GOA SHIPYARD LIMITED

Passion for Excellence



EXECUTING THE PRESTIGIOUS IMPORT SUBSTITUTE PROJECT FOR 02 FRIGATES



EXECUTING INDIGENOUS PROJECT FOR 05 OPVS FOR INDIAN COAST GUARD

ANNUAL REPORT

2018-19

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

QM 005 EM 005

GOA SHIPYARD LIMITED

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

(Shripad Naik)
Raksha Rajya Mantri
Ministry of Defence
New Delhi

(SHRI SHRIPAD NAIK)
RAKSHA RAJYA MANTRI

REVIEW OF THE GOVERNMENT ON THE ANNUAL REPORT 2018-19 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.

2. During the financial year 2018-19, GSL achieved a Value of Production(VoP) of Rs. 848 crore. The Company has also achieved Profit Before Tax(PBT) of Rs. 210 crore. The company has paid Rs. 56.13 crore as dividend during 2018-19 which becomes 80% of paid up share capital of GSL.

3. During the year, GSL has successfully culminated 4x1000 Tonne Fuel Barges Project of the Indian Navy and delivered all vessels, completed refit of 07 vessels. The Company has also delivered Nuclear Biological Chemical Training Facility to Indian Navy the first of its kind. The company has signed prestigious import substitute project contracts with Indian Navy to build 02 Frigates 'Project 1135.6'. This is the biggest contract signed in the history of GSL.

4. In line with the Government policy of 'Skill Development', GSL has undertaken various initiatives for skilling its workforce which include adoption of Industrial Training Institute(ITI), Vasco, augmenting the training facilities, providing support in development of infrastructure of ITI and incentives to toppers of the ITI. GSL has also collaborated with Society of Industrial & Technical Education, Goa(SITEG) for building Centre of Excellence for Welding, increased the strength of apprentices to 10% of manpower to meet target of skill development and started special course in Fabric Reinforced Plastic(FRP) wherein around 50 personnel are undergoing training.

5. In pursuance of 'Make-in-India' policy, GSL has signed MoUs with various OEMS for indigenous production of highly advanced and technology intensive marine system developing products similar to OEMs under Buy & Make in India programme for platforms of the Indian Navy. GSL is also in collaboration with M/s Griffon Hoverswork, UK for indigenous design and manufacture of ACVs (Hovercrafts) under Indigenous Design, Development and Manufacture(IDDM) for participation in recently issued RFP for Hovercrafts for ICG and Indian Army. With assistance and guidance of GSL, M/s Walchandnagar Industries Ltd. has developed Marine Gearbox for ongoing 05 Coast Guard OPV project which is major success in import substitution. GSL has registered with GeM portal and embarked upon procurement of all commonly used goods and services through this digital platform.

6. During the year, the Company has undertaken various range of activities under Swachh Bharat Abhiyan i.e. constructed /renovated toilet blocks for local community and schools, adopted roads & municipal wards for cleaning activities, provided safe drinking water facilities, provided mini car trash bins etc.

7. To support 'Startup India', GSL has signed a MoU with Forum for Innovation Incubation Research and Entrepreneurship (FiiRE) for innovation and development of new technology enabled products/processes with a scalable business model.

8. In terms of the Guidelines on Corporate Governance for CPSEs, the company has achieved 'Excellent' MoU rating for FY 2017-18 for the third time and secured 100% marks. It has also received 'Governance Now – 6th PSU Award' for Best Practices in CSR under Miniratna category , 'Award for Export Excellence (Miscellaneous Transport Equipment & Parts, Large Enterprise Category)' by EEPC, 'Award for Operational Performance Excellence'-8th PSE Excellence Award by Indian Chamber of Commerce and Dun & Bradstreet' 'PSU Award' for best growth and performance in medium sector in FY 2018-19.

