Term "A1+"

ISO 9001:2015 Certified by IRQS
NABCB QM 006

GOA SHIPYARD LIMITED

ISO 14001: 2015 Certified by IRQS
NABCB EM 005

ISO 45001:2018 Certified by IRQS
NABCB OHSMS 007

VISION

To be a contemporary organisation in Ship Design, Construction, Ship Repairs & General Engineering Solutions.

MISSION

To be a world class shipbuilding yard to meet the maritime needs of indigenous and export market by designing, building, repairing and delivering products and engg. services on time at competitive price.

CORPORATE QUALITY POLICY

To design, build & repair ships and provide services at competitive price, on time, meeting the requirements and achieve continual improvement for enhancing customer satisfaction.

CORE VALUES

CUSTOMER SATISFACTION

We are dedicated to building a relationship with our customers where we become partners in fulfilling their mission. We strive to understand our customers' needs, undertake requisite Research and Development and deliver products and services that fulfill their requirements.

QUALITY, TIME AND COST CONSCIOUSNESS

We are dedicated to deliver products and services that conform to highest standards of design, manufacture, reliability, maintainability, quality and fitness for use as mandated. We are committed to deliver our products and services on time and at economic cost.

INNOVATION & CREATIVITY

We believe in innovating and being creative. We are committed to strive for improvement in every activity involved in our business with a view to achieving excellence and competitiveness.

PEOPLE & TEAM WORK

We value our people and treat each other with dignity and respect. We strive to develop and to build empowered teams. We are committed to be loyal and devoted to our organization and ensure that our organization is always worthy of trust. We believe in the highest levels of integrity and discipline.

COMMITMENT TO SOCIETY

We are committed to meet the social needs and aspirations of the society and that of future generations. We are committed to a safe and healthy environment in business operations.

PAPER TO BE LAID ON THE TABLE OF THE LOK SABHA/ RAJYA SABHA

AUTHENTICATED

(श्रीपाद नाईक)
(SHRIPAD NAIK)
राज्य मंत्री (स्वतंत्र प्रभार) आयुष एवं रक्षा राज्य मंत्री
MoS (IC) AYUSH & MoS (Defence)
भारत सरकार/Govt. of India

(SHRIPAD NAIK)
RAKSHA RAJYA MANTRI

REVIEW OF THE GOVERNMENT ON THE ANNUAL REPORT 2019-20 AND ON THE WORKING AND AFFAIRS OF GOA SHIPYARD LIMITED, GOA

Goa Shipyard Limited (GSL), under the administrative control of Department of Defence Production, designs and builds sophisticated ships for the Indian Navy, Coast Guard and other customers. It also builds commercial vessels like Offshore Supply Vessels Oceanographic & Coastal Research Vessels, Fishing Vessels, Dredgers, Tugs etc. and carryout ship repairs & general engineering.

2. During the financial year 2019-20, GSL achieved a Value of Production(VoP) of Rs. 903 crore against Rs. 848 crore in 2018-19. The Company has also achieved Profit Before Tax(PBT) of Rs. 265 Cr. against Rs. 210 crore in 2019-20 crore, registering 26% growth. The company has paid Rs. 64.02 crore as dividend during 2019-20.

3. During the year, GSL has delivered 1st Coast Guard Offshore Patrol Vessel (CGOPV) designed and built with 70% indigenization content to Indian Coast Guard. The Company has successfully completed refit of 03 Coast Guard ships, 01 Indian Navy vessel and 06 commercial vessels within timelines. The company has signed contracts for construction and supply of 02 nos. of 2000 LPG Cylinder Carrier Vessels for Union Territory of Lakshadweep Administration and 03 nos. of 7.5 Bollard Pull Tugs for Assam Inland Water Development Society.

4. **'Make-in-India' & Atmanirbhar Bharat initiatives:-** GSL has implemented various 'Make in India and Indigenization' policies and consistently progressing towards achieving self-reliance in key areas of shipbuilding technology. GSL has introduced Make-II Procedure in May 2019 to encourage Indigenous Design, Development and Manufacture (IDDM) of defence equipment/weapon systems. GSL has promulgated framework for placing long term orders for indigenization to address the challenges of development costs. GSL has successfully indigenized Gear Box, Steering Gear System, Fin Stabilizer System and various other equipment/ items for ongoing CGOPV project with assistance from local industries. Indigenization content in ongoing 05 CGOPV project has been increased to 72% from 60%.

5. GSL has implemented e-procurement system and majority of total requirement was processed through e-procurement. During the year 2019-20, about 90-95% of total requirement was procured through e-procurement.

6. In line with the Government policy of 'Skill Development', GSL has undertaken various initiatives for skilling students and instructors which include adoption of Industrial Training Institute(ITI), Vasco, building state-of-art Centre of Excellence for Welding, conducting Apprentice training programme etc.

7. Under Swachh Bharat Abhiyan, GSL carried out multiple cleanliness drives, supported 'Plastic Mukt Bharat campaign, celebrated 'Swachhta Hi Seva' and 'Swachh Bharat Pakhwada' by involving local community promoted tree plantation, provision of safe drinking water, construction/ renovation of toilet blocks for local community etc.

8. GSL has increased emphasis on identifying and implementing various Artificial Intelligence related use cases in GSL products and processes.

9. GSL has achieved a 'Very Good' MoU rating for FY 2018-19. GSL has also received / won Golden Peacock Award for Corporate Social Responsibility 2019; Award for Skill Development Initiative by Institute of Public Enterprise; 'Governance Now – 7th PSU Award' for CSR Commitment (Swachh Bharat) and Star Performer Award (Miscellaneous Transport Equipment & Parts, Large Enterprise Category)' by EEPC and 'Governance now 7th PSU Leadership Award'.

10. The Government is in agreement with the Report.

AUTHENTICATED

(SHRIPAD NAIK)
(श्रीपाद नाईक)
(SHRIPAD NAIK)
राज्य मंत्री (स्वतंत्र प्रभार) आयुष एवं रक्षा राज्य मंत्री
MoS (IC) AYUSH & MoS (Defence)
भारत सरकार/Govt. of India
नई दिल्ली/New Delhi

CONTENTS

Financial Highlights 02

Operational Performance for FY 2019-20 03

Contribution to Govt. Initiatives 04

Board of Directors 05

Corporate Management Committee 06

Corporate Objectives 07

Ten years at a Glance 08

Chairman's Address 11

Notice 20

Directors' Report 28

Secretarial Audit Report 99

Independent Auditors' Report 105

Comments of the Comptroller & Auditor General of India 114

Balance Sheet 115

Statement of Profit & Loss 116

Cash Flow Statement 117

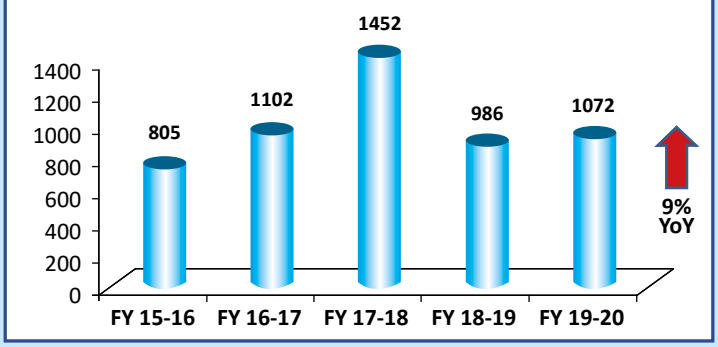
Statement of Changes in Equity 118

Statement of Significant Accounting Policies 119

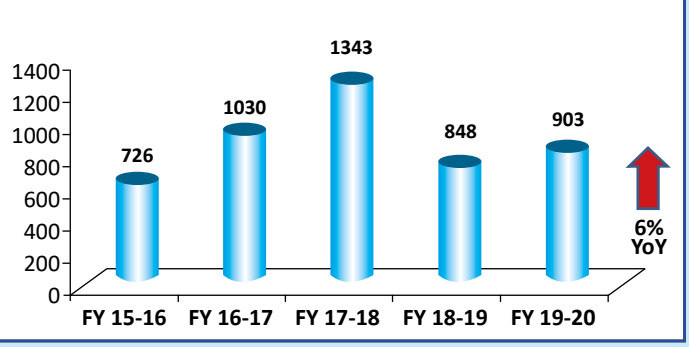
Notes to Accounts 133

FINANCIAL HIGHLIGHTS

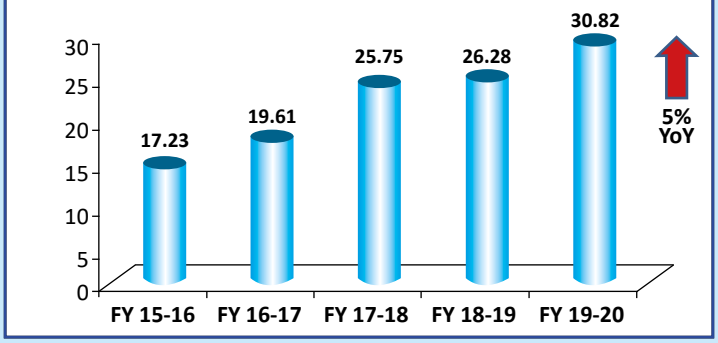
Gross Revenue (Rs in Cr)



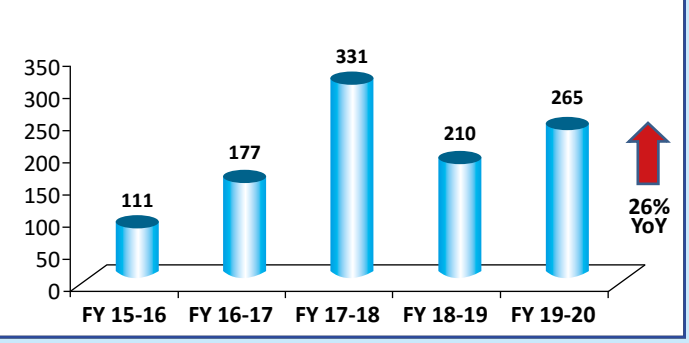
Value of Production (Rs in Cr)



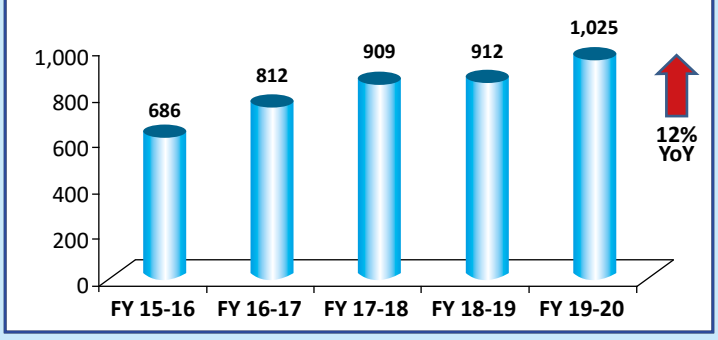
EBIDTA Margin (%)



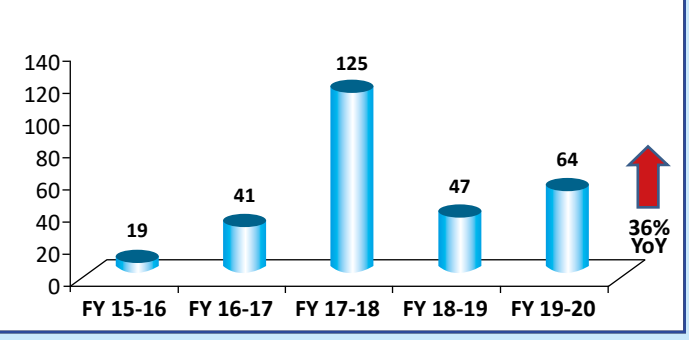
Profit Before Tax (Rs in Cr)



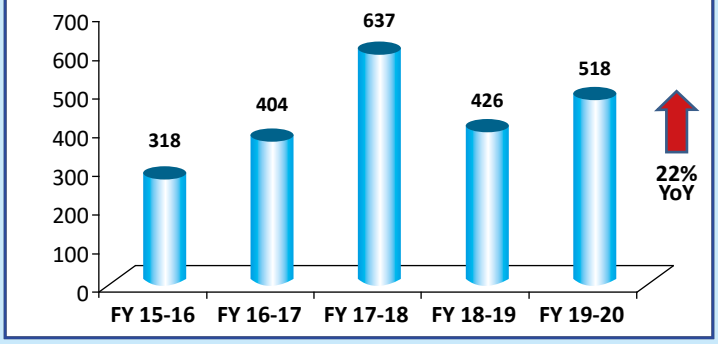
Net Worth (Rs in Cr)



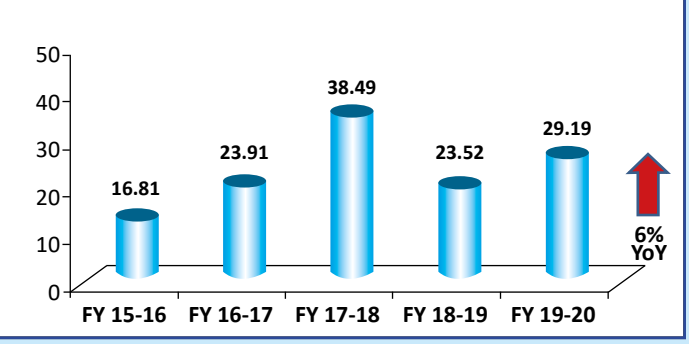
Dividend Payout (Rs in Cr)



Value Added (Rs in Cr)



Return on Average Capital Employed (%)



OPERATIONAL PERFORMANCE FOR FY 2019-20

Shipbuilding

CGOPV Project:

- Successfully delivered 1st Vessel on 24 Feb 2020, with over 70% indigenous content.
- Successfully launched 3rd Vessel on 14 Nov 2019.
- Focusing on launching of 5th, the last vessel of the series and delivery of the balance 04 vessels during FY 2020-21.
- Successfully indigenised Gear Box, a major component of the propulsion system, which is a major success in import substitution.

P1135.6 Frigate Project:

- Significant progress has been made towards preparatory activities; and technical design process by the Russian Side.

Ship Repairs

- Successfully completed refit activities of 10 vessels, including 01 Naval Ship and 03 Coast Guard Ships.

General Engineering Services

- Working towards delivery of River Passenger Ferry to U.P. Rajkiya Nirman Nigam Limited.
- Signed contracts for construction and supply of 02 nos. of 2000 LPG Cylinder Carrier Vessels for Union Territory of Lakshadweep Administration and 03 nos. of 7.5 Bollard Pull Tugs for Assam Inland Water Development Society. Preparatory activities are underway.
- Contract finalization for Damage Control Training Facility at Port Blair for Indian Navy is underway.

GSL on growth trajectory

- Healthy Order Book Position of Rs 14610 Cr as on 31 Mar 2020.
- 1st vessel of 05 CGOPV Project, 'ICGS Sachet' was e-commissioned by Shri Rajnath Singh, Hon'ble RM on 15 May 2020.
- 4th vessel of CGOPV Project was launched on 13 Aug 2020 through digital platform during COVID-19 lockdown.
- Defying all challenges, the Yard carried out the first plate cutting for the Frigate Project on 21 Sep 2020 and effectually commenced the production of the Frigate Project.
- Construction activities of Frigate Project are likely to peak from next year onwards.
- Emerged lowest bidder for construction of 02 Pollution Control Vessels for ICG.
- Bidding aggressively for upcoming projects of the Indian Navy & Indian Coast Guard viz. ACV, NGMV, NGOPV, MPV, etc.
- Export orders to friendly nations are near finalisation.
- The Company's Infrastructure Augmentation Plan is nearing completion, which will enhance the shipbuilding capacity of the Yard.

Contribution to Govt. Initiatives

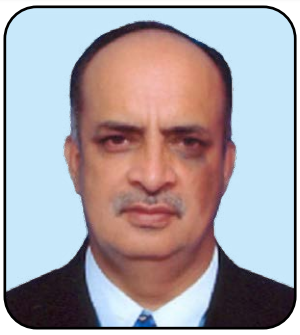
Make in India & Atmanirbhar Bharat Initiatives

- Implemented various 'Make in India and Indigenisation' policies and consistently progressing towards achieving self-reliance in key areas of shipbuilding technology.
- Introduced Make-II Procedure in May 2019 to encourage Indigenous Design, Development and Manufacture (IDDM) of defence equipment/weapon systems.
- Promulgated Framework for Placing Long-Term Orders for Indigenisation.
- Successfully indigenised Gear Box, Steering Gear System, Fin Stabilizer System and various other equipment / items for ongoing CGOPV Project with assistance from local industries.
- Implemented e-procurement system and majority of total requirement was processed through e-procurement.
- Indigenisation content in ongoing 05 CGOPV Project has been increased to 72% from 60% indigenization achieved in 06 CGOPV Project completed in Oct 2017.
- Equipment fit for **ongoing P1135.6 Frigate** Project at GSL is scheduled to have a **fairly large indigenous component**.
- **'Make-in-India'** Cell established, with Nodal Officers nominated in respective disciplines.
- Continuous impetus on procurement of commonly used goods through **GeM portal**.
- Adopted **TReDS platform** for ensure timely payment **to MSEs**. Instituted payment of advance to MSEs against security.
- Adopted **'Startup Policy'** with a view to encourage Startups by relaxing norms.
- Created provision in GSL Procurement Manual for payment through Inland Letter of Credit to domestic vendors.

Other Government programmes

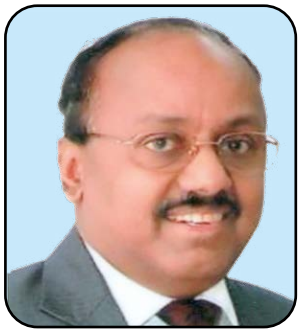
- **Skill Development programme**: Instituted various initiatives such as adoption of Vasco ITI, building state-of-the-art Centre of Excellence for Welding, conducting Apprentice training program, etc.
- **Swachh Bharat Campaign**: Carried out multiple cleanliness drives, supported "Plastic Mukt Bharat" campaign, celebrated "Swachhta Hi Seva" and "Swachh Bharat Pakhwada" by involving local community, promoted Tree Plantation, provision of safe drinking water, construction/ renovation of toilet blocks for local community, etc.
- **Intellectual Property Rights**: Increased focus towards generation of in-house IPR has resulted in filing of 20 IP applications and imparting of awareness training to more than 250 employees during FY 2019-20.
- **Artificial Intelligence**: Increased emphasis on identifying and implementing various AI related use cases in GSL products and processes.

BOARD OF DIRECTORS



Cmde B. B. Nagpal, NM, IN (Retd)
Chairman & Managing Director

Smt Richa Misra
Govt. Nominee Director



Shri K. Mohandas
Independent Director
(Upto 06.01.2020)

Late Shri V. Nagaraj
Independent Director
(Upto 25.09.2020)

Shri T. N. Sudhakar
Director (Finance)

Capt. Jagmohan, IN (Retd)
Director (CPP&BD)
(w.e.f. 15.12.2019)

Shri B. K. Upadhyay
Director (Operations)
(w.e.f. 01.09.2020)

Shri S. J. Kamat
Director (Operations)
(Upto 31.08.2020)

Statutory Auditors
ABM & Associates LLP
Chartered Accountants
Porvorim - Goa

Company Secretary
Smt Chhaya Jain

Cost Auditor
M/s S R Bhargave & Co,
Cost Accountants
Pune, Maharashtra

Secretarial Auditor
CS Shweta Kharangate
Practicing Company Secretary
Vasco-da-Gama, Goa - 403 802

Registered Office
Vaddem House,
Vasco-da-Gama, Goa

Bankers
Vasco-da-Gama, Goa
* State Bank of India
* Canara Bank
* Bank of Maharashtra
* Union Bank of India
* ICICI Bank

Name	Designation
Cmde B.B. Nagpal, IN (Retd.)	Chairman & Managing Director
Shri T. N. Sudhakar	Director (Finance)
Capt Jagmohan, IN (Retd.)	Director (CPP&BD)
Shri Brajesh Kumar Upadhyay	Director (Operations)
Shri Mahesh Chandra, IRSS(88) CVO, MDSL	Chief Vigilance Officer (Addl. charge w.e.f. 01.12.2019)
Shri Mahesh G. Malkarnekar	Chief General Manager (Tech. Services)
Shri A. V. Raviprakash	Chief General Manager (Commercial & OS)
Shri John K. James	Chief General Manager (Production)
Shri Sunil S. Bagi	General Manager (Finance)
Shri Rajeev G. Vaidya	General Manager (GES & SR)
Shri Manoranjan Khuntia	General Manager (HR & Admin.)
Shri Thomas Verghese	General Manager (Design & R&D)
Shri Narasinh Krishna Kulkarni	General Manager (Commercial-Projects)
Cmdt Sunil Maneshinde, (Retd.)	General Manager (Planning)
Shri Clifford A. Pereira	General Manager (Production)
Shri Somnath Sarkar	Addl. General Manager (QA&R)
Shri Sunil Prasad Yadav	Addl. General Manager (Vigilance)
Shri Devanand S. Patekar	Addl. General Manager (FPG & TS)
Shri Anand B. Murshilli	Addl. General Manager (Internal Audit)
Shri Kishor M. Samant	Addl. General Manager (Legal)
Maj H.R. Madhusudhan, (Retd.)	Addl. General Manager (Admin.)
Smt Chhaya Jain	Addl. General Manager (CS)
Shri Nitendra G. Naik Adpaikar	Addl. General Manager (Modernisation)
Dr. Vedpal S. Tari	Dy. General Manager (Medical)
Shri Bikram	Dy. Commandant - CISF
Cdr M. Harikrishnan, (Retd.)	TA to CMD (DGM) - Member Secretary

Production & Utilisation of Resources:

1. To design and build sophisticated ships for Navy and Coast Guard organisations with the aim of achieving self-sufficiency in this vital technology.
2. To build commercial vessels like Offshore Supply Vessels, Oceanographic & Coastal Research Vessels, Fishing Vessels, Dredges, Tugs, etc.
3. To carry out shiprepairs.
4. To promote use of indigenous equipment such as computers, radar, communication equipment, auxiliary machinery, electrical fittings and domestic equipment.
5. To substitute gradually indigenous equipment in place of imported equipment.

Social Objectives:

6. To help build up a strong industrial base through development of ancillaries.
7. Encourage Scheduled Caste/Tribe persons by giving them preference in employment in the Company and in the promotion of SC/ST employees as specified by the Government.
8. To ensure that the ecological balance is not disturbed due to industrialisation, through pollution control, wherever required.
9. To reinforce Government's efforts in promoting social justice to the people at large by formulating corporate policies on employment, welfare, workers' participation, consistent with the Government's policies. Promote use of Hindi as a medium of communication.

Export Promotion & Import Substitution:

10. Earn foreign exchange through ship building and ship repair.

Employee Relations & Welfare:

11. To improve productivity by harmonious industrial relations.
12. Promote welfare activities to raise morale of the employees.
13. Promote development of managerial and technical skills of the Company's employees through development programmes and technical training. Provide training to a large number of apprentices for absorption in the Company's own unit and in other industries.
14. To improve standards of safety with the help of a sound safety organisation and training personnel at all levels in safety so as to reduce accidents and loss of manhours.

Raise Productivity by R&D and Quality Control:

15. Maintain high standard of quality through strict quality control measures to the fullest satisfaction of the customer and to build up an image of the Company.
16. Make sustained efforts for self-reliance through continuous R&D on extensive basis and develop viable design capability.
17. Generation and maximization of internal financial resources for enhancing growth and maximization of the return on investment.
18. Enhancement of the Company's share in total industrial output.

TEN YEARS AT A GLANCE

(Rupees in lakhs)

Sl. No.	FINANCIAL RESULTS	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
		1	2	3	4	5	6	7	8	9	10
A	**OPERATING RESULTS**										
1	Gross Revenue	107,176	98,629	145,246	110,236	80,452	68,077	55,252	56,422	72,288	102,739
2	Value of Production	90,294	84,780	134,267	103,020	72,596	56,955	50,890	50,662	67,643	99,032
3	Revenue from Operations	93,127	90,561	137,343	105,545	76,233	57,551	51,163	50,870	68,162	99,102
4	Operating Profit	12,443	12,980	25,151	13,054	6,851	1,525	(2,857)	(2,940)	8,629	22,842
5	Profit Before Tax and Exceptional Items	26,492	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612	12,603	26,479
6	Provision for Tax	6,714	7,895	11,321	6,005	4,841	(2,507)	(170)	1,062	4,327	8,866
7	Profit After Tax	19,777	13,152	21,733	11,740	6,229	7,824	(6,109)	1,550	8,276	17,613
8	EBIDTA	33,034	25,915	37,394	21,619	13,865	6,288	(2,510)	6,853	15,937	27,861
9	EBIT	28,281	21,417	33,133	17,924	11,175	5,390	(4,237)	5,036	14,309	27,010
10	Value Added	51,812	42,625	63,734	40,359	31,800	19,825	15,059	19,639	27,523	40,615
B	**FINANCIAL POSITION**										
1	Equity Share Capital	5,820	5,820	5,820	5,820	2,910	2,910	2,910	2,910	2,910	2,910
2	Reserve & Surplus	96,747	85,412	85,090	75,440	65,776	59,011	55,527	61,143	60,273	54,001
3	Borrowings	-	-	-	-	-	2,377	2,659	1,728	1,129	1,175
4	Property, Plant and Equipment (Gross Block)	107,536	90,580	88,780	86,741	57,785	15,710	44,184	43,920	42,057	41,648
5	Property, Plant and Equipment (Net Block)	74,265	61,969	64,429	65,650	40,116	6,890	32,428	33,802	33,741	34,940
6	Capital Work-in-Progress	23,680	26,371	17,221	7,403	23,321	14,304	10,423	1,348	7,242	1,088
7	Capital Employed	102,567	91,232	90,910	81,261	68,686	64,298	61,096	65,781	64,312	58,086
8	Net Worth	102,524	91,190	90,867	81,218	68,643	61,921	58,437	64,053	63,184	56,911
C	**RATIOS & OTHER FINANCIAL INFORMATION**										
1	Profit After Tax : Net Worth	19.29	14.42	23.92	14.46	9.07	12.64	(10.45)	2.42	13.10	30.95
2	EBIDTA Margin (%)	30.82	26.28	25.75	19.61	17.23	9.24	(4.54)	12.15	22.05	27.12
3	Return on Average Net Worth (RONW) (%)	20.42	14.45	25.26	15.67	9.54	13.00	(9.97)	2.44	13.78	35.10
4	Return on Average Capital Employed (ROCE) (%)	29.19	23.52	38.49	23.91	16.81	8.60	(6.68)	7.74	23.38	52.58
5	Face Value per share (Fully Paid-up) (Rs.)	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
6	Dividend per share (%)	110	80	215	70	64	54	-	20	59	122
7	Dividend Payout (Rs. in lakh)	6,402	4,656	12,513	4,074	1,862	1,571	-	582	1,717	3,550
8	Value Added per employee (Rs. in lakh)	35.20	26.57	38.79	24.39	19.81	12.64	9.75	12.26	17.16	24.36
9	Number of Employees (Nos)	1472	1604	1643	1655	1605	1568	1545	1602	1604	1667

GLIMPSE OF DEFEXPO 2020

Hon'ble Raksha Mantri Shri Rajnath Singh visit to GSL Pavilion

Visit of Hon'ble Raksha Rajya Mantri Shri Shripad Y Naik to GSL Pavilion

Gen Bipin Rawat, Chief of Defence Services at GSL Pavilion

Gen Manoj M Naravane, Chief of Army Staff

DG K. Natarajan, Director General Coast Guard

VAdm G S Pabby, the then Chief of Materiel, IN

Lt Gen P C Thimmaya, GoC-in-C Indian Army

Signing of MoU with L&T

Seychelles delegation visit to GSL Pavilion

Visit of Bangladesh delegation

Visit of Egyptian delegation

Visit of UAE delegation to GSL Pavilion

VISIT OF DIGNITARIES TO GSL

Visit of Admiral Karambir Singh, Chief of Naval Staff on 03 Oct 2019

VAdm S R Sarma, CWP&A visited GSL on 05 Mar 2020 and reviewed progress of P1135.6 follow-on ships

Visit of Lt Gen Sanjay Chauhan, DG DGQA and RAdm A George, ADGQA (WP) visited GSL on 17 Jan 2020

VAdm A K Saxena (Retd), the then CWP&A inaugurated Warship Overseas Team office on 18 Oct 2019

Smt. Nidhi Chibber, IAS, JS&AM (MS), MoD visited GSL on 30 Sep to 01 Oct 2019 and inaugurated GSL Transit Hostel at Chicalim

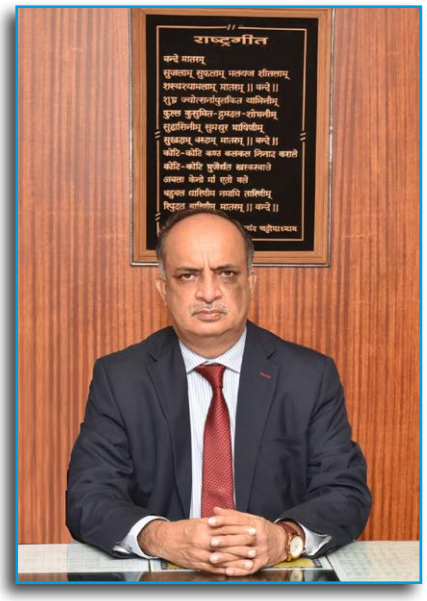
Visit of Shri S K Goyal, Advisor, MoU on 03 Aug 2019

Visit of Korean Ambassador on 26 Dec 2019

Visit of Royal Navy of Saudi Arabia on 11 Nov 2019

CHAIRMAN'S ADDRESS AT THE 54TH AGM ON 30TH SEPTEMBER, 2020

Ladies & Gentlemen,



It gives me immense pleasure to welcome you all to this 54th Annual General Meeting of the Company. This is the second year I am addressing you as Chairman and Managing Director of your Company and I take it as my proud privilege and honour to address you on this occasion. This is the first AGM in the history of GSL to be held through video conferencing due to prevailing unprecedented circumstances of COVID-19 pandemic. I thank all of you for joining in for the meeting. I am delighted to present to you the performance highlights of Goa Shipyard Limited for the financial year 2019-20 and the future outlook for the Company. The Annual Report for the FY 2019-20 was sent to all members on 08 Sep 2020. I hope you have perused the same.

SHIPBUILDING INDUSTRY

1. India being one of the biggest military powers in the world with third largest defence budget allocation and second largest in defence imports making upto 9.2% of global arm import. In order to achieve self-reliance, the Government is focussing on indigenous defence manufacturing through 'Make in India' and 'Atmanirbhar Bharat' initiatives. For achieving this aim, the Government has recently announced embargo on import of 101 items beyond the given timelines. Slew of Govt. initiatives such as Make-II procedure, Purchase Preference Policy, Strategic Partnership model, liberalisation of FDI norms, development of Defence Corridors, export target of $ 5 billion by 2025, setting up of Defence Innovation Organisation, etc. have promoted indigenous manufacturing and further assist in strengthening the defence industry ecosystem in India.

2. Greater thrust of the Government on modernisation of the defence equipment, access to the most sophisticated defence technologies and prioritisation of defence acquisitions augurs well for the Indian shipbuilding industry. The expansion plan of maritime forces is expected to provide a spurt in the indigenous shipbuilding arena and give a fillip to the growth of ancillary industries. This is an opportune time to embark upon a new phase of self-reliance in the sector by manufacturing technologically advanced marine equipment within India. With experience spanning six decades in constructing defence platforms, your Company is well positioned to leverage this strategic shift and is proactively responding to the strong defence capex outlay programmes.

OPERATIONAL PERFORMANCE

Execution of Shipbuilding & other projects

3. The ongoing 05 Offshore Patrol Vessel (CGOPV) Project of Indian Coast Guard is progressing well. The 1st vessel of the series was delivered on 24 Feb 2020 with over 70% indigenous content including Gear Box, a major component of the propulsion system. This delivery was the 26th successive delivery of ships by your Company within the contracted delivery schedule and thus, further consolidating our record of on-time deliveries of quality ships.

4. The 3rd vessel (Yd 1235) of the series was successfully launched on 14 Nov 2019 in the august presence of Hon'ble Raksha Rajya Mantri Shri Shripad Yesso Naik. Though the project was affected due to COVID-19 since Mar 2020, the Company has taken extensive measures to ensure continuation of Project activities. As a result, the Company was able to launch 4th vessel (Yd 1236) on 13 Aug 2020 through digital platform. The Company is now focusing on launch of the 5th and last vessel of CGOPV Project and delivery of 03 CGOPVs during FY 2020-21.

Launching of 4th vessel (Yd 1236) on 13 Aug 2020 through digital platform by Smt Veena Ajay Kumar, wife of Shri Ajay Kumar, Defence Secretary

5. The P1135.6 Advanced Frigate Project is a high value project with immense strategic value for the nation and thus, for your Company also. It will catapult GSL at par with leading shipyards in India and provide an ecosystem for creating complex and advanced platforms indigenously to cater to security requirements of the nation. The preparatory activities including procurement process for majority of the critical equipment with high lead time are in full swing and progressing as per Project schedule. Requisite training and certification of personnel for initial manufacturing requirements has been successfully completed. Defying all challenges, the Yard carried out the first plate cutting for the Frigate Project on 21 Sep 2020 and thus, effectually commenced the production of the Frigate Project. Your Company remains committed to its on-time delivery.

First plate cutting for the Frigate Project on 21 Sep 2020 through digital platform by VAdm G. Ashok Kumar, VCNS

6. The Yard is responding to various RFPs issued by MoD for maritime requirements of the nation and recently won the competitive bid for construction of 02 Pollution Control Vessels with in-house design for Indian Coast Guard. Contract finalisation is currently in progress.

7. Another major import substitute project for construction of advanced vessels with Composite / GRP hull is on the anvil, process for which is presently being progressed with the Govt. The Company is ready with a unique state-of-the-art advanced composite fabrication infrastructure for the same. In order to utilize this newly completed facility during the interim period till finalisation of the contract, the Company is contemplating various works in the field of composite manufacturing using FRP/GRP and other composite materials.

Ship Repairs and General Engineering Services

8. During the year, the Company successfully completed refit activities of 03 Coast Guard ships, 01 Indian Navy vessel and 06 commercial vessels, within contractual timelines. Your Yard completed refit of 04 more vessels post FY 2019-20, and 05 vessels are currently under refit. GSL has set up a liaison office in Karwar, Karnataka in order to proactively pursue various ship repair opportunities.

9. River Passenger Ferry for U.P. Rajkiya Nirman Nigam Limited is ready for delivery while work on allied services and amenities at Varanasi have been progressing. Since the last AGM, your Company has signed contracts for construction and supply of 02 nos. of 2000 LPG Cylinder Carrier Vessels for the Union Territory of Lakshadweep Administration (UTLA), 03 nos. of 7.5 Bollard Pull Tugs for Assam Inland Water Development Society (AIWTDS) and Damage Control Training Facility at Port Blair for Indian Navy. The execution of these Projects is underway and the Company is working towards the delivery of these vessels as per schedule.

10. The techno-commercial offer was submitted to MoD for construction of 12 Air Cushion Vessels (ACVs), 6 each for Indian Coast Guard and Indian Army, in technical collaboration with M/s Griffon Hovercrafts Ltd, UK. The Yard is exploring opportunities of supplying boats with advanced features to various Govt. organisations, Indian Navy and other armed forces.

COVID-19 PANDEMIC

11. The world is witnessing challenging times as the global economy is engulfed in a health crisis. The continuous spread of novel coronavirus has shaken the world economy and triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The countries across the globe are grappling to curb the cascading effects of the global pandemic.

12. In response to COVID-19 lockdown orders by the Central and State Governments for preventing the spread of COVID-19 pandemic, your Yard had suspended all activities except essential services, for more than 40 days. Construction activities were resumed from 04 May 2020 in a phased manner with staggered manpower deployment, factoring in various guidelines and advisories issued by the Central and State Governments. GSL has formulated detailed standard operating procedures for compliance by all concerned for containing the spread of coronavirus. GSL contributed Rs 1.25 Cr to PM Cares Fund and Rs 50 Lakh to Goa State COVID-19 Relief Account towards relief activities. The Company also donated Advance Life Saving Ambulance for Goa Police, medical equipment to local hospitals in Goa and PPE kits & face masks worth Rs 14.28 Lakh approx. to local administration and Goa Police. All the employees of GSL contributed one day's salary to PM Cares Fund.