9. The Government is in agreement with the Report.

AUTHENTICATED

(SHRI SHRIPAD NAIK)

(Shripad Naik)
Raksha Rajya Mantri
Ministry of Defence, Govt. of India
New Delhi

GOA SHIPYARD LIMITED

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

AUTHENTICATED

RAKSHA RAJYA MANTRI

(Shripad Naik)
Raksha Rajya Mantri
Ministry of Defence, Govt. of India
New Delhi

Performance Highlights- FY 2018-19

Operational Performance

- Achieved 'Excellent' MoU rating for FY 17-18 for the third time in a row and secured 100% marks, a unique distinction for second consecutive year, a first time by a DPSU in last 10 years.
- Signed prestigious import substitute project contract with MoD/Indian Navy to build 02 Frigates "Project 1135.6" on 25 Jan 2019. This is the biggest contract signed in the history of GSL.
- Successfully launched 01 vessel and laid keel of 02 vessels of the second series of indigenous project for 05 Offshore Patrol Vessels for the Indian Coast Guard (CG OPVs). Work on all the 05 CG OPV Project is progressing concurrently as per schedule for deliveries within contracted delivery schedules.
- With assistance and guidance of GSL, M/s Walchandnagar Industries Limited has developed Marine Gearbox for ongoing 05 CG OPV Project which is major success in import substitution.
- Successfully built and delivered the Nuclear Biological Chemical Training Facility (NBCTF), the first of its kind on 28 Sep 2018 to the Indian Navy.
- Successfully culminated 4 x 1000 T Fuel Barge series Project of the Indian Navy and delivered all vessels ahead of contractual delivery schedule.
- Successfully completed the refit of 07 vessels, one of which was a Naval Ship.
- Signed contract for River Passenger Ferry with Uttar Pradesh Rajkiya Nirman Nigam Ltd for Inland Waterways at Varanasi.
- As part of the Phase 4 of Infrastructure Modernisation works, accommodation facility named 'Shipyard Sadan' for Foreign ToT Specialists was completed and inaugurated on 10 Nov 2018.
- Acquired Guest House property of approx 2242 sq. mtr for providing accommodation facility to visiting technical specialist/ship crew.

Financial Performance

- Achieved Operating Revenue of Rs 906 Cr and VoP of Rs 848 Cr, despite adverse market conditions and low order book position.
- Earned Operating Profit of Rs 130 Cr and Profit before Tax of Rs 210 Cr.
- Overtime Cost came down to Rs 8.08 Cr in FY 2018-19 from Rs 13.23 Cr in FY 17-18.
- EBIDTA margin increased to 26.28% in FY 18-19 from 25.75% in FY 17-18.
- Net Worth increased to Rs 912 Cr in FY 18-19 from Rs 909 Cr in FY 17-18.
- Declared and paid 02 Interim Dividends at Rs 1.50 and Rs 1.30 per equity share of Rs 5.00 each on 23 Nov 2018 and 16 Mar 2019 respectively, aggregating to 56% of Paid-up Share Capital.
- Declared Final Dividend @ 24% of the Paid-up Share Capital i.e. Rs 1.20 per equity share of Rs 5.00 each. Thus, total dividend amounts to 80% of Paid-up Share Capital.
- Average holding period of inventory came down to 89 days from 170 days.
- Average collection period of trade receivable came down to 54 days from 83 days.
- Collected Rs 1277 Crore from various customer.
- Recovered entire outstanding FD of Rs 30 Cr from CCIL, pending since 1995.