13. The dynamics of this situation made it difficult to fully assess the risk impact on the future business outlook of the Company. The Company is presently executing projects with longer gestation and hence mitigation plans have been formulated accordingly to ensure project continuity amidst COVID-19 restrictions. The financial impact for FY 2019-20 has been assessed at Rs 6.09 Cr. The Government has granted four months extension under Force Majeure for all existing capital acquisition contracts with Indian vendors. The Yard is making all out efforts to minimise the adverse effects on project execution and hopes to tide over the situation with positive support from the customers and Government.

FINANCIAL PERFORMANCE 2019-20

14. I am glad to state that your Company posted a successful year of performance putting forth the impressive results despite a host of disturbances and disruption in construction activities owing to the unprecedented COVID-19 pandemic lockdown. Against all odds, the Company achieved Gross Revenue of Rs 1072 Cr as against Rs 986 Cr in the previous year and Value of Production ('VoP') of Rs 903 Cr in FY 2019-20 as compared to Rs 848 Cr achieved in FY 2018-19. In the year under review, the Company earned Profit before Tax ('PBT') of Rs 265 Cr as against Rs 210 Cr in the previous year, registering a growth of 26%. Profit after Tax ('PAT') also increased by 50% to Rs 198 Cr from Rs 132 Cr in the previous year. The Net Worth of the Company as on 31 Mar 2020 stood at Rs 1025 Cr, which is an all-time high in the 60 years of Company's history.

15. As on 31 Mar 2020, the net value of the work to be executed against orders received for Ship Construction, Ship Repair/Refit work and General Engineering Services amounted to Rs 14610 Cr (approx).

DIVIDEND & CONTRIBUTION TO EXCHEQUER

16. The Board of Directors are pleased to recommend a final dividend of Rs 1.00 per equity share of Rs 5.00 each i.e. 20% of the Paid-up Share Capital for FY 2019-20. The total outgo for final dividend works out to Rs 11.64 Cr. This is in addition to the Interim Dividend paid by the Company at Rs 4.50 per equity share of Rs 5.00 each, being 90% of the Paid-up Share Capital during the FY 2019-20.

17. Thus, total dividend for FY 2019-20 will be Rs 5.50 per equity share being 110% on Paid-up Share Capital and total outgo will be Rs 64.02 Cr (Previous year 80% of Paid-up Share Capital equal to Rs 46.56 Cr).

18. For the financial year 2019-20, the Company contributed a sum of Rs 124.66 Cr to the Exchequer towards various taxes such as GST, Income Tax and other taxes.

MOU RATING

19. Your Company achieved a 'Very Good' MoU Rating for FY 2018-19 vis-à-vis revised MoU targets and parameters as per the Memorandum of Understanding signed with the Government. For FY 2019-20, on Self Evaluation, the Company's MoU performance achieved 'Excellent' rating, which is subject to evaluation and confirmation by Department of Public Enterprises.

EXPORT INITIATIVES

20. The Company is making all out efforts to contribute to the Make in India and Make for the World movement through its various initiatives and global marketing strategies. GSL is striving to get a foothold in South East Asia, Middle East, Africa and Latin America through development of specialized vessels.

21. Case for procurement of 03 projects i.e. Landing Ship Tank, Training Ship and Ship Design & Construction Centre, from the Company under Line of Credit, is under active consideration of the Nigerian Govt. Efforts are also being made to export GSL products to potential friendly countries such as Mauritius, Bangladesh, Sri Lanka, Portugal, Vietnam, Comoros, etc. The Company is also pursuing with the respective Embassies / Ministry / Government / Departments for conclusion of contracts of the aforesaid projects.

Signing of MoU on 15 Feb 2020 with ENP, Portugal in presence of the Hon'ble President of Portugal Marcelo Rebelo de Sousa & Hon'ble CM of Goa, Shri Pramod Sawant

FUTURE PROSPECTS

22. In pursuit to maintain consistent and steady growth, your Company is focusing on new emerging business opportunities and targeting upcoming & likely projects of the Indian Navy, Indian Coast Guard and other departments of GoI and commercial shipbuilding. The Company endeavours to grow in each of its verticals by expanding its product profile aligning with the market requirements.

23. Having achieved substantial self-reliance in mid-sized ships, your Company is relentlessly working towards building capability and expertise for advanced and weapon intensive platforms such as Frigates, Corvettes, Missile Boats, etc. The Company also aims to imbibe emerging technologies in Artificial Intelligence and advanced weapon & sensors in shipbuilding. This adaption will transform the operational capabilities of the Yard and propel strong & sustainable growth.

24. Considering the healthy order book position and expected orders, the future outlook of the Company is very bright.

ATMANIRBHAR BHARAT - INDIGENISATION AND MAKE IN INDIA INITIATIVES

25. Your Company is committed to the success of the 'Make in India' programme and has implemented various policies promulgated by the Government. During the year, GSL has introduced Make-II Procedure to encourage indigenous design development and manufacture (IDDM) of defence equipment / weapon systems as per MoD directives. The Company has also promulgated Framework for Placing Long Term Orders for Indigenisation to address the challenges of development costs.

26. The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenisation in key areas of shipbuilding technology. The Company has successfully indigenised Gear Box, Steering Gear System, Fin Stabilizer System and various other equipment / items for ongoing 05 CGOPV Project with assistance from local industries. As a result, considerable cost reduction, saving of valuable foreign exchange and procuring import substitute assemblies have been achieved. The percentage of overall indigenous content on the ongoing 05 CGOPV Project has increased to 70% in comparison to 60% on the previous 06 CGOPV Project. The enhanced indigenisation of critical machinery has in fact reinforced the trust of our esteemed customers in the shipbuilding capability of GSL.

Successful Indigenisation of Gear Box for ongoing CGOPV Project

27. Compared to the 02 ships of frigate class being constructed at Russia, equipment fit for the ongoing P1135.6 Frigate Project at GSL are scheduled to have a fairly large indigenous components, including major equipment and weapons & sensors. Complex process of indigenisation of these systems has been initiated.

INFRASTRUCTURE MODERNISATION

28. The Infrastructure Modernisation programme at GSL is being executed in five phases out of which works on Phase 1, 2 & 3A have been completed. MCMV Complex, part of Phase 4, was inaugurated on 08 Jul 2020 by Hon'ble Secretary (DP) Shri Raj Kumar, IAS through video conferencing. As part of Phase 3B, state-of-the-art Steel Preparation Shop, for utilization in plate/stiffener cutting and forming operations, has been inaugurated through digital platform by Hon'ble Raksha Mantri Shri Rajnath Singh during the Atmanirbhar Bharat Week.

Inauguration of MCMV Complex on 08 Jul 2020 by Hon'ble Secretary (DP) Shri Raj Kumar, IAS through video conferencing

Inauguration of New SPS Facility on 10 Aug 2020 through digital platform by Hon'ble Raksha Mantri Shri Rajnath Singh

RESEARCH & DEVELOPMENT/TECHNOLOGY ABSORPTION

29. Your Company aims to be at the forefront with cutting edge technology and innovation to provide reliable and robust platforms. Your Company has been recognized as an **In-house R&D unit** by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research. The state-of-the-art in-house capability has been optimally utilised for design of various shipbuilding programs including ongoing 05 CGOPV Project, where the entire design has been done in-house and appreciated at various forums.

30. The process of customisation of the design of P1135.6 Frigate Project to cater for indigenised equipment has commenced at Russian Side and during this process, the Shipyard is getting valuable exposure to the cutting-edge design technology. This technological leap will equip the Shipyard with necessary expertise and know-how for in-house design and development of complex and advanced weapon intensive platforms in future.

INDUSTRY 4.0 AND ARTIFICIAL INTELLIGENCE INITIATIVES

31. Use of new technologies, such as autonomous vessels, artificial intelligence (AI), Industry 4.0 technologies and automation are the key drivers of the shipbuilding market across the globe. Recognising the importance of AI and its ability to drive transformational change, a dedicated team has been constituted at GSL. This team is constantly developing a roadmap for AI for identifying and successfully implementing various AI related use cases in GSL products and processes. GSL has already completed three AI enabled projects - Condition Monitoring System (CMS) for Shipboard equipment (Main Engines), Face Recognition & Geo-Fencing Security System and Vehicle Authentication System.

Signing of MoU with IIT-Goa on 14 Aug 2020 to tie-up for incorporation of AI capabilities

IMPLEMENTATION OF GOVERNMENT PROGRAMS

32. GSL has been frontrunner in implementing various flagship programs of the Government such as consistent thrust on procurement from MSEs, foster invention, innovation and IPR culture, promotion of startups, incubation centres, etc. During the year, the Company achieved 60% of procurement from MSE Vendors, much higher than the revised mandatory target of 25%. Increased focus towards generation of in-house IPR has resulted in filing of 20 IP applications and imparting of awareness training to more than 250 employees during FY 2019-20. Your Company has undertaken two pilot projects with startups and provided support to incubation centre for AI enabled advance technology projects relevant to shipbuilding industry.

33. Your Company has also been instrumental in implementing 'Skill Development programme' through initiatives such as adoption of Vasco ITI, building state-of-the-art Centre of Excellence for Welding, conducting Apprentice training program, etc. Your Company has continued to spearhead Government's

'Swachh Bharat Campaign' by carrying out multiple cleanliness drives, supporting 'Plastic Mukt Bharat' campaign, promoting Tree Plantation, provisioning of safe drinking water, constructing & renovating toilets, etc.

NATIONAL RECOGNITION / AWARDS

34. Continuing the past trend, GSL has won several awards and accolades this year as well, notable among them being Golden Peacock Award for Corporate Social Responsibility 2019; Award for Skill Development Initiative by Institute of Public Enterprise; Governance Now 7th PSU Award for CSR Commitment (Swachh Bharat) and Star Performer Award (Miscellaneous Transport Equipment & Parts, Large Enterprise Category) by EEPC. In addition, I am also humbled to receive the 'Governance Now 7th PSU Leadership Award'.

CORPORATE GOVERNANCE

35. Your Company takes pride in constantly adopting and maintaining the highest standards of ethics and transparency in all spheres of business activities. The Company has regularly complied with the guidelines on Corporate Governance for CPSEs issued by DPE. As per the Annual Grading Report on Corporate Governance for the year 2019-20, the Company has achieved **'Excellent' grading**.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

36. Your Company has always been liberally discharging its Corporate Social Responsibility (CSR) commitments over the years for which it has defined a range of broad objectives in the social domain. During the year, the Company has implemented 40 activities under its CSR and Sustainability initiatives primarily in the areas of Healthcare, Education, Skill Development and Swachh Bharat. Continuing its past trend, the Company has spent much higher amount on CSR than the statutory prescribed, which indicates its strong commitment for social development of the community in and around Goa.

HUMAN RESOURCE DEVELOPMENT

37. Your Company believes that people are the basic building blocks of a business organisation and places unrelenting emphasis on nurturing, retaining and developing talent at all levels. Structured professional and leadership development programmes, various reward schemes as well as conducive work environment and mentoring at various levels are provided to enable them to embrace new management techniques, which are the focus areas of HR initiatives of your Company.

38. The Medical department of the Company strives to provide a health consciousness amongst the employees and towards this, has implemented various healthcare measures such as family polyclinic, in-house diagnostic facility, preventive health check-ups, First Aid training programmes, etc. Many health awareness programmes were conducted to educate the employees on various diseases and preventive measures to be taken. COVID-19 awareness session and control measures were initiated and Personal Protective Equipment (PPE) kits were issued to all employees.

39. The Company has always laid topmost priority in integrating safety with business operations. The Company has been carrying out regular Safety Training and Awareness Programmes for its employees and contract workers and has implemented stringent regulations for Personal Safety and use of PPE and compliance to various work permits.

INDUSTRIAL RELATIONS

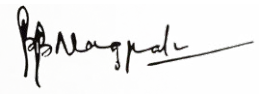
40. Our employees are our greatest asset. Our core strength comes from the diverse background and experience of our staff who extend wholehearted support and work in perfect synergy with the management to improve the productivity and to meet the delivery schedules. The Company strives to maintain harmonious and cordial industrial relations with the workforce and the Yard continued to work peacefully throughout the year.

APPRECIATION

41. We are operating in a rapidly changing world where exponential advancement in automation, machine learning and artificial intelligence are transforming industries and business processes. GSL is well poised to harness these technological reforms for optimization of processes, resources and systems. The Company continues to improve and evolve consistently to benefit from the anticipated acceleration in the growth trajectory whilst simultaneously making a meaningful contribution to the Government's vision for self-reliant and Atmanirbhar Bharat.

42. As I conclude, I wish to express my sincere gratitude to the Ministry of Defence, Central and State Government Authorities and Indian Navy & Indian Coast Guard Authorities and the Customers for their unstinted support and valuable guidance. I would also like to place on record my wholehearted appreciation to the Board of Directors for their harmonious support and contribution in propelling this Yard forward. I acknowledge the unwavering support and untiring efforts put in by all the employees of the Company for its continued progress. I am sure that with the continued support and encouragement from all stakeholders, the Company shall achieve new heights in all spheres of its activities.

Jai Hind



Cmde B. B. Nagpal, NM, IN (Retd)
Chairman & Managing Director

Note: This does not purport to be a record of the proceedings of the 54th Annual General Meeting.

NOTICE OF 54TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Members of Goa Shipyard Limited will be held on Wednesday, 30th September, 2020 at 1600 hrs IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year 2019-20.

3. To fix the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to Section 142 of the Companies Act, 2013 ('the Act') and Article 174 of the Articles of Association of the Company, the remuneration of Auditors to be appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act for the financial year 2020-21 be fixed at Rs 3,00,000/- plus GST and out of pocket expenses at actual plus applicable taxes, if any."

SPECIAL BUSINESS

4. To appoint Capt. Jagmohan as Director (Corporate Planning, Project & Business Development) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the appointment of Capt. Jagmohan (DIN - 08630668), as Director (Corporate Planning, Project & Business Development) of the Company with effect from 15th December, 2019 (AN) on the terms and conditions as stipulated by the Government of India, be and is hereby approved."

5. To appoint Shri Brajesh Kumar Upadhyay as Director (Operations) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the appointment of Shri Brajesh Kumar Upadhyay (DIN - 08852107) as Director (Operations) of the Company with effect from 1st September, 2020 (AN) on the terms and conditions as stipulated by the Government of India, be and is hereby approved."

6. To ratify the remuneration payable to the Cost Auditor for the financial year 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs 1,50,000/- plus applicable GST and out of pocket expenses at actual (maximum upto Rs 50,000/-) plus applicable GST payable to M/s S R Bhargave & Co, Cost Accountants, Pune, Maharashtra who was appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2020-21 be and is hereby ratified."

By Order of the Board

Place: Vasco da Gama, Goa
Date: 5th September, 2020

Chhaya Jain
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') has allowed the companies to conduct the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the members at a common venue. Hence, in accordance with MCA Circulars and provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act relating to Special Business to be transacted at the meeting is annexed hereto.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Since the AGM is being held in accordance with MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with and accordingly, the facility for appointment of proxies by the members will not be available for the AGM.

Dispatch of Annual Report through Electronic Mode

4. In compliance with MCA Circulars, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose email address(es) are registered with the Company/Depository Participant(s) ('DP'). Members may note that the Notice of AGM will also be available on the Company's website at www.goashipyard.in.

5. To receive copies of the Annual Report for FY 2019-20 in electronic mode:

   (a) Members holding shares in physical mode and who have not registered/ updated their e-mail address are requested to register the same by writing to the Company at chhayajain@goashipyard.com/ ashoksahoo@goashipyard.com or to Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agent ('RTA') of the Company at support@purvashare.com mentioning thereat the name, folio no., share certificate no., mobile no. and address and attaching a self-attested copy of PAN card.

   (b) Members holding shares in dematerialised mode are requested to register / update their email address with their respective DP.

Procedure for joining the AGM through VC / OAVM

6. Members will be provided with a facility to attend the AGM through VC / OAVM via Cisco Webex video conferencing. Members will be able to attend the AGM by accessing through the following:

   URL:https://goashipyard.webex.com/goashipyard/j.php?MTID=md17f8559650556e8f0f09e93a2745ea0

   Meeting No.: 170 636 7793
   Password: E7VgCziTd34

   The above details and link for joining the meeting through VC / OAVM will be available on the Company's website. Participants joining the AGM through Laptop/Desktop will be directed to the Webex browser on clicking the aforesaid link. Participants connecting from Mobile device or Tablet may kindly download the 'Cisco Webex Meetings' app on their devices in advance before accessing the aforesaid link. Participants will enter their login credentials (i.e. name and email id) while joining the meeting.

7. Facility to join the meeting shall be opened 30 (thirty) minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM. For convenience of the Members and proper conduct of AGM, Members may kindly join at least 15 (fifteen) minutes before the time scheduled for the AGM.

8. Members who need assistance with using the technology before or during the AGM, may kindly contact:

   (a) Mrs. Chhaya Jain, Company Secretary, GSL at the designated email id: chhayajain@goashipyard.com or call on 0832 2513870; or

   (b) Mr. Ashok Kumar Sahoo, Assistant Company Secretary, GSL at the designated email id: ashoksahoo@goashipyard.com or call on 0832 2514232.

9. Pursuant to Section 113 of the Act, Corporate Members are requested to send the scanned copy of the resolution passed by its board/governing body authorizing their representative(s) to attend and vote at the AGM through VC/OAVM at email id(s) mentioned above together with attested specimen signature(s) of the duly authorized representative(s).

10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Procedure to raise questions / seek clarifications / cast vote during the Meeting

11. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their questions/queries in advance mentioning their name, demat account number / folio number, email id, mobile number at the email id(s) mentioned above. Questions / queries, if any may kindly be submitted on or before 28th September, 2020 for providing adequate reply during the AGM.

12. The Chairman of the meeting may invite questions or views during the meeting. Members, who would like to express their views or ask questions, may do so by submitting the same through "Chat icon" feature or using "raise hand" feature.

13. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

14. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on 25th September, 2020, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. In terms of MCA Circulars and provisions of the Act, where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with Section 109 of the Act.

15. When a poll is demanded on any item, the Members shall cast their votes to the resolution only by sending emails at chhayajain@goashipyard.com through their email address(es) registered with the Company. In the event of poll, the voting rights of Members/Beneficial Owners (in case of electronic shareholding) shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. In case the counting of votes requires time, the Meeting may be adjourned and called later to declare the result.

16. In case of joint holding, the joint holder whose name stands higher, as per the Company's records, shall alone be entitled to vote.

Procedure for inspection of documents

17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members during normal business hours on weekdays (Monday to Friday) excluding intervening public holidays between 11.00 a.m. to 4.00 p.m. upto the date of the Annual General Meeting. Members seeking to inspect such documents can send an email to ashoksahoo@goashipyard.com.

Dividend related Information

18. The dividend, if declared, will be paid to those Members, whose names appear as (a) Beneficial Owners in the List of Beneficial Owners to be furnished by the DP and (b) Members in the Register of Members of the Company as at the close of business hours on the date of AGM.

19. Payment of dividend shall be made through electronic mode to the Members who have registered their bank account details. Dividend warrants/demand drafts/cheques will be dispatched to the registered address of the Members whose bank account details are not registered with the Company. Members those who have not registered their bank account details are requested to kindly register/update their complete bank details. Members whose shareholding is in electronic mode are requested to update their bank account details with their respective DP. Members whose shareholding is in physical mode are requested to avail the mandate facility provided by the Company. ECS Mandate Form can be obtained from the Company/RTA.

20. Members may note that the Income Tax Act, 1961, ('the IT Act') as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company is therefore required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the IT Act.

For resident Shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Valid PAN updated in the Company's Records	7.5% or as notified by the Government of India
No PAN/Valid PAN not updated in the Company's Records	20% or as notified by the Government of India

Members who have not registered their PAN are requested to submit a self attested copy of valid PAN card. In case of corporate members, attestation is to be done by their authorized signatory(s). However, no taxes shall be deducted on the dividend payable to a resident individual, if the total dividend to be received by him during the FY 2020-21 does not exceed Rs. 5,000. Further, if the resident individual shareholder provides Form 15G (applicable to any person other than a company or a firm) /Form 15H (applicable to individuals aged 60 years or more) along with a copy of self attested PAN card, no TDS shall be deducted. Resident individual shareholder may also submit any other document as prescribed under the IT Act to claim a lower tax.

For non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable provisions of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident Shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if beneficial to them. In this regard, non-resident Shareholders will have to provide the following documents:

(a) Tax Residency Certificate by revenue authority of the country of residence of the shareholder for the year in which dividend is received, duly attested by member;

(b) Self-declaration in Form 10F duly filled and signed;

(c) Self-declaration by the member of having no permanent establishment in India;

(d) Self attested copy of the PAN card; and

(e) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

Application of beneficial tax treaty rate shall depend upon the completeness of the documents submitted by the non-resident Shareholder and its review to the satisfaction of the Company with regard to the compliances and applicability.

21. Accordingly, the Company would request you to provide the details and documents as mentioned above quoting your folio number to the Company/RTA at the aforementioned email ids or update with the respective DP on or before the date of AGM.

IEPF Related Information

22. Pursuant to the provisions of Section 124 of the Act, dividend for FY 2012-13 which remains unpaid or unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund ('IEPF') established by the Central Government. Members who have not yet encashed the Banker's Cheques/Demand Drafts issued by the Company towards payment of dividend for the said financial year are requested to make their claim to the Company on or before 24th October, 2020.

23. The Company has transferred the unpaid or unclaimed dividends declared up to the FY 2011-12 from time to time to IEPF. Details of unpaid or unclaimed dividend amounts lying with the Company as on 12th September, 2019 (i.e. date of the previous Annual General Meeting) are uploaded on the website of the Company www.goashipyard.in and on the website of the IEPF Authority, which can be accessed through the link: www.iepf.gov.in.

24. Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, amended from time to time, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. Details of shares transferred to IEPF have been uploaded on the website of the Company and on the website of the IEPF Authority, which can be accessed through the link: www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back from the IEPF Authority.

25. Members are requested to send all communications relating to shares and unclaimed dividends by quoting their folio number to the Company /RTA at the above mentioned email ids.

Other Information

26. The Equity Shares of the Company are available in dematerialised form in NSDL and CDSL. Company's International Securities Identification Number is **INE178Z01013**. Members who wish to dematerialise their shares held in physical form may kindly contact the Company's RTA through his/her/its DP. The Company's RTA contact details are provided below:-

    Purva Sharegistry (India) Pvt. Ltd.
    9 Shiv Shakti Ind. Estt.,
    J R Boricha Marg, Lower Parel East,
    Mumbai - 400 011
    Email id: support@purvashare.com
    Tel: 022 2301 6761 / 2301 2518

27. Members holding shares in physical form are requested to notify to the Company/RTA quoting their folio number, any change in their registered address with pin code, email address, mandate/bank details and in case the shares are held in dematerialised form, this information should be passed on to their respective DP.

28. Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be obtained from the Company/RTA. Members holding shares in dematerialised form may contact their respective DP for availing this facility.

29. Members who are holding shares in more than one folio are requested to intimate the details of all their folio numbers to the RTA, for consolidation into a single folio.

30. Since the AGM will be held through VC/OAVM in accordance with MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

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Statement pursuant to Section 102(1) of the Companies Act, 2013

1. The following statement sets out all material facts relating to special business mentioned in the accompanying Notice:-

Item No. 4 and 5

2. In terms of Articles 117 and 130 of the Articles of Association of the Company, the President of India is vested with the power to appoint Functional Director(s) of the Company from such time and at such remuneration as he may think fit. Accordingly, the following appointments on the Board of the Company were effected as per the directives of the President of India:

   (a) Capt. Jagmohan has been appointed as Director (Corporate Planning, Project & Business Development), GSL vide Government of India, Ministry of Defence letter No. 2/1(1)/2019/D(NS) dated 29th November, 2019 for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Capt. Jagmohan has assumed the charge of the post of Director (CPP&BD) in GSL on 15th December, 2019 (AN). The Board noted the appointment of Capt. Jagmohan in its 01/2020 Meeting held on 20th February, 2020.

   (b) Shri Brajesh Kumar Upadhyay has been appointed as Director (Operations), GSL vide Government of India, Ministry of Defence, letter No. 2/1(2)/2019/D(NS) dated 26th August, 2020 for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Shri Brajesh Kumar Upadhyay has assumed the charge of the post of Director (Operations) in GSL on 1st September, 2020 (AN).

3. Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, save as otherwise expressly provided in the Act, every director shall be appointed by the company in general meeting. The Board, therefore, proposes the aforesaid appointment of Capt. Jagmohan as Director (Corporate Planning, Project & Business Development), GSL and Shri Brajesh Kumar Upadhyay as Director (Operations), GSL for the approval of the Members.

4. The brief profile of Capt. Jagmohan and Shri Brajesh Kumar Upadhyay is given as under:

   (a) Capt. Jagmohan, IN (Retd) is a Naval Architect from Cochin University of Science & Technology. He has also done his post graduation and M.Tech in Naval Construction & Ocean Engineering from IIT Delhi and IIT Kharagpur, respectively. He served for over 25 years with the Indian Navy, during which he held several important assignments in the Directorate of Naval Design (DND) and at Naval Dockyard, Mumbai. Prior to joining GSL as Director (Corporate Planning, Project & Business Development), he worked with Garden Reach Shipbuilders & Engineers Ltd., Kolkata (GRSE) as Chief General Manager (Design). As Head of Design at GRSE, he was responsible for the execution and management of design of various complex warship projects such as Advanced Stealth Frigate, P28 ASW Corvette, Survey Vessel, ASW Shallow Water Craft and Fast Patrol Vessels for the Indian Navy & Indian Coast Guard.

(b) Shri Brajesh Kumar Upadhyay is a Bachelor in Electrical Engineering and a Fellow member of Institute of Engineers, Kolkata and Institute of Electronic & Telecommunication Engineers, New Delhi. He started his career with Goa Shipyard Limited in the mid eighties. During his long career of 28 plus years, he held various key positions in the functional and operational areas of GSL and has made significant contributions in areas of ship construction, diversification of products as part of General Engineering Services, Corporate Planning, Business Development, Infrastructure Development and Ship Repairs. He played a major role in bringing new technologies to GSL through Transfer of Technologies and MoUs with reputed and established international firms.

5. The Board recommends to the Members the passing of the proposed resolutions as set out at Item No. 4 and 5 of the Notice as Ordinary Resolutions.

6. None of the Directors, Key Managerial Personnel of the Company or their relatives except Capt. Jagmohan, IN (Retd) and Shri Brajesh Kumar Upadhyay is in any manner, concerned or interested, financially or otherwise, in the resolutions.

Item No. 6

7. The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s S R Bhargave & Co, Pune, Maharashtra as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2020-21 at a remuneration of Rs 1,50,000/- plus applicable GST and out of pocket expenses at actual (maximum upto Rs 50,000/-) plus applicable GST.

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

9. Accordingly, the Board recommends to the Members to ratify the remuneration payable to the Cost Auditor for the financial year 2020-21, by passing the proposed resolution as set out at Item No. 6 of the Notice as an Ordinary Resolution.

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

By Order of the Board

Chhaya

Chhaya Jain
Company Secretary

Place: Vasco-da-Gama, Goa
Date: 5th September, 2020

DIRECTORS' REPORT FOR THE YEAR 2019-20

To

The Members,

The Board of Directors hereby presents the 54th Annual Report on business and operations of the Company, together with the Audited Financial Statements for the year ended 31 Mar 2020.

BUSINESS OVERVIEW

1. Your Company had yet another successful year of operations putting forth consistent performance amidst host of disturbances and despite lean executable orders and disruption in construction activities towards the end of FY 2019-20 owing to lockdown declared on account of COVID-19 pandemic. Against all odds, the Company achieved Value of Production ('VoP') of Rs 903 Cr in FY 2019-20 as against Rs 848 Cr earned in FY 2018-19 and Profit after Tax ('PAT') of Rs 198 Cr an increase of 50% compared to Rs 132 Cr in the previous year. During FY 2019-20, the Company delivered 1st vessel of the ongoing 05 Offshore Patrol Vessel ('CGOPV') Project to the Indian Coast Guard, with over 70% indigenous content and integrated with indigenous Gear Box, a major component of propulsion system, within the delivery schedule and thus further consolidated its record of on-time deliveries of quality ships. This was 26th successive vessel delivery within contracted delivery schedule. The Company is focusing on timely completion of balance 04 vessels of CGOPV Project within the schedule.

2. Post conclusion of the contract with Ministry of Defence ('MoD') on 25 Jan 2019 for construction of 02 ships of P1135.6 follow-on class for the Indian Navy, all the related supplementary contracts for Design, procurement of Build Material, Technical Assistance & Training have been concluded with Russian side. The Company has also made significant progress towards preparatory activities related to finalisation of specifications of equipment fit and procurement of long lead items. Post finalisation of specifications of equipment fit and submission of binding data with regard to indigenous equipment, the technical design process by the Russian Side has progressed significantly during the year. After receipt of the first batch of manufacturing drawings, the production activities are likely to commence from 3rd quarter of FY 2020-21. In due course, this high value Project will catapult GSL at par with leading shipyards in India and provide an ecosystem for creating better and more advanced platforms indigenously for the security requirements of the nation.

3. During FY 2019-20, the Company has provided additional thrust towards harnessing the potential of commercial shipbuilding and repair sector and undertaken construction of commercial vessels such as tugs, ferry boats, cargo vessels, etc. to supplement the order book position. The Yard is proactively working towards securing short gestation repair projects to minimize the potential impact on the capacity utilization post completion of CGOPV Project.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

4. **Revenue from Operations**: During the year under review, the Company achieved Gross Revenue of Rs 1072 Cr as against Rs 986 Cr in the previous year. Despite withdrawal of limited tender enquiry for Patrol Boat Project for Ministry of Home Affairs (MHA), where the Company has emerged L1 and inordinate delays experienced in finalisation of expected orders for 01 Landing Ship Tank & 01

Training Ship from Nigeria, the Company reported Operating Revenue of Rs 931 Cr in FY 2019-20 compared to Rs 906 Cr in FY 2018-19. The Revenue from Operations during FY 2019-20 and the previous year are given below:-

(Rs. in crore)

Particulars	2019-20	2018-19
Ship Construction	**784.39**	649.54
Ship Repairs	**29.02**	45.94
General Engineering	**89.53**	152.32
Total Value of Production	**902.94**	847.80
Other Operating Revenue	**28.33**	57.81
Total	**931.27**	905.61

5. **Financial Performance.** During FY 2019-20, the Company **earned Profit before Tax (PBT) of Rs 265 Cr, a jump of 26% over previous year's PBT of Rs 210 Cr.** The Financial Performance of the Company for FY 2019-20 vis-à-vis the previous year is summarized below:

(Rs. in crore)

Particulars	2019-20	2018-19
Gross Revenue	**1071.76**	986.29
Revenue from Operations	**931.27**	905.61
Earnings before Interest, Taxes & Depreciation	**330.34**	259.15
Less: Finance Costs	**17.89**	3.69
Less: Depreciation	**47.53**	44.98
Profit Before Tax	**264.92**	**210.47**
Less: Tax Expense	**67.14**	78.95
Profit After Tax	**197.78**	**131.52**
Other Comprehensive Income (net of tax)	**(4.10)**	(8.31)
Total Comprehensive Income	**193.68**	**123.21**
Appropriation		
Amount available for appropriation (including Opening Balance)	**346.16**	272.81
Less: Dividend paid for the previous year	**13.97**	66.93
Dividend paid as % of Share Capital	**24%**	115%
Less: Interim Dividend paid	**52.38**	17.47
Less: 2nd Interim Dividend paid	**-**	15.13
Less: Dividend Distribution Tax paid	**13.64**	20.46
Less: Amount transferred to Reserves	**130.00**	--
Balance	**136.17**	152.82

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THIS REPORT.

6. The dramatic outbreak of coronavirus has disrupted lives, livelihoods, communities and businesses worldwide and had impacted productivity since Feb 2020, due to disruption in entire global supply chain. The rapid spread of COVID-19 pandemic presents an alarming health crisis that the world is grappling with and is severely affecting the economic activities across the globe. Several countries have imposed partial or complete lockdown, curfews and travel restrictions to contain the spread of novel coronavirus.

7. On 24 Mar 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 03 May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. In response to COVID-19 lockdown orders by the Central and State Governments, all ship construction and repair activities were suspended for more than 40 days. Essential services such as Power House, Water Supply, IT Server and other production / work exigencies were operating with restricted manpower. The Company instituted measures to ensure the health and well-being of all employees. Work from home was enabled for some employees to minimise disruption of administrative activities. Post Lockdown 1.0 and after obtaining approval of Local Administration, office work resumed from 20 Apr 2020 with limited manpower. Construction activities were resumed from 04 May 2020 in a phased manner with staggered manpower deployment, factoring in various guidelines and advisories issued by the Central and State Governments.

8. The unprecedented halt in construction activities, migration of contract labour, disrupted supply chain management, unavailability of OEMs for progressing the procurement process, difficulty in positioning service engineers for machinery trials, etc. have seriously impaired the production schedule and thus posed a big challenge for the Yard. The dynamics of this situation make it difficult to fully assess the risk impact on the future business outlook of the Company. However, the impact for FY 2019-20 has been assessed at Rs 6.09 Cr. The Government has granted four months extension under Force Majeure for all existing capital acquisition contracts with Indian vendors. The Yard is making all out efforts to minimise the adverse effects on project execution and hope to tide over the situation with positive support of the customers and Government.

MOU RATING

9. **MoU Rating for FY 2018-19**: Department of Public Enterprises have evaluated the performance of the Company for FY 2018-19 vis-à-vis MoU Targets and granted '**Very Good**' rating to the Company.

10. **MoU Evaluation for FY 2019-20**: In terms of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government for FY 2019-20, on Self Evaluation, the Company achieved 'Excellent' rating.

DIVIDEND

11. After reviewing the profits for the year and financial position of the Company, and in terms of the Government Guidelines in vogue, the Board of Directors declared and paid Interim Dividend for FY 2019-20 @ Rs 4.50 per equity share of Rs 5.00 each, being 90% of the Paid-up Share Capital of Rs 58.20 Cr. Interim Dividend payout amounted to Rs 52.38 Cr plus DDT thereto of Rs 10.77 Cr.

12. The Board of Directors are pleased to recommend final dividend of Rs 1.00 per equity share of Rs 5.00 each i.e. 20% of the Paid-up Share Capital for the year 2019-20. The total outgo for final dividend

works out to Rs 11.64 Cr. **Thus, the total dividend for the year 2019-20 will be Rs 5.50 per equity share being 110% on Paid-up Share Capital and total outgo will be Rs 74.79 Cr (including DDT on Interim Dividend)** [Previous year 80% of the Paid-up Share Capital equal to Rs 56.13 Cr (including DDT)].

FINANCE

13. **Paid-up Share Capital:** The Paid-up Share Capital of the Company as on 31 Mar 2020 was Rs 58.20 Cr.

14. **Reserves:** The Other Equity representing various Reserves and P&L Accounts balance stood at Rs 967.47 Cr as at the end of the year prior to declaration of final dividend of Rs 11.64 Cr as proposed. This consists of Capital Reserve Rs 0.43 Cr, General Reserve Rs 830.87 Cr and P&L Account Rs 136.17 Cr.

15. **Loans:** The Company neither had any outstanding loan nor has taken any fresh loan from the Government during the year.

16. **Foreign Exchange earnings and outgo:** The foreign exchange outgo during the year was Rs 234.06 Cr (previous year Rs 226.36 Cr) and the earning in foreign exchange was Rs 33.19 Cr (previous year Rs 142.28 Cr).

17. **Financial Position:** The financial position of the Company as on 31 Mar 2020 and the previous year is shown below:-

(Rs. in crore)

Particulars	As on 31.03.2020	As on 31.03.2019
Capital Employed	**1025.67**	912.32
Working Capital	**541.26**	511.38
Net Worth	**1025.24**	911.90
Value Added	**518.12**	426.25
Ratios:	**%**	%
Profit before Interest and Tax : Capital Employed	**27.57**	23.47
Profit after Tax : Net Worth	**19.29**	14.42
Value Added : Capital Employed	**50.51**	46.72

CONTRIBUTION TO EXCHEQUER

18. The Company's contribution to the Exchequer during FY 2019-20 is Rs 158.56 Cr (Rs 174.84 Cr last year). Details of Company's contribution to the Exchequer is given below:

(Rs. in crore)

Particulars	2019-20	2018-19
A. **Dividend**	33.90	50.84
B. **Taxes:**		
a. Corporate Tax	69.00	72.00
b. Tax on Distributed Profit	13.64	20.46
c. Goods & Services Tax	42.02	31.54
Total	**158.56**	**174.84**

OPERATIONAL PERFORMANCE

Ship Construction

19. **P1135.6 Advanced Frigates:** The preparatory activities for the complex P1135.6 Project are in full swing at GSL in coordination with the Russian Side and Indian Navy. The scope of services and materials to be sourced from Russian Side has been finalised and all the required contracts/agreements have been concluded successfully. Considerable progress has been made wherein the specifications of all major equipment, essential for design process, have been finalised in line with the Contract.

20. Procurement process for majority of the critical equipment with high lead time, especially pre-launch equipment is in advanced stages of order placement. Requisite training and certification of personnel for initial manufacturing requirement has been successfully attained. The related activities are progressing concurrently as per Project schedule.

21. **Progress of second series of CGOPV Project:**

(a) **Delivery of Ships:** 1st CGOPV (Yard 1233) designed and built by GSL with more than 70% indigenisation content was delivered to the Indian Coast Guard on 24 Feb 2020. The on-time delivery of the ship, with enhanced indigenisation of critical machinery, has reinforced the trust of our esteemed customers in the shipbuilding capability of GSL.

Delivery of ICGS Sachet, the 1st in series of 05 CGOPV on 24 Feb 2020

(b) **Launching of Ships**: The following vessels were successfully launched during FY 2019-20 as per schedule:

i. 2nd CGOPV (Yard 1234) on 25 May 2019 by Smt Seema Mittal, wife of Shri Sanjiv Mittal, Controller General of Defence Accounts (CGDA), IDAS.

ii. 3rd CGOPV (Yard 1235) on 14 Nov 2019 by Smt Vijaya Shripad Naik, wife of the Hon'ble Raksha Rajya Mantri Shri Shripad Yesso Naik.

Launching of 3rd CGOPV (Yard 1235) on 14 Nov 2019 by Smt Vijaya Shripad Naik, wife of Hon'ble Raksha Rajya Mantri Shri Shripad Y. Naik

(c) **Keel Laying:** Keel of the 5th CGOPV (Yard 1237) was laid by the Hon'ble Raksha Rajya Mantri Shri Shripad Yesso Naik on 10 Jun 2019.

22. **Guarantee Refit:** Guarantee refit of 02 ships were completed during the year which comprises of 01 OPV for the Indian Coast Guard and 01 OPV for Sri Lanka Navy.

23. **Composite/GRP Vessels:** Another major import substitution project for construction of advanced vessels with composite/GRP hull is being progressed in coordination with the Indian Navy. The advanced composite fabrication facility for the same has been completed and ready for utilization. It is one of the unique facilities in the country for fabrication of advanced composite hull. In order to utilize this recently completed state-of-the-art infrastructure facility during interim period till finalisation of the contract, the Company is contemplating various works in the field of composite manufacturing using FRP/GRP and other composite materials, in technological collaboration with premier defence research institute. Accordingly, the Company has inked a License Agreement on 13 Nov 2019 with R&D (Engineers), Pune for ToT in Composite Technology.

Ship Repairs

24. During the year, the Company undertook refit of 10 vessels, of which 03 vessels were Coast Guard Ships, 01 vessel from the Indian Navy and remaining were commercial vessels. The timely and successful completion of refit work reflects the inherent capability of the Shipyard in refit and has enabled the Shipyard to emerge as an experienced Repair Yard for the Indian Coast Guard and Navy.

ICGS Vaibhav under refit at GSL

FSV Sagarika under refit at GSL

25. The Company is competitively bidding for RFPs issued by the Indian Navy, Indian Coast Guard and other customers for refit and also liaisoning with commercial shipping industry for undertaking repair of private commercial vessels. GSL has set up liaison office in Karwar, Karnataka in order to proactively pursue various ship repair opportunities.

General Engineering Services

26. The Company continues to execute stern gear supply orders for Naval/Coast Guard OPVs constructed at GSL and is providing assistance for the installation onboard 01 ASW corvettes under production at Garden Reach Shipbuilders & Engineers Limited (GRSE) and the Air Craft Carrier under construction at Cochin Shipyard Limited (CSL). The Company continues to provide training on Survival at Sea to ONGC personnel on training vessel 'Samudra Shiksha'. The Company is providing operation and maintenance

support to Shore Based Training Facility to Aeronautical Development Agency (ADA) at INS Hansa for landing of LCA and MIG 29 aircraft. The Company is also providing maintenance support to GSL built Damage Control Training Facilities of the Indian Navy namely 'Akshat', 'Avinash' and 'Avijit' located at Lonavla, Kochi and Vizag respectively and the Nuclear Biological Chemical Training Facility (NBCTF) located at Lonavla.

27. Progress of General Engineering Services projects is as follows:

(a) During the year, the Company completed GRDD of 4th Fuel Barge (Yard 1239) on 11 Nov 2019, the last of 4 x 1000 T Fuel Barge series Project of the Indian Navy, thus completed the Project successfully.

(b) The Company signed contract with U.P. Rajkiya Nirman Nigam Ltd on 14 Feb 2019 for detailed design, build and transfer of River Passenger Ferry (cruise) project including allied services and amenities at Varanasi for a cost of Rs 9.81 Cr. The trials of the Ferry Boat have been conducted and the same will be sailing for Varanasi during fair weather conditions. The progress of construction work of jetty and allied facilities has been affected due to COVID-19 pandemic lockdown, which will be completed on improvement of situation.

Constructed River Passenger Ferry for U.P. Rajkiya Nirman Nigam Ltd.

(c) The Company inked a contract with Union Territory of Lakshadweep Administration (UTLA) on 23 Sep 2019 for construction and supply of 02 nos. of 2000 LPG Cylinder Carrier Vessels. The detailed design work and procurement process are underway.

(d) A contract was signed on 25 Feb 2020 with Assam Inland Water Development Society (AIWTDS) for supply of 03 nos. 7.5 T Bollard Pull Tugs. Finalisation of design and subcontract work are in progress.

Shri Subhash Chandra, IAS, the then Secretary (DP) performed 1st Steel Cutting Ceremony for LPG Cylinder Carrier Vessels on 13 Nov 2019

Contract signing on 25 Feb 2020 with AIWTDS for construction of 03 Bollard Pull Tugs

(e) Price negotiation was concluded on 04 Feb 2020 with IHQ MoD(Navy) for construction of Damage Control Facility at Port Blair with operation, training of Naval personnel and maintenance for a duration of 10 years. Contract is expected to be signed shortly.

(f) The techno-commercial offer was submitted to MoD for construction of 12 Air Cushion Vessels (ACVs), 6 each for Indian Coast Guard and Indian Army, in technical collaboration with M/s Griffon Hovercrafts Ltd, UK.

(g) The Yard is exploring opportunities of supplying boats with advanced features to various Govt. organisation, Indian Navy and other armed forces.

ORDER BOOK POSITION

28. As on 31 Mar 2020, the net value of outstanding work against orders received for Ship Construction, Ship Repair/Refit work and General Engineering Services amounted to Rs 14610 Cr (approx.) consisting of 05 CGOPV, 02 P1135.6 Frigates, River Passenger Ferry for UP Rajkiya Nirman Nigam Ltd, two 2000 LPG Cylinder Carriers, three 7.5 T Bollard Pull Tugs and 07 vessels under refit.

FUTURE PROSPECTS

29. The Company is focusing on launch of last two vessels of CGOPV Project and delivery of 03 CGOPV during FY 2020-21.

30. The Yard has been working relentlessly, in coordination with the Indian Navy and Russian Side, towards commencement of production of P1135.6 Frigate Project and has made considerable progress thereto. Production activities are likely to commence from 3rd quarter of FY 2020-21, signifying a big milestone in the prestigious project.

31. The Company is also working towards the delivery of 02 X 2000 LPG Cylinder Carrier Vessels for UTLA and 03 X 7.5 Ton Bollard Pull Tugs to AIWTDS as per schedule and completion of refit activities in a time bound manner.

32. Post commencement of production of Frigates and on finalisation of few expected orders, the growth of the Company is expected to increase exponentially. In pursuit to maintain consistent and steady growth, your Company is focusing on new emerging business opportunities and targeting upcoming & likely projects of the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Inland Waterways Authority of India and Shipping Corporation of India. The Company endeavours to grow in each of its vertical by expanding its product profile aligning with the market requirements. Some of the targeted projects include Fast Patrol Vessels and Hovercrafts for the Indian Coast Guard; New Generation Missile Vessels, New Generation OPVs, Multi-purpose Vessels, Survey Training Vessels and New Generation Corvettes for the Indian Navy. On the commercial shipbuilding front, the Company has submitted bids for projects of the UT of Lakshadweep namely 500 Passenger Vessel and 600T Multi-purpose Cargo Vessels and expecting positive outcome.

EXPORT INITIATIVES

33. The Company has made all out efforts to get a foothold for participation in overseas acquisition programs of South East Asia, Middle East, Africa and Latin America. The Company has pro-actively

taken up the development of specialized vessels like Multi-purpose Vessels, High Value Weapon Intensive Vessels, Hydrographic Survey Vessels, Landing Ship Tank and Diving Vessels for export. The Shipyard is rigorously pursuing the prospects of supplying its range of products to friendly countries.

GRP Training to Myanmar Delegation at GSL on 29 Jan 2020

Visit of Djibouti Delegation on 09 Feb 2020

34. Case for procurement of three projects i.e. Landing Ship Tank, Training Ship and Ship Design & Construction Centre from the Company under Line of Credit to Nigerian Navy is under advance stage of approval by the Nigerian Govt. The Company had also steered the case for design and construction of Multi-purpose Offshore Patrol Vessel for Mauritius and the same is being pursued for acceptance by Mauritius Govt. Efforts are also being made for export of GSL products to countries such as Bangladesh, Portugal, Vietnam, Comoros, etc. The Company has been pursuing with the respective Ministries/ Governments/ Departments for conclusion of contracts of aforesaid projects.

INDIGENISATION AND MAKE IN INDIA INITIATIVES AT GSL

35. The Company is committed to the success of 'Make in India' programme and adopted various initiatives under 'Make in India' concept launched by the Government of India. GSL has implemented various 'Make in India and Indigenisation' policies being promulgated by the Government from time to time. GSL has introduced Make-II Procedure in May 2019 to encourage indigenous design, development and manufacture (IDDM) of defence equipment/weapon systems as per MoD directives. The Company has also promulgated 'Framework for Placing Long-Term Orders for Indigenisation' to address the challenges faced in indigenisation of small quantity procurements not making economic case for incurring development/ indigenisation cost for an item.

36. The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenisation in key areas of shipbuilding technology. In this regard, significant contribution has been made by way of in-house designs and construction of range of Patrol Vessels.

37. Proactive steps are being taken by the Company to reduce import content with increased involvement and sourcing from local manufacturers. As part of 'Make in India' initiatives, GSL as on date has successfully indigenised several equipment/items with the help of Indian Industry which include Gear Box, Steering Gear System, Fin Stabilizer System, Steel Plates, Helo Landing Grid, Weather Tight Doors, Water Tight Doors, AVCAT Filter Water Separator & Absorber, Gemini Boat, Anchor Capstan, Sound Powered Telephone, Helo Traversing System, Satellite TV (Gyro Stabilised) System and Electric Operated Winch for SS Bulwark of imported QRIB. As a result of implementing indigenisation, considerable cost reduction, saving of valuable foreign exchange and procuring import substitute assemblies have been achieved.

38. M/s Walchandnagar Industries Limited with assistance and guidance of GSL, has successfully developed Marine Gear Box for ongoing 05 CGOPV Project which is a major success in import substitution. M/s Geeta Engineering Works with GSL technical support has successfully developed 20 TM capacity Hydraulic RAM type Steering Gear System. GSL has also collaborated with M/s Naiad Dynamics for manufacture and assembly of Fin Stabiliser equipment at GSL under 'Make in India' initiatives. These equipment have been successfully proved on board 05 CGOPVs during sea trials. The performance of indigenously developed equipment is at par with the imported equipment.

39. The Company has also collaborated with M/s Wartsila for supply of CPP system components for presently being installed on the ongoing 05 CGOPV Project. The Company is also in dialogue with M/s Wartsila for indigenisation of water jet subsystems for ongoing and future ships of the Indian Navy.

40. By indigenisation of sizeable number of equipment listed above, the percentage of overall indigenous content on ongoing 05 CGOPV Project has increased to 72% in comparison to 62% indigenous content achieved on the previously built 06 CGOPV Project.

41. Compared to the 02 ships of Frigate class being constructed at Russia, equipment fit for the ongoing P1135.6 Frigate Project at GSL are scheduled to have fairly large indigenous component, including major equipment, weapons and sensors. Complex process of indigenisation of these systems has been initiated and it is currently well on track for timely availability as per the production schedule of the Project. With regard to other indigenous items required for shipbuilding, the Shipyard is closely working with the local industry. Considering the large number of equipment and items required to be sourced from the Indian industry, it will provide immense opportunity to the ancillary shipbuilding industry and boost 'Make in India' initiative. Further, a large number of services are required during the construction process which will provide employment opportunities in the region.

PROCUREMENT

42. **E-procurement**. Your Company endeavours to maximise the procurement of materials and services through e-procurement platform. During the year, about 90-95% of total requirement was procured through e-procurement.

43. **Payment terms through Inland/Domestic Letter of Credit**: A provision for payment terms through Inland/Domestic Letter of Credit was formulated w.e.f. June, 2017 to provide level playing field to Indian vendors vis-à-vis foreign firms.

44. **Portal for Procurement through GeM**: The Company has formally registered with GeM portal and embarked upon procurement of all commonly used goods and services, including capital goods, office equipment like computers & peripherals, air conditioners, etc. through GeM portal, which is a fair, transparent and robust digital platform, enabling GSL to achieve maximum competitive advantage by reaching to lakhs of vendors registered on the platform. GSL has carried out numerous transactions through GeM portal till date.

45. **Preference to Startups**: With a view to encourage Startups, GSL has formulated separate relaxed norms with respect to prior experience and turnover, without compromising technical specification and quality standards.

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs)

46. The Company continues to provide impetus to Government of India initiatives for MSEs development and implemented the following steps:

(a) **Associated with National Small Scale Industries Corporation (NSIC) under 'NSIC Consortia-Tender Marketing Scheme'** for enhancing procurement from MSEs.

(b) Implemented **Deemed Direct Registration** for vendors registered with NSIC for Goods and **waiver for submission of Security Deposit** in such cases.

(c) Reserved **18 Shipbuilding Project specific items for exclusive procurement from MSEs,** over and above 358 items reserved by Govt. of India.

(d) Instituted **liberalized payment terms to MSEs** in order to enhance their liquidity to tackle multiple long-term projects smoothly.

(e) Adopted **Trade Receivable Electronic Discounting System (TReDs)**, a payment system introduced by Govt. of India to ensure timely payment to MSEs immediately after the acceptance of their bills on a discounting system.

(f) Extended the facility of 10% discount on Inspection Charges for '**Type Approval**' Certification, through Indian Register of Shipping, for MSEs owned by SC/ST entrepreneurs.

(g) Registered with Public Procurement Policy Monitoring Portal '**MSME Sambandh**' and has been submitting its annual procurement targets, so that MSEs get advance information about requirements of GSL and thereafter upload monthly procurement details on the portal.

(h) The Company achieved **60% of procurement from MSE sector**, as against the revised mandatory target of 25%.

VENDOR DEVELOPMENT MEETS

47. As a part of vendor development program, the Company organised/participated in various States, Regional and National Vendor meets, programs, etc. to strengthen the procurements and identify potential vendors especially from MSE Sector, SC/ST sectors in line with Government of India policy. GSL organized 'GSL-CII: Business Partners Meet 2019' with theme 'Vendor Development & Future Opportunities in Shipbuilding & Defence' on 16 Nov 2019 at Panjim, Goa.

GSL organised 'GSL-CII Business Partners Meet 2019' on 16 Nov 2019 at Panjim, Goa

48. During the year, your Company participated in several meets and programmes viz. 'World Trade Day Goa 2019' organized by WTO at Panjim, Goa; 'Intec 2019', a vendor development program organized by CODISSIA - Coimbatore District Small Scale Industries Association at Coimbatore; 'Vendor Development Program' jointly organized by WTO, Goa in association with GSL, MSME-Goa & DIC-Goa on the occasion of World MSME Day at Panjim, Goa; 'Vibrant Goa Global Expo and Summit' at Goa; International seminar on 'Nation Building through Shipbuilding' organized by FICCI at New Delhi; Vendor Development meet, IESS 2020 at Coimbatore. Your Company also participated in 'DEFEXPO 2020' organized by Department of Defence Production, Ministry of Defence from 05 to 08 Feb 2020 at Lucknow.

GSL participated in International Seminar on 'Nation Building through Shipbuilding' organised by FICCI

CONSERVATION OF ENERGY

49. **Steps taken by the Company to conserve energy**: The Company continues its drive to conserve energy. During the year 2019-20, the Company executed various energy saving projects and took following steps to conserve energy:-

(a) Replacement of high bay fittings in SAW 1&2 and use of conventional lighting with LED lights in shop floors and onboard ships under construction.

(b) Optimal utilisation of compressed air by arresting leakages.

(c) Use of occupancy sensors for lighting in toilets and corridors.

(d) Up-gradation of Supervisory Control and Data Automation System (SCADA) used for energy management system of the Yard.

(e) Obtaining rebate in energy bill by maintaining Power factor from 0.99 to Unity.

(f) Observation of Energy Conservation month in Dec 2019 to commemorate Energy Conservation day on 14 Dec.

(g) Display of various energy saving banners, posters and stickers in the Yard for spreading awareness on energy conservation.

50. **Steps taken by the Company for utilising alternate source of energy:** The Company has installed 216 KW Solar Power plant on roof top of main unit, unit 2 and unit 4 as alternate source of energy. Further, installation process of one number 200 KW Solar Power plant is also in progress.

51. **The capital investment on energy conservation equipment:** Capital investment on energy conservation and renewable source of energy equipment for FY 2019-20 is Rs 50 lakh.

RESEARCH & DEVELOPMENT/TECHNOLOGY ABSORPTION

52. With persistent efforts made in Research & Development on vessel platforms, the Company has been recognized as **In-house R&D unit** by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research.

53. The CAD setup in the Company has the latest AVEVA Marine software with advanced features. For vessels designed and built at GSL, the 3D hull structural model and outfitting model are being developed in AVEVA Marine. The Company is also having in-house capability for analysis and verification of ship designs, using software for Finite Element Analysis and Computational Fluid Dynamics (CFD).

54. GSL has a full-fledged Design set up and is developing regularly newer platforms for the Indian Navy and Indian Coast Guard. Platforms developed so far include 105 M Advanced Offshore Patrol Vessels (AOPVs), 90 M Offshore Patrol Vessels (OPVs) and 105 M Naval Offshore Patrol Vessels (NOPVs). All the designs have been proven in Sea trials and further validated during operations in service with the Indian Navy and Indian Coast Guard. The latest of the Advanced Offshore Patrol Vessel designed for the Sri Lanka Navy has been delivered and these SLN OPVs validated improvement in fuel efficiency by over 10%. The Company has successfully developed the design for Landing Ship Tank, 105 M Corvette and 85 M Training cum Diving Vessel for export.

55. Presently, GSL is executing the latest Offshore Patrol Vessel Project for the Indian Coast Guard. First vessel of the class was delivered to Indian Coast Guard in February 2020. Further, design for New Generation Missile Vessel, 50 M Fast Patrol Vessel, Large and Medium size Pollution Control Vessels, 600 Ton Commercial Cargo Vessel, Multi-purpose Vessel are being developed for the Indian Defence forces. The Company's indigenously developed designs of Vessels have saved the country considerable amount of foreign exchange by avoiding import of ship designs and achieving self-reliance to a very large extent.

56. The design process of P1135.6 Frigate Project has commenced at Russian Side and during this process, the Shipyard will be exposed to the cutting edge design technology related to stealth conjoined with amalgamation of advanced weapons and sensors. This technological leap will equip the Shipyard with necessary expertise and know-how for in-house design of complex and advanced platforms for the requirements of the Indian maritime forces and reduce dependence on foreign sources. It will thus provide the nation with an alternative strategic Shipyard with capability to handle weapon intensive platforms.

57. During the year, the expenditure to the tune of Rs 733.30 lakh has been incurred by the Company on Research and Development (both Revenue & Capital Expenditure).

58. For promotion of innovation and technology development for Defence Excellence (iDEX), an initiative of the Government of India, your Company contributed a sum of Rs 5.00 Cr to Defence Innovation Organisation during FY 2019-20.

INTELLECTUAL PROPERTY RIGHTS (IPR)

59. GSL constituted Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. Increased thrust has been given this year towards generation of in-house IPR, supported by Mission Raksha Gyan Shakti, an initiative of MoD. IPR cell imparted training to 258 GSL employees and filed 20 IPRs during FY 2019-20. IPR training to vendors is underway.

ARTIFICIAL INTELLIGENCE INITIATIVES

60. Artificial Intelligence (AI), which is vital component of the Industrial Revolution 4.0 is gaining popularity in all domains to make the current systems and products more efficient and reliable by avoiding human intervention. Recognising the importance of the same and to drive transformational change, a dedicated team has been constituted to develop roadmap for AI for identifying and successfully implementing various AI related use cases in GSL products and processes.

61. GSL has completed following 03 AI enabled projects during FY 2019-20:

(a) Condition Monitoring System (CMS) for Shipboard equipment (Main Engines).

(b) Face Recognition & Geo-Fencing Security System.

(c) Vehicle Authentication System.

STARTUP INDIA

62. Startup India is a flagship initiative of the Government of India, intended to improve the 'ease of doing business' in the country and to build a strong ecosystem that is conducive for the growth of startup businesses, to drive sustainable economic growth and generate large scale employment opportunities. In order to support the Government initiative, GSL has undertaken two pilot projects with Startup firm for Face Recognition & Geo-Fencing Security System and Vehicle Authentication System. GSL has also provided support to a Startup firm for developing hull structure of Fathom Autonomous Surface Vessel and remote operation of the vessel has been tested at sea with GSL support in March 2020.

ISO CERTIFICATION

63. GSL is certified for Integrated Management System on ISO 9001:2015 for Quality Management System (QMS) on 16 Nov 2018 by Indian Register of Quality System, Mumbai (IRQS). GSL is also certified for ISO 14001:2015 for Environment Management System and ISO 45001:2018 for Occupational Health & Safety Management System on 05 Dec 2018 by IRQS. The certification is for 'Design, Construction and Repairs of Ships and Craft and providing General Engineering Services' in accordance with the requirements of the International Standard Organisation ISO 9001:2015, 14001:2015 and 45001:2018. The certificate for QMS is valid up to 18 Nov 2021 and other two certificates are valid up to 04 Dec 2021.

NATIONAL RECOGNITION / AWARDS

64. GSL bagged the following awards during the year:-

(a) Golden Peacock Award for Corporate Social Responsibility 2019;

(b) Governance Now 7th PSU Leadership Award to CMD, GSL;

(c) Award for Skill Development Initiative by Institute of Public Enterprise, Hyderabad;

(d) Governance Now 7th PSU Award for CSR Commitment (Swachh Bharat);

(e) Dun & Bradstreet PSU Award for Best Growth Performance (Heavy & Medium Engineering category);

(f) 'HR Distinction Award 2020' by The Human Resource Association of India:

- Platinum Award for 'Most Effective CSR Strategy'
- Platinum Award as 'Woman HR Professional of the Year' to Mrs Priya K. Bhagat; and

(g) Star Performer Award (Miscellaneous Transport Equipment & Parts, Large Enterprise Category) by EEPC.

Governance Now 7th PSU Award for Swachh Bharat under CSR on 19 Feb 2020

Golden Peacock Award for Corporate Social Responsibility for the year 2019 on 04 Mar 2020

HUMAN RESOURCE

Manpower

65. The total manpower strength as on 31 Mar 2020 is 1472 including 240 Officers, 177 Supervisors and 919 Workmen. The manpower strength also includes 30 Officers, 03 Supervisors & 94 Workmen on fixed term basis and 09 Tradesmen Trainees with ITI qualification. There are 27 Executive and 126 Non-Executive women employees. Officer cadre consists of Graduate Engineers, some of them with Post Graduation, CAs/CMAs, MBAs and employees possessing other professional qualifications. Supervisors and Workmen are qualified with Graduation, ITI and Diploma.

66. The position regarding representation of SCs/STs/OBCs/PwDs and women employees in various categories as on 01 Jan 2019 and 01 Jan 2020 is given in **Annexure 'A'**. The particulars of Recruitment of SCs/STs/OBCs/PwDs and women personnel during the calendar year 2019 are given in **Annexure 'B'**.

67. The reservation of 4% for recruitment of Persons with Disabilities (PwD) has been provided in Group 'A', 'B', 'C' and 'D' categories in compliance with the 'Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act, 1995' and the 'Rights of Persons with Disability Act, 2016'.

Industrial Relations

68. Industrial relations remained cordial and harmonious and the Yard continued to work peacefully throughout the year. Memorandum of Settlement (MoS) on Wage Structure and other benefits to Workmen was signed with the Unions for a period of 10 years w.e.f. 01 Jan 2017 to 31 Dec 2026. Multi-unions/associations scenario continued in the Company. Meetings of Participative fora such as Shop Council with workers and six monthly meetings with Employees' Unions and Associations were held at regular intervals. Overall the Management and Union/Associations continues to work mutually and peacefully towards the common objective of the Company.

Development of Human Resources

69. The Company believes that Learning & Development is a continuous process for Human Resource Development and is an important factor that contributes to increasing the efficiency, improving the product quality, adopting new technologies, catalyzing innovation, controlling cost and staying ahead of the competition in the long run. The learning environment provided in the Company and initiatives taken up by the Management in updating the competencies of its human resources through exposure to various Learning & Development programs have enabled to create a progressive work environment where innovation and meritocracy are nurtured automatically and also facilitated in keeping the employees motivated. The value addition to Human Resources is a continuous process and hence webinars, in-house & external training programmes were organized towards achieving the objective.

70. GSL is sponsoring its employees to pursue 02 years M. Tech programme at Defence Institute of Advanced Training, Pune, which is specifically designed to augment the required technical inputs to the executives of Shipbuilding industry in line with DPSUs requirements.

71. During the year, 635 personnel were trained in various in-house and external training programs. Total 2632 mandays were spent on training during the year. Emphasis was given on conducting theme based training programs for ensuing day to day safety, security and health of the employees. 09 Safety Awareness programs, 05 Health Awareness programs and 03 First Aid training programs for employees and 15 Safety Awareness programs for contract labours were conducted in FY 2019-20. Special focus was given to spread the awareness about Innovation culture and Intellectual Property Rights in the Company and thus, 12 training programs on IPR were conducted covering 258 employees.

72. Technical training programs aimed at improving the productivity and upgrading the skill sets of employees includes in-house training program on Basic & Advanced Primavera PP6, Webinar on Digital Transformation of Defence by MoD, training on Surface Blasting & Painting, Program on Cyber Security and newer threat scenarios arising out of Advanced Technologies like Artificial Intelligence by MoD, Disaster Preparedness training by National Disaster Response Force (NDRF) and Course on Basics of Hydraulics by Centre of Excellence in Maritime & Shipbuilding were organised. In order to improve professional efficacies, GSL's employees also participated in various workshops viz. Workshop on

Constitutional Policy of Reservation by All Goa Adivasi Employee's Federation, Recent Changes under the Companies Act, 2013 by SCOPE, Workshop on GST-Compliance and Challenges by CII, Derivatives and Forex Risk Management.

73. Other training programs aimed at functional and personality development of the employees include Worker's Education Program, Transformation Works: evolving a better you, Cost & Profitability Management, Executive Leadership Workshop, Work Life Balance, Time Management & Stress Management and training on POSH & Gender Sensitization were also conducted.

74. To undertake the construction activities of P1135.6 Frigate Project, requisite training has been imparted to GSL welders and 20 of them are certified with WOT (IN) in different welding process for welding of high tensile low alloy steel (DMR 249A).

Women Empowerment

75. At GSL, women employees are treated at par with male employees and strictly comply with various guidelines promulgated for women workforce for achieving safer working environment. GSL has created a Women cell, which is a dynamic and responsive platform for women employees, which would nurture growth and development amid them. GSL celebrated International Women's Day with great vehemence and organised week long program with various activities ranging from self development and unleashing creativity. Women employees were nominated for various training programs round the year.

Celebration of International Women's day at GSL

WELFARE, HEALTH AND SAFETY

Welfare

76. The Company values its human resources the most. It continues to accord importance to welfare measures of employees. Compliance of statutory welfare provisions are followed meticulously.

77. In line with DPE guidelines, the Company has implemented Superannuation Pension Scheme for Executives and Non-Unionised Supervisors with effect from 01 Jan 2007. On similar lines and as per the Memorandum of Settlement on Wage Structure and Other Benefits for Workmen signed on 05 Jun, 2018, the Company has implemented Contributory Superannuation Pension Scheme for Workmen on permanent rolls w.e.f. 01 Jan 2017.

78. The Company provides accident cover and comprehensive medical assistance to employees through various Group Insurance Schemes. The Company also provides a relief of Rs 4,00,000/- to spouse or nominee of the employees in case of death of employee during service period. The Company also provides medical coverage to the retired Officers, Supervisors & Employees through Post Retirement Medical Scheme and made provision on the Company's website for submission of application online for availing post retirement medical facilities.

79. To promote a sense of discipline, an award is being given to employees for 15 years and 25 years of clean record of service. Incentives for promotion of higher education and self-development in related skills, etc. are provided on a continuing basis. Scholarship is awarded to the employees' children as an incentive for pursuing higher education.

80. During the year, the Company observed Quami Ekta Week/Communal Harmony week from 19 to 25 Nov 2019. The Officers, Supervisors and Employees voluntarily contributed money towards the Communal Harmony Fund and the fund so collected was sent to National Foundation for Communal Harmony, New Delhi.

81. The Company also encourages employees to actively participate in various sports/tournaments. A lady employee, Mrs. Regina Dourado participated in athletic meets and won several accolades at 1st Women National Masters Athletic Championship at Goa and 21st Asia Masters Athletic Championship at Saravak, Malaysia.

Regina Dourado, a GSL employee won medal at 21st Asia Masters Athletic Championship

Health

82. Medical department strives to provide a healthy work environment for the employees. Relentless efforts have been put in to safeguard the health of workforce, by providing continuous medical care. The statutory requirements viz. periodic medical examination of all employees was carried out on schedule. Dental check-up cum survey and other medical examinations of contract employees were conducted during the year. Medical examinations of all GSL woman employees were conducted for the year 2019-20. Employees were also encouraged to undergo preventive health check-ups at external healthcare settings. The family polyclinic is an added welfare measure through which around 3200 employees/ family members were benefitted. The multi-speciality medical consultation service available in GSL premises has been widely used. Around 4300 beneficiaries had availed the diagnostic laboratory facility in FY 2019-20.

83. **"Health Education".** The health awareness programmes were held to educate the employees on various diseases; its signs and symptoms and preventive measures to be taken. Employees had shown keen interest on guest lectures and participated in large numbers.

84. **"First Aid Training Programmes".** First Aid training programmes were conducted in association with St. John Ambulance Association, branch of national body headed by the President of India. 58 employees were trained and certified as First Aiders. Short First Aid training programme covering 96 employees was also organized.

85. **COVID-19.** In order to create awareness amongst the employees about COVID-19 and to prevent the outbreak of disease, special awareness session and various control measures were initiated. Several advisories and SoPs were issued from time to time in line with government guidelines and employees were constantly advised to adhere to these advisories and SoPs. Washable face masks and hand sanitizers were issued to all employees.

Dental Camp organised by GSL for School Children

Distributed Face Masks to ESI Hospital, Margao, Goa

Safety

86. The Company continues to accord utmost importance to safety while carrying out various jobs inside the Yard. GSL has a dedicated Safety Cell with personnel qualified and trained in the field of Industrial Safety and are deployed and available in two shifts. The Company has evolved stringent regulations for Personal Safety and use of Personal Protective Equipment (PPE) and compliance to various work permits. The Safety Cell has been carrying out regular safety audits (internal as well as external), safety inspections, noise level & illumination monitoring for implementation of the safety regulations and also brought safety awareness inside the Yard through different activities such as conducting safety training programs through Inspectorate of Factories, Goa, fire training programs, toolbox talk, safety week program/campaign etc. Work Permit system for different activities has brought a close control over the critical activities.

87. Safety Committee Meeting is held once in a month to work out and implement both Preventive and Corrective Actions. Issues regarding safety and health are discussed during these meetings with the active participation from employees of various sections. The Officers, Supervisors and Employees are also taking safety precautions/measures which have resulted in reduction of reportable and non-reportable accidents, despite higher number of vessels under construction and modernization activities at the Shipyard.

GSL conducted Electrical Safety Awareness Program in association with Central Electrical Authority on 21 Oct 2019

GSL conducted Mock Drill for Disaster Preparedness

Industrial Security

88. The internal security of GSL offices and yard has been vested with Central Industrial Security Force ('CISF') which is headed by Dy. Commandant rank officer. CISF also handle fire prevention to fire fighting activities. CISF plays a vital role in the security and safeguarding of property of the Company. The Management has taken steps to strengthen the security arrangement in the Yard by improving infrastructure and procuring necessary security devices. Special systems and measures such as CCTV cameras, Night Vision Devices, Metal Detectors, Riot Control Sets, Biometric access control system, photo entry pass, Baggage Checking system has been installed/implemented to ensure robust security of the Yard. Regular safety audit, awareness programmes, fire safety training, periodic contingency exercise/mock drills were conducted during the year. Employees are sensitized on the security threat and action to be taken in case of emergency and fire accidents.

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

89. In pursuance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Internal Committee has been reconstituted for enquiring into complaints of sexual harassment at workplace. The Committee is headed by a senior woman executive and has an external member who is a person familiar with the issues relating to sexual harassment. During FY 2019-20, the Company did not receive any complaint on sexual harassment, hence, NIL disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Awareness programs and trainings to sensitize the employees were organised during the year.

GSL conducted Program on POSH and Gender Sensitization on 24 Jul 2019

SKILL DEVELOPMENT

90. Under Prime Minister's Vision of Skill India, the Company has been supporting Ministry of Defence initiatives and has undertaken following activities under Skill Development:

(a) **Adoption of Vasco ITI.** The Company has adopted the local Industrial Training Institute (ITI) at Vasco to make it a model Industrial Training Institute and organized trainings for students as well as instructors on Safety, Technical and Soft skills. Digital Content Software has been provided to the ITI for facilitating learning as per the NCVT (NSQF) latest syllabus.

(b) **Centre of Excellence.** The Company in collaboration with Society of Industrial & Technical Education, Goa (SITEG) has built state-of-the-art Centre of Excellence for Welding. Under its CSR initiative, the Company provides three months specialized training in 3G Welding and certification by IRS. Local youth have been benefited from the program which has enhanced their employability.

(c) **Train the Trainer Program.** The Company has been organising a number of trainings under '**Train the Trainer'** series for ITI Instructors and Group Instructors to upgrade them to the latest developments in their respective fields and also train them in Multi-Skill aspects.

(d) **Apprentice Training Program at GSL.** In line with Skill India Mission of the Government, the Company is currently training 10% of its total strength as apprentices in its Apprentice Training School.

(e) **Specialised Training in niche areas.** Special course has been started in FRP wherein around 50 personnel are undergoing training.