GSL Contribution to Govt. Initiatives

Make in India Initiatives

- GSL was the first DPSU Shipyard to formulate and adopt Make-in-India (Outsourcing, Long Term Procurement & Vendor Development and Indigenization) Policy with aim to increase indigenization level/local content in forthcoming Projects.
- Implemented Preference to Make in India 2017 to provide preference to Local Indian Manufacturers over Foreign Manufacturers to encourage indigenisation.
- Introduced Make – II Procedure to encourage Indigenous Design, Development and Manufacture (IDDM) of defence equipment/weapon systems.
- Implemented e-procurement system and about 90-95% of total requirement was processed through e-procurement.
- Indigenisation content in ongoing 05 CGOPV Project has been increased to 70% from 60% indigenization achieved in 06 CGOPV Project completed in Oct 17.
- Items/areas identified for Indigenization/import substitution are hosted on GSL website. Provisions of 'repeat' orders for items indigenized successfully for Import Substitution are adopted.
- 'Make-in-India' Cell established, with Nodal Officers nominated in respective disciplines.
- Introduction of 'Deemed Registration' for firm(s) registered with any DPSU/CGHQ/IHQ/NSIC.
- Achieved 48% procurement from MSEs for FY 2018-19 as against mandatory target of 25%.
- Proactively identified 18 shipbuilding items over and above 358 items reserved for mandatory procurement through MSE vendors.
- Embarked upon procurement of commonly used goods through GeM portal from December 2017 onwards.
- Payment terms to domestic firms including MSEs relaxed.
- TReDS platform for MSEs payment rolled out in February, 2018. Instituted payment of advance to MSEs against security.
- Adopted 'Start-up Policy' with a view to encourage Start–ups by relaxing norms.
- Created provision of inland Letter of Credit to domestic vendors in GSL Procurement Manual.

Skill Development Initiatives

- Apprentice intake enhanced to 10% of manpower strength.
- GSL has adopted Vasco ITI and working to transform it into a model ITI.
- Additional infrastructure created along with new equipment for quality Apprenticeship Training.
- GSL in collaboration with SITEG has created state-of-the-art 'Centre of Excellence for Welding' for skilling local youths in the Welding Trade Centre.
- 'Train the Trainer' program conducted for grooming ITI instructors.
- Special course started in FRP for MCMV project in local institutions.

Swachh Bharat Initiatives

- Friday declared as cleanliness day at GSL.
- Adopted 03 Municipal wards in Vasco for cleanliness activities.
- Adopted major stretch of a main road in Vasco city for cleanliness and to achieve Plastic Mukt city.
- GSL celebrated "Swachhta Hi Seva" and "Swachh Bharat Pakhwada" by involving local community.
- Contributed towards 'Safe drinking water and sanitation' for school children.
- Constructed/renovated toilets blocks in schools/ITI as well as construction of public toilets & their maintenance.
- 2000 nos. portable mini car trash bins provided for four wheelers.
- Assistance towards desilting of lakes at INS Valsura, Jamnagar, Gujarat for conservation of environment and providing irrigation facility during scarcity of water.

BOARD OF DIRECTORS



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



Smt Richa Misra
Govt. Nominee Director
(w.e.f. 18.10.2018)



Shri K. Mohandas
Independent Director



Shri V. Nagaraj
Independent Director
(w.e.f. 23.07.2019)



Shri T. N. Sudhakar
Director (Finance)



Shri S. J. Kamat
Director (Operations)

Statutory Auditors
ABM & Associates LLP
Chartered Accountants
Porvorim - Goa

Company Secretary
Smt Chhaya Jain

Cost Auditor
CMA V.P. Rammohan Menon
Practicing Cost Accountant
Margao, Goa - 403 602

Secretarial Auditor
Shri Francisco Dias
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
* Corporation Bank
* IDBI Bank

CORPORATE MANAGEMENT COMMITTEE

Name		Designation
Cmde B.B. Nagpal, IN (Retd)	.....	Chairman & Managing Director
Shri T. N. Sudhakar	.....	Director (Finance)
Shri Shrikrishna J. Kamat	.....	Director (Operations)
Shri Balakrishnan Selva Kumar, IPoS CVO, HAL	.....	Chief Vigilance Officer (Addl. charge w.e.f. 09.05.2015)
Shri Mahesh G. Malkarnekar	.....	Chief General Manager (Tech. Services)
Shri A. V. Raviprakash	.....	Chief General Manager (Commercial)
Shri John K. James	.....	Chief General Manager (Production)
Shri Sunil S. Bagi	.....	General Manager (Finance)
Shri R. G. Vaidya	.....	General Manager (QA&R)
Shri Brajesh Kumar Upadhyay	.....	General Manager (FPG) & (Ship Repairs)
Shri Manoranjan Khuntia	.....	General Manager (HR & Admin.)
Shri Thomas Verghese	.....	General Manager (Design/Hull)
Shri Kulkarni Narasinh Krishna	.....	General Manager (Commercial)
Cmdt Sunil Maneshinde, (Retd)	.....	General Manager (GES)
Shri Clifford A. Pereira	.....	General Manager (Planning)
Shri L. V. Raykar	.....	Addl. General Manager (Outsourcing)
Shri Sunil Prasad Yadav	.....	Addl. General Manager (Vigilance)
Shri M. B. Anand	.....	Addl. General Manager (Internal Audit)
Shri Kishor Manohar Samant	.....	Addl. General Manager (Legal)
Maj H.R. Madhusudhan, (Retd)	.....	Addl. General Manager (Admin.)
Shri Nagesh D. Pai	.....	Addl. General Manager (Modernisation)
Smt Chhaya Jain	.....	Addl. General Manager - CS
Dr. Vedpal S. Tari	.....	Dy. General Manager (Medical)
Shri Bikram	.....	Dy. Commandant - CISF
Cdr M. Harikrishnan, (Retd)	.....	TA to CMD (DGM) - Member Secretary



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CORPORATE OBJECTIVES

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 shipbuilding and shiprepair.

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 the total industrial output.



GLORIOUS MOMENTS



CMD meeting with Hon'ble Raksha Mantri Shri Rajnath Singh in New Delhi on 30 Aug 2019



Visit of the then Hon'ble Raksha Mantri Smt Nirmala Sitharaman to GSL on 21 Feb 2019



Visit of Shri Shripad Naik, Union Minister of State for Ayush and Raksha Rajya Mantri to GSL on 10 Jun 2019

VISIT OF DIGNITARIES



Visit of NITI Aayog delegation led by
Shri Ratan P. Watal, Principal Adviser on 05 Feb 2019



Visit of Indian Navy delegation led by
VAdm A K Saxena, CWP&A on 13 Feb 2019



Visit of MoD Acquisition Wing delegation led by
Shri Apurva Chandra, DG (Acquisition) on 04 Apr 19



Visit of Smt Alka Sharma, Principal Controller of Defence Accounts (Navy)
on 04 May 2019



Shri Alok Chaturvedi, IDAS, Principal IFA to DGICG
visited GSL on 03 Jun 2019



Visit of delegation from Saudi Arabia,
Royal Navy on 28 Aug 2019



Visit of VAdm G S Pabby, PVSM, AVSM, VSM,
Chief of Materiel, Indian Navy on 07 Sep 2019



Visit of Egyptian delegation to GSL from 03 - 07 Sep 19

CHAIRMAN'S ADDRESS AT THE 53RD AGM ON 12TH SEPTEMBER, 2019

Ladies & Gentlemen,



1. It gives me immense pleasure to welcome you all to this **53rd Annual General Meeting** of the Company. This is my first opportunity to address you after taking over the reins of your Company as Chairman & Managing Director on 01 Dec 2018. I take this opportunity to share the performance highlights of the year 2018-19 and future outlook for the Company. The Annual Report for the FY 2018-19, inter alia, containing Audited Financial Statements and Directors' Report were sent to members on 17th August, 2019. I hope you have perused the same.

Shipbuilding Industry

2. India's defence sector has been growing at a modest pace for the past few years. Modernisation of armed forces and indigenization efforts in manufacturing of defence equipment have emerged as focus areas. The Government has taken a host of measures to change policies that favour self-reliance in the segment and provided the much-needed push under its '**Make in India**' programme. Breakthroughs like Make II procedure, Strategic Partnership (SP) model, liberalisation of FDI norms and creation of a level-playing field to private industry have been successfully implemented to provide impetus to indigenous manufacturing. Slew of Govt. initiatives such as Purchase Preference Policy, development of Defence Corridors, thrust on Artificial Intelligence, export target of $ 5 billion by 2025, setting up of Defence Innovation Organisation etc. would strengthen the defence industry ecosystem in India. This is an opportune time to embark upon a new phase of self-reliance in the sector by manufacturing technologically advanced equipment within India.