SWACHH BHARAT ABHIYAN

91. GSL has continued its wholehearted support to the Government 'Swachh Bharat Campaign' and accelerated the activities at various levels. During the year, the Company undertook and pursued the following activities:

(a) To commemorate the 150th birth anniversary of Mahatma Gandhiji on 02 Oct 2019, "Sharamadaan" under "Swachhta Hi Seva" Campaign was carried out from 15 Sep 2019 to 02 Oct 2019. Various activities such as Mass Pledge on Swachhta, Shramdaan Drive on public road, Tree Plantation in GSL Officers Enclave, supply of 1000 cloth bags to local administration coinciding with theme "Plastic Mukt Bharat" were carried out.

(b) Organized special cleaning drive on the occasion of Gandhi Jayanti on 02 Oct 2019 where various parts of Vasco City were cleaned with combined efforts of GSL team.

(c) Swachh Bharat Pakhwada was observed from 01 to 15 Dec 2019 and various cleanliness drives viz, disposing of scrap material, weeding out of old files & office equipment, fumigation of office spaces were conducted. 'Mini Marathon', seminar and various competitions were organized for creating awareness about cleanliness. Posters & Banners were displayed in GSL premises for spreading awareness about cleanliness.

(d) In line with MoD directions, "Plogging" or "Plastic Se Raksha - Swachhta Hi Suraksha" drive was organised by GSL on 07 Dec 2019 under the flagship programme of "Swachh Bharat Pakhwada". GSL's employees, CISF personnel along with the family members and students from Govt. school, Vasco have participated in large numbers and supported the cause.

(e) Signed MoA with Goa State Urban Development Agency, Government of Goa for Waste Management through "Establishment of Material Recovery Facility (MRF)" at Sada, Vasco.

(f) Constructed/ renovated 40 toilet blocks for local community and schools in and around city of Vasco.

(g) Adopted road from St. Andrew Circle, Vasco to Airport Junction, Dabolim (6 kms.) for regular cleaning activity.

(h) Provision of safe drinking water facilities to Local Panchayat, Government Hospitals and Schools.

Inauguration of Toilet Block for providing better sanitation facilities to local community of New Vaddem, Vasco

GSL observed 'Swachh Bharat Pakhwada' on 01-15 Dec 2019

OFFICIAL LANGUAGE IMPLEMENTATION

92. Your Company is committed to adhere to the Official language policy of the Government of India. The Company has achieved the targets laid down in the Annual Programme regarding use of Hindi in official work and is compliant with 'Online' submission of Quarterly Report. The Town Official Language Implementation Committee, South Goa awarded second prize to the Company for the commendable performance amongst Central Govt. Offices in South Goa in the implementation of Official Language Policy.

93. Official Language Implementation Committee (OLIC) under the Chairmanship of CMD met regularly and reviewed the progress made in promoting Official Language. So far 84 Officers/Supervisors/Employees were trained in Hindi Parangat Training under Hindi Teaching Scheme, Mumbai. The Company has successfully completed Hindi Typing training on computer under Hindi Typing correspondence course organized by Central Hindi Training Institute, MHA. Refresher Course of Hindi Typing on Computer and Personal Contact Programme on computer were organized periodically. As part of skill development training to workmen, basic computer knowledge in Unicode and Rajbhasha sessions were conducted.

94. To encourage Officers/Supervisors/Employees to do their routine work in Hindi, they were provided training in Functional Hindi Workshop and Glossary of Administrative Terms. In line with instruction issued by MHA, Dept. of OL, advanced computer training programme in Unicode encoding system was organised for Officers/Supervisors/Employees in different batches. A separate Hindi Library has been established with good number of Hindi books and books are being distributed to all the employees on monthly basis to encourage Hindi reading. Two edition of half yearly in-house magazine in Hindi "**Goayard Darshan**" were released.

95. Hindi Week was observed in GSL from 16 to 21 Sep 2019. As a part of celebration, all Goa level various competitions and functional workshops on Official Language were organised. On the occasion of Vigilance Awareness Week, National Safety Week, Quami Ekta Week, Energy Conservation Week, Swachh Bharat Abhiyan, Swachhata Hi Seva celebrations, various competitions were conducted in Hindi to promote Official Language in GSL. A large number of Employees and their children participated with great enthusiasm and awards were given to the participants.

96. With a view to motivate the Employees' children in learning Hindi and Employees to use Hindi in their office work, various incentive schemes are in vogue. The Company's Annual Report, MoU, Brief, Questionnaire and Presentation of various Parliamentary Committees, Recruitment advertisement and Promotional & Recruitment Question Papers were prepared in bilingual form. Website of Company has been designed in Hindi and English and content is updated periodically.

VISITS OF PARLIAMENTARY COMMITTEES

97. During the year, the following Parliamentary Committees visited Goa and held discussions with GSL Management:

(a) Parliamentary Committee on Welfare of Other Backward Classes on 15 Jan 2020;

(b) Study visit of the Standing Committee on Labour on 20 Jan 2020; and

(c) Parliamentary Committee on Welfare of Scheduled Castes and Scheduled Tribes on 23 Jan 2020.

Study Tour of the Parliament Committee on Welfare of OBCs on 15 Jan 2020

Study Visit of the Parliament Committee on Welfare of SC & ST on 23 Jan 2020

IMPLEMENTATION OF RTI ACT, 2005

98. The Company confers special emphasis on implementation of the Right to Information Act, 2005 ('RTI Act') in letter and spirit. The applications received from the citizens of India as well as transfer applications from MoD under Section 6(3) of the RTI Act were replied within the prescribed statutory requirement. During the year 2019-20, the Company received 54 RTI applications and the information was furnished in time. 06 RTI applicants preferred an appeal before the Appellate Authority under Section 19(1) of the RTI Act and the same were disposed of accordingly. There are no cases pending as on date before the Central Information Commissioner for the RTI application filed for the year 2019-20. The particulars as prescribed under Section 4 of the RTI Act have been posted on the website of the Company www.goashipyard.in.

VIGILANCE ACTIVITIES

99. During the year 2019-20, the thrust was on Preventive Vigilance & Systemic Improvements. A number of regular inspections, surprise checks and CTE (Type) inspections were carried out in various areas with the aim of intervening in time to preclude lapses/violations of instructions and guidelines of Central Vigilance Commission ('CVC'), if any. The required sensitization program on vigilance matter and importance of preventive vigilance were explained to the newly joined incumbents including CISF personnel in GSL.

100. As per directives of CVC, '**Vigilance Awareness Week 2019**' was observed in GSL from 28 Oct 2019 to 02 Nov 2019 with theme of 'Integrity-A way of life'. During the event, various activities such as essay writing, poster & slogan competition, elocution contest and screening of CVC documentaries were held. Posters and Banners were displayed at prominent places of GSL Corporate Office and auxiliary units. A talk on 'Corruption at work place' followed by an interactive session with Shri C. B. Ramadevan, SP (CBI), Goa was also held during the week, which was well attended by senior executives.

101. During the year, Vigilance Department was responsible for implementation and monitoring of system improvements towards promoting ease of doing business in GSL, rotational transfer policy, improvised attendance recording systems and CCTV coverage of written test for recruitment, etc. as a part of its preventive vigilance activities.

INTEGRITY PACT

102. The Central Vigilance Commission ('CVC') has been advocating transparency, equity and competitiveness in Government/PSU transactions in public procurement and has recommended adoption of Integrity Pact. Accordingly, GSL has adopted Integrity Pact for procurement transactions/contacts above Rs 2 Crore in line with MoD guidelines. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer (GSL), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidder and exclusion from future business dealings.

103. As nominated by CVC, the Company has appointed Vice Admiral Ashok Vishwanath Subhedar (Retd) as the Independent External Monitor (IEM) for monitoring implementation of Integrity Pact in the Company for a period of three years w.e.f. 19 Sep 2019. All Integrity Pacts are being monitored by the IEM on quarterly basis. During the year 2019-20, 16 contracts worth Rs 143 Crore (approx.) were covered under Integrity Pact and reviewed by the IEM and none of the Integrity Pact contracts has attracted complaint/grievance of any nature. Further, no complaints were received by the IEM from any of GSL's vendors. IEM holds structured meetings with the Chairman & Managing Director.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

104. The Management Discussion & Analysis Report as required under the DPE Guidelines on Corporate Governance for CPSEs is placed at **Annexure 'C'** to this Report.

CORPORATE GOVERNANCE

105. Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activity carried out by your Company and continues to lay strong emphasis on transparency, accountability and integrity. A detailed Report on Corporate Governance as per the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005-GM dated 14 May 2010 along with Compliance Certificate from the Practicing Company Secretary is placed at **Annexure 'D'** hereto. As per the Self-evaluation Annual Grading Report on Corporate Governance for the year 2019-20, the Company has achieved **'Excellent'** grading.

COMPLIANCE OF SECRETARIAL STANDARDS

106. During FY 2019-20, the Company has complied with the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

107. The Company has been consistently contributing towards the goal of achieving sustainable and equitable development in society through capacity building measures, improved quality of life, empowerment of the marginalised and underprivileged sections / communities in fulfilment of its role as a Socially Responsible Corporate and in compliance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII thereto, Companies (Corporate Social Responsibility) Rules 2014 and the Guidelines on Corporate Social Responsibility issued by DPE. Focused interventions are undertaken in the sectors of education, healthcare & sanitation, community development, vocational skill development, environmental sustainability, etc.

108. The Company has framed CSR & Sustainability Policy, which can be accessed on Company's website www.goashipyard.in. The Board of Directors of the Company has constituted the Committee on Sustainable Development and Corporate Social Responsibility, the details of which are provided in Corporate Governance Report. The Annual Report on CSR activities carried out during the financial year is placed at **Annexure 'E'** hereto.

WHISTLE BLOWER POLICY

109. The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the policy are set out in the Corporate Governance Report placed at **Annexure 'D'** hereto.

EXTRACT OF ANNUAL RETURN

110. In accordance with the provisions of Section 92(3) and 134(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return for the year ended on 31 Mar 2020 in Form No. MGT-9 is placed at **Annexure 'F'** and published on the Company's website, which can be accessed through www.goashipyard.in under Annual Reports.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

111. All related party transactions entered during the financial year were in ordinary course of business of the Company and on arm's length basis. There were no materially significant related party transactions entered by the Company, which may have a potential conflict with the interest of the Company. Hence, the disclosure of Related Party Transactions in Form AOC-2 as required under Section 134(3)(h) is not attached with the Directors' Report. However, your Directors draw attention of the members to Note 2.46 to the Financial Statements which sets out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

PARTICULARS OF EMPLOYEES

112. In accordance with Gazette Notification No. 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government Companies are exempted from Section 197 of the Companies Act, 2013 and rules thereof.

DIRECTORS

Appointment

113. Shri V. Nagaraj has been appointed as Part-Time Non-Official (Independent) Director on the Board of GSL vide MoD, DDP letter no. Pt.11/(57)/2017/D(NS) dated 15 Jul 2019 for a period of three years from the date of notification of appointment/allotment of DIN, or until further orders, whichever is earlier. His appointment has become effective from 23 Jul 2019 i.e. the date of allotment of DIN.

114. Capt. Jagmohan, IN (Retd) has been appointed as Director (Corporate Planning, Project & Business Development), GSL vide MoD, DDP letter No.2/1(1)/2019/D(NS) dated 29 Nov 2019 for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. He assumed the charge of the post on 15 Dec 2019 (AN).

115. The Board welcomed the appointment of Shri V. Nagaraj and Capt. Jagmohan. A brief resume of the newly appointed Directors is placed at **Annexure 'D'** to this Report.

Cessation

116. Shri K. Mohandas ceased to be Part-Time Non-Official (Independent) Director w.e.f. 07 Jan 2020 on completion of his tenure in GSL. The Board placed on record its deep appreciation of the valuable services rendered and guidance provided by Shri K. Mohandas during his tenure.

Declaration of Independence

117. Independent Director of the Company has provided declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and he has registered his name in the Independent Directors' Databank.

MEETINGS OF THE BOARD

118. During the year, five meetings of the Board of Directors were held. For further details, please refer to Report on Corporate Governance placed at **Annexure 'D'** to this Report.

REMUNERATION POLICY AND EVALUATION OF BOARD'S PERFORMANCE

119. Your Company being a Government Company, the appointment, tenure and remuneration of Directors of the Company are decided by the Government of India (GoI). Part-Time Non-Official (Independent) Directors are paid sitting fees for attending meetings of the Board of Directors and committees thereof. Part-Time Official (Government) Director is not paid sitting fees or any other remuneration. Since the Board level appointments are made by the GoI, the evaluation of performance of such appointee is also done by GoI. A separate meeting of Independent Directors was held on 27 Dec 2019 to evaluate the Board processes.

DIRECTORS' RESPONSIBILITY STATEMENT

120. To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors make the following Statement pursuant to the provisions of Section 134 of the Companies Act, 2013:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(b) That such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 Mar 2020 and of the profit of the Company for the year ended 31 Mar 2020;

(c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) That the annual accounts have been prepared on a going concern basis;

(e) That the Company has put in place adequate internal financial controls with reference to financial statements; and

(f) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

121. For details, please refer Report on Corporate Governance placed at **Annexure 'D'** to this Report.

RISK MANGEMENT

122. The "Risk Management Policy" formulated with intent to enable the Company to adopt a defined process for managing its risks on an ongoing basis and to implement a structured and comprehensive risk management system. The objective of the Policy is to help the management to make informed decision which will:

(a) Provide a sound basis for good corporate governance,

(b) Avoid major surprises related to the overall risk and control environment,

(c) Protect and enhance stakeholders' value,

(d) Promote an innovative, risk aware culture in pursuit of opportunities to benefit the Company,

(e) Promote qualitative and consultative risk taking.

123. The Policy provides for risk management governance structure which has been implemented in the Company. Further, the Board reportable risks have been identified and the risk mitigation plans have been formulated under the said Policy. The Key Risks identified as Board Reportable Risks alongwith Mitigation Plans are monitored on an ongoing basis. The Risk Management Steering Committee ('RMSC') is the apex committee in the Risk Management Governance structure comprising of key

decision makers within the organization. RMSC is entrusted with the responsibility of implementing the Risk Management framework across the organization, apprises Board of Directors about various Risk Management initiatives and ensures adequate reporting of the same to various stakeholders on a regular basis.

INTERNAL FINANCIAL CONTROLS

124. During the year internal financial controls were tested and no reportable material weaknesses in the design or operation were observed. Functional autonomy is ensured by way of delegation of financial powers of the Board to the CMD/Directors. These powers are further sub-delegated to officers at various levels for smooth and efficient day-to-day functioning. The Company has also in place, various policies and procedures for maintaining adequate and effective internal controls. An independent Internal Audit mechanism is in place for conducting extensive audit of various operational and financial matters. The Comptroller & Auditor General of India (C&AG) conducts proprietary audit. The independent Audit Committee constituted by Board of Directors examines audit observations, provides guidance, suggests corrective measures and issues directives, if required. The Audit Committee also looks into the Internal Control Systems, Company Procedures and Internal Audit performance while reporting to the Board of Directors.

STATUTORY AUDITORS

125. Pursuant to Section 139(5) of the Companies Act, 2013, Comptroller and Auditor General of India ('C&AG') has appointed M/s. ABM & Associates LLP, (BO1440) Chartered Accountants, Porvorim, Panaji, Goa as Statutory Auditors to audit the Financial Statements of the Company for FY 2019-20.

126. Auditors' Report on the Financial Statements of the Company for FY 2019-20 is appended to this Report. There are no audit qualifications on the Company's financial statements. The comments of the C&AG u/s 143(6) of the Companies Act, 2013, on the Accounts of the Company for FY 2019-20 will be placed on receipt.

COST AUDITORS

127. As per requirements of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained the cost records relating to Shipbuilding industry. Pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S R Bhargave & Co, Cost Accountants, Pune, Maharashtra (FRN 000218) was appointed as Cost Auditor for conducting the Cost Audit of the Company for FY 2019-20. The remuneration of Cost Auditor for FY 2020-21 will be ratified by the shareholders at the ensuing AGM.

SECRETARIAL AUDIT

128. Pursuant to Section 204 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, CS Shweta K Kharangate, Practicing Company Secretary, Vasco da Gama, Goa (PCS Registration No. 8781) was appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report submitted by Secretarial Auditor is annexed to this Report as **Annexure 'G'** and forms part of this Report.

129. The Secretarial Auditor in her Report observed that from 01 Apr 2019 to 22 Jul 2019 and from 07 Jan 2020 to 31 Mar 2020, the Company had only one Independent Director on the Board. As the Company did not have the requisite number of Independent Directors on its Board, the composition of Board of Directors was not in compliance with the applicable provisions of the Act and DPE Guidelines on Corporate Governance. Similarly, owing to inadequate number of Independent Directors, constitution of Audit Committee and Remuneration Committee of the Company were not in compliance with the provisions of the Act and the said DPE Guidelines during the above period.

130. It is submitted that as per Articles of Association of the Company, the President of India is vested with the power to appoint the Directors on the Board of the Company and accordingly, the Company has taken up the matter with its Administrative Ministry to appoint 02 Independent Directors, which is under consideration of the Government.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

131. During the year under review, the Company has not:

(a) given any loan/guarantee or provided any security to parties and

(b) acquired by way of subscription, purchase or otherwise, the securities of any body corporate, as prescribed under Section 186 of the Companies Act, 2013.

GENERAL

132. Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

(a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.

(b) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

(c) There has been no change in the nature of business of the Company during the year under review.

ACKNOWLEDGEMENT

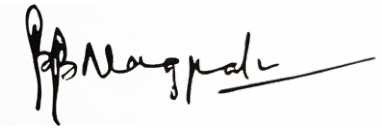
133. The Directors express their sincere gratitude and deep appreciation for the continued assistance, support and guidance received by the Company from various Ministries of the Government of India, especially Ministry of Defence, Department of Defence Production, the Integrated Headquarters (Navy)/MoD, Indian Coast Guard organization, Government of Goa, Mormugao Port Trust and Flag Officer Goa Area & Naval Aviation and look forward to their continued patronage and valuable co-operation in the future.

134. The Directors acknowledge with thanks the valuable advice rendered by and co-operation received from the Comptroller and Auditor General of India, the Principal Director of Commercial Audit, Ex-Officio Member of the Audit Board, Bengaluru, Controller of Defence Accounts (Navy) and the Department of Public Enterprises.

135. The Directors also acknowledge with gratitude the continued patronage and wholehearted support given by the Company's clients and shareholders. Directors are also thankful to the Company's suppliers, Classification Authorities, Rating Agencies, Auditors, Company's Bankers, Insurers and the CISF Contingent for their wholehearted help and co-operation.

136. The Directors also wish to record their appreciation for the invaluable contribution and unstinted efforts put in by all employees of the Company for its continued progress and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of Board of Directors



Cmde B. B. Nagpal, NM, IN (Retd)
Chairman & Managing Director
DIN: 07564818

Place: Vasco-da-Gama
Date: 17th August, 2020

STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED CASTES/ SCHEDULED TRIBES/OTHER BACKWARD CLASSES/PERSONS WITH DISABILITIES AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.01.2020 AND 01.01.2019

CLASSIFICATION OF POSTS	AS ON 1ST JANUARY 2020							AS ON 1ST JANUARY 2019						
	TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH DISABILITIES CATEGORY	WOMEN EMPLOYEES*		TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH DISABILITIES CATEGORY	WOMEN EMPLOYEES*	
						NO.	%						NO.	%
Permanent														
GROUP 'A'	256 $	33	22	59	1	25	9.76%	268 $	33	23	63	1	24	8.95%
GROUP 'B'	16	1	1	4	NIL	2	12.50%	17	3	1	2	NIL	2	11.76%
GROUP 'C'	1009 #	50	87	231	17	119	11.79%	1095 #	55	80	241	13	115	10.50%
GROUP 'D'	219 #	20	16	22	11	7	3.19%	234 #	23	17	27	10	7	2.99%

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/ D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

$ includes MTs

\# includes Fixed Term Employees, ITI and Diploma Trainees

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE DURING THE CALENDAR YEAR 2019, THE NUMBER FILLED BY MEMBERS OF SCs, STs, OBCs, PwDs AND WOMEN PERSONNEL REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION

CLASSIFICATION OF POSTS	TOTAL NO. OF VACANCIES FILLED DURING THE YEAR	SCHEDULED CASTES		SCHEDULED TRIBES		OTHER BACKWARD CLASSES		PERSONS WITH DISABILITIES		WOMEN PERSONNEL RECRUITED*	REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED		
Permanent											
GROUP 'A' (including MTs)	7	1	1	1	NIL	NIL	NIL	NIL	NIL	1	One unfilled reserved vacancy in Group A post is due to non availability of suitable candidate. However efforts are being made to fill up this vacancy.
GROUP 'B'	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
GROUP 'C' (including Fixed Term employees, ITI and Diploma Trainees)	22	NIL	NIL	NIL	11 #	2	3 #	1	4 #	5	-
GROUP 'D' (including Fixed Term employees)	4	NIL	NIL	NIL	NIL	Nil	1 #	NIL	1 #	NIL	-

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/ D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

\# including previous year vacancies

Annexure 'C' to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR FY 2019-20

INDUSTRY STRUCTURE AND DEVELOPMENTS, OUTLOOK, STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS, MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH

Industry scenario and developments

1. **Global Scenario.** Demand for military equipment is on the rise as governments across the globe are focussing on military modernization, given increasing global security concerns, border disputes and emerging significance of maritime dominance. The uncertainty and sustained complexity of the international security environment worldwide is likely to boost global defence spending over the next five years. Global defence spending is expected to grow at a CAGR of about 3 percent over the 2019-2023 period to reach US$2.1 trillion by 2023. Increasing global defence spending would continue to create opportunities for defence contractors, ancillary industry and its supply chains. Moreover, paradigm shift in defence policy to opt for a lean force with technology intensive products, has thrown up new opportunities for the defence industry. To meet the increased demand and improve production yields, defence companies should leverage highly agile production that adapts to changes in demand, including digital technologies.

(Source: Deloitte 2020 global aerospace and defense industry outlook)

2. **Indian Scenario.** The Indian defence sector is of high strategic importance to the country and has largely been dependent on imports for critical technologies and equipment. However, of late, Government of India has made substantial progress in not only achieving self-reliance but also shedding the tag of leading importer of defence products and has moved a step further to transcending into exports of defence equipment. Towards the same, Government in its quest to boost indigenous defence manufacturing, has taken substantive steps such as ease of licensing in defence, increased thrust on exports, accelerating process of Acceptance of Necessity and RFPs, encouraging private sector participation in defence production, development of defence industrial corridors in Tamil Nadu and Uttar Pradesh and funding for innovation in Defence and Aerospace through iDEX/DIO. The intent of the Government to achieve higher indigenization and self-reliance is also visible in the latest policy measures such as simplified Make-II procedure, raising of foreign direct investment limit in automatic route, banning import of certain weapons/platforms and draft Defence Production Policy 2020 (DPP). Draft DPP emphasises the utilisation of immense potential to leverage the manpower and engineering capability within the country to attain self-reliance in the defence sector.

3. Emerging geo-political challenges in East Asia Region and neighbourhood has posed new challenges in defence preparedness and requirement of augmentation of resources and embracing new and innovative technologies. Therefore, there has been an increased emphasis on modernisation of the defence equipment, access to the most sophisticated defence technologies and prioritisation of defence acquisitions. As per published report, the Indian Navy's perspective plan envisaged augmentation of its fleet size from the present 150 to 200 nos. by 2027. Indian Coast Guard is also on a similar expansion programme, coherent with the policy of securing coastal territory. This expansion of maritime forces is expected to provide a spurt in the indigenous shipbuilding arena. Besides, the GoI's indigenisation plan is also expected to give a fillip to the growth of ancillaries and generally improve the shipbuilding environment in the country.

4. In the commercial shipbuilding, the requirements envisaged in Coastal and Inland Waterways transportation presents the most promising segment. New multi-modal freight terminal in Varanasi, being part of Jal Marg Vikas project, marked the beginning of the government's effort to resurrect the Ganga as a significant transportation artery. The Company has built a River Passenger Ferry for use in inland waterways segment and thus making an inroad in this segment.

5. Use of new technologies, such as autonomous vessels, artificial intelligence (AI) and automation are the key drivers of the shipbuilding market across the globe. Additionally, adoption of robotic technologies and Industry 4.0 technologies are likely to supplement the shipbuilding market in the near future. There is immense potential to forge strategic partnerships and convert India into a hub for defence shipbuilding exports and to offer maintenance support services to friendly foreign countries.

Impact of COVID-19

6. In the last quarter of financial year 2019-20, unprecedented global breakout of the COVID-19 pandemic leading to serious crisis in the health sector, lockdown across many countries and significant disturbances leading to serious economic fallout. In majority of the countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. There has been coordinated global monetary policy and fiscal support from governments. These policy support measures may act as cushions to offset weakness in growth to some extent. However, it is expected that global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term.

7. As far as Indian scenario is concerned, Indian Government announced nationwide complete lockdown with intent to contain the spread of COVID-19 with effect from 25 Mar 2020, which has brought approximately 70% of economic activity, investment and exports to a standstill. The sudden closure of commercial activities coupled with deceleration in discretionary consumption has led to significant contraction in economic growth. With economic activity faltering amidst a country-wide lockdown, the defence sector is no exception and your Yard has also witnessed the plunge in production activities. Policy interventions adopted by the Government for protecting the affected, fiscal stimulus for kick-starting economic activity and monetary easing to infuse liquidity are expected to drive economy towards normalcy early. Despite the near-term ambiguity, GSL remains confident of the medium to long-term growth prospects of the defence shipbuilding sector.

Organisation Structure

8. Goa Shipyard Limited ('GSL') is a Government of India owned defence public sector undertaking under the administrative control of Ministry of Defence, Department of Defence Production. GSL is a Miniratna, Category-I, ISO 9001:2015 (QMS), 14001:2015 (EMS) and 45001:2018 (OHSMS) certified company with state-of-the-art infrastructure. GSL, having shipyard at Vasco da Gama (Goa), is engaged in Shipbuilding, Ship Repair and General Engineering Services for defence and commercial sector. GSL has completed construction of dedicated infrastructure for production of GRP vessels and set up separate facilities to support Ship Repair & General Engineering Services activities, as part of diversification. GSL has set up liaison office in Karwar, Karnataka to explore ship repair opportunities.

Products and Services

9. In the recent past, GSL has grown exponentially in diverse fronts offering end-to-end solutions for design, construction and through-life support for defence platforms. It has emerged as a leading shipbuilder in the Indian sub-continent, capable of indigenously designing and building with state-of-the-art high technology and sophisticated ships to cater for maritime security requirements of the country and its friendly neighbours. The delivered product range of GSL includes Offshore Patrol Vessels, Fast Patrol Vessels, Missile Crafts, Sail Training Ships, Tugs, Boats, Fishing Vessels, Passenger Vessels, etc. While, in last three decades, it has attained domain expertise in Offshore Patrol Vessels and Fast Attack Crafts and now the Yard is upgrading and up-skilling to more advanced and complex platforms such as Frigates and Corvettes. The Shipyard has further diversified into design and construction of Glass Reinforced Plastic (GRP) vessels, Hovercrafts, Damage Control Simulator (DCS), Survival at Sea Training Facility (SSTF), Shore Based Test Facility (SBTF), Stern Gear and Shafting equipment. GSL is presently fully engaged in the activities related to construction of 02 Advanced Missile Frigates for the Indian Navy.

Outlook

10. The Defence Industry in India is experiencing significant and progressive change with huge opportunities for growth. Aggressive fleet expansion plan of maritime defence forces coupled with the 'Make in India' initiative of the Government and rapidly changing geo-political situation provides wider opportunities to Indian shipyards for construction of warships and submarines for defence forces and further strategising to diversify its product range to the entire gamut of flotilla such as PCV, ACV, FAC, Floating Dock, etc. which can fit into the Company's shipbuilding infrastructure, with an intention to dominate the market. Emerging business prospects in commercial shipbuilding segment and growing demand of unmanned vessels would also offer additional avenue to the shipyards. In this scenario, your Company is focusing on emerging new business opportunities and also develops new products / aggregates to align with the market requirements.

11. Your Company continues its efforts in securing shipbuilding and repair orders at domestic and international level and has been bidding aggressively for upcoming projects of the Indian Navy & Indian Coast Guard and is endeavouring to maximise the indigenization content with the help of Indian shipbuilding industry. Your Company has recently emerged as L1 for construction of 02 Pollution Control Vessels and for undertaking repairs of 03 vessels for Indian Coast Guard. Considering the healthy order book position and expected orders, the future outlook of the Company is bright and vivid.

SWOT Analysis

12. In the changing environment, your Company has identified following to be its strengths, weaknesses, opportunities and threats:

Strengths

(a) Decades of expertise in shipbuilding, ship repair and diversified products coupled with advanced facilities enables the Company to expand its market in India and abroad.

(b) In-house design capability operating on computerized modelling and drafting software. The designs of Advanced Offshore Patrol Vessels, Fast Patrol Vessels, etc. were entirely made in-

house. The Company is also in the process of developing designs for more sophisticated vessels and also has procured additional FORAN Software for design purpose.

(c) Well established Enterprise Resource Planning (ERP) encompassing the entire gamut of operations. This enables seamless integration of all shipbuilding activities resulting in faster and efficient processing of related activities. All workflows from the initiation stage to termination are fully system based.

(d) Highly skilled work force and strong management with ability to absorb and adopt improvements/ new technologies. Regular training on the job and acquisition of new skills is imparted to keep the workforce abreast with technology.

(e) Successful implementation of e-procurement system and incorporation of such other advancements in IT in the day-to-day working of the Company.

(f) Good infrastructure supported with modern machineries for shipbuilding enabling simultaneous construction and fitting out of many large ships. Advancement in technology is captured and absorbed simultaneously.

(g) Shiplift and Transfer System capable of docking vessels upto 6000 tonnes with two land berths and 02 Nos. covered Ship Assembly Workshop equipped with 2 Nos crane of 80T each with tandem operation cable of lifting max 160T, showcasing high maneuverabilities of infrastructure.

(h) Consistent track record of execution and timely delivery.

(i) Quality conscious, ISO 9001:2015, 14001:2015 and 45001:2018 Company.

(j) Cohesive management with better communication network.

(k) Good industrial relations.

(l) Financially sound Company.

Weaknesses

(a) Geographical limitation for expansion at the present site.

(b) Limited water front and water depth.

(c) Inadequate industrial and local vendor base.

(d) Stiff price competition in international market that impede export volumes.

Opportunities

(a) Acquisition plan of Indian Navy and Indian Coast Guard aimed at augmentation of fleet size.

(b) Growing export potential with friendly nations and support by GoI for expanding realm of exports through Line of Credit.

(c) Demand for OPVs/FPVs for patrolling, pollution control, etc., due to increasing security needs internationally.

(d) Emerging opportunities in the inland waterways and coastal shipping sector in India.

(e) Huge ship repair opportunities due to high cost of replacement tonnage.

(f) Increasing need of GRP/FRP boat requirements for patrolling by Government agencies.

(g) Impetus on self-reliance and Make in India policy of the Government.

(h) Potential for entering into Annual Maintenance Contracts for maintenance of vessels and systems.

Threats

(a) Increased competition from private sector in the shipbuilding market.

(b) Competition from small scale shipbuilders and repairers.

(c) Availability of limited experienced outsourcing parties to meet the demand.

(d) Dependence on foreign suppliers for sophisticated systems and machineries.

13. The SWOT analysis brings out the huge opportunities available for building defence, commercial and inland water vessels. Therefore, GSL continues to focus on exploiting these opportunities based on its strength and minimizing the impact of weaknesses. The strengths of infrastructure, design and manufacturing facilities are leveraged to have strategic alliances to address the emerging opportunities and reducing the impact of perceived threats.

Risks and Concerns

14. Risks and concerns are an integral part of the business. Your Company has developed an appropriate risk management framework to monitor, identify, assess and mitigate risks that may potentially impact the Company's performance. The major risks and concerns to the Company are:

(a) The most significant emerging risk is the outbreak of the novel coronavirus (COVID-19) and its rapid acceleration across the globe. The manifold disruptions in terms of Government announced lockdowns, challenges in running production, managing supply chain and financial stress impacting Government spending on defence procurements pose risk that is rapidly evolving.

(b) Dependence on few customers i.e. maritime defence forces.

(c) Augmentation of infrastructure including Software/ERP system.

(d) Dependence on suppliers and subcontractors for timely delivery of equipment and completion of job works.

(e) Delays in finalisation of high-value orders and effectuation of contracts may lead to under-utilization of facilities and idling of trained manpower and infrastructure.

(f) Maintaining cost competitiveness and sustaining market share in view of increased competition.

Major Initiatives Undertaken and Planned to Ensure Sustained Performance and Growth

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

A. **Infrastructure Modernisation**: Infrastructure Modernisation plan includes creation of dedicated facilities for the construction of high technology Glass Reinforced Plastic (GRP) hull vessels along with other supporting infrastructure. Infrastructure Modernisation programme at GSL is being executed in five phases out of which works on Phase 1, 2 & 3A have been completed. The work on Phase 3B & 4 is in progress as under:

(a) **Construction Works Phase 3B**: Steel Preparation Workshop (SPS) and Process (Acetylene, O_2 & Co_2) Gas Banks have been completed. Erection of Block Assembly Workshop (BAW) and construction of Amenity Building are in progress. Phase 3B is expected to be completed by mid 2021.

(b) **GRP Complex**: The Construction Work under Phase 4 contract comprising of setting up of facility for construction of GRP hull has been completed.

(c) **Construction of Command, Control & Design Office Building at GSL**: As part of Phase 4, Command, Control & Design Office comprising of 08 floors (6+2) is being erected at GSL. The civil structure of the building has been completed and internal/external finishing and external services works are in progress.

B. **Marketing & Business Development**: In line with growing thrust on export by GoI, the following initiatives were taken towards marketing and business development:

(a) GSL is marketing aggressively its various reliable and proven products specially the in-house designed range of Patrol Vessels along with Survey Vessels, Training Ships, Landing Craft Utility and the varied range of GRP boats and Training Simulators to various friendly countries. The Company is expanding its capabilities into high value weapon intensive warships (Corvettes, Frigates, etc.) and bidding aggressively for international and domestic acquisition programmes. GSL is firming up plans to foray into unchartered technologically advanced shipbuilding segment to strengthen its order book position, optimize the capacity utilization of its yard and to boost GSL brand image as member of high end weapon intensive ship, which is considered critical for long term growth of the Company.

GSL participated in DEFEXPO-20 Exhibition in Lucknow

(b) In order to publicize our expertise and improve our exposure in the international market and to identify various business opportunities, the Company participated in Defence exhibitions viz. 'ARMY-2019' Exhibition in Moscow, Russia, 'ISDEF-2019' in Israel and 'DSEi-2019' in London. GSL also participated in 'DEFEXPO-20' Exhibition in Lucknow and showcased its product range and advance technological capability. Some innovative AI and futuristic products were also displayed by GSL in the special arena highlighting the Digital Transformation of India at DEFEXPO-20. Four MoUs, one Marketing Rep Agreement and one ToT Agreement were signed by the Company at this event.

(c) The Company deputed its representatives to potential countries to obtain insights on their forthcoming projects and impress upon them the capabilities of GSL to design and build various types of high quality, cost effective defence vessels, high speed boats and training simulators.

GSL participated in Army 2019 Exhibition in Moscow, Russia

Exchange of ToT Agreement with DRDO during Bandhan Ceremony at DEFEXPO-20

C. **Information Technology (IT) System Initiatives:** Your Company has continued to undertake various initiatives on the Information Technology front to facilitate business operations. Some of the major initiatives taken during financial year 2019-20 are as under:

(a) Implemented/re-designed workflow enabled processes such as Medical Reimbursements related Payments Module, Loans and Advances sanction & payment, Annual Property Returns Submission system, etc.

(b) Installed and configured a SIEM solution consisting of Manage Engine (Central Log Manager) whereby centralised Log Analysis is facilitated for better information and control.

(c) Implemented an Enterprise Backup Software (Commvault) to consolidate all individual backups through a single console.