3. The Company has been on forefront in implementation of various policy initiatives of the Government. To continue its support to the measures taken by the Government to foster indigenous manufacturing of import substitutes, the Company has formulated strategies aligned to the government's initiatives and has implemented them with the aim of nation building and delivering improved and technologically advanced platforms for maritime security of the nation. As always, the Yard remains committed to pursuing growth opportunities, not only ensuring expansion of our businesses but also creating value for all its stakeholders in a sustainable manner.

Financial Performance 2018-19

4. The performance of the Company during the FY 2018-19 was satisfactory in terms of revenue and profit amidst challenging business environment. Inordinate delays experienced in conclusion of certain expected orders, which all were at near finalization stage, has affected the financial performance of the Company and led to interim low order book position till commencement of Frigate Project in 2020. Despite adverse market conditions and low order book position, the Company managed to achieve Value of Production (VoP) of Rs 848 Cr during the year (last year Rs 1343 Cr). During the FY 2018-19, the Company achieved Operating Revenue of Rs 906 Cr (last year Rs 1,373 Cr) and Operating Profit of Rs 130 Cr (last year Rs 252 Cr). The Company earned Profit Before Tax (PBT) of Rs 210 Cr (last year Rs 331 Cr). The profit was affected mainly due to creation of provision of Rs 45 Cr towards non-recurring item on pronouncement of judgement on certain arbitration cases against which appeals have been filed in the High Court.

5. Net Worth of the Company has increased marginally to Rs 912 Cr in the FY 2018-19 from Rs 909 Cr in the FY 2017-18 and EBIDTA margin has also improved to 26.28% in the FY 2018-19 from 25.75% in the FY 2017-18. Overtime Cost has come down to Rs 8.08 Cr in the FY 2018-19 from Rs 13.23 Cr in the FY 2017-18.

Dividend

6. After reviewing the profits for the year and in terms of the Government Guidelines in vogue, the Company paid 02 Interim Dividends of Rs 1.50 and Rs 1.30 per equity share of Rs. 5.00 each on 23 Nov 2018 and 16 Mar 2019 respectively. Total Interim Dividend payout for the year 2018-19 amounted to Rs 32.59 Cr (plus DDT of Rs 6.70 Cr), which equals to 56% of the Paid-up Share Capital of Rs 58.20 Cr.

7. The Board of Directors is pleased to further recommend Final Dividend for the year 2018-19 at Rs 1.20 per equity share of Rs 5.00 each i.e. 24% of the Paid-up Share Capital. The total outgo for Final Dividend including DDT will be Rs 16.84 Cr. Thus, the total dividend for the year 2018-19 is Rs 4.00 per equity share being 80% on Paid-up Share Capital and total outgo will be Rs 56.13 Cr (including DDT).

MoU Rating

8. Your Company bagged '**Excellent**' MoU Performance rating for FY 2017-18 for **third time in a row and secured 100% marks, for second consecutive year which is the first time by a DPSU in last 10 years**. In terms of parameters laid down in the Memorandum of Understanding signed with the Government, the Company expects to receive '**Excellent**' rating for its performance during the FY 2018-19 also.

Execution of Shipbuilding & Other Projects

9. **P1135.6 Frigates**: Your Company has signed the prestigious contract on 25 Jan 2019 with MoD/Indian Navy to build 02 Frigates "**Project 1135.6**" under ToT from Russia for the Indian Navy for a contract price of Rs 14,120 Cr (excluding tax). This Project is the largest shipbuilding project in the history of the Yard and will propel it into the select league of shipyards which can design and construct complex weapon intensive ships such as Frigates. It will also open a number of export opportunities for the Shipyard in this niche segment. Preparatory activities, in coordination with the Indian Navy and Russian Side, are in full swing for commencement of construction in early 2020.

10. **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 identification of prospective collaborator for providing ToT for construction of GRP hull vessels is being expedited. The advanced composite fabrication facility for the same is in the completion stage and on completion, it will be one of the unique facilities in the country for fabrication of advanced composite hull.

11. Since the last Annual General Meeting held on 17 Sep 2018, your Company has successfully launched the following two vessels of 05 Coast Guard Offshore Patrol Vessel (CG OPV) Project, paving the way for their timely delivery: -

a) 1st CG OPV of second series was launched on 21 Feb 2019 by the Hon'ble Raksha Mantri Smt Nirmala Sitharaman.

b) 2nd CG OPV of second series was launched on 25 May 2019 by Smt Seema Mittal, wife of Controller General of Defence Accounts (CGDA) Shri Sanjiv Mittal.



12. Keel of three CG OPVs of second series were laid and construction activities are progressing as per schedule and likely to be delivered within contractual delivery time.



Launching of 2nd CGOPV (YD 1234) on 25 May 2019 by Smt Seema Mittal, wife of CGDA Shri Sanjiv Mittal



Keel Laying of YD 1237 on 10 Jun 2019 by Shri Shripad Naik, Union Minister of State for Ayush and Raksha Rajya Mantri

13. Guarantee refit of 06 ships were completed which comprises of 03 OPVs for Indian Coast Guard, 02 OPVs for Sri Lanka Navy and 01 Fast Patrol Vessel for Mauritius.

14. The second D-448 Reading of INS Sumitra, delivered to Indian Navy in Jul 2014, was completed on 31 Jul 2019. The GRDD of the ship was completed in Aug 2016 and all liabilities including proving of weapon package have been completed with Nil pending liability.

Ship Repairs (SR) and General Engineering Services (GES)

15. Contribution of SR and GES sections have been consistently increasing and it is approx **23% share in VoP in the FY 2018-19.** During the year, the Company undertook refit of 07 vessels, one of which was a Naval vessel. The successful completion of all refit projects demonstrates GSL's competency and capability in handling complicated and multiple refit works concurrently.

16. During the year, the Company has successfully culminated 4 x 1000 T Fuel Barge Project of the Indian Navy by delivering 3rd Fuel Barge on 14 May 2018, **52 days ahead of delivery schedule** and 4th Fuel Barge on 23 Jul 2018, **05 months and 12 days ahead of contractual delivery schedule. The Company has also delivered to the Indian Navy the Nuclear Biological Chemical Training Facility (NBCTF), the first of its kind on 28 Sep 2018, on scheduled time.**

17. The Company has secured order from U.P. Rajkiya Nirman Nigam Ltd for detailed design, build and transfer of River Passenger Ferry (cruise) project at a cost of Rs 9.81 Cr, the keel of which has already been laid on 11 Aug 2019. The Company has also signed contract with the Indian Navy for comprehensive maintenance of Damage Control Training Facility (DCTF) 'Avijit' at Visakhapatnam and for providing AMC for a period of six years from 27 Apr 2018.

18. The Company has been nominated for Damage Control Training Facility for the Indian Navy at Andaman & Nicobar (approx cost Rs 110 Cr) and emerged L1 in 03 LPG cylinder carrier vessels for Lakshadweep Administration (valued at Rs 75 Cr approx). The Company is following up for early conclusion of contract for these projects. The Company is also pursuing with Ministry of Home Affairs for contract conclusion for 160 boats for which it has emerged L1.

19. In pursuance of 'Make in India' initiative of Government of India, the Company has signed MoUs with various OEMs for indigenous production of highly advanced and technology intensive marine systems and developing products similar to OEMs under Buy & Make in India program for platforms of the Indian Navy. The Company is also in collaboration with M/s Griffon Hoverwork, UK for indigenous design and manufacture of ACVs (Hovercrafts) (under IDDM) for participation in recently issued RFP for 12 Hovercrafts for ICG and Indian Army.

Exports

20. In pursuance with Government's directions to increase exports and buoyed by the successful exports in the past years, the Company 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.

21. To increase its global footprints, the Company has submitted proposals to friendly countries and is bidding aggressively for international acquisition programmes. The Company has been pursuing relentlessly for conclusion of certain export contracts where GSL has emerged L1 or nominated, particularly for 01 Landing Ship Tank and 01 Training Ship with diving support capability for Nigerian Navy. The Company is hopeful that some of these export initiatives of the Company will translate into firm orders and enable the Company to consolidate its position in international market.