(d) Established a complete air-gap strategy to separate internet from intranet to enhance Data Security.

(e) Promulgated Cyber Security Policy, Cyber Security Framework and formulated Cyber Crisis Management plan.

(f) Developed a session/program in BaaN ERP system for generation of Auto SMS on the information of items pending delivery, not delivered after delivery date for early corrective action.

(g) Designed & developed Multiple Reports in BaaN ERP to facilitate GST related submissions.

(h) The Audit (Vulnerability Assessment and Penetration Testing) by Cert-In empanelled auditors, Cyber Security Audit by CSG-DDP, Physical Security Audit by Intelligence Bureau (IB) were conducted.

(i) Reverse Auction system for GSL launched on NIC's e-procurement Portal.

(j) Replacement of all PCs with Windows XP OS in phased manner.

(k) The process of evaluation of New ERP Solution is under progress. Tender Documents for selection of System Integrator & ERP Product has been finalised & proposed to go on web shortly.

(l) In-house workshops through C-DAC & Trend Micro Systems were organized. Participated in external workshops organized by CSG-DDP for IT Resources.

(m) Senior executives from GSL IT Department participated in NASSCOM-DSCI Annual Information Security Summit.

D. Quality Assurance and Quality Management

(a) The Company continues its strong commitment to product quality and customer satisfaction. The Yard has a well experienced QA inspection team, which is continuously trained in adopting updated inspection methodologies and best practices. The team undertakes Receipt Inspection of all incoming material and Onboard Inspection checks at every stage of the construction as detailed in quality plans. Ship construction, ship repair and general engineering activities are monitored both by in-house QA dept and external inspection agencies. The Yard has focused on defect avoidance through awareness training, self-inspection and root cause analysis to identify appropriate corrective and preventive measures for achieving continual improvement, which led to cost reduction, reduced build periods and reduction of D448 defects at the time of handing over of the ships.

(b) The Yard has implemented Tool box talk, Hazard Identification and Risk Assessment and Aspect Impact evaluation in every section and identified various risks on their process with mitigation plan to bring zero accident, zero rework and bring down environment pollution to the lowest possible non-significant levels. Quality Management with the help of ISO 9001:2015 has led to improvements by coordinated efforts of ERP, risk management and also upgrading of technical competence by external and internal expertise through sharing of 'lessons learnt' on GSL knowledge portal.

(c) The ISO implementation team has coordinated in implementation of risk management policy of GSL. All sections of the Company are now identifying risks that affect their areas of operation on a quarterly basis in ISO departmental review meetings. Risks are discussed at different levels of management. High risk issues thus identified are taken up for action by the Board of Directors.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

16. The Company has an adequate system of Internal Controls implemented towards achieving effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The system comprises well defined organization structures, pre-identified authority levels and procedure issued by Management covering all vital and important areas of activities, viz. Budget, Procurement, Materials control, Works, Finance & Accounts, Human Resources, etc. The Company has an Internal Audit Department which monitors compliances of Company's procedures and policies with well defined annual audit programme. Significant audit observations are reported to the Audit Committee of Board of Directors.

17. The implementation of ERP System has helped to strengthen the Internal Control Systems with its in-built checks and balances at various levels of operations. The Internal Control Systems are reviewed by the Audit Committee. The adequacy of Internal Control Procedures is reviewed and reported by the Statutory Auditors in their Audit Report. The Company, being a Government Company, is subject to audit by the office of Comptroller and Auditor General of India.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

18. The Performance Highlights of the Company during the year ended 31 Mar 2020 are as follows:

(Rs. in crore)

Particulars	2019-20	2018-19
Value of Production	**902.94**	847.80
Gross Revenue	**1071.76**	986.29
Revenue from Operations	**931.27**	905.61
Earnings before Interest, Taxes & Depreciation	**330.34**	259.15
Less: Finance Costs	**17.90**	3.69
Less: Depreciation	**47.53**	44.98
Profit Before Tax	**264.92**	**210.47**
Less: Tax Expenses	**67.14**	78.95
Profit After Tax	**197.77**	**131.52**
Other Comprehensive Income (net of tax)	**(4.09)**	(8.31)
Total Comprehensive Income	**193.68**	**123.21**
Net Worth	**1025.24**	911.90
Inventory	**333.31**	202.42
Trade Receivables (Net)	**118.47**	125.94
Earnings Per Share (in Rs)	**16.99**	**11.30**
Dividend (%)	**110%**	**80%**

SEGMENT-WISE PERFORMANCE

19. The Ministry of Corporate Affairs vide Notification No.1/2/2014-CL-V dated 23 Feb, 2018 has exempted Companies engaged in Defence Production to the extent of application of relevant Accounting Standard on segment reporting. Hence, the segment-wise/ product-wise performance is not appended to this Report.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

20. The details regarding Human Resource Development, Industrial Relations and manpower strength are more specifically covered in the Directors' Report.

ENVIRONMENTAL PROTECTION AND CONSERVATION

21. The Company continues to show its commitment for improvement in all aspects of the environment and pays special emphasis for plantation and preservation of trees. The Company has been actively taking part in tree plantation drives in the vicinity of Vasco city. Approximately 500 trees of different varieties including fruit bearing trees and a couple of medicinal plants have been planted in the Yard premises, residential complexes of the officers and CISF barracks. The Company has also adopted a few public gardens for general maintenance and plantations thereat have been carried out.

Tree Plantation Activities at GSL

22. GSL has installed a bio gas plant in the premises which converts the waste canteen food into bio gas. Approximately 100-150 kg canteen waste generated per day is converted into 20cu mtr (9 kg) of domestic gas per day.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

23. Relevant Information in this regard is disclosed in the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

24. For details, please refer the Annual Report on CSR activities placed at Annexure-E to Directors' Report.

ANNEXURE 'D' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR FY 2019-20

The Report on Corporate Governance along with Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as per the Guidelines on Corporate Governance for CPSEs 2010 issued by the Department of Public Enterprises, Govt. of India ('DPE Guidelines'), vide DPE's OM No.18(8)/2005-GM dated 14 May 2010, is given below:

PHILOSOPHY ON CORPORATE GOVERNANCE

1. It is the constant endeavour of your Company to maintain the highest standards of ethics in all spheres of business activities. Your Company's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures and legal compliances. It strives for transparency in decision making and to avoid conflicts of interest. It also accords due importance to adherence to the adopted corporate values and objectives and discharging social responsibilities as a corporate citizen.

2. In keeping with its professional approach, your Company is implementing the precepts of Corporate Governance in letter and spirit. The Company has set itself new mission with the objective of expanding its capacities and becoming globally competitive in its business. The Company expects to realize its vision by achieving its goals of value creation, safety, environment and people.

BOARD OF DIRECTORS

3. Goa Shipyard Limited ('GSL') is a Government Company under the administrative control of the Ministry of Defence ('MoD'). The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 ('the Act') and DPE Guidelines. As per the Articles of Association of the Company, the power to appoint Directors (including Independent Directors) vests with the Government of India.

Composition of Board of Directors

4. The Board of Directors of the Company plays a pivotal role in ensuring good Corporate Governance. The Company has a competent Board comprising Directors with diverse experience, qualifications, skills etc. which are aligned with the Company's business, overall strategy, corporate ethics, values and culture, etc. As on 31 Mar 2020, the Board of Directors of the Company consisted of 06 members, viz. 04 Whole-Time Directors including Chairman & Managing Director, 01 Part-Time Official (Government) Director and 01 Part-Time Non-Official (Independent) Director.

5. As per DPE Guidelines, there should be 03 Independent Directors on the Board of GSL. As on 31 Mar 2020, there was only 01 Independent Director on GSL's Board and 02 posts of Independent Directors were lying vacant. The Company is pursuing with MoD for appointment of requisite number of Independent Directors and the matter is under consideration at MoD.

6. Details of the Members of the Board during the year ended 31 Mar 2020 are given below:-

Sl. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of other directorships held	No. of committee membership in other companies	
				As Chairman	As Member
Whole-Time Director:					
1.	Cmde Bharat Bhushan Nagpal, NM, IN (Retd) Chairman & Managing Director	07564818	Nil	Nil	Nil
2.	Shri T. N. Sudhakar Director (Finance) & Chief Financial Officer	07419878	Nil	Nil	Nil
3.	Shri Shrikrishna J. Kamat Director (Operations)	08143652	Nil	Nil	Nil
4.	Capt. Jagmohan, IN (Retd) Director (Corporate Planning, Projects & Business Development) *(Appointed w.e.f. 15.12.2019)*	08630668	Nil	Nil	Nil
Part-Time Official (Government) Director:					
5.	Smt Richa Misra, Joint Secretary (Armed Forces), Ministry of Defence	08259796	Nil	Nil	Nil
Part-Time Non-Official (Independent) Director:					
6.	Shri V. Nagaraj *(Appointed w.e.f. 23.07.2019)*	08517963	Nil	Nil	Nil
7.	Shri K. Mohandas *(Ceased as Director w.e.f. 07.01.2020)*	06493283	04	01	01

Brief resume of newly appointed directors

7. Shri V. Nagaraj is a member of the Institute of Chartered Accountants of India ('ICAI'). He started his profession in 1976 and is now a leading Chartered Accountant in Pondicherry. He was the Past Chairman of Pondicherry Branch of Southern India Regional Council of ICAI. He joined Rotary Club of Pondicherry on 19 Oct 1977 and since then, he has been one of the active members of the Club. He has held various posts at Club level and District level and brought credit and laurels to the posts. He was the District Governor during the year 1998-99 and received the RI Presidential Citation Award in recognition of exemplary leadership in promoting Clubs participation in the Four Avenues of Services. He is recipient of "Service Above Self Award" which is the highest award given to a Rotarian by Rotary International.

8. Capt. Jagmohan, IN (Retd) is a Naval Architect from Cochin University of Science & Technology. He has also done his post graduation and M.Tech in Naval Construction & Ocean Engineering from IIT Delhi and IIT Kharagpur, respectively. He served for over 25 years with the Indian Navy during which he held several important assignments in the Directorate of Naval Design (DND) and at Naval Dockyard, Mumbai. Prior to joining GSL as Director (Corporate Planning, Project & Business Development), he worked with Garden Reach Shipbuilders & Engineers Ltd., Kolkata (GRSE) as Chief General Manager (Design). As Head of Design at GRSE, he was responsible for the execution and management of design of various complex Warship projects such as Advanced Stealth Frigate, P28 ASW Corvette, Survey Vessel, ASW Shallow Water Craft and Fast Patrol Vessels for the Indian Navy & Indian Coast Guard.

Directors' Shareholding

9. As on 31 Mar 2020, Shri Shrikrishna J. Kamat, Director (Operations) held 88 equity shares in the Company having face value of Rs 5/- each. No other Director of the Company held any shares in the Company during the year ended 31 Mar 2020.

Meetings of Board and Attendance

10. The Board of Directors meets at regular intervals to evaluate the Company's performance, formulate strategies for business development, ensure regulatory compliance and review internal policies and systems. During the financial year 2019-20, **five** Meetings of the Board of Directors were held on 10 May 2019, 14 Jun 2019, 12 Sep 2019, 30 Nov 2019 and 20 Feb 2020. The intervening gap between any two meetings was within the limit prescribed by the Act and DPE Guidelines. Details of attendance of the Directors at the Board Meetings and Annual General Meeting held during 2019-20 are furnished below:

Sl. No.	Name of Director	No. of Board Meeting held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 12.09.2019
Serving Directors				
1.	Cmde B. B. Nagpal, IN (Retd), CMD	5	5	Yes
2.	Shri T. N. Sudhakar, Director (Finance)	5	5	Yes
3.	Shri Shrikrishna J. Kamat, Director (Operations)	5	4	Yes
4.	Capt. Jagmohan, IN (Retd), Director (CPP&BD) *(Appointed w.e.f. 15.12.2019)*	1	1	NA
5.	Smt Richa Misra, Government Director	5	3	Yes
6.	Shri V. Nagaraj, Independent Director *(Appointed w.e.f. 23.07.2019*)	3	3	Yes
Ceased Director				
1.	Shri K. Mohandas, Independent Director *(Ceased as Director w.e.f. 07.01.2020)*	4	4	Yes

11. Meetings are governed by a structured agenda. Agenda papers along with supporting documents are circulated well in advance to the Board members to enable them to take informed decisions. If necessary, senior management is also called to provide additional inputs to the items being discussed at the Board/Committee meetings.

COMMITTEES OF THE BOARD

12. The Board of Directors has constituted various Committees to assist in the management of day-to-day affairs of the Company and to facilitate smooth and efficient flow of decision-making process. The terms of reference of the Board Committees are determined by the Board from time to time. The meetings of Board Committees are held either periodically or on need basis. Minutes of Committee meetings are placed before the Board in its subsequent meetings for information.

13. Owing to the completion of tenure of one Independent Director, the Board Committees (other than Share Transfer Committee and Investment Committee) were reconstituted w.e.f. 13 Feb 2020. The details of the Committees of the Board are provided hereinbelow:-

AUDIT COMMITTEE

Terms of Reference

14. The terms of reference of the Audit Committee as per the revised "Audit Committee Charter" approved by the Board at its meeting held on 30 Jul 2014, inter alia, include the following:-

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

(b) Appointment and removal of external firms of Chartered Accountants for Internal Audit, Tax Auditor and fixation of audit fees and also approval for payment for any other services.

(c) Reviewing, with the management, the periodical/annual financial statements before submission to the Board for approval.

(d) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(5) of the Companies Act, 2013.

(e) Compliance with legal requirements relating to financial statements.

(f) Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems, internal audit functions, including the structure of the internal audit department, coverage and frequency of internal audit.

(g) Reviewing the Company's financial policies, commercial policies and risk management policies.

(h) Discussion with internal auditors and/or auditors any significant findings and follow up thereon.

(i) Reviewing management discussion and analysis of financial condition and results of operations.

(j) To review and pre-approve all related party transactions in the Company.

(k) To review the follow-up action on the audit observations of the C&AG audit.

Composition

15. The composition of the Audit Committee as on 31 Mar 2020 is as under:-

Sl. No.	Name of Members	Category
1.	Shri V. Nagaraj, Chairman	Independent Director
2.	Smt Richa Misra	Govt. Nominee Director
3.	Shri Shrikrishna J. Kamat	Director (Operations)

16. As against the statutory requirement of having two-thirds of the members of Audit Committee shall be independent directors, there was only 01 Independent Director in the Audit Committee as on 31 Mar 2020.

17. CMD, Director (Finance), General Manager (Finance) and Internal Auditor of the Company regularly attend the meetings of the Audit Committee as Invitees. Statutory Auditors attend the meeting of the Audit Committee as and when required. The Company Secretary acts as the Secretary to the Audit Committee.

Meetings and Attendance

18. During the financial year 2019-20, **five** meetings of the Audit Committee were held on 10 May 2019, 14 Jun 2019, 12 Sep 2019, 29 Nov 2019 and 20 Feb 2020. The attendance of the Chairman and Members of the Audit Committee in these meetings is as follows:

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings attended
1.	Shri V. Nagaraj, Chairman (Member w.e.f. 13.08.2019 and Chairman w.e.f. 13.02.2020)	03	03
2.	Smt Richa Misra (From 24.11.2018 to 12.08.2019 and reappointed w.e.f. 13.02.2020)	03	02
3.	Shri Shrikrishna J. Kamat	05	04
4.	Shri K. Mohandas (Ceased as Director w.e.f. 07.01.2020)	04	04

19. The Chairman of the Audit Committee apprises the Board about the observations of the Audit Committee during the Board Meetings. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

20. Shri K. Mohandas, Independent Director, the then Chairman of the Audit Committee, attended the 53rd Annual General Meeting of the Company held on 12 Sep 2019.

NOMINATION & REMUNERATION CUM HUMAN RESOURCE COMMITTEE (N&RHR COMMITTEE)

Terms of Reference

21. N&RHR Committee acts in accordance with the Charter for the said Committee as revised by the Board at its meeting held on 13 Nov 2015, which inter alia, includes the following:-

(a) To decide matters related to modification/revision/introduction of changes in Performance Management System (PMS) internally or through outsourcing the services to an external consultant.

(b) To decide for payment of Variable Pay/Performance Related Pay within the prescribed limit for each financial year.

(c) To examine all the HR matters related with the rules and regulations of the Company and accordingly, approve or recommend the same to the Board as per financial implication involved.

Composition

22. The composition of the N&RHR Committee as on 31 Mar 2020 is as under:

Sl. No.	Name of Member	Category
1.	Shri V. Nagaraj, Chairman	Independent Director
2.	Smt Richa Misra	Govt. Nominee Director
3.	Shri T.N. Sudhakar	Director (Finance)

23. As on 31 Mar 2020, there was only 02 Non-Executive Directors in the N&RHR Committee against the statutory requirement of minimum 03 non-executive directors, half of which shall be independent directors.

24. Director (Operations) and Director (CPP&BD) are the Permanent Special Invitees to the N&RHR Committee. HoD (HR&A) is the Secretary to the Committee.

Meetings and Attendance

25. During the year ended 31 Mar 2020, **four** meetings of the N&RHR Committee were held on 10 May 2019, 12 Sep 2019, 30 Nov 2019 and 20 Feb 2020. The attendance of the Chairman and Members of the N&RHR Committee in these meetings is as follows:-

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings attended
1.	Shri V. Nagaraj, Chairman (Member w.e.f. 13.08.2019) (Chairman w.e.f. 13.02.2020)	03	03
2.	Smt Richa Misra	04	02
3.	Shri T.N. Sudhakar (From 24.11.2018 to 12.08.2019 and reappointed w.e.f. 13.02.2020)	02	02
4.	Shri K. Mohandas (Ceased as Director w.e.f 07.01.2020)	03	03

Appointment and Remuneration of Directors

26. GSL being a Central Government Public Sector Enterprise, the appointment of Chairman & Managing Director and Whole-Time Directors of the Company is made by the Government of India, indicating the tenure, remuneration and other terms & conditions of appointment. As per the Articles of Association of the Company, the Directors of your Company are paid such remuneration as the President of India, may determine, from time to time. The pay and allowances of Board level executives are paid in accordance with the terms of appointment, Department of Public Enterprises Guidelines on the above subject and other benefits and perquisites in accordance with the rules of GSL. Details of remuneration paid to the Whole-Time Directors during the year ended 31 Mar 2020, are given below:

(Rs. in lakh)

Sl. No.	Name of Director	Salary	Perquisites as per IT Rules	Contribution to PF	Total
1.	Cmde B. B. Nagpal, IN (Retd), CMD	44.06	3.11	3.54	50.71
2.	Shri T.N. Sudhkar, Director (Finance)	45.22	0	2.92	48.14
3.	Shri Shrikrishna J. Kamat, Director (Operations)	38.85	0	3.00	41.85
4.	Capt. Jagmohan, IN (Retd), Director (CPP&BD) (From 15.12.2019)	8.97	0	0.75	9.72

27. Part-Time Official (Government) Director is appointed by the President of India and they are not paid any remuneration or sitting fees.

28. Part-Time Non-Official (Independent) Directors are appointed by the President of India generally for a period of three years. They are not paid any remuneration except the sitting fee for attending meetings of the Board of Directors and Committees thereof. The sitting fee payable to Independent Directors was revised by the Board of Directors at their meeting held on 20 Feb 2020 to: (i) Rs 20,000/- per meeting of the Board and (ii) Rs 10,000/- per meeting of the Committee/s of the Board attended by them. The sitting fees paid to the Independent Directors during the year 2019-20 are as follows:

(Rs. in lakh)

Sl. No.	Name of the Non-Official Part-Time (Independent) Directors	Sitting Fee
1.	Shri V. Nagaraj (From 23.07.2019)	1.90
2.	Shri K. Mohandas (Upto 06.01.2020)	3.05
	Total	**4.95**

29. The Company does not pay any commission to its Directors nor issued any stock options to its Directors. Further, there has been no other pecuniary relationship or transactions of the Part-Time Directors vis-à-vis the Company during the year under review.

Evaluation Criteria

30. Since the Board level appointments are made by the President of India, evaluation of performance of directors is also done by the Government of India.

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

Terms of Reference and Composition

31. SD & CSR Committee was constituted by the Board of Directors to undertake various projects under Corporate Social Responsibility in terms of provisions of the Companies Act, 2013 and the guidelines issued by DPE. The composition of the said Committee as on 31 Mar 2020 is as follows:

1.	Shri V. Nagaraj	Independent Director
2.	Director (Finance)	Functional Director
3.	Director (Operations)	Functional Director
4.	Director (CPP&BD)	Functional Director

32. HoD (HR&A) is the Secretary to the Committee.

Meetings and Attendance

33. During the year ended 31 Mar 2020, **five** meetings of the SD & CSR Committee were held on 09 May 2019, 14 Jun 2019, 11 Sep 2019, 29 Nov 2019 and 20 Feb 2020. The attendance of the Chairman and Members of the Committee in these meetings is as follows:

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Shri V. Nagaraj, Independent Director - Chairman (Appointed w.e.f. 13.08.2019)	03	03
2.	Shri T.N. Sudhakar, Director (Finance)	05	05
3.	Shri Shrikrishna J. Kamat, Director (Operations)	05	04
4.	Capt. Jagmohan, IN (Retd), Director (CPP&BD) (Appointed w.e.f. 15.12.2019)	01	01
5.	Shri K. Mohandas, Independent Director (Ceased as Director w.e.f 07.01.2020)	04	04

PROCUREMENT SUB-COMMITTEE (PSC) OF DIRECTORS

Terms of Reference and Composition

34. PSC of Directors approves the proposals for placement of orders for procurement of materials/availing services beyond specified value as per the powers delegated by the Board. The composition of the PSC as on 31 Mar 2020 is as follows:

1.	Chairman & Managing Director, GSL	Chairman
2.	Director (Finance), GSL	Member
3.	Director (Operations), GSL	Member
4.	Director (CPP&BD), GSL	Member
5.	Shri V. Nagaraj, Independent Director	Member

Meetings and Attendance

35. During the year ended 31 Mar 2020, **three** meetings of the PSC of Directors were held on 13 Jul 2019, 30 Nov 2019 and 28 Dec 2019. The attendance of the Chairman and Members of the Committee in these meetings is as follows:

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Cmde B. B. Nagpal, IN (Retd), CMD - Chairman	03	03
2.	Shri T.N. Sudhakar, Director (Finance)	03	03
3.	Shri Shrikrishna J. Kamat, Director (Operations)	03	03
4.	Capt. Jagmohan, IN (Retd), Director (CPP&BD) (Appointed w.e.f. 15.12.2019)	01	01
5.	Shri K. Mohandas, Independent Director (Ceased as Director w.e.f 07.01.2020)	03	03

PROJECT REVIEW SUB COMMITTEE (PRSC)

Terms of Reference and Composition

36. PRSC of Directors was constituted as per the directions of the MoD. The composition of the said Committee as on 31 Mar 2020 is as follows:

1.	Shri V. Nagaraj, Independent Director	Chairman
2.	Director (Finance)	Member
3.	Director (Operations)	Member
4.	Director (CPP&BD)	Member

37. The assignment of PRSC includes the following:-

(a) Detailed review of technical and financial progress achieved with reference to the milestones fixed and scope and specifications prescribed.

(b) Reviewing the adherence of the contractual provisions and approved procurement policy of the Company in important cases of procurement.

(c) Identifying deficiencies in the existing systems and processes and making suggestions for improvement.

Meetings and Attendance

38. During the year ended 31 Mar 2020, **four** meetings of the PRSC were held on 09 May 2019, 11 Sep 2019, 29 Nov 2019 and 20 Feb 2020. The attendance of the Chairman and Members of the Committee in these meetings is as follows:

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Shri V. Nagaraj, Independent Director - Chairman (Appointed w.e.f. 13.02.2020)	01	01
2.	Shri T.N. Sudhakar, Director (Finance)	04	04
3.	Shri Shrikrishna J. Kamat, Director (Operations)	04	03
4.	Capt. Jagmohan, IN (Retd), Director (CPP&BD) (Appointed w.e.f. 15.12.2019)	01	01
5.	Shri K. Mohandas, Independent Director (Ceased as Director w.e.f. 07.01.2020)	03	03

SHARE TRANSFER COMMITTEE (STC)

Composition and Terms of Reference

39. The composition of the STC Committee as on 31 Mar 2020 is as follows:

1.	Chairman & Managing Director	Chairman
2.	Director (Finance)	Member
3.	Director (CPP&BD)	Member

40. The Company Secretary is the Secretary to the said Committee.

41. The terms of reference of STC are as follows:

(a) To approve and register transfer/transmission of shares having face value of more than Rs. 2,00,000 in each Share Transfer/Transmission Form,

(b) To approve splitting/consolidation and issue of share certificates thereof,

(c) To approve issue of duplicate share certificates,

(d) To approve change/deletion/transposition of names of shareholders in the share certificates and records of the Company,

(e) To authorize affixation of Common Seal of the Company on the share certificates to be issued for the aforesaid purposes.

Meetings and Attendance

42. During the year ended 31 Mar 2020, **one** meeting of STC was held on 31 Dec 2019. The attendance of the Chairman and Members of the Committee in the meetings is as follows:

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Cmde B. B. Nagpal, IN (Retd), Chairman	01	01
2.	Shri T.N. Sudhakar, Director (Finance)	01	01
3.	Capt. Jagmohan, Director (CPP&BD) (From 15.12.2019)	01	01

INVESTMENT COMMITTEE

Composition and Terms of Reference

43. As on 31 Mar 2020, the composition of the Investment Committee of Directors constituted by the Board is as follows:

1.	Chairman & Managing Director
2.	Director (Finance)
3.	Director (Operations)
4.	Director (CPP&BD)

44. The Investment Committee is empowered, *inter alia*, (i) to make investment of short term surplus funds of the Company as per DPE guidelines and Board directives, (ii) to avail funded and non-funded facilities from the bankers, (iii) short term loans from nationalized/private sector banks as a clean overdraft against demand promissory note depending upon day-to-day operational needs of the Company and (iv) to avail the facility of overdraft from nationalized and private sector banks for day to day requirement, upto the ceiling limits approved by the Board. The Investment Committee accords approval as required for investment/other funding arrangements as and when such actions are necessitated and put up before the Committee for approval in the course of day to day business affairs of the Company.

MEETINGS OF INDEPENDENT DIRECTORS

45. According to Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 27 Dec 2019, which was attended by all the Part-Time Non-Official (Independent) Directors, viz. Shri V. Nagaraj and Shri K. Mohandas.

GENERAL BODY MEETINGS

46. Details of the Annual General Meetings held during the last three years are as follows:

Year	Location	Date and Time
2016-17	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	26th September, 2017 at 1630 hours
2017-18	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	17th September, 2018 at 1615 hours
2018-19	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	12th September, 2019 at 1615 hours

47. All the resolutions set out in the respective notices of last three Annual General Meetings (AGMs) were passed by the shareholders. No special resolutions were proposed in the said AGMs. No resolutions were put through postal ballot.

TRAINING OF BOARD MEMBERS

48. Directors are regularly encouraged and sponsored for attending important training programmes relating to Board related practices and orientation programmes etc. conducted by various institutes of repute. The Board has adopted a policy for training of Directors. All new Directors are provided with an overview of the operations of the Company at the time of their induction to the Board. During the year 2019-20, Shri V. Nagaraj Independent Director was sponsored for training organized by Institute of Directors, New Delhi.

CODE OF BUSINESS CONDUCT AND ETHICS

49. The Board of Directors of your Company has formulated a "Code of Business Conduct and Ethics for Board Members and Senior Management" as per Guidelines issued by the Department of Public Enterprises. A copy of the same has been circulated to all concerned and posted on the Company's website www.goashipyard.in. All Board members and Senior Management personnel have affirmed the compliance with the Code of Business Conduct and Ethics. A declaration to this effect by the Chairman & Managing Director is appended to this Report.

DISCLOSURES

50. (a) There were no cases of related party transactions that may have potential conflict with the interests of the Company at large.

(b) The Company has complied with the provisions of the Companies Act, 2013 (other than requisite number of independent directors) and Industrial Laws. No penalties/strictures were imposed on the Company by any Statutory Authority on any matter related to violation of any guidelines issued by Government, during the last three years.

(c) It is affirmed that no personnel has been denied access to the Audit Committee.

(d) The Company has complied with all the requirements of the DPE Guidelines on Corporate Governance except in respect of composition of the Board of Directors, Audit Committee and N&RHR Committee due to pending appointment of two Independent Directors on the Board of the Company.

(e) The Company has complied with Presidential Directives issued by the Central Government during the year and also in the last three years.

(f) There were no items of expenditure debited in books of accounts, which are not for the purposes of the business.

(g) There were no expenses incurred which are of personal in nature and incurred for the Board of Directors and Top Management.

(h) Details of Administrative and office expenses and reasons for increase are given below:

As compared to last year, Administrative Expenses (Other Expenses) has reduced, since an exceptional item of expenditure being interest accrued on Arbitration Award was booked during last year; and financial expenses increased due to increase in short term borrowings and interest on lease liabilities.

WHISTLE BLOWER POLICY

51. Whistle Blower Policy was implemented at GSL on 13 Oct 2015, based on guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, vide OM No.18(8)2005-GM dated 14 May 2010. The Company has promulgated "Whistle Blower Policy" to establish a mechanism for its employees to report to the management on unethical behaviour, actual or suspected fraud or violation of the Company's General Guidelines on conduct or ethics policy. The Whistle Blower Policy is posted on the Company's website www.goashipyard.in. The Company has also a Fraud Prevention Policy in place.

AUDIT QUALIFICATIONS

52. There were no audit qualifications on the Company's financial statements.

RISK MANAGEMENT

53. The Company has well articulated "Risk Management Policy" in place. This policy is intended to ensure that an effective risk management framework is established and an appropriate reporting mechanism for the same is embedded within the Company. Details on Risk Management are placed in the Directors' Report.

MEANS OF COMMUNICATION

54. The Company's website www.goashipyard.in in English and Hindi provides comprehensive information including the details of the Company's business, products, services, facilities, management, human resources, recruitment, corporate social responsibility, vendor registration, tenders, e-procurement, vigilance, RTI and other updates and news. The 'Annual Reports' tab on the Company's website contains annual reports, notices and announcements, details of unpaid/unclaimed dividend, shares transferred to IEPF and contact details of Nodal officer.

55. Notice of Annual General Meeting and Annual Report containing Financial Statements and Auditors' Report are circulated to members and others entitled thereto. As part of green initiative, the Company uses email to circulate the aforesaid documents to shareholders who have registered their email id with the Company and not opted for physical copies of Annual Report. The Annual Report of the Company, on placement before both the houses of Parliament is posted on the Company's website. A press release is generally issued in the newspapers after conclusion of the Annual General Meeting.

SHAREHOLDING PATTERN

56. The shareholding pattern as on 31 Mar 2020 is given below:

Sl. No.	Category of Shareholder	No. of Shares held	Amount of Shares held (Rs.)	% of Shares held to Total Paid-up Capital
1.	**Government** President of India	5,94,66,780	29,73,33,900	51.09%
2.	**Govt. Company** Mazagon Dock Shipbuilders Limited	5,49,57,600	27,47,88,000	47.21%
3.	**General Public and Others**	19,79,368	98,96,840	01.70%
	TOTAL	**11,64,03,748**	**58,20,18,740**	**100.00%**

DEMATERIALISATION OF SHARES AND SHARE TRANSFER SYSTEM

57. The Equity Shares of the Company are admitted in the depository system of NSDL and CDSL for dematerialisation. As on 31 Mar 2020, 6,08,00,764 equity shares of the Company representing 52.23% of the issued, subscribed and paid-up equity share capital of the Company has been dematerialized. The Company has appointed Purva Sharegistry (India) Pvt. Ltd., a SEBI Registered Category I Share Transfer Agent as the Company's Registrar and Share Transfer Agent (RTA). The contact details of RTA are as under:-

Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,
J R Boricha Marg, Lower Parel East,
Mumbai - 400 011
Email id: support@purvashare.com
Tel: 022 2301 6761 / 2301 2518

58. The shares held in dematerialized form, are transferable through the depository system. However, shares held in physical form are processed by RTA in coordination with the Company. Shares sent for transfer are registered within the stipulated time period. Shares under objection are returned within the stipulated period, seeking suitable rectification.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

59. Section 124 of the Companies Act, 2013 ('the Act') provides that any dividend that has remained unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government under Section 125(1) of the Act. Accordingly, during the FY 2019-20 an amount of Rs 26,945/- pertaining to unclaimed/unpaid dividend for the FY 2011-12 was transferred to the IEPF.

The amount of Dividend for the FY 2012-13 which remains unpaid/unclaimed as on 24 Oct 2020 will be transferred to IEPF by the Company. Notices to this effect have been sent to the respective shareholders to enable them to claim the amount before the said date.

60. Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. There are no shares liable to be transferred for dividend declared for the FY 2012-13 to IEPF.

61. Further, Section 125 of the Act provides that shareholder whose dividend/shares have been transferred to the IEPF shall be entitled to claim refund from IEPF.

ADDITIONAL/GENERAL INFORMATION FOR SHAREHOLDERS

54th Annual General Meeting

Date : 30th September, 2020
Time : 1600 hours (IST)
Venue : Through Video Conferencing. Registered Office of the Company, Vaddem, Vasco-da Gama, Goa - 403 802 will be considered as Deemed Venue.

Yard Location

i) Vaddem,
Vasco-da-Gama, Goa - 403 802.

ii) GSL Units II, III & IV
Sancoale Industrial Estate,
Zuarinagar, Goa - 403 726.

iii) Liaisoning Office
Ground Floor, Near Maruti Temple,
KEB Road, Karwar, 581 301.

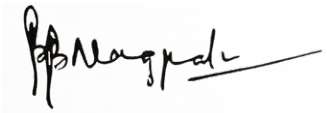
Registered Office/Address for correspondence

Goa Shipyard Limited,
Registered Office: Vaddem House, Vaddem,
Vasco-da-Gama,
Goa - 403 802.
Phone: 0832-2512152-56, 2512359
Fax: 0832-2514232
Email: contactus@goashipyard.com
Website: www.goashipyard.in

Declaration

As provided under the Guidelines on Corporate Governance for CPSEs 2010 issued by the Government, it is hereby declared that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of Goa Shipyard Limited for the year ended 31 Mar 2020.

For Goa Shipyard Limited



Cmde B. B. Nagpal, NM, IN (Retd)
Chairman & Managing Director
DIN: 07564818

Place: Vasco-da-Gama
Date: 17th August, 2020

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Goa Shipyard Limited
Vasco Da Gama,
Goa - 403 802

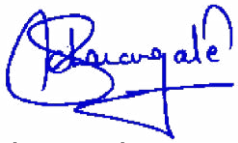
I have examined the compliance of the conditions of Corporate Governance by Goa Shipyard Limited ("the Company"), for the year ended on 31st March, 2020, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises (DPE).

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the aforesaid Guidelines on Corporate Governance, subject to the following observations:

As per the provisions of the DPE Guidelines, one-third of the total strength of the Board of the Company shall comprise of Independent Directors. From 01st April, 2019 to 22nd July, 2019 and from 07th January, 2020 to 31st March, 2020, the Company had only one Independent Director on the Board, owing to which, constitution of Board, Audit Committee and Remuneration Committee of the Company were not in compliance with the provisions of the DPE Guidelines. I have been informed that the filling up of these vacancies is under process with the Administrative Ministry of the Company i.e. Ministry of Defence.

I further state that such compliance 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.



Shweta Kharangate
Company Secretary
FCS No.: 8098
CP No.: 8781
UDIN No: F008098B000519950

Place: Vasco-da-Gama, Goa
Date: 29th July, 2020

Annexure 'E' to Directors' Report

Annual Report on Corporate Social Responsibilities 2019-20

1. A BRIEF OUTLINE OF GSL'S CSR & SUSTAINABILITY POLICY INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES UNDERTAKEN.

(a) GSL, over the years, has earned a reputation of having a vital share in the Goan industrial output and by virtue of its rich legacy, the Company has seamlessly integrated itself with the Goan community. It has always been liberally discharging its Corporate Social Responsibility (CSR) commitments over the years for which, it has defined a range of broad objectives in the social domain encompassing a charter of activities to foster sustainable community development. Besides generating employment and business opportunities for the local populace, the Company constantly strives to reach out to the community with active participation towards social development of local population.