Order Book Position

22. As on 31 Mar 2019, the net value of work against orders received for Ship Construction, Ship Repair/Refit work and General Engineering Services amounted to Rs 15,319 Cr (approx). This includes orders for 05 CG OPVs, 02 P1135.6 Frigates, River Passenger Ferry for U.P. Rajkiya Nirman Nigam Ltd. and three vessels under refits. Due to interim low order book position, it is critical to obtain new orders for optimizing capacity and manpower utilization. In order to arrest this challenging situation, the Company has submitted various offers to prospective customers and pursuing rigorously for early execution of contracts where it has emerged L1/nominated.

Future Prospects

23. The Company has set target for Value of Production of **Rs 980 Cr for FY 2019-20**, in line with the MoU signed with the Government. The Company is working hard to achieve the target. The Company is presently executing 05 CG OPV Project and focusing on launch of 03 CG OPVs and delivery of 1st CG OPV during the FY 2019-20. The launching of first two CG OPVs had to be postponed due to delay in receipt of indigenised Gear Box. Nevertheless, the Company is confident of containing this delay and hopes to deliver the vessels with the contractual delivery dates.

24. The Yard has commenced preparatory activities for the construction of P1135.6 Frigate Project in full swing so as to commence the production by early 2020. The Company is in transition phase and is scaling up its operational capabilities to handle this high value project.

25. A number of shipbuilding projects of the Indian Navy and Coast Guard are on the anvil, which are at tendering stage. Your Company is bidding aggressively for these projects for accretion to the order book position and expand product portfolio. Some of the targeted projects include Pollution Control Vessels, Fast Patrol Vessels and Hovercrafts for the Indian Coast Guard and Next Generation (NG) Missile Vessels, FPVs, NG OPVs, Training Ships, Survey Training Vessels and NG Corvettes for the Indian Navy. To increase the revenue from refit activities, the Shipyard is aggressively participating for major refits of IN and ICG ships such as missile

Infrastructure Modernisation

26. Infrastructure Augmentation Plan is being implemented in five phases. Phase 1, 2 and 3A have been completed. As part of the Phase 4 works, accommodation facility for Foreign ToT Specialists has also been completed. Balance work on Phase 3B and 4 comprising of Steel Preparation Workshop, erection of Block Assembly Workshop, setting up of facility for construction of GRP hull and Command, Control & Design Office are progressing well and expected to be completed by 2020.

Implementation of Government Programs

27. **Make in India**: Your Company has been proactively implementing various programs launched by the Government. As part of '**Make in India**' initiative, the Company as on date has successfully indigenized several equipment/items with the help of Indian Industry. The Company has implemented 'Preference to Make in India 2017' and accordingly arranged Purchase Preference to Local Indian Manufacturers over Foreign Manufacturers and has also implemented **Make–II Procedure** to encourage Indigenous Design, Development and Manufacture (IDDM) of defence equipment/weapon systems as per MoD directives. The Company is registered with GeM portal and embarked upon procurement of all commonly used goods and services through this digital platform.

28. **Procurement from Micro and Small Enterprises (MSEs)**: Your Company is the 1st DPSU to be associated with National Small Scale Industries Corporation (NSIC) under 'NSIC Consortia-Tender Marketing Scheme' for enhancing procurement from MSEs. The Company has reserved 18 Shipbuilding Project specific items for exclusive procurement from MSEs, over and above 358 items reserved by GoI. The Company achieved 48% of procurement from MSE sector, as against the revised mandatory target of 25% in line with amendment in Public Procurement Policy, MSE Order of 2012.

29. **Skill Development**: In line with the government policy of '**Skill Development**', your Company has undertaken various initiatives for skilling its workforce which includes adoption of Industrial Training Institute (ITI), Vasco, augmenting the training facilities, providing support in development of infrastructure of the ITI and providing incentives to toppers of the ITI. In furtherance to the said objective, the Company has also collaborated with SITEG for building Centre of Excellence for Welding, increased the strength of apprentices to 10% of manpower to meet target of Skill Development and started special course in FRP wherein around 50 personnel are undergoing training.