(b) GSL's CSR & Sustainability Policy is framed with thrust on value creation, promoting inclusive growth and development of the society, keeping in view environment sustainability and primarily focuses on health, sanitation, education, skill development and basic needs of the under privileged and weaker sections, old and aged senior citizens of the society. The Company through its CSR and Sustainability Policy initiatives has contributed towards social development and improving quality of life of the community in which it operates.

(c) The Company has implemented 40 activities under its CSR and Sustainability initiative during FY 2019-20. Aligning with the **Vision of Govt. of India, like Skill India and Swachh Bharat Campaign,** the major projects undertaken are in the area of Healthcare, Education, Skill Development and Swachh Bharat. All these projects are aimed at providing livelihood opportunities in the region, enhancing entrepreneurship skills, imparting employability skill, improvement in sanitation and hygiene conditions, healthcare and sustainable development. The brief snapshot of the CSR projects for FY 2019-20 are mentioned as under:-

(i) Healthcare: GSL has made outreach to masses through CSR activities related to Medical/ Healthcare. In collaboration with Matruchhaya, GSL has provided Medical Assistance to poor patients at Goa Medical College (GMC), Bambolim. The Company has also contributed towards strengthening the medical infrastructure within the State of Goa by providing Breast Cancer Screening machines, Ultrasonography machine, X-ray machine to Government Hospitals, Hi-flow nasal cannula system to Government Hospital, Margao, Dengue kits and other items to local hospitals. GSL has also conducted general health checkup camps, eye camps, dental and cardiac screening camps, health awareness programmes etc. for local community and schools. As part of the Dental Checkup camp, 1340 school children from Goa underwent checkup. "Training the Trainers" workshop on Oral Health guides was organized for 100 high school teachers of Ponda Taluka under CSR activity. As part of COVID-19 support initiatives, GSL has provided 5000 face masks to Goa Police as protective gear to fight against COVID-19 pandemic.

(ii) Sanitation: Under the special CSR activities, namely Swachh Bharat Abhiyan, GSL has signed MoA with Goa State Urban Development Agency (GSUDA), Government of Goa, for Waste Management through "Establishment of Material Recovery Facility (MRF)" at Sada, Vasco. GSL has constructed/ renovated 40 toilet blocks for local community and schools in and around city of Vasco. GSL has adopted road from St. Andrew Circle, Vasco to Airport Junction, Dabolim for regular cleaning activity. The Company has organized special cleaning drive on the occasion of Gandhi Jayanti on 02 Oct, 2019, wherein various parts of Vasco City were cleaned with combined efforts of GSL team. The Company has also provided safe drinking water facilities to local Panchayat, Government Hospitals and Schools.

(iii) Education & Skill development: The Yard has also adopted local ITI to make it a model ITI under its Skill Development Programme through its in-house expertise. Digital content software was installed at Government ITI, Vasco for its ITI Trade theory subjects, Trade Practical and Online Examination Module as per National Skills Qualification Framework in alignment with latest syllabus of National Council of Vocational Training. GSL has imparted 3G welding training to local youths and conducted Train the Trainer Programme for Government ITI Instructors. GSL has promoted education through various educational aid support i.e. equipment for functioning of labs at government academic institutions, infrastructure support like desk cum benches, development of digital classroom for local schools etc.

(iv) Apart from the above, GSL has signed MoA with Goa State Biodiversity Board (GSBB), Government of Goa for establishment of "Multiproduct Processing Centre" at Sanquelim, Goa to enhance the income of women belonging to economically weaker section, through sustainable utilization of Non-Timber Forest Produce (NTFP). The Company has also contributed out of its CSR Fund towards National Sports Development Fund, Armed Forces Flag Day Fund and Innovation in Defence Excellence and other societal activities such as promotion of road safety among local populace.

(d) These projects are implemented through specialized agencies and in-house expertise of GSL. Besides, GSL CSR Cell and the Project teams have been assigned the responsibility for co-ordination, monitoring and timely execution of the projects.

(e) CSR and Sustainability policy and initiatives of the Company are reported on GSL Website www.goashipyard.in and are in public domain.

2. COMPOSITION OF THE SD & CSR COMMITTEE

The Company has a Two-Tier Organizational Structure for planning, implementing & monitoring GSL CSR & Sustainability Policy. The composition of the Two-Tier Structure is given below:

Tier – I: Board Level Committee

Independent Director	Chairman
Independent Director	Member
Functional Director	Member
Functional Director	Member
Functional Director	Member
Nodal Officer – Head of Tier II Committee	Member

Tier – II: Below Board Level Committee (CSR & Sustainability Cell)

General Manager (HR & A)	Chairman
Additional General Manager (HR)	Coordinator
O I/C (Health, Safety & Environment)	Member
Addl. General Manager (Finance)	Member
Addl. General Manager (I/E – Comm.)	Member
Addl. General Manager (Admin.)	Member
Deputy General Manager (Civil)	Member
Deputy General Manager (HR)	Member
Public Relations Officer	Member
Deputy Manager (HR)	Member

3. The Average net profit of the Company for last three financial years (FY 16-17, FY 17-18 and FY 18-19) : Rs 23,949 lakh

4. The Prescribed CSR Expenditure
(Two percent of the amount as in item 3 above) : Rs 478.98 lakh

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year : Rs 478.98 lakh

   (b) Amount unspent, if any : Nil

   (c) Amount spent during the financial year : Rs 506.00 lakh

Details of amount spent on CSR activities during the financial year is given below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	CSR Project or activities identified	Sector in which the Project is covered	Implementing Agency	Projects or programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise (Rs. in lakh)	Amount spent on the projects or programmes (Rs. in lakh)	Cumulative expenditure upto the reporting period (Rs. in lakh)	Amount spent: Direct or through implementing agency
PROJECT MODE								
1.	Skill Development Project (3G Welding Training and Train the Trainer Programme)	Skill Development	Society for Industrial and Technical Education of Goa	Bogda, Vasco, Goa	6.00	3.01	138.91	Through implementing agency
2.	Facilitated poor patients in getting Medical Assistance at Goa Medical College (GMC), Bambolim	Health	Matruchhaya Rugna Seva Kendra	Goa	10.00	10.00	10.00	
3.	Establishment of Multiproduct Processing	Rural Development / Livelihood	Goa State Biodiversity Board (GSBB), Govt. of Goa	Sanquelim, Goa	19.00	15.00	15.00	
4.	Waste Management Project	Health/ Sanitation (Swachh Bharat)	Goa State Urban Development Agency (GSUDA), Govt. of Goa	Sada, Vasco, Goa	50.00	30.00	30.00	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	CSR Project or activities identified	Sector in which the Project is covered	Implementing Agency	Projects or programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise (Rs. in lakh)	Amount spent on the projects or programmes (Rs. in lakh)	Cumulative expenditure upto the reporting period (Rs. in lakh)	Amount spent: Direct or through implementing agency
NON-PROJECT MODE								
1.	Swachh Bharat activities: (Construction/ Renovation of toilets, Adoption of Road etc.)	Health/ Sanitation	GSL	Vasco, Mormugao, Goa	100.36	80.18	Not applicable being a yearly activity separately carried out	
2.	Skill Development (Adoption of Govt. ITI Vasco, Apprentice Training Prog.)	Skill Development	GSL	Vasco, Goa	98.82	98.82	Not applicable being a yearly activity separately carried out	
3.	Medical Support to local authorities and Hospitals (Medical equipment and other infrastructure support, Provided Face Masks to fight against COVID-19)	Health	GSL	Vasco, Goa	81.52	80.81	Not applicable being a yearly activity separately carried out	Direct
4.	Other Activities: Educational aid to schools, Renovation of School Building, Lab equipment to academic institution, Road Safety, Innovation in Defence Excellence etc.	Health/ Education/ Social	GSL	Vasco, Mormugao, Goa	240.66	188.18	Not applicable being a yearly activity separately carried out	
		TOTAL			**606.36**	**506.00**		

6. In case, the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - **Not Applicable.**

RESPONSIBILITY STATEMENT

7. A Responsibility Statement of the Committee on Sustainable Development & Corporate Social Responsibility of the Board of Directors of the Company is given below:

   'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and Policy of the Company.'

Sd/-
Cmde B.B. Nagpal, NM, IN (Retd)
Chairman & Managing Director
DIN: 07564818

Sd/-
V. Nagaraj
Chairman of SD & CSR Committee
DIN: 08517963

Place: Vasco-da-Gama
Date: 17.08.2020

Annexure 'F' to Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U63032GA1967GOI000077
(ii)	Registration Date	29.09.1967
(iii)	Name of the Company	Goa Shipyard Limited
(iv)	Category/Sub-Category of the Company	Public Company/Govt. Company
(v)	Address of the Registered Office and contact details	Vaddem House, Vaddem, Vasco-da-Gama, Goa - 403 802 Tel: (0832) 2512152 to 2512156, 2512359 (24 hours)
(vi)	Whether listed company	No
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. 9 Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel East, Mumbai- 400 011 Tel.: 2301 6761 / 2301 2518 Fax: 2301 2517 Email: support@purvashare.com

II. PRINCIPAL BUSINESS ACTIVITES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the product / service*	% of total turnover of the Company
1.	Ship Construction	3011 – Building of ships and floating structures	86.87%
2.	Ship Repairs & General Engineering Services	3315 – Specialized repair and maintenance of ships and floating structures	13.13%

***** *As per National Industrial Classification – Ministry of Statistics and Programme Implementation*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Nil					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares of Rs 5/- each held at the beginning of the year				No. of Shares of Rs 5/- each held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FIs	0	0	0	0	0	0	0	0	0
f) Any other...	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	0	0	0	0	0	0	0	0	0
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FIs	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	0	0	0	0	0	0	0	0	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FIs	0	0	0	0	0	0	0	0	0
c) Central Govt.	59466780	0	59466780	51.09	59466780	0	59466780	51.09	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others specify Govt. Company (MDL)	0	54957600	54957600	47.21	0	54957600	54957600	47.21	0
Sub-Total (B)(1):	59466780	54957600	114424380	98.30	59466780	54957600	114424380	98.30	0

Category of Shareholders	No. of Shares of Rs 5/- each held at the beginning of the year				No. of Shares of Rs 5/- each held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	405000	957688	1362688	1.170	1094036	291240	1385276	1.190	0.020
ii) Overseas	0	4408	4408	0.004	0	4408	4408	0.004	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	33556	100884	134440	0.116	36340	98012	134352	0.115	(0.001)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	217800	25200	243000	0.209	195300	25200	220500	0.190	(0.019)
c) Others (specify)									
i) Mormugao Port Trust	0	226436	226436	0.194	0	226436	226436	0.194	0
ii) IEPF Authority	8308	0	8308	0.007	8308	0	8308	0.007	0
iii) Foreign National - PIO	0	88	88	Insignificant	0	88	88	Insignificant	0
Sub-Total (B)(2):	664664	1314704	1979368	1.70	1333984	645384	1979368	1.70	0
Total Public Shareholding (B) = (B)(1)+(B)(2)	**60131444**	**56272304**	**116403748**	**100.00**	**60800764**	**55602984**	**116403748**	**100.00**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**60131444**	**56272304**	**116403748**	**100.00**	**60800764**	**55602984**	**116403748**	**100.00**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	N.A.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	0	0	0	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (as on 01.04.2019)		Increase/ Decrease in Shareholding during the year	Cumulative Shareholding at the end of the year (as on 31.03.2020)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	2	3	4	5	6	7
1.	President of India	59466780	51.09%	-	59466780	51.09%
2.	Mazagon Dock Shipbuilders Limited	54957600	47.21%	-	54957600	47.21%
3.	V S Dempo Holdings Pvt. Ltd. (*Formerly known as Dempo Brothers Limited*)	415620	0.36%	88	415708	0.36%
4.	V. M. Salgaocar And Brother Pvt. Ltd.	405000	0.35%	-	405000	0.35%
5.	Vedanta Limited	250828	0.22%	-	250828	0.22%
6.	Mormugao Port Trust	226436	0.19%	-	226436	0.19%
7.	Gangadhar Narsingdas Agrawal	195300	0.17%	-	195300	0.17%
8.	Damodar Mangalji & Co. Ltd.	90000	0.08%	-	90000	0.08%
9.	S. Kantilal & Co. Ltd.	90000	0.08%	-	90000	0.08%
10.	Shantilal Khushaldas & Brothers Pvt. Ltd.	90000	0.08%	-	90000	0.08%

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director and KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Increase/ Decrease in Shareholding during the year	Cumulative Shareholding at the end of the year (as on 31.03.2020)	
	For Each of the Directors and KMP	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	2	3	4	5	6	7
i.	Shri. Shrikrishna J. Kamat, Director (Operations)	88	Insignificant	-	88	Insignificant

Note: No other Directors and KMP (other than the above) are holding any shares of the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in Cr)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	0	0
Change in Indebtedness during the financial year				
• Addition	504.33	0	0	504.33
• Reduction	504.33	0	0	504.33
Net change	0	0	0	0
Indebtedness at the end of the financial year				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total amount
		Cmde B.B. Nagpal, CMD (DIN 07564818)	Shri T.N. Sudhakar, D(F) (DIN 07419878)	Shri Shrikrishna J. Kamat, D(O) (DIN 08143652)	Capt. Jagmohan D(CPP & BD) (from 15.12.19) (DIN 08630668)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	44.06	45.22	38.85	8.97	137.10
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.11	0.00	0.00	0.00	3.11
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission					
	- as % of profit	0	0	0	0	0
	- others, specify….	0	0	0	0	0
5.	Others, please specify (Contribution to PF)	3.54	2.92	3.00	0.75	10.21
	Total (A)	**50.71**	**48.14**	**41.85**	**9.72**	**150.42**
	Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of the Companies Act, 2013 vide MCA notification No. 463(E) dated 05.06.2015.				

B. Remuneration to other Directors

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	Name of Director		Total amount
		Shri V. Nagaraj (from 23.07.2019) (DIN 08517963)	Shri K. Mohandas (upto 06.01.2020) (DIN 06493283)	
1.	**Independent Directors**			
	Fee for attending board/committee meetings	1.90	3.05	4.95
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	**1.90**	**3.05**	**4.95**
2.	**Other Non-Executive Directors**			
	Fee for attending board/committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B) = (1+2)	**1.90**	**3.05**	**4.95**
	Total Managerial Remuneration (A+B)			**155.37**
	Overall Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of the Companies Act, 2013 vide MCA notification No. 463(E) dated 05.06.2015.		

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shri T.N. Sudhakar, CFO	Smt Chhaya Jain, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	18.94	18.94
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0	0
2.	Stock Option	-	0	0
3.	Sweat Equity	-	0	0
4.	Commission			
	- as % of profit	-	0	0
	- others, specify….	-	0	0
5.	Others, please specify (Contribution to PF)	-	1.57	1.57
	Total	**-**	**20.51**	**20.51**

Note: Director (Finance) is also CFO of the Company and not drawing any remuneration as CFO.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment	---------- **NIL** ----------				
Compounding					
B. DIRECTORS					
Penalty					
Punishment	---------- **NIL** ----------				
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	---------- **NIL** ----------				
Compounding					

Annexure 'G' to Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Goa Shipyard Limited
Vasco Da Gama,
Goa - 403 802

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Goa Shipyard Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information/clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, 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 (Not applicable to the Company during the audit period);

(iii) The Company is not a Listed Company. However, the Company has optionally admitted its equity shares in dematerialized form on both the depositories viz. NSDL & CDSL. The Company has complied with the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent applicable;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the audit period);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(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 audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India

(ii) The Factories Act, 1948

(iii) The Payment of Wages Act, 1936 and other Labour laws

(iv) The Contract Labour (Regulation & Abolition) Act, 1970

(v) Employees' State Insurance Act, 1948

(vi) Employees' Provident Fund and Miscellaneous Provisions Act, 1952

(vii) The Payment of Gratuity Act, 1972

(viii) The Industrial Dispute Act, 1947

(ix) The Environment (Protection) Act, 1986

(x) The Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

(xi) DPE Guidelines on Corporate Governance.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

From 01st April, 2019 to 22nd July, 2019 and from 07th January, 2020 to 31st March, 2020, the Company had only one Independent Director on the Board. As the Company did not have the requisite number of Independent Directors on its Board, the composition of Board of Directors was not in compliance with the applicable provisions of the Act and DPE Guidelines on Corporate Governance. Similarly, owing to inadequate number of Independent Directors,

constitution of Audit Committee and Remuneration Committee of the Company were not in compliance with the provisions of the Act and said DPE Guidelines during the above period. I have been informed that the filling up of these vacancies is pending with the Administrative Ministry of the Company i.e. Ministry of Defence.

Subject to the above observations, the Board of Directors of the Company is constituted with a reasonable balance of Executive Directors, Non-Executive Directors and Independent Directors.

I further report that:

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.

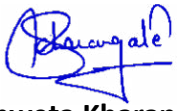
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings and Committee Meetings were carried out on the basis of majority, as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. There were no dissenting views by any member of the Board of Directors and Committees recorded during the period under review.

In respect of formal annual evaluation of Board and Committees as required by Clause (p) of Section 134(3) and Rule 8(4) of Companies (Accounts) Rules, 2014, as per the information and explanations provided by the Company, all the Directors are appointed by the President of India through a selection process adopted by the Public Enterprises Selection Board (PESB)/DPE for a fixed tenure. The performance of Functional Directors is evaluated on an annual basis and also at the time of re-appointment, by the concerned Administrative Ministry. In view of the same and in terms of exemptions granted to Government Companies vide Notification dated 5th June, 2015 of Ministry of Corporate Affairs, the provisions with regard to evaluation of the Board are exempted to Goa Shipyard Limited, being a Government Company.

I 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.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.



Shweta Kharangate
Company Secretary
FCS No.: 8098
CP No.: 8781
UDIN: F008098B000520601

Place: Vasco-da-Gama, Goa
Date: 29th July, 2020

*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 Secretarial Audit Report for the year ended 31st March, 2020

To,
The Members,
Goa Shipyard Limited
Vasco Da Gama,
Goa - 403 802

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shweta Kharangate
Company Secretary
FCS No.: 8098
CP No.: 8781
UDIN: F008098B000520601

Place: Vasco-da-Gama, Goa
Date: 29th July, 2020

CSR INITIATIVES BY GSL

Handing over of cheque under Swachh Bharat Initiative to Goa State Urban Development Agency on 20 Oct 2019 for establishment of MRF Facility in Vasco

Handing over of ATV on 01 Oct 2019 for maintaining Coastal Security in Goa

Provided Breast Cancer Screening Equipment to Directorate of Health Services, Goa on 30 Dec 2019

Provided Dengue Kits to Sub-District Hospital, Chicalim on 17 Sep 2019

Signing of MoA with Goa State Biodiversity Board on 08 Jan 2020 for establishment of Multiproduct Processing Centre to provide livelihood opportunities for women

Provided Traffic sign boards to Goa Traffic Cell on 06 May 2019 for maintaining Road Safety

EVENTS AT GSL

Independence Day Celebration

Republic Day Celebration

Oath taking Ceremony on Constitution Day

GSL observed Mahaparinirvan Diwas on 06 Dec 2019

GSL observed Swachh Bharat Pakhwada from 01-15 Dec 2019

Blood Donation Camp organised on Rashtriya Ekta Diwas

GSL observed Vigilance Week from 28 Oct-02 Nov 2019

GSL observed Hindi Week from 16-21 Sep 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of Goa Shipyard Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Goa Shipyard Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Sec 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 March 31, 2020, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.45 to the financial statements, which describes the impact on the financial statements of the Company that may result on account of nationwide lockdown declared due to COVID-19 pandemic.

Our opinion is not modified in respect of this matter.

Information other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards and accounting principles generally accepted in India, specified under section 133 of the Act, read with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and the Statements of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) Since the Company is Central Public-Sector undertaking of the Government, the provisions of Section 164 (2) of the Act are not applicable to the Company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) The Company falls within the ambit of definition of Government Company under section 2(45) of the Act. Hence, in our opinion, provisions related to Managerial Remuneration under section 197 of the Act are not applicable to the government company in terms of MCA notification No.GSR 463 (E) dated June 05th, 2015.

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:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.39.3 to the financial statements;

2. 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;

3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by the directions issued by the Office of the Comptroller and Auditor General of India under section 143(5) of the Act, we give in 'Annexure C', a statement on the matters referred to in those directions.

For abm & associates LLP
Chartered Accountants
Firm's Registration No. 105016W/W-100015

Sd/-
Sagar G Teli
Partner
Membership No. 138620
August 17, 2020
20138620AAAADZ7478

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Goa Shipyard Limited of even date)

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

We have audited the internal financial controls over financial reporting of GOA SHIPYARD LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, 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 abm & associates LLP
Chartered Accountants
Firm's Registration No. 105016W/W-100015

Sd/-
Sagar G Teli
Partner
Membership No. 138620
August 17, 2020
20138620AAAADZ7478

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Goa Shipyard Limited of even date)

i. a. The company has maintained proper records for the fixed assets acquired by it showing full particulars, including quantitative details and situation of fixed assets.

b. The company has a program of verification to cover all the items of fixed assets 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 fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, except for one case comprising of company godown at Sada, Vasco Goa (Land Details: Part 2 of PT Sheet No. 52), having land area 10775 Sq. Mtrs, for which lease deed is yet to be executed. The company took possession of land in September 1981, on the basis of Memorandum No. RB/CTN-2/107/72/625 dated 19/08/1981 executed with the Government.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan, nor made any investments or not provided guarantees and securities within purview of Section 185 of the Act. Further, provisions of Section 186 of the Act are not applicable to the company as per Notification No. G.S.R. 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

v. Based on our scrutiny of company's records and according to the information and explanations provided by the management, in our opinion the Company has not accepted any deposits and therefore, the provisions of the clause 3 (v) of the order are not applicable to the company.

vi. On the basis of records produced to us, we are of the opinion that prima facie the cost records prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 have been maintained. We have broadly reviewed the records and have not carried out any detailed examination of such accounts and records.

vii. a. According to the information and explanation given to us and on the basis of our examination of books of accounts, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it with appropriate authorities during the year.

b. According to the information and explanations given to us, no undisputed statutory dues payables were in arrears as on the last day of the financial year concerned, for a period of more than six months from the date on which they become payable.

c. According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government. The company has not issued any debentures.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the order is not applicable to the company.

x. 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.

xi. According to the information and explanations given to us and in our opinion, the Company falls within the ambit of definition of Government Company under section 2(45) of the Act. Hence, in our opinion, provisions related to Managerial Remuneration under section 197 of the Act are not applicable to the government company.

xii. The company is not a Nidhi Company and hence, reporting under Clause 3 (xii) of the Order do not apply 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 related parties and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence, reporting under Clause 3 (xiv) of the order is not applicable to the company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For abm & associates LLP
Chartered Accountants
Firm's Registration No. 105016W/W-100015

Sd/-
Sagar G Teli
Partner
Membership No. 138620
August 17, 2020
20138620AAAADZ7478

Annexure C 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 Goa Shipyard Limited of even date)

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of Annual Accounts of Goa Shipyard Limited for the financial year ended March 31, 2020 issued by the Comptroller & Auditor General of lndia under Section 143 (5) of the Companies Act, 2013.

Sr. No.	Areas Examined	Observation/Finding
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has ERP system in place that enables to process all the accounting transactions through IT system. The electronic data generated of separate software modules is transferred into the main ERP system. Journal entries are accounted with maker-checker concept to ensure integrity of the system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	In the period covered under our audit, no such case of restructuring or waiver of loan has taken place.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company has received funds from Central Government for Modernisation Project upto March 31, 2020. Based on our examination, these funds have been properly accounted and utilised as per Terms and Conditions of sanction. No deviation in this case has been noticed by us.

For abm & associates LLP
Chartered Accountants
Firm's Registration No. 105016W/W-100015

Sd/-
Sagar G Teli
Partner
Membership No. 138620
August 17, 2020
20138620AAAADZ7478

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GOA SHIPYARD LIMITED, VASCO-DA-GAMA, GOA FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of **Goa Shipyard Limited, Vasco-Da-Gama, Goa** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 August 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Goa Shipyard Limited, Vasco-Da-Gama, Goa** for the year ended 31 March 2020. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Santosh Kumar, IA & AS)
Pr. Director of Commercial Audit
& Ex-Officio Member, Audit Board, Bangalore

Place: Bangalore
Date: 07 September, 2020.

BALANCE SHEET AS AT 31ST MARCH 2020

	Particulars	Note	As at 31-03-2020	As at 31-03-2019
			Rupees in lakhs	Rupees in lakhs
I	**ASSETS**			
(1)	**Non-current Assets**			
(a)	Property, Plant and Equipment	2.1	74,197.80	61,917.69
(b)	Intangible Assets	2.1	66.92	50.95
(c)	Capital Work-in-Progress	2.2	23,680.22	26,370.61
(d)	Right-of-use-Assets	2.3	280.16	-
(e)	Financial Assets:			
(i)	Long-term Loans and Advances	2.4	389.25	416.94
(ii)	Other Financial Assets	2.5	2,008.42	2,258.80
(f)	Other Non-current Assets	2.6	765.93	4,841.52
	Total - Non-current Assets		**101,388.70**	**95,856.51**
(2)	**Current Assets**			
(a)	Inventories	2.7	33,330.72	20,242.10
(b)	Financial Assets:			
(i)	Trade Receivables	2.8	11,846.99	12,593.78
(ii)	Cash and Cash Equivalents	2.9	85,290.70	23,066.41
(iii)	Bank Balances other than Cash and Cash Equivalents	2.10	23,685.00	90,393.05
(iv)	Short-term Loans and Advances	2.11	46,355.81	3,730.24
(v)	Other Financial Assets	2.12	7,396.21	6,759.59
(c)	Current Tax Assets (Net)	2.13	4,193.48	1,204.13
(d)	Other Current Assets	2.14	7,146.05	4,714.07
	Total - Current Assets		**219,244.96**	**162,703.37**
	TOTAL		**320,633.66**	**258,559.88**
II.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Fund**			
(a)	Equity Share Capital	2.15	5,820.19	5,820.19
(b)	Other Equity	2.16	96,746.84	85,412.26
	Total Shareholder's Fund		**102,567.03**	**91,232.45**
(2)	**Share application money pending allotment**		**-**	**-**
(3)	**Non-current Liabilities**			
(a)	Financial Liabilities:			
(i)	Lease Liabilities	2.17	220.42	-
(ii)	Trade Payables	2.18	-	-
(iii)	Other Financial Liabilities	2.19	461.58	676.30
(b)	Long-term Provisions	2.20	2,703.24	2,713.41
(c)	Deferred Tax Liabilities (Net)	2.21	519.03	716.22
(d)	Other Non-current Liabilities	2.22	49,043.88	51,656.47
	Total - Non-current Liabilities		**52,948.15**	**55,762.40**
(4)	**Current Liabilities**			
(a)	Financial Liabilities:			
(i)	Lease Liabilities	2.23	108.95	-
(ii)	Trade and Other Payables	2.24	2,948.97	2,229.62
(iii)	Other Financial Liabilities	2.25	25,016.73	25,180.32
(b)	Other Current Liabilities	2.26	130,953.13	78,270.62
(c)	Short-term Provisions	2.27	6,090.70	5,884.47
	Total - Current Liabilities		**165,118.48**	**111,565.03**
	TOTAL		**320,633.66**	**258,559.88**
	SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.51) FORM PART OF ACCOUNTS			

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place: Porvorim, Goa
Date: 17 Aug, 2020

Sd/-
Cmde. B.B. Nagpal, NM (Retd)
Chairman & Managing Director

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 17 Aug, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020

	Particulars	Note	For the year ended 31.03.2020	For the year ended 31.03.2019
			Rupees in lakhs	Rupees in lakhs
I	**INCOME:**			
	Revenue from Operations:			
	i. Turnover (Value of Production)	2.28	90,294.43	84,779.50
	ii Other Operating Revenue	2.28	2,832.59	5,781.80
			93,127.02	90,561.30
	Other Income	2.29	**14,048.50**	**8,067.20**
	Total Revenue		**107,175.52**	**98,628.50**
II	**EXPENSES:**			
	Cost of Materials Consumed	2.30	31,624.28	32,882.96
	Employees Benefit Expenses	2.31	17,623.20	17,589.50
	Sub-Contract		6,858.53	9,271.10
	Direct Expenses		10,609.99	760.85
	Finance Costs	2.32	1,789.57	369.38
	Depreciation & Amortisation Expenses	2.1	4,752.93	4,498.04
	Other Expenses	2.33	6,293.82	11,009.56
	Corporate Social Responsibility Expenditure	2.34	506.00	432.08
	Provisions	2.35	625.43	767.76
	Total Expenses		**80,683.75**	**77,581.23**
III	**Profit before Tax (I - II)**		**26,491.77**	**21,047.27**
IV	**Tax Expense:**	2.36		
	(i) Current tax		6,900.00	7,200.00
	(ii) Prior tax adjustment		-	524.13
	(iii) Deferred tax		(185.69)	171.26
	Total Tax Expenses		**6,714.31**	**7,895.39**
V	**Profit for the period (III - IV)**		**19,777.46**	**13,151.88**
VI	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial gain/(loss) on employment defined benefit plan		(409.82)	(831.08)
	B. Items that will be reclassified to profit or loss		-	-
VII	**Other Comprehensive Income for the period**		**(409.82)**	**(831.08)**
VIII	**Total Comprehensive Income for the period (V+VII) (Comprising Profit and Other Comprehensive Income for the period)**		**19,367.64**	**12,320.80**
IX	**Earnings per Equity Share:**	2.37		
	(1) Basic Earnings per Equity Share (Rs.)		16.99	11.30
	(2) Diluted Earnings per Equity Share (Rs.)		16.99	11.30
	SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.51) FORM PART OF ACCOUNTS			

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place: Porvorim, Goa
Date: 17 Aug, 2020

Sd/-
Cmde. B.B. Nagpal, NM (Retd)
Chairman & Managing Director

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 17 Aug, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
		Rupees in lakhs		Rupees in lakhs	
I	**CASH FLOW FROM OPERATING ACTIVITIES:**				
A	**Net Profit/(Loss) before tax as per Statement of Profit & Loss Account**		26,491.77		21,047.27
	Adjusted for:				
	Profit on Sale of Fixed Assets (Net)	(1.13)		(10.88)	
	Depreciation and Amortisation Expense	4,752.93		4,498.04	
	Interest Income	(12,382.63)		(6,096.91)	
	Finance Costs	1,789.57		369.38	
	Unwinding of Grant Income	(2,612.59)	(8453.85)	(2,229.91)	(3,470.28)
B	**Operating Profit/(Loss) before Working Capital Changes**		**18,037.92**		**17,576.99**
	Adjusted for:				
	Inventories	(13,088.62)		(9,503.63)	
	Trade Receivables	746.79		18,060.50	
	Loans and Advances	(42,597.88)		491.77	
	Other Financial Assets	5,172.00		7,244.45	
	Other Current Assets	(2,431.98)		(2,738.32)	
	Other Non-current Assets	4,075.59		(102.50)	
	Trade and Other Payables	719.35		(2,390.13)	
	Other Financial Liabilities	(378.31)		(1,382.41)	
	Other Liabilities	52,682.50		32,566.69	
	Provisions	(213.76)	4,685.68	(1,731.89)	40,514.53
C	**Cash Generated from Operations**		**22,723.60**		**58,091.52**
	Taxes Paid (net of refund)		(9,889.34)		(7,535.53)
D	**Net Cash (used in)/from Operating Activities (I)**		**12,834.26**		**50,555.99**
II	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(16,976.07)		(2,058.79)	
	Sale/Adjustment of Fixed Assets	1.53		31.80	
	Capital Work-in-Progress	2,690.39		(9,149.94)	
	Amount received against ICD	-		625.00	
	Interest Income Received	6,824.39		3,085.94	
	Net Cash (used in)/from Investing Activities (II)		**(7,459.76)**		**(7,465.99)**
III	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Repayment of Lease Liabilities	(69.83)			
	Dividend Paid (including Dividend Distribution Tax)	(7,998.86)		(11,998.29)	
	Interest Paid	(1,789.57)		(369.38)	
	Net Cash (used in)/from Financing Activities (III)		**(9,858.26)**		**(12,367.67)**
IV	**Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)**		**(4,483.76)**		**(30,722.33)**
V	**Opening Balance of Cash and Cash Equivalents**	Note 2.9 & 2.10	**1,13,459.46**		**82,737.13**
VI	**Closing Balance of Cash and Cash Equivalents**		**1,08,975.70**		**1,13,459.46**

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place: Porvorim, Goa
Date: 17 Aug, 2020

Sd/-
Cmde. B.B. Nagpal, NM (Retd)
Chairman & Managing Director

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 17 Aug, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital

(Rupees in lakhs)

Particulars	AS at 31st March 2020	AS at 31st March 2019
Balance at the beginning of the reporting period	5820.19	5820.19
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	5820.19	5820.19

B. Other Equity

Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2018	**42.86**	**70,087.04**	**14,959.85**	**85,089.75**
Profit for the year			13,151.88	13,151.88
Other comprehensive income/(loss) for the year			(831.08)	(831.08)
Total comprehensive income for the period			**12,320.80**	**12,320.80**
Dividend (including tax on dividend of Rs.2045.77 Lakhs)			(11,998.29)	(11,998.29)
Transfer to General Reserve			-	-
Balance as at 31st March, 2019	**42.86**	**70,087.04**	**15,282.36**	**85,412.26**
Balance as at 1st April, 2019	**42.86**	**70,087.04**	**15,282.36**	**85,412.26**
Transition impact of Ind AS 116- Leases (net of tax)			(34.20)	(34.20)
Restated balance as at 1st April, 2019	**42.86**	**70,087.04**	**15,248.16**	**85,378.06**
Profit for the year			19,777.46	19,777.46
Other comprehensive income/(loss) for the year			(409.82)	(409.82)
Total comprehensive income for the period			**19,367.64**	**19,367.64**
Dividend (including tax on dividend of Rs.1363.85 Lakhs)			(7,998.86)	(7,998.86)
Transfer to General Reserve		13,000.00	(13,000.00)	-
Balance as at 31st March, 2020	**42.86**	**83,087.04**	**13,616.94**	**96,746.84**

Note:

1. The Company at its Annual General Meeting for the FY 2018-19 held on 12th September 2019 declared a Final Dividend to the Equity Shareholders @ 24% per share (i.e. Rs 1.20/-) which amounted to Rs 1396.84 lakhs and Dividend Distribution Tax of Rs 287.13 lakhs thereto were paid during FY 2019-20.
2. During FY 2019-20, the Company declared and paid Interim Dividend of Rs. 5238.17 lakhs at the rate of Rs. 4.50/- per equity share and Dividend Distribution Tax of Rs 1076.72 lakhs thereto.
3. Accordingly, the total Dividend paid during FY 2019-20 amounts to Rs 7998.86 lakhs including DDT of Rs 1363.85 lakhs.
4. Further to the Interim Dividend paid as mentioned at sl.no.2 above, the Board proposes Final Dividend @ 20% per share to the Equity Shareholders (Previous year 24%), which works out to Rs 1164.04 Lakhs. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2019-20. The total Dividend paid/proposed amounts to Rs 6402.21 lakhs (including Interim Dividend of Rs 5238.17 lakhs) for the financial year ended March 31st, 2020.

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place: Porvorim, Goa
Date: 17 Aug, 2020

Sd/-
Cmde. B.B. Nagpal, NM (Retd)
Chairman & Managing Director

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 17 Aug, 2020

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 Vaddem, Vasco Da Gama, Goa.

The Company is principally engaged in building and repairing various types of ships and related General Engineering Services for its customers.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3. CURRENT / NON CURRENT CLASSIFICATION

i. **The assets and liabilities in the Balance Sheet are based on current/non-current classification. An assets is current when it is:**

   a. Expected to be realized or intended to be sold or consumed in normal operating cycle.

   b. Held primarily for the purpose of trading.

   c. Expected to be realized within twelve months after the reporting, or

   d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

ii. All other assets are classified as non-current.

iii. **A liability is current when it is:**

   a. Expected to be settled in normal operating cycle.

   b. Held primarily for the purpose of trading.

   c. Due to be settled within twelve months after the reporting, or

   d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

iv. All other liabilities are classified as non-current.

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

vi. **Operating Cycle:**

   a. In the case of Ship Building and Ship Repair and Refit activities, normal operating cycle is considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle. As the build period of the ships depend upon the size/technical specification of each individual ship, defining an uniform Operating Cycle is not feasible.

   b. In case of other business activities normal operating cycle will be 12 months.

4. USE OF ESTIMATES

The presentation of financial statements of the Company requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in notes.

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 is carried forward to the extent it is probable that taxable profit will be available in future against which the deductible temporary timing difference and the unused tax losses can be utilized. The management assumes that future taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

v. Discounting of long-term financial liabilities:

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. Determination of element of Lease in any arrangement:

At the inception of an arrangement, the Company determines whether the arrangement is or contains an element of lease. Accordingly, in the case of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes any arrangement a lease and if it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's borrowing rate.

vii. Revenue Recognition:

Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. Such estimates are revised periodically.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

Measurement at recognition:

i. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

ii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed in each financial year and adjusted prospectively, if appropriate.

iii. Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment, if any. For this purpose, cost consists of purchase costs and includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition for their intended use. 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. Freehold land is carried at historical cost.

iv. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognized.

Capital Work-in-Progress and Capital Advances:

Cost of Assets not ready for intended use, as on the Balance Sheet date is shown as Capital Work in Progress. Advances given towards acquisition of Fixed Assets outstanding at each Balance Sheet date are classified and disclosed as Other Non-Current Assets.

6. DEPRECIATION

i. Depreciation on property, plant and equipment is provided on the straight line method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013.

ii. Property, plant and equipment acquired with financial assistance from Government are stated at cost and are depreciated over the life of the asset and the depreciation thereto is charged every year in the Statement of Profit and Loss. The financial assistance received is treated as government assistance and the amount equivalent to depreciation is credited to Statement of Profit and Loss.

iii. Plant, machinery, equipment and fixtures provided to the Company free of cost under any agreement are valued at market value if such plant, machinery, equipment and fixtures are new, or at the written down value to the donor, if they are used. The value so determined is taken in the books as the original cost to the Company. Corresponding credit is given to "Capital Reserve Account".

iv. Expenses on administration and supervision in respect of expansion facilities/new projects, which are carried on concurrently with production of the existing Operating Divisions, are charged to the revenue. However, Administrative and general overheads which are specifically attributable to the construction of a project or acquisition of fixed assets are charged to respective capital assets and depreciated as per the Companies Act, 2013.

v. Any additions to Property, plant and equipment during the year valuing individually Rs 5000/- or less is fully depreciated and charged to profit & loss.

7. INTANGIBLE ASSETS

Intangible assets acquired separately are measured at cost on initial recognition. Thereafter they are carried at cost less any accumulated amortization and accumulated impairment losses.

Software cost is capitalized where it is expected to provide future enduring economic benefits and amortized on a straight line basis over a period of five years or over a period of their useful life whichever is less. Capitalization costs include license fees and costs of implementation/ system integration services. The costs are capitalized in the year in which the relevant software is implemented for use.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

8. IMPAIRMENT OF ASSETS

The Company reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets not yet available for use are subject to an annual impairment test. Impairment testing of property, plant & equipment and other intangible assets involve the use of estimates in determining the recoverable amount of the Asset which can have a material impact on the respective value and ultimately the amount of any impairment.

9. GOVERNMENT GRANTS

Government grants of revenue nature are recognized as income in Statement of Profit and Loss on a systematic basis over the periods in which the expenses related to costs for which the grants are intended to compensate are recognized as expenditure.

Government grants related to assets, including non-monetary grants at fair value, are presented in the Balance Sheet by treating the grant as Deferred Income. The grant is treated as Deferred Income and is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Government assistance relating to the purchase/construction of property, plant and equipment are included in non-current liabilities as Deferred Income and are credited to Statement of Profit and Loss Account on a straight-line basis over the expected lives of the related assets.

10. 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 lease 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 by way of 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 for 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 recognizes right-of-use assets and lease liabilities for its leases. Leases which were classified as operating leases under Ind AS 17 are now recognized 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 terms begin 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, 2019.
- 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.
- Leases with a determined lease term of less than 12 months remaining from April 1, 2019 have been treated as short term.
- The definition of a lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019 as per Appendix C of Ind AS 116. As a result on transition, the Company has not reassessed contracts which were not identified as leases under Ind AS 17.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- 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 recognized on a straight line basis across the life of the lease.

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 recognized 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.

11. BORROWING COST

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 consist of interest and other costs those are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

12. INVENTORIES

Inventories other than work-in-progress arising under construction contract are valued at cost, weighted average cost, net realisable value, lower of cost and net realisable value as the case may be as follows:

i. Raw materials, stores and general spare parts are valued at weighted average cost.

ii. Equipment for specific projects is valued at cost.

iii. Scrap held at the end of each accounting period is valued at net realizable value.

iv. Stores in transit are valued at cost.

v. Obsolete, slow moving and defective inventories not moved for over 3 years are identified at the time of physical verification and wherever necessary, provision is made for such inventories.

vi. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.

13. WORK-IN-PROGRESS

i. Shipbuilding & Other Construction/Repair Contract:

Ships under construction under long term contracts which extend for more than one year, where Profit can be reliably measured are valued in the following manner:

At costs incurred up to the reporting date plus profits are recognized under percentage completion method in proportion to the actual costs incurred bear to the estimated total cost to completion as on that date.

Where, however, estimates of total contract costs indicate a loss at the beginning of the contract or during the currency of implementation of the contract, provision is made for the entire loss on the contract, irrespective of the amount of work done, by reducing the value of the work-in-progress immediately in the accounting period in which loss is noticed.

ii. Materials with contractors:

Materials, if any, held by the contractors for processing are treated as part of work-in-progress.

14. FINANCIAL ASSETS

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition. In the case of financial assets not recorded at fair value through Profit or Loss, they are recognized at transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified using the following measurement categories:

- To be measured subsequently at fair value (either through other comprehensive income or through profit and loss), and;
- To be measured at amortised cost

i. Trade Receivables

a. Trade receivables are recognized at fair value on initial recognition and subsequently measured at amortised cost using effective interest method, less provision for impairment wherever applicable.

b. Provision for bad and doubtful debts is based on the simplified approach of impairment of trade receivables permitted by Ind AS 109. Financial instruments which requires expected lifetime losses to be recognized are done accordingly and provision is generally made for debts outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realizable based on a case to case review.

c. Full provision is made for all debts considered doubtful of recovery having regard to the following considerations:

- Time barred debts from the Government / Government Departments /Government Companies are generally not treated as doubtful debts.
- Where debts are disputed in legal proceedings, provision is made, if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

ii. Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as 'at fair value through profit and loss' (FVTPL) and all changes are recognized in the Statement of Profit and Loss.

All other equity instruments are classified 'at fair value through Other Comprehensive Income' (FVTOCI). Fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Profit or Loss.

iii. Cash and Cash Equivalent

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk to changes in value. Bank overdrafts are shown within borrowings in Current Liabilities in the Balance Sheet.

15. FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as Financial Liabilities at Fair Value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized at fair value on initial recognition and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate method. Gains and Losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the amortisation of effective interest.

16. REVENUE RECOGNITION

The Ministry of Corporate Affairs ("MCA") has notified on 28th March 2018 the Ind AS 115, "Revenue from Contract with Customers". The standard replaces erstwhile revenue recognition standards Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company has adopted Ind AS 115 from April 1, 2018 using the cumulative catch up approach.

i. Ship construction & Repair contracts

Ship Construction Contract are long term construction contract which involve the transfer of property in goods and Ship Repair contracts are generally short duration contract of less than 12 months involving mainly rendering of services and any transfer of goods involved is only secondary. In both categories of the contract the performance obligation are executed over a period of time. Accordingly, the revenue from Ship Construction / Ship Repair Contracts is recognized when (or as) the Company satisfies performance obligations as per the Contract over a period of time.

Assets is transferred when (or as) a performance obligation is satisfied over time and revenue is recognized on percentage of completion method, 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/or services rendered is transferred over time to the customer, revenue is recognized over time (i.e. under the percentage of completion method).

For the application of the over the time method (PoC method), the measure of the progress of the completion of performance obligations is based on inputs method (i.e. cost incurred).

Fixed Price Contract:

Revenues from construction contracts with customers are recognized over the time using input method i.e. by comparing the actual costs incurred to the total estimated costs anticipated for the entire contract. Such estimates are revised periodically.

Contract with Uncertain/Negative Results:

When it is probable that total contract costs will exceed total contract revenue, the entire 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. Recognition of the profit element is postponed.

Contract Asset:

Contract Assets denotes the company's right for 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:

Contract Liability denotes 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 recognized based on performance obligation satisfied at a point in time based on proof of receipts of goods issued by the Customers.

ii. Other Operating revenue

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

iii. Interest income

For all investments made by the company, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the Statement of Profit and Loss. Interest income is accrued at applicable interest rate.

iv. Other Income

a. Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

b. Credit notes issued to customers are treated as reduction of sales for the year in which they are issued.

c. Value of Free Supply items are not booked to job/work-in-progress except in the cases permitted by the contracts. However, value added thereon is taken to Value of Production and in Sales.

d. Other items of income are accounted as and when the right to receive arises.

17. EMPLOYEE BENEFITS

A. Defined contribution plans

i. **Provident Fund:** The Company's contribution to the recognized Provident Fund paid / payable during the year is debited to the Statement of Profit and Loss. The PF contribution of the employer and employees is remitted to the office of the Regional Provident Fund Commissioner.

ii. **Voluntary Retirement Scheme:** Actual disbursement made under Voluntary Retirement Scheme is charged to revenue in the year of payment.

iii. **Superannuation Scheme:** The Company's Liability towards Defined Contribution Superannuation scheme is remitted to a separate Trust Fund, the corpus of which is invested with IRDA approved Insurance Company/Companies as decided by the Trustees.

iv. **Post-retirement Medical Scheme:** The Company's Liability towards defined contribution scheme in respect of Post-retirement Medical facilities are covered by way of a Group Mediclaim Policy availed for the purpose in the Financial Year and is charged to Statement of Profit and Loss by way of requisite Provision as per the scheme and the annual premium of which is met out of the provision created as above.

B. Defined benefit plans

i. **Gratuity:** Liability for gratuity is determined annually by actuarial valuation as per Ind AS 19-Employee Benefits, and is being remitted to a separate Trust. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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.

ii. **Leave encashment:** Liability in respect of unavailed earned leave by the employees as at the end of the year is provided for on the basis of actuarial valuation as per Ind AS 19-Employee Benefits.

Under Ind AS 19, net interest cost is determined by multiplying the net defined benefit liability and fair value of plan asset by the discount rate specified, both as determined at the start of the annual reporting period, taking into account, any changes in the net defined benefit liability and asset during

the period as a result of contribution and benefit payments. Cost on account of this is included as employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost. Re-measurement gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in the period in which they occur, directly in other comprehensive income.

18. PRIOR PERIOD ADJUSTMENT/ RECLASSIFICATION

Prior period errors and reclassification are corrected retrospectively by restating the comparative amounts for prior periods presented in which the reclassification is required/ error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

19. FOREIGN CURRENCY TRANSACTIONS & DERIVATIVES

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

A. Foreign Currency Transactions:

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date.

The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss respectively).

If the liabilities are on account of procurement of capital assets, the differences due to exchange variation are included in the cost of the respective capital assets.

B. Derivative instruments and hedge accounting:

i. The company uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted

transactions. The company designates these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109-Financial Instruments.

ii. The use of foreign currency derivative contracts is governed by the company's policies approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

iii. Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income in the cash flow hedge reserve and later reclassified to profit or loss when the hedge item affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as Other Comprehensive Income are transferred to the initial carrying amount of the non-financial asset or liability.

iv. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

20. SEGMENT REPORTING

Ship construction, Ship repairs and General Engineering are considered as Reportable Segments for the purpose of Segment Reporting. For the ongoing projects and completed projects value of production is reported as segment revenue. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Income and expenditure not allocable to segments are included under "Net of unallocable Income/Expenses". Assets and liabilities of the company are used jointly by all the segments. Accordingly, there is no segment-wise bifurcation of assets and liabilities.

The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O.802(E) dated 23rd February, 2018 by amending notification no G.S.R 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 108.

21. PROVISIONS, 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.

22. PROVISION FOR WARRANTY

Provision for Warranty related costs are recognised in terms of the Contract after the product is sold or services are rendered to the Customers. Initial recognition is based on the historical experience. The estimate of warranty related cost are revised periodically.

23. EARNINGS PER SHARE

Basic earnings per Share are computed by dividing Profit After Tax by number of Paid-up Equity Shares at the end of the period. Diluted Earnings per share is computed by dividing Profit After Tax by number of Paid-up Equity Shares and Equity Shares that could have been issued upon conversion of all dilutive equity shares.

24. INCOME TAX

i. **Current Tax:** Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 as amended from time to time.

ii. **Deferred Tax:** Deferred tax is recognized on timing difference, being difference between taxable income and accounting income for the year, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

iii. Deferred Income Tax is provided in full, using the liabilities method, on temporary difference arising between the tax bases of Assets and Liabilities and their carrying amounts in the financial statement. Further Deferred Income Tax is not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

iv. Deferred Income Tax is determined using tax rates and laws, that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

v. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

25. 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.

26. ROUNDING OFF AMOUNTS

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III of the Companies Act, unless otherwise stated.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31-03-2020

NOTES ON BALANCE SHEET ITEMS

2.1 PROPERTY, PLANT & EQUIPMENT

(Rupees in lakhs)

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2019	Additions during the period	Deductions/ adjustments	As at 31-03-2020	As at 01-04-2019	Depreciation for the period	Deductions/ adjustments	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
A	PROPERTY, PLANT & EQUIPMENT										
	Freehold Land	737.18	-	-	737.18	-	-	-	-	737.18	737.18
	Buildings & Other Civil Constructions	51,297.23	9,992.03	-	61,289.26	8,864.93	1,964.60	-	10,829.53	50,459.73	42,432.30
	Plant & Machinery	32,653.46	6,293.95	9.34	38,938.07	15,141.44	2,356.86	9.29	17,489.01	21,449.06	17,512.02
	Capital Dredging	1,278.92	-	-	1,278.92	678.71	90.24	-	768.95	509.97	600.21
	Slipways	143.48	-	-	143.48	143.48	-	-	143.48	-	-
	Furniture & Fittings	1,070.83	38.46	4.94	1,104.35	792.01	54.96	4.59	842.38	261.97	278.82
	Office Equipment	265.88	570.17	2.98	833.07	214.62	77.46	2.98	289.10	543.97	51.26
	Medical Equipment	19.80	0.98	-	20.78	4.76	2.01	-	6.77	14.01	15.04
	Computers	1,253.71	7.97	2.82	1,258.86	1,188.38	33.58	2.82	1,219.14	39.72	65.33
	Server & Network	16.62	0.28	-	16.90	5.25	2.92	-	8.17	8.73	11.37
	Motor Cars & Vehicles	237.40	25.10	-	262.50	198.69	10.98	-	209.67	52.83	38.71
	Steam Launches & Boats	799.96	-	-	799.96	786.51	1.68	-	788.19	11.77	13.45
	Total	**89,774.47**	**16,928.94**	**20.08**	**106,683.33**	**28,018.78**	**4,595.29**	**19.68**	**32,594.39**	**74,088.94**	**61,755.69**
B	R & D ASSETS										
	R & D Assets	552.01	11.48	-	563.49	390.01	64.62	-	454.63	108.86	162.00
	Total R&D Assets	**552.01**	**11.48**	**-**	**563.49**	**390.01**	**64.62**	**-**	**454.63**	**108.86**	**162.00**
	TOTAL (A+B)	**90,326.48**	**16,940.42**	**20.08**	**107,246.82**	**28,408.79**	**4,659.91**	**19.68**	**33,049.02**	**74,197.80**	**61,917.69**
	Previous Year	88,533.03	2,051.48	258.03	90,326.48	24,166.37	4,479.53	237.11	28,408.79	61,917.69	64,366.66
C	INTANGIBLE ASSETS										
	ERP Software	253.86	24.55	-	278.41	202.91	18.79	-	221.70	56.71	50.95
	TOT Licence	-	11.10	-	11.10	-	0.89	-	0.89	10.21	-
	Total Intangible Assets	**253.86**	**35.65**	**-**	**289.51**	**202.91**	**19.68**	**-**	**222.59**	**66.92**	**50.95**
	Previous Year	246.55	7.31	-	253.86	184.40	18.51	-	202.91	50.95	62.15
D	ASSETS FUNDED BY CUSTOMER (INCLUDED IN PPE ABOVE):										
	Buildings & Other Civil Construction	23,132.30	9,764.85	-	32,897.15	5,040.02	923.13	-	5,963.15	26,934.00	18,092.28
	Plant & Machinery	19,359.91	5,776.36	-	25,136.27	8,588.41	1,548.56	-	10,136.97	14,999.30	10,771.50
	Capital Dredging	1,107.13	-	-	1,107.13	605.16	82.29	-	687.45	419.68	501.97
	Furniture & Fittings	110.99	-	-	110.99	5.45	11.10	-	16.55	94.44	105.54
	Office Equipment	-	477.06	-	477.06	-	47.51	-	47.51	429.55	-
	TOTAL	**43,710.33**	**16,018.27**	**-**	**59,728.60**	**14,239.04**	**2,612.59**	**-**	**16,851.63**	**42,876.97**	**29,471.29**
E	Capital Work-in-Progress	**26,370.61**	**14,285.68**	**16,976.07**	**23,680.22**	**-**	**-**	**-**	**-**	**23,680.22**	**26,370.61**
	Previous Year	17,220.67	11,208.73	2,058.79	26,370.61	-	-	-	-	26,370.61	17,220.67

2.1.1 Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013 for computing depreciation.

2.1.2 No borrowings were made during the year to fund any of the Capital expenditure.

2.1.3 Building include Rs 67 Lakhs (Original Cost) for Shipyard House of New Delhi being one third share in the property jointly held by Goa Shipyard Limited, Mazagon Dock Shipbuilders Ltd and Garden Reach Shipbuilders & Engineers Ltd.

(Rupees in lakhs)

2.2 CAPITAL WORK-IN-PROGRESS	As at 31-03-2020		As at 31-03-2019	
Opening Balance	26,370.61		17,220.67	
Add: Expenditure during the period	14,285.68		11,208.73	
	40,656.29		28,429.40	
Less: Capitalisation/Adjustments during the period	16,976.07	**23,680.22**	2,058.79	**26,370.61**
		23,680.22		**26,370.61**

The Capital Work-in-Progress includes:

GSL Modernisation Programme approved by the Government of India and presently in progress, was divided into 4 phases (1 & 2,3A,3B & 4) with a total outlay of Rs 1400 Cr out of which Rs 880 Cr is through Government Assistance and the balance Rs 520 Cr from Internal Resources. As on the Reporting date, phases upto 3A have been completed and Phase 3B and Phase 4 are in progress against which an amount of Rs 235.88 Cr have been spent upto 31.03.2020.

2.3 RIGHT-OF-USE-ASSETS	As at 31-03-2020		As at 31-03-2019	
Opening Balance	-		-	
Add: Addition during the year *	353.50		-	
	353.50		-	
Less: Amortisation on right-of-use assets during the year	73.34		-	
Net Carrying Amount	**280.16**	**280.16**	**-**	**-**
		280.16		**-**

*The Company recognised lease liabilities as per Ind AS-116 which is measured at present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard has been applied since commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly the right-of-use asset of Rs 353.50 lakhs and lease liability of Rs 399.20 lakhs has been recognised.The difference being the cumulative effect thereto on transition has been adjusted in retained earnings (net off taxes is Rs 34.20 lakhs).

2.4 LONG-TERM LOANS AND ADVANCES	As at 31-03-2020		As at 31-03-2019	
1. Loans to Employees (Secured by way of mortgage/ hypothecation or by way of third party guarantee)	161.63		183.85	
Less: Current maturities of Long Term Advances	25.87	135.76	32.39	151.46
2. Loans to Employees				
Unsecured and Considered good	251.88		269.86	
Unsecured and Considered doubtful	-		-	
	251.88		269.86	
Less: Provision for doubtful loans	-		-	
	251.88		269.86	
Less: Current maturities of Long Term Advances	26.10	225.78	31.75	238.11

(Rupees in lakhs)

2.4 LONG-TERM LOANS AND ADVANCES	As at 31-03-2020		As at 31-03-2019	
3. Security Deposit & EMD paid				
Unsecured considered good	27.71		27.37	
Unsecured considered doubtful	-		-	
	27.71		27.37	
Less: Provision for doubtful deposit & EMD paid	-	27.71	-	27.37
4. License and Tech doc fees 1241RE*	1,454.30		1,454.30	
Less: Amount received included under Advances Received from Customers (contra note no 2.26)	1,454.30	-	1,454.30	-
		389.25		**416.94**

*License and Tech doc fees 1241RE represents pro-rata unexpired licensed technical document fees paid to USSR for 5 number of Missile Boats for Indian Navy for which the amount has been reimbursed by the Customer.

2.5 OTHERS FINANCIAL ASSETS (Non Current)	As at 31-03-2020		As at 31-03-2019	
1. Fixed Deposits with Banks Maturity beyond 12 months (contra note no 2.9)		2,004.62		2,255.00
2. Other Receivable		3.80		3.80
		2,008.42		**2,258.80**

2.6 OTHER NON-CURRENT ASSETS (Unsecured)	As at 31-03-2020		As at 31-03-2019	
1. GST Input Credit & Payments	5,965.67		4,556.17	
Less: Current amount reclassified	5,798.43	167.24	4,054.45	501.72
2. Other Deposits		6.70		6.75
3. Balances with Government Dept. & Tax authorities		-		-
Unsecured considered good	555.70		4,291.34	
Unsecured considered doubtful	-		-	
	555.70		4,291.34	
Less: Provision for doubtful deposits	-	555.70	-	4,291.34
4. Prepaid Rent	41.91		47.53	
Less: Amount shown in current maturities	5.62	36.29	5.82	41.71
		765.93		**4,841.52**

2.7 INVENTORIES (as verified, valued & certified by Management)	As at 31-03-2020		As at 31-03-2019	
1. Raw Materials, Stores & Spares				
a) Stores in Hand	7,905.57		7,909.69	
b) Stock in Transit	-	7,905.57	-	7,909.69
2. Work-in-progress	114,425.76		70,080.56	
Less: Amounts received from Customers (Contra-Note 2.26)	89,000.61	25,425.15	57,748.15	12,332.41
		33,330.72		**20,242.10**

(Rupees in lakhs)

2.8 TRADE RECEIVABLES (Current)	As at 31-03-2020		As at 31-03-2019	
(Unsecured, Considered good unless otherwise specified)				
Total Receivables				
i) Considered good	11,846.99		12,593.78	
ii) Considered doubtful	1,157.80		1,001.39	
	13,004.79		13,595.17	
Less: Provision for allowance on expected credit loss	1,157.80	11,846.99	1,001.39	12,593.78
		11,846.99		**12,593.78**

2.9 CASH AND CASH EQUIVALENTS	As at 31-03-2020		As at 31-03-2019	
1. Balances with Banks in current accounts		430.48		23.41
2. Fixed Deposit with Banks	110,539.62		115,682.19	
Less: Reclassified Maturity period for more than 03 months but not more than 12 months	23,685.00		90,393.05	
	86,854.62		25,289.14	
Less: Reclassified Maturity period more than twelve months included in Other Financial Assets (contra note no 2.5)	2,004.62		2,255.00	
3. Fixed Deposit with Banks less than three months		84,850.00		23,034.14
4. In Imprest Account		10.22		8.86
		85,290.70		**23,066.41**

Cash and Bank Balances include an amount of Rupee 1 (Previous year Rupee 1) being the token amount remaining after writing off an amount of Rs 195,991 in the year 1969-70 in respect of balance with Banco Nacional Ultramarino, Lisbon.

2.10 OTHER BANK BALANCES	As at 31-03-2020		As at 31-03-2019	
Fixed Deposits with Banks more than 03 months but not more than 12 months		23,685.00		90,393.05
		23,685.00		**90,393.05**

2.11 SHORT-TERM LOANS AND ADVANCES	As at 31-03-2020		As at 31-03-2019	
1. Loans to Employees - Current Maturity of Long Term Advances (Secured by way of mortgage/hypothecation or by way of third party guarantee)		25.87		32.39
2. Current maturity of Loans to Employees (Unsecured)		26.10		31.75
3. EMD paid (Unsecured and Considered good)		2.11		26.20
4. Advance to Suppliers				
Secured considered good (against Bank Guarantees)	49,510.73		987.88	
Unsecured considered good	1,738.53		2,652.02	
Unsecured considered doubtful	398.27		297.95	
	51,647.53		3,937.85	
Less: (i) Advance paid for Project Documentation reduced from Other Liabilities (as per contra 2.25)	4,947.53		-	
(ii) Provision for doubtful advances	398.27		297.95	
	46,301.73	46,301.73	3,639.90	3,639.90
		46,355.81		**3,730.24**

(Rupees in lakhs)

2.12 OTHERS FINANCIAL ASSETS (Current)	As at 31-03-2020		As at 31-03-2019	
1. Interest accrued but not due		5,558.24		3,010.97
2. Income accrued but not due		1,133.85		3,237.57
3. Receivable from Navy (1241RE)		704.12		466.55
4. Forward Contract				
i) Recognised at FV through OCI	-		-	
ii) Recognised at FV through Profit & Loss A/c	-	-	44.50	44.50
		7,396.21		**6,759.59**

2.13 CURRENT TAX ASSETS (Net)	As at 31-03-2020		As at 31-03-2019	
Advance Income Tax	39,541.39		29,652.04	
Less: Provision for Income Tax	35,347.91	4,193.48	28,447.91	1,204.13
		4,193.48		**1,204.13**

2.14 OTHER CURRENT ASSETS (Considered good)	As at 31-03-2020	As at 31-03-2019
1. Deposits with Government Departments	5,798.43	4,054.45
2. Prepaid Expenses	1,342.00	653.80
3. Prepaid Rent	5.62	5.82
	7,146.05	**4,714.07**

2.15 EQUITY SHARE CAPITAL	As at 31-03-2020	As at 31-03-2019
1. Authorized:		
12,00,00,000 (Previous Year 12,00,00,000) Equity Shares of Rs.5/- each (Previous Year Rs.5/- each)	6,000.00	6,000.00
	6,000.00	**6,000.00**
2. Issued, Subscribed & Fully Paid-up:		
11,64,03,748 (Previous Year 11,64,03,748) Equity Shares of Rs.5/- each (Previous Year Rs.5/- each)	5,820.19	5,820.19
	5,820.19	**5,820.19**

3. Reconciliation of Issued and Fully Paid-up Shares:

Particulars	Number of Shares (in Lakhs)	Amount	Number of Shares (in Lakhs)	Amount
At the beginning of the year	1,164.04	5,820.19	1,164.04	5,820.19
Balance at the end of the period	**1,164.04**	**5,820.19**	**1,164.04**	**5,820.19**

During the FY 2016-17, the Company in compliance of the guidelines issued by DIPAM has splitted the face value of Shares from Rs 10/- per Share to two Shares of Rs 5/- each and has also issued Bonus Shares in the ratio of 1:1 .

4. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder and Number of Shares	Percentage of Share holding	Amount (Rs. In Lakhs)	Percentage of Share holding	Amount (Rs. In Lakhs)
President of India 5,94,66,780 Equity Shares of Rs 5/- each	51.09%	2,973.34	51.09%	2,973.34
Mazagon Dock Shipbuilders Ltd. 5,49,57,600 Equity Shares of Rs 5/- each	47.21%	2,747.88	47.21%	2,747.88

The Company has only one class of share referred to as Equity Shares having a face value of Rs.5/- each.

(Rupees in lakhs)

2.16 OTHER EQUITY	As at 31-03-2020		As at 31-03-2019	
1. Capital Reserve:				
Balance as per last Balance Sheet		42.86		42.86
2. General Reserve:				
Balance as per last Balance Sheet	70,087.04		70,087.04	
Add: Transfer from Surplus	13,000.00	83,087.04	-	70,087.04
3. Retained Earnings:				
Opening Balance	15,282.36		14,959.85	
Transition impact on Ind AS 116 Lease (net of tax)	(34.20)			
Net Profit/(Loss) after Tax transferred from Statement of Profit & Loss	19,777.46		13,151.88	
Other Comprehensive Income/(Loss) for the period	(409.82)		(831.08)	
	34,615.80		27,280.65	
Less: Appropriations:				
Transfer to General Reserve	13,000.00		-	
Dividend Payment on Equity Shares	6,635.01		9,952.52	
Dividend Distribution Tax on Dividend	1,363.85		2,045.77	
	20,998.86		11,998.29	
Closing Balance		13,616.94		15,282.36
Total Reserve & Surplus		**96,746.84**		**85,412.26**

4. The Company at its Annual General Meeting for the FY 2018-19 held on 12th September 2019 declared a Final Dividend to the Equity Shareholders @ 24% per share (i.e. Rs 1.20/-) which amounted to Rs 1396.84 lakhs and Dividend Distribution Tax of Rs 287.13 lakhs thereto were paid during FY 2019-20.

5. During FY 2019-20, the Company declared and paid Interim Dividend of Rs. 5238.17 lakhs at the rate of Rs. 4.50/- per equity share and Dividend Distribution Tax of Rs 1076.72 lakhs thereto.

6. Accordingly, the total Dividend paid during FY 2019-20 amounts to Rs 7998.86 lakhs including DDT of Rs. 1363.85 lakhs.

7. Further to the Interim Dividend paid as mentioned at sl.no.5 above, the Board proposes Final Dividend @ 20% per share to the Equity Shareholders (Previous year 24%), which works out to Rs 1164.04 lakhs.This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2019-20. The total Dividend paid/ proposed for the financial year 2019-20 amounts to Rs 6402.21 lakhs (including Interim Dividend of Rs 5238.17 lakhs) for the financial year ended March 31st 2020.

8. Disclosure of Hedge Reserve:

i. The Company enters into foreign exchange derivatives contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company has designated all the outstanding Forward Exchange Contracts as Cash Flow Hedges. The changes in fair value of effective Forward Exchange contracts are recognized directly in the Reserve account designated as Hedge Reserve Account and the ineffective portion is recognized immediately in the Profit and Loss Account.

ii. As on 31st March, 2020, the Company has no outstanding effective derivative contracts.

(Rupees in lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Notional amount of contracts	Fair Value Gain/ (Loss)	Notional amount of contracts	Fair Value Gain/ (Loss)
Forward Contracts	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

iii. The movement in Hedge Reserve for the period ended 31st March, 2020 for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Balance at the beginning of the year		Nil		Nil
Gains/(Losses) transferred to income statement on recognition of forecasted hedge transaction		Nil		Nil
Changes in the fair value of effective portion of outstanding cash flow derivatives		Nil		Nil
Net derivative Gains/(Losses) related to a discounted cash flow hedge		Nil		Nil
(Gains)/Losses transferred to Profit and Loss Account on recognition of financial asset		Nil		Nil
Balance at the end of the Period		Nil		Nil

iv. Other than the details of derivative mentioned above, the Company has Nil outstanding Foreign Exchange derivative contracts of firm commitment or highly probable forecast transactions and contracts with underlying transactions as on 31.03.2020 (Previous Year Rs 1434.00 lakhs). The Fair value determination as on 31.03.2020 results in a Nil MTM (Previous year profit of Rs 44.50 lakhs). Although these contracts are effective hedges from an economic perspective, they do not qualify for Hedge Accounting as per Ind AS-109 and accordingly these are considered as ineffective hedges and changes in fair value are recorded in the Statement of Profit and Loss.

2.17 LEASE LIABILITY (Non Current)	As at 31-03-2020		As at 31-03-2019	
Initial Recognition of Lease Liabilities as per Ind AS 116	399.20		-	
Add: Interest Expenses	30.42		-	
	429.62		-	
Less: Repayment of Lease Liabilities	100.25		-	
	329.37		-	
Less: Amount shown in current maturities of long term Lease Liabilities (Contra-Note 2.23)	108.95	220.42	-	
		220.42		-

(Rupees in lakhs)

2.18 TRADE PAYABLE (Non Current)	As at 31-03-2020		As at 31-03-2019	
Deferred payment liability to foreign supplier against supply of materials				
Deferred Liabilities (from foreign suppliers against supply of material)*	1,322.81		1,335.09	
Less: Amount shown in current maturities of Long Term Debts	237.57	1,085.24	237.57	1,097.52
Amount receivable from Navy/Indian Govt. towards deferred debts	1,322.81		1,335.09	
Less: Amount shown in current maturities of Long Term Debts	237.57	1,085.24	237.57	1,097.52
		-		-

*Denotes the balance amount (at Fair Value) of deferred payment liability payable over 45 years without interest, in equal annual instalment of Rs.130 lakhs. The loan is equated to units of Special Drawings Rights (SDR) as per Inter Governmental Agreement between Govt of India and Russia. The loan amount has been revalued at the present rate of SDR (announced by RBI), w.e.f. 16.11.2016 which is Rs.91.0858 for 1 SDR (Previous year Rs 91.0858 for 1 SDR).

2.19 OTHER FINANCIAL LIABILTIES	As at 31-03-2020		As at 31-03-2019	
1. Security Deposit & Earnest Money Deposit	1.80		15.32	
Less: Payable within 12 months (as per contra-2.25)	-	1.80	-	15.32
2. Creditors for capital goods - Foreign supplier deferred credit	4.18		4.22	
Less: Amount shown in current maturities of Long Term Debts (as per contra-2.25)	0.75	3.43	0.75	3.47
3. Differential Interest Liability (Exim Bank)	654.87		883.09	
Less:Amount shown in current maturities of Long Term Debts (contra note no-2.25)	198.52	456.35	225.58	657.51
		461.58		**676.30**

2.20 LONG-TERM PROVISIONS	As at 31-03-2020		As at 31-03-2019	
1. Provision for Leave Salary Encashment	3,490.98		3,518.28	
Less: Payable within 12 months (as per contra-2.27)	787.74	2,703.24	804.87	2,713.41
2. Other Provisions		-		-
		2,703.24		**2,713.41**

2.21 DEFERRED TAX (Net)	As at 31-03-2020		As at 31-03-2019	
1. Deferred Tax Assets				
Provisions:				
Provision for Doubtful Debts	291.40		349.93	
Provision for Non-Recoverable Advances	100.24		104.12	
Provision for Guarantee Repairs	748.52		1,008.20	
Provision for Leave Encashment (Section 43B)	878.61		1,229.43	
Provision for Lease Liability	12.39	2,031.16	-	2,691.68
2. Deferred Tax Liabilities				
Depreciation		2,550.19		3,392.35
MTM		-		15.55
Deferred Tax Liabilities/(Assets)(Net)		**519.03**		**716.22**

i. Deferred tax is recognized subject to the consideration of prudence on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

ii. Deferred tax assets are recognized only if there is reasonable certainty that there will be sufficient taxable income in the future from which these deferred tax assets can be realized.

(Rupees in lakhs)

2.22 GOVERNMENT ASSISTANCE FOR INFRASTRUCTURE AUGMENTATION	As at 31-03-2020		As at 31-03-2019	
Balance at the beginning of the year	51,656.47		53,886.38	
Add: Amount received during the period	-		-	
	51,656.47		53,886.38	
Less: Proportionate amount of deferred revenue credited to P&L Statement	2,612.59	49,043.88	2,229.91	51,656.47
		49,043.88		**51,656.47**

2.23 LEASE LIABILITY (Current)	As at 31-03-2020		As at 31-03-2019	
Lease Liability payable within 12 months (Contra-Note 2.17)		108.95		-
		108.95		**-**

2.24 TRADE & OTHER PAYABLES	As at 31-03-2020		As at 31-03-2019	
1. MSME Vendors		103.63		29.86
2. Other Vendors		2,845.34		2,199.76
3. Deferred Payment Liability against supply of materials payable within 12 months	237.57		237.57	
Less : Amount receivable from Navy/Indian Govt. towards deferred debts	237.57	-	237.57	-
		2,948.97		**2,229.62**

Dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006 outstanding as on 31st March, 2020 is Rs.103.63 lakhs (previous year ended 31st March 2019 is Rs.29.86 lakhs) are as shown below:

Sl.No.	Vendor Name	As at 31-03-2020	As at 31-03-2019
i.	Aquarius Shipyard Pvt. Ltd.	47.16	-
ii.	B.C.S Engineering	-	1.10
iii.	Corrosion Control & Insulation	7.88	-
iv.	CMI Aerospace Metal Ind. Pvt. Ltd.	-	9.59
v.	Deepak Engineers & Contractors	2.36	-
vi.	Eckhardt Steel And Alloys	-	0.59
vii.	Geeta Engineering Works Pvt. Ltd.	-	14.36
viii.	Linia Engineering Services	-	0.23
ix.	Malhar Valves	-	0.66
x.	Nisan Scientific Process Equipment	0.17	-
xi.	Marine Electrical Agencies	4.91	-

(Rupees in lakhs)

Sl.No.	Vendor Name	As at 31-03-2020	As at 31-03-2019
xii.	Narang & Associates	3.07	-
xiii.	Orient Metal Industries	-	0.94
xiv.	Pip Industries Pvt. Ltd.	6.50	-
xv.	Universal Marine Works	10.47	-
xvi.	Vinaya Corporation	21.11	2.39
	Total	**103.63**	**29.86**

None of the above amount is due beyond period of 45 days. No interest has been paid/payable during the year by the Company to the suppliers covered under the Micro, Small, Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

The outstanding amount of MSMEs as on 31st March, 2020 have been paid between 1st April, 2020 to 30th April, 2020.

2.25 OTHER FINANCIAL LIABILITIES (Current)	As at 31-03-2020		As at 31-03-2019	
1. Unclaimed Dividend		7.61		8.84
2. Earnest Money Deposit		473.29		475.79
3. Retention Money received		2,566.57		2,102.55
4. Liability for Liquidity Damages deducted from parties		1,184.72		1,850.03
5. Creditors for capital goods - Foreign supplier deferred credit (as per contra-2.19)		0.75		0.75
6. Differential Interest Liability for Exim Bank (as per contra-2.19)		198.52		225.58
7. Liability for Purchases	5,998.12		7,507.54	
Less: Shoft Liability Deposit with High Court	1,026.17	4,971.95	-	7,507.54
8. Creditors for Other Expenses		763.18		953.41
9. Liability for Wages and related Liabilities		3,106.67		2,415.33
10. Interest & Expenses on Arbitration Award		5,596.24		5,596.24
11. Liability for Project Documentation	8,460.09		-	
Less: Advance paid (as per contra-2.11)	4,947.53	3,512.56	-	-
12. Other Liabilities		2,634.67		4,044.26
		25,016.73		**25,180.32**

(Rupees in lakhs)

2.26 OTHER CURRENT LIABILITIES	As at 31-03-2020		As at 31-03-2019	
1. Advances Received from Customers*	220,922.04		136,989.98	
Less:(i) Amount received towards License and Tech doc fees 1241RE (as per contra-2.4)	1,454.30		1,454.30	
(ii) Deduction towards work executed, included in Work-in-Progress (as per contra-2.7)	89,000.61	130,467.13	57,748.15	77,787.53
2. Statutory Dues		486.00		483.09
		130,953.13		**78,270.62**

*Advance from Customers includes an amount of Rs.1454.30 lakhs being the pro-rata unexpired licensed technical document fees paid to Russia (erstwhile USSR) for 5 numbers of Missile Boats for Indian Navy, which has been reimbursed by the Customer. The corresponding amount has been reflected in Note no 2.4.

2.27 SHORT-TERM PROVISIONS	As at 31-03-2020		As at 31-03-2019	
1. Provision for Leave Salary Encashment		787.74		804.87
2. Provision for Gratuity		991.50		966.69
3. Provision for Superannuation Fund		500.05		508.41
4. Provision for PRMS		837.30		719.31
5. Provision for Guarantee and Warranty				
Opening Balance	2,885.19		3,861.51	
Less: (i) Utilised - Material	8.77		525.01	
(ii) Utilised-Sub Cont and Direct Expenses	232.52		602.79	
(iii) Provisions written back	38.50		-	
	2,605.40		2,733.71	
Add : Additional Provision (Refer Note-2.35)	368.71	2,974.11	151.48	2,885.19
		6,090.70		**5,884.47**

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in lakhs)

2.28 REVENUE FROM OPERATIONS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
I. Turnover (Value of Production)		
(a) Contract Revenue		
i) Ship Construction	77,660.13	63,468.86
ii) General Engineering	793.86	6,227.55
(b) Sale of Products		
i) B & D Spares	1,099.36	2,145.73
(c) Sale of Services		
i) Ship Repairs	2,902.10	4,593.94
ii) General Engineering	7,838.98	8,343.42
Total (I)	**90,294.43**	**84,779.50**
Notes on Contract revenue recognition with respect to ongoing projects/vessels in WIP:		
Amount recognized as Revenue in Statement of Profit & Loss	71,991.70	63,658.57
Aggregate amount incurred less loss charged to P&L (Cumulative)	114,425.76	70,080.56
Advance payment received (Cumulative)	201,546.21	71,581.19
Remaining Contract to be executed	1,460,994.37	118,150.07
II. Other Operating Revenue		
1. Revenue from Govt Contract	-	3,293.10
2. Sale of Stores & Scrap	220.00	258.79
3. Deferred revenue on Depreciation on Customer Funded Assets	2,612.59	2,229.91
Total (II)	**2,832.59**	**5,781.80**
Total Revenue from Operation (I+II)	**93,127.02**	**90,561.30**

Note: The Company is engaged in the production of defence equipment and is exempted from Segment Reporting vide notification S.O.802(E) dated 23rd February, 2018 by amending notification no G.S.R 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 115.

2.29 OTHER INCOME	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
1. Interest				
a) On Deposits with Banks	12,322.30		5,889.93	
b) On Loan to Employees	10.20		12.39	
c) Other Interest	50.13	12,382.63	194.59	6,096.91
2. Profit on sale of fixed assets (Net)		1.13		10.88
3. Liabilities/Provisions no longer required written back		817.85		1,358.60
4. Miscellaneous Income		846.89		600.81
		14,048.50		**8,067.20**

(Rupees in lakhs)

2.30 MATERIAL CONSUMPTION	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
1. Cost of Materials consumed:				
Opening Stock of Raw materials, Stores and Spares		7,909.69		8,055.03
Add: Purchases (Gross)		32,390.00		34,773.85
		40,299.69		42,828.88
Less: Closing Stock-Stores in Hand		7,905.57		7,909.69
Value of Raw Materials consumed:		**32,394.12**		**34,919.19**
Less: Cost of Materials issued to Completed Vessels	291.59	(291.59)	512.62	(512.62)
Value of Raw Materials consumed (Gross):		**32,102.53**		**34,406.57**
Less: Materials issued for Guarantee Repair	8.77		525.01	
Stores & Spares consumption included in Repairs & Maintenance	469.48	478.25	998.60	1,523.61
Cost of Materials Consumed (Net)		**31,624.28**		**32,882.96**
2. Break up of Net Consumption:				
i. Imported	16,770.30		21,467.56	
ii. Indigenous	14,853.98	31,624.28	11,415.40	32,882.96
Total Consumption		**31,624.28**		**32,882.96**
3. Consumption consists of:				
i. Iron & Steel	362.01		1,280.02	
ii. Non-ferrous Metals & Alloys	322.58		432.00	
iii. Machinery & Equipment fitting on ships etc.	30,919.01		31,098.21	
iv. Others	20.68		72.73	
		31,624.28		**32,882.96**

2.31 EMPLOYEE BENEFITS EXPENSES	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
1. Salaries, Wages, Allowances and Bonus	13,242.64	13,206.48
2. Leave Encashment	778.59	1,062.84
3. Contribution to Provident Fund	1,011.58	1,086.46
4. Contribution to Employees State Insurance Scheme	11.06	42.16
5. Contribution to Deposit Linked Insurance Scheme	13.48	13.88
6. Contribution to Gratuity Fund	581.69	135.61
7. Contribution to Superannuation Fund	527.61	518.34
8. Contribution to PRMS	263.28	260.96
9. Staff Welfare Expenses	1,193.27	1,262.77
	17,623.20	**17,589.50**

1. Actuarial valuation of liability towards Gratuity - Note No. 2.31 above refers.

Defined Benefit Plans Gratuity - as per actuarial valuation on March 31, 2020

(Rupees in lakhs)

i) Assumptions as at	Valuation Date 31st March 2020	Valuation Date 31st March 2019
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Discount Rate	6.80%	7.47%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	9.87	9.78
Employee Attrition Rate (All Ages)	5.00%	5.00%
ii) Changes in Present Value of Obligations		
Present Value of Obligation at beginning of period	8,254.97	7,605.60
Interest Cost	546.49	539.82
Current Service Cost	534.07	523.04
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Benefits Paid	(1,878.35)	(1,244.25)
Actuarial (Gain)/Loss on Obligations	388.59	830.76
Present Value of Obligation as at the end of the year	7,845.77	8,254.97
iii) Interest Expenses		
Interest Cost	546.49	539.82
iv) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	7,288.28	6,138.90
Interest Income	509.34	512.66
v) Net Liability		
PVO at beginning of period	8,254.97	7,605.60
Fair Value of the Asset at beginning of report	7,288.28	6,138.90
Net Liability	966.69	1,466.70
vi) Net Interest		
Interest Expenses	546.49	539.82
Interest Income	509.34	512.66
Net Interest	37.15	27.16
vii) Actual Return on Plan Assets	488.12	512.33
Less: interest income included above	509.34	512.66
Return on plan assets excluding interest income	(21.22)	(0.33)
viii) Actuarial (Gain)/Loss on obligation		
Due to Demographic Assumption*	-	-
Due to Financial Assumption	184.17	71.13
Due to Experience	204.42	759.63
Total Actuarial (Gain)/Loss	388.59	830.76

* This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience.

(Rupees in lakhs)

ix) Fair Value of Plan Assets	Valuation Date 31st March 2020	Valuation Date 31st March 2019
Opening Fair Value of Plan Asset	7,288.28	6,138.90
Adjustment to opening Fair Value of Plan Asset	(17.60)	349.26
Return on Plan Assets excl. Interest Income	(21.22)	(0.33)
Interest Income	509.34	512.66
Contribution by Employer	973.82	1,532.04
Contribution by Employee	-	-
Benefits Paid	(1,878.35)	(1,244.25)
Fair Value of Plan Assets at end	6,854.27	7,288.28
x) Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past Service Cost - non vested benefits	-	-
Recognised Past Service Cost - vested benefits	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
xi) Amount recognized in the Balance Sheet and Statement of Profit and Loss Account		
PVO at end of period	7,845.77	8,254.97
Fair Value of Plan Assets at end of period	6,854.27	7,288.28
Funded Status	(991.50)	(966.69)
Net Assets/(Liability) recognized in the Balance Sheet	(991.50)	(966.69)
xii) Expenses recognized in Statement of Profit & Loss		
Current Service Cost	534.07	523.04
Interest Cost	37.15	27.16
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Expenses Recognized in the Statement of Profit & Loss	571.22	550.20
xiii) Other Comprehensive Income (OCI)		
Actuarial Gain/Loss recognized for the period	388.59	830.76
Asset limit effect	-	-
Return on Plan Assets excluding net interest	21.22	0.33
Unrecognized Actuarial (Gains)/Losses from previous period	-	-
Total Actuarial (Gain)/Loss recognised in (OCI)	409.81	831.09

(Rupees in lakhs)

xiv) Movements in the Liability recognised in Balance Sheet	Valuation Date 31st March 2020	Valuation Date 31st March 2019
Opening Net Liability	966.69	1,466.70
Adjustment to opening Fair Value of Plan Asset	17.60	(349.26)
Expenses as above	571.22	550.20
Contribution paid	(973.82)	(1,532.04)
Other Compreneshive Income (OCI)	409.81	831.09
Closing Net liability	991.50	966.69
xv) Schedule III of the Companies Act, 2013		
Current Liability	991.50	966.69
Non Current Liability	6,854.27	7,288.28
xvi) Projected Service Cost 31st March, 2021/Cost 31st March, 2020	327.26	534.07

xvii) Asset Information	Total Amount	Target allocation (%)	Total Amount	Target allocation (%)
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund (Trustees of the Scheme)	6,854.27	100.00	7,288.28	100.00
Debt Security-Government Bond	-	-	-	-
Equity Securities-Corporate Debt securities	-	-	-	-
Total Itemized Assets	**6,854.27**	**100.00**	**7,288.28**	**100.00**

xviii) Sensitivity Analysis	01-04-2019 to 31-03-2020			
Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR-1%	PVO ER +1%	PVO ER -1%
PVO	**7,575.00**	**8,143.76**	**8,089.56**	**7,608.69**

2. Actuarial valuation of liability towards Leave Encashment - Note No. 2.31 above refers.

Defined Benefit Plans Leave Encashment as per actuarial valuation on March 31, 2020

i) Assumptions as at	Valuation Date 31st March 2020	Valuation Date 31st March 2019
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Discount Rate	6.8%	7.47%
Rate of Increase in Compensation Levels	4.00%	4.00%
Rate of Return on Plan Assets	-	-
Expected Average remaining working lives of employees (years)	9.56	9.78
Employee Attrition Rate (All Ages)	5.00%	5.00%
ii) Changes in Present Value of Obligations		
Present Value of Obligation at beginning of period	3,518.28	3,050.41
Interest Cost	241.99	221.26
Past Service Cost - (non vested benefits)	419.35	429.95
Past Service Cost - (vested benefits)	-	-

(Rupees in lakhs)

		Valuation Date 31st March 2020	Valuation Date 31st March 2019
	Benefits Paid	(557.60)	(376.04)
	Actuarial (Gain)/Loss on Obligations	(131.03)	192.70
	Present Value of Obligation as at the end of the year	3,490.99	3,518.28
iii)	**Interest Expenses**		
	Interest Cost	241.99	221.26
iv)	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	-	-
	Interest Income	-	-
v)	**Net Liability**		
	PVO at beginning of period	3,518.28	3,050.41
	Fair Value of the Asset at beginning of report	-	-
	Net Liability	3,518.28	3,050.41
vi)	**Net Interest**		
	Interest Expenses	241.99	221.26
	Interest Income	-	-
	Net Interest	241.99	221.26
vii)	**Actual Return on Plan Assets**	-	-
	Less: interest income included above	-	-
	Return on plan assets excluding interest income	-	-
viii)	**Actuarial (Gain)/Loss on Obligation**		
	Due to Demographic Assumption*	-	-
	Due to Financial Assumption	91.24	36.19
	Due to Experience	(222.28)	156.51
	Total Actuarial (Gain)/Loss	(131.04)	192.70
	* This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience.		
ix)	**Fair Value of Plan Assets**		
	Opening Fair Value of Plan Asset	-	-
	Adjustment to opening Fair Value of Plan Asset	-	-
	Return on Plan Assets excluding Interest income	-	-
	Interest Income	-	-
	Contribution by Employer	557.60	376.04
	Contribution by Employee	-	-
	Benefits Paid	(557.60)	(376.04)
	Fair Value of Plan Assets at end	-	-

(Rupees in lakhs)

	Valuation Date 31st March 2020	Valuation Date 31st March 2019
x) Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Average remaining future Service till vesting of the benefit	-	-
Recognised Past Service Cost - non vested benefits	-	-
Recognised Past Service Cost - vested benefits	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
xi) Amount to be recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of period	3,490.99	3,518.28
Fair Value of Plan Assets at end of Period	-	-
Funded Status	(3,490.99)	(3,518.28)
Net Assets/(Liability) recognized in the Balance Sheet	(3,490.99)	(3,518.28)
xii) Expenses recognized in Statement of Profit & Loss		
Current Service Cost	419.35	429.95
Interest Cost	241.99	221.26
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Curtailment effect	-	-
Settlement Cost / (Credit)	-	-
Actuarial (Gain) / Loss recognized in the year	(131.04)	192.70
Expenses Recognized in the Statement of Profit & Loss	530.30	843.91
xiii) Other Comprehensive Income (OCI)		
Actuarial Gain / Loss recognized for the period	-	-
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gains) / Losses from previous period	-	-
Total Actuarial (Gain) / Loss recognised in (OCI)	-	-
xiv) Movements in the liability recognised in Balance Sheet		
Opening Net Liability	3,518.28	3,050.41
Adjustment to opening Fair value of plan assets	-	-
Expenses as above	530.30	843.91
Contribution paid	(557.60)	(376.04)
Other Comprenehsive Income (OCI)	-	-
Closing Net liability	3,490.98	3,518.28
xv) Schedule III of the Companies Act, 2013		
Current Liability	787.74	804.87
Non Current Liability	2,703.24	2,713.41
xvi) Projected Service Cost 31st March, 2021/Cost 31st March, 2020	627.72	419.35

(Rupees in lakhs)

	Valuation Date 31st March 2020		Valuation Date 31st March 2019	
xvii) Asset Information	Not applicable as the plan is unfunded			
xviii) Sensitivity Analysis	01-04-2019 to 31-03-2020			
Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	3,357.20	3,640.85	3,638.52	3,357.14

2.32 FINANCE COSTS	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
1. Interest Expenses on Bank LAD	1,759.14	368.30
2. Interest on Lease Liabilities	30.42	-
3. Others	0.01	1.08
	1,789.57	**369.38**

2.33 OTHER EXPENSES	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
1. Power, Fuel and Electricity		435.42		324.17
2. Rent		13.25		37.42
3. Rates and Taxes		16.23		20.27
4. Water Expenses		53.39		56.08
5. Insurance		74.20		104.68
6. Repairs and Maintenance:				
i) Factory Buildings & site	330.61		330.07	
ii) Plant and Machinery	423.83		618.93	
iii) Others	894.30		829.61	
	1,648.74	1,648.74	1,778.61	1,778.61
7. Loose Tools consumed		0.21		0.88
8. Printing and Stationery		13.78		25.54
9. Postage, Telegrams and Telephone		53.85		48.46
10. Travelling Expenses	261.60		268.80	
Less: Amount included under				
-Training Expenses	14.59		33.92	
- Recruitment Expenses	1.19		1.48	
- Direct Expenses	-	245.82	-	233.40
11. Recruitment Expenses	8.55		9.79	
Less: Advertisement expenses for Recruitment included under the Head "Advertisement"	7.36	1.19	8.31	1.48
12. Advertisement				
- Recruitment	7.36		8.31	
- Staff & Establishment	5.89		25.64	
- Tenders	17.71		63.41	
- Publicity	35.06	66.02	26.88	124.24

(Rupees in lakhs)

	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
13. Business Promotion Expenses		147.42		180.51
14. Export Promotion Expenses		158.90		574.95
15. Contribution to DIO-iDEX		500.00		-
16. Bank Charges		45.56		17.44
17. Auditors Remuneration				
- Statutory Audit Fees	3.00		3.00	
- Auditor fees for other services	1.50		1.50	
- Tax Audit Fees	0.50		0.50	
- Fees for Certification	1.95		7.64	
- Audit Expenses	2.20	9.15	1.95	14.59
18. Other Audit Fees				
- Cost Audit Fees	1.50		1.50	
- GST & VAT Audit Fees	0.50		0.50	
- Fees for Secretarial Audit	0.72		0.80	
- Audit Expenses	0.75		0.50	
- Internal Audit Fees	7.20	10.67	4.42	7.72
19. CISF and Security Expenses		1,367.46		1,311.15
20. Stock Adjustments		-		20.42
21. Legal Charges		53.23		9.30
22. Professional and Consultant Fees		133.04		124.95
23. Vehicle Hire charges		203.17		187.38
24. Books & Periodicals		6.70		26.93
25. Foreign Exchange Variation		(456.44)		(1,197.66)
26. Training Expenses	16.33		31.88	
Add: Travelling expenses for training	14.59	30.92	33.92	65.80
27. Directors Sitting Fees & Expenses		7.83		6.24
28. LD/FE Variation Deducted by Customer		59.46		59.08
29. R & D Expenditure		721.82		1,031.15
30. Stores Clearing and Handling Charges		381.77		553.17
31. Interest on Arbitration Award		-		4,519.87
32. Exchange Fluctuation Gain on Forward Contract		(35.64)		454.44
33. Miscellaneous Expenses		326.70		286.90
		6,293.82		**11,009.56**

(Rupees in lakhs)

2.34 CORPORATE SOCIAL RESPONSIBILITY

	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
(a) Gross Amount required to be spent by the Company during the period		478.98		412.46
(b) Amount spent during the period		506.00		432.08
(i) On construction or acquisition of Assets - In Cash	305.70		232.12	
- Liability accounted	37.54	343.24	32.18	264.30
(ii) On purposes other then (i) above - In Cash	158.24		159.32	
- Liability accounted	4.52	162.76	8.46	167.78
		506.00		**432.08**

2.35 PROVISIONS MADE

	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
1. Guarantee Repairs	368.71	151.48
2. Bad and Doubtful Debts	256.72	616.28
	625.43	**767.76**

2.36 INCOME TAX

	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
A. The Major Component of Income Tax expenses for the year are as under:		
(i) Income tax recognised in the Statement of Profit & Loss		
Current Tax:		
In respect of Current period	6,900.00	7,200.00
Adjustment in respect of previous year	-	524.13
Deferred Tax:		
In respect of Current period	(185.69)	171.26
Income Tax expenses recognised in the Statement of Profit & Loss	6,714.31	7,895.39
B. Reconciliation of Tax expenses and the accounting profit for the year is as under:		
Profit before Tax	26,491.77	21,047.27
Income Tax computed @ 25.168% (March, 2019 @ 34.944%)	6,667.45	7,354.76
Tax effect on non deductible expenses	253.19	150.99
Tax credits on Incentive	-	(141.79)
Effect of income which is taxed at special rates	(0.28)	-
Reversal of excess DTA and DTL due to change in tax rate (@ 34.944% to @ 25.168%)	(200.37)	-
Others	(58.61)	(83.79)
Additional Provision	52.93	91.09
Total	**6,714.31**	**7,371.26**
Adjustments in respect of current income tax of previous year	-	524.13
Tax expense as per Statement of Profit and Loss	**6,714.31**	**7,895.39**

(Rupees in lakhs)

2.37 EARNINGS PER SHARE	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Profit for the period (PAT)	19,777.46	13,151.88
Earnings per share Basic (in Rs.)	16.99	11.30
Earnings per share Diluted (in Rs.)	16.99	11.30
Share having nominal value of Rs.5/- each (Previous year Rs 5/- each)		

ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

2.38 Business Segment Reporting

i) The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O.802(E) dated 23rd February, 2018 by amending notification no G.S.R 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 108.

ii) For management purpose, the Company is organised into three major segments-Shipbuilding (NC), Ship Repairs (SR) and General Engineering Services (GES).

iii) There are no geographical segments within the business segments.

2.39 Contingent Liabilities and Commitments

1. Provisions, Contingent Liabilities and Contingent Assets as per Ind AS 37 issued by the Institute of Chartered Accountants of India is assessed during every year and the treatment of the same in the books is disclosed at relevant heads at Balance Sheet and / or in the notes to Accounts. Relevant disclosures are as under:

2. **Amounts for which Company may be contingently liable:**

(Rupees in lakhs)

a) Estimated amount of contracts remaining to be executed on capital account	22,915.22	36,437.53
b) Position of non-fund based limits utilized for :		
(i) Letters of Credit	1,373.38	6,069.11
(ii) Guarantees and Counter Guarantees	10,153.82	6,523.37
c) Indemnity Bonds issued by the Company to Customers for various contracts	681,090.15	530,940.66

2.39.3 Contingent Liabilities and Commitments (to the extent not provided for):

(Rupees in lakhs)

Sl.No.	Particulars	FY 2019-20				FY 2018-19			
		Carrying amount as at 01.04.2019	Amount reduced through settlement/ provision during the period	Additions made during the Period	Amount as at 31.03.2020	Carrying amount as at 01.04.2018	Amount reduced through settlement/ provision during the period	Additions made during the Period	Amount as at 31.03.2019
(i)	Damages claimed by dismissed employee in Civil Suit filed in Vasco Court.	840.00	-	-	840.00	840.00	-	-	840.00
(ii)	Bhatia Engineering in arbitration on account of non supply of Items and recovery of LD.	-	-	308.36	308.36	-	-	-	-
(iii)	System Security in arbitration for non compliance of Statutory Payments	-	-	23.77	23.77	-	-	-	-
(iv)	Mukand Ltd, "C" Form issue/ differential tax	-	-	-	-	133.00	133.00	-	-
(v)	JMC : Contract value enhancement and migration from VAT to GST	-	-	774.00	774.00	1,391.01	1,391.01	-	-
	Total	**840.00**	**-**	**1,106.13**	**1,946.13**	**2,364.01**	**1,524.01**	**-**	**840.00**

2.39.4 PROVISIONS

As at 31.03.2020
(Rupees in lakhs)

Sl. No.	Provision towards	Carrying amount as at 01.04.2019	Additional provisions made during the period	Amount used during the period	Unused amount reversed	Amount as at 31.03.2020	Brief description of nature and obligation	Indications of uncertainities about the outflow	Amount expected reimbursement, if any
1	Taxation	28,447.91	6,900.00	-	-	35,347.91	Provision for Income Tax of various Assessment Years	Any excess / short provided would be adjusted on completion of assessment	Nil
2	Leave Encashment	3,518.28	778.59	805.89	-	3,490.98	Provision for encashable earned leave as per actuarial valuation	Nil	Nil
3	Gratuity	966.69	991.51	966.70	-	991.50	Provision for Gratuity as per actuarial valuation	Nil	Nil
4	Superannuation	508.41	527.61	535.97	-	500.05	Provision for Superannuation Scheme	Nil	Nil
5	Guarantee Repairs	2,885.19	368.71	241.29	38.50	2,974.11	Provision for Guarantee Repairs	Nil	Nil
6	PRMS Provisions	719.31	263.28	145.29	-	837.30	Provision for Post retirement Medical Scheme	Nil	Nil
	Total 1 to 6	**37,045.79**	**9,829.70**	**2,695.14**	**38.50**	**44,141.85**			

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

(i) In case of Ship Building and Ship Repair and Refit activities, normal operating cycle is considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle.

(ii) In case of other business activities normal operating cycle will be 12 months.

2.41 MoF Vide notification No 29/2015 dt 30.04.2015 amended Customs notification No 39/96 thereby withdrawing the exemption on Counter Veiling Duty (CVD) and Special Additional Duty (SAD) in respect of goods imported for warship Construction but continued with exemption of Basic Customs Duty (BCD) only w.e.f 01.06.2015. In view of the above, during the period from June 2015 to March 2016 GSL cleared goods imported directly for CGOPVs for which contract was signed in 2012 i.e before the amendment as above, by payment of CVD and SAD as applicable and hence the duty paid by GSL as above is reimbursable by Indian Coast Guard. The total CVD and SAD paid by GSL is Rs. 2172.26 lakhs and in addition, an amount of Rs 353.46 lakhs was reimbursed by GSL to sub vendors towards CVD and SAD totalling Rs. 2525.72 lakhs. So far GSL has received an amount of Rs. 2345.38 lakhs towards the above and the balance amount is expected to be received in FY 2020-21.

2.42 (i) Certain balances under Trade Receivable, Trade Payable, Current Assets, Loans and Advances, Current Liabilities, etc. are subject to confirmation and reconciliation.

(ii) The company has a process of sending communication for confirmation of balances during end of the financial year. Adjustments arising out of confirmations, if any, will be given effect in the books of accounts during the year of adjustments.

2.43 Effective April 1, 2019, the Company adopted Ind AS 116,Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the borrowing rate and the ROU Asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate as at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of Rs 353.50 Lakhs and a lease liability of Rs 399.20 Lakhs. The cumulative effect of applying the standard, amounting to Rs 34.20 Lakhs was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.

2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.

4. Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. The borrowing rate applied to lease liabilities as at April 1, 2019 is 8.9%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	Category of Right of Use (Rs in lakhs)			
	Building	Vehicles	Others	Total
Opening Balance April 01, 2019	-	-	-	-
Additions	162.01	191.49	-	353.50
Deletions	-	-	-	-
Depreciation	11.95	61.39	-	73.34
Balance as on March 31, 2020	**150.06**	**130.10**	**-**	**280.16**

Lease contract entered by company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract. The Company does not face any significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was below 12 months Rs. 13.25 lakhs for the year ended March 31, 2020 which is shown as Rent under the head other Expenses.

2.44 The Company elected to exercise the option under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September 2019, which provided domestic Companies an option to pay Income Tax at lower rate of 22% (effective tax rate 25.17%) effectively from 1st April, 2019 (Assessment Year 2020-21), subject to certain condition. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31st March 2020 and re-measured its deferred tax liability on the basis of the rates prescribed in the said section. The Company recognised an amount of Rs 200.37 lakhs towards reversal of deferred tax liability during the year ended 31st March 2020 on account of the re-measurement.

2.45 **COVID-19 Risk:** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of Property, Plant and Equipment (PPE), inventories, receivables and other current assets. The impact of COVID-19 will be minimal as major portion of the Company's Revenue is generated from Defence Services. Further Ministry of Defence, vide letter no. 4(4)(d)(Acq)/20 dated 16.06.2020 have extended the contractual delivery dates for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. Based on the business model, there is no material impairment which needs to be recognised on Property, Plant and Equipment (PPE), inventories, receivables for the year ended 31st March 2020. With regard to accounting of revenue expenses, the Company has worked out the impact

on Lockdown due to COVID-19 pandemic at Rs.608.92 lakhs which has been not considered for computation of Value of Production.

Anticipated Future Impact: The Company's revenue is mainly from Defence Services. Hence, impact on the future business in the long term is not anticipated currently. However, downsizing of Defence budget and the risk of economic recession may have an impact on the operations of the Company.

2.46 Related Party Disclosure

(a) **Name of related party and description of relations**

(i) The Company is controlled by President of India (GOI) having ownership interest of 51.09%.

(ii) Mazagon Dock Shipbuilders Ltd (MDL) having ownership interest of 47.21%.

(iii) Key Managerial Personnel:

Cmde. B.B. Nagpal, NM, IN (Retd)	Chairman & Managing Director
Shri Sudhakar T.N.	Director(Finance) & CFO
Shri Shrikrishna J Kamat	Director(Operations)
Capt. Jagmohan, IN (Retd)	Director(CPP&BD)
Smt Chhaya Jain	Company Secretary

(b) (1) Nature of Transaction: Remuneration to Key Managerial Personnel (Rupees in lakhs)

Particulars	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
	Short term benefits	Post & long term employment benefits	Short term benefits	Post & long term employment benefits
Chairman & Managing Director	47.17	9.72	34.38	2.91
Ex Chairman & Managing Director*	-	-	69.31	12.83
Director (Finance)	45.22	7.84	54.61	6.50
Director (CPP&BD)	8.97	2.52	-	-
Ex Director (CPP&BD)	-	-	28.63	5.72
Director (Operations)	38.85	8.20	38.56	6.18
Ex Director (Operations)*	-	-	30.63	14.69
Company Secretary	18.94	4.25	20.51	3.71

*includes terminal benefits

(b) (2) Sitting fees to independent Directors (Rupees in lakhs)

Particulars	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
	Board meetings	Committee meetings	Board meetings	Committee meetings
Shri V. Nagaraj (From 23.07.2019)	1.50	0.40	-	-
Shri K. Mohandas (Upto 06.01.2020)	2.65	0.40	2.65	0.50

(b) (3) Transaction with Other Related Parties (Rupees in lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Ministry of Defence (GOI)		
Revenue	85,135.95	78,055.00
Outstanding Balance arising from sales / purchase and services		
(a) Amount Receivable	11,485.11	7,795.00
(b) Amount Payable	-	-
Mazagon Dock Shipbuilders Ltd		
Sale of Goods	-	258.69
Purchase of Goods	9.83	
Rent Expenses	10.05	11.39
Outstanding Balance arising from sales / purchase and services		
(a) Amount Receivable	12.93	12.93
(b) Amount Payable	4.17	4.17
Other Tansactions		
Dividend paid to shareholder who are related to Company	6,522.20	9,783.29

Note: The transactions are conducted in the ordinary course of the Company's business.

2.47 Capital Management

The Company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.

The Company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The net debt includes, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at 31-03-2020	As at 31-03-2019
Trade Payables	2,948.97	2,229.62
Other Payables	156,760.81	104,127.24
Net Debt	159,709.78	106,356.86
Equity Share Capital	5,820.19	5,820.19
Other equity	96,746.84	85,412.26
Total Equity	102,567.03	91,232.45
Gearing Ratio	1.56	1.17

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2020 and year ended on 31 March 2019.

2.48 Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is mainly exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity period of 12 to 24 months to hedge against its foreign currency exposures relating to the recognized underlying liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company is mainly exposed to changes in USD & EURO. Details of hedged and unhedged foreign currency exposures are given in Note No. 2.16.8.

2) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables. The Company mainly has transactions with government agencies and are considered to have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no

collateral held against these, because the counter parties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

(Rupees in lakhs)

Movement in expected credit loss allowance on trade receivables	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	**1,001.39**	**391.09**
Loss allowance measured at lifetime expected credit losses	**156.41**	**610.30**
Balance at the end of the year	**1,157.80**	**1,001.39**

3) Liquidity Risk

Liquidity risk is the risk when the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

2.49 Financial Instruments

A. Category wise classification of financial instruments:

(Rupees in lakhs)

Particulars	Refer Note	As at 31-03-2020	As at 31-03-2019
Financial assets measured at Fair Value Through Profit or Loss (FVTPL)			
Forward exchange contracts (net)	2.12	-	44.50
Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)			
Forward exchange contracts (net)	2.12	-	-
Financial Assets measured at amortised cost			
(i) Trade receivables	2.8	11,846.99	12,593.78
(ii) Cash and cash equivalents	2.9	85,290.70	23,066.41
(iii) Bank balances other than (ii) above	2.10	23,685.00	90,393.05
(iv) Loans	2.4 & 2.11	46,745.06	4,147.18
(v) Other financial assets	2.5 & 2.12	9,404.63	8,973.89
Total Financial Assets		**176,972.38**	**139,218.81**
Financial Liabilities measured at amortised cost			
(i) Lease liabilities	2.17 & 2.23	329.37	-
(ii) Trade payables	2.18 & 2.24	2,948.97	2,229.62
(iii) Other financial liabilities	2.19 & 2.25	25,478.31	25,856.62
Total Financial Liabilities		**28,756.65**	**28,086.24**

B. Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of financial instruments that are

(i) recognised and measured at fair value

(ii) measured at amortised cost for which fair values are disclosed in 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.

There were no transfers between Level 1 and 2 in the period.

Details of fair value hierarchy of Financial Assets and Liabilities which are measured at fair value -recurring fair value measurements:

(Rupees in lakhs)

Particulars	Fair value Hierarchy	As at 31-03-2020	As at 31-03-2019
Financial assets measured at Fair Value Through Profit or Loss (FVTPL)			
Forward exchange contracts (net)	Level 1	-	44.50
Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)			
Forward exchange contracts (net)	Level 1	-	-

2.50 Details of Hedged and unhedged foreign currency Forward Contracts

For Hedging Currency related risks

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Forward Contracts	Nil	1,434.00

a. All derivatives and financial instruments acquired by the Company are for hedging purpose only.

b. There are no foreign currency exposures that are not hedged by derivative instruments or forward contracts.

2.51 In the preparation of Ind AS Financial Statements, figures for the previous year have been regrouped/ reclassified, wherever considered necessary to conform to current year presentation. Figures are suitably rounded off to Rupees in lakh with two decimal [except Earnings per share and Face Value of Share] in accordance with the provisions of clause 4 (i) (b) of General Instructions of Schedule III of the Companies Act, 2013.

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place : Porvorim, Goa
Date: 17 Aug 2020

Sd/-
Cmde. B.B. Nagpal, NM (Retd)
Chairman & Managing Director

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place:Vasco da Gama, Goa
Date: 17 Aug 2020

Product Profile

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