30. **Swachh Bharat Abhiyan**: Your Company continues efforts towards accelerating the implementation of Swachh Bharat Campaign and has undertaken range of activities such as '**Swachhata Hi Sewa**' campaign, observed '**Swachh Bharat Pakhwada**', constructed/renovated toilet blocks for local community and schools in and around city of Vasco, adopted roads & municipal wards for cleaning activities, provided safe drinking water facilities, provided mini car trash bins, assisted in desilting of lakes at INS Valsura, Jamnagar, provided financial contribution towards various Government schemes, etc.

31. **Startup India**: In order to support the Government initiative to build a strong ecosystem for nurturing innovation and startups in the country, to derive sustainable economic growth and generate employment opportunities, your Company has signed a MoU with Forum for Innovation Incubation Research and Entrepreneurship (FiiRE) for innovation and development of new technology enabled products/processes with a scalable business model. The MoU between FiiRE and GSL will permit startups to address technology gaps in shipbuilding by leveraging on shipbuilding ecosystem at GSL and other shipbuilding industries in Goa. The Company will support the incubation centre for AI enabled advance technology projects being undertaken which are relevant to shipbuilding industry.



Research and Development (R&D)

32. R&D has been one of the main focus areas of your Company with an intention of enhanced level of indigenization and value addition in our products/systems. In pursuit of technological advancement, your Company continues its focus on technology development and adopting innovative methodologies. In order to foster innovation in all spheres of operations, the Company has taken considerable steps such as developing 3D hull structural model and outfitting model for CG OPVs in AVEVA Marine software, having in-house capability for analysis and verification of ship designs, using software for Finite Element Analysis and Computational Fluid Dynamics (CFD). With the signing of contract for building Frigates for the Indian Navy with technology from Russia, the Company will gain invaluable experience and expertise in design and construction of high end warships like corvettes and frigates and become self-reliant to a great extent.

Production/Design Improvements

33. The Company continues to lay emphasis on continual transformation to be cost effective and compete with private sector so as to be most competitive. In line with the same, the Company has introduced various innovative measures, new processes/technologies which have made very positive impact on productivity and throughput of the Company. Adoption of Block Stowage Truss Support System in the Hull Assembly Shop and Modular Construction (pre-outfitting) techniques for the Hull Construction of Coast Guard ships have not only resulted in significant reduction in time duration and man-day efforts but also saved substantial cost.

IT Initiatives- ERP Systems

34. GSL has initiated the process of evaluation of a New ERP Solution which will encompass all the functions of the Company on a single platform with flexibility of integration with diverse systems both internal as well as external portals. M/s Price Water Coopers has already been short-listed and appointed as the Project Management Operations Consultants, who would oversee the complete implementation and advise GSL on best practices of ERP implementation. The process for appointment of System Integrator, who will develop and implement the new ERP Solution, is underway.

Intellectual Property Rights (IPR)

35. As a result of MoD's thrust on securing Intellectual Property by DPSUs, the Company has constituted an in-house Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. I take the privilege to inform you that your Company has filed **19 IP applications out of which 02 copyright applications are registered in the name of GSL by the Registrar of Copyrights in Apr 2019 and 02 trademark applications for GSL logo in class 12 & 37 are registered by the Registrar of Trademarks in Aug, 2019**. The balance applications are under process.

Artificial Intelligence (AI) Initiatives

36. GSL has embarked upon a strategy for building a vibrant AI ecosystem with intelligent machines enabling high level cognitive processes in its shipbuilding products and processes. 'Startups' have been engaged for AI application cases through DST approved Incubation Centre. Targets for AI enabled products and processes for 3 years have been approved by MoD and GSL is collaborating with various experts and stakeholders for aggregation and implementation of AI in its products and processes as per the set target.

ISO Certification

37. During the year, GSL is honoured with ISO Certifications on ISO 9001:2015 - Quality Management System (QMS), ISO 14001:2015 - Environment Management System and ISO 45001:2018 - Occupational Health & Safety Management System by Indian Register Quality System (IRQS).



Awards during the Year

38. Your Company has received **"Governance Now - 6th PSU Award" for Best Practices in CSR under Miniratna category, "Award for Export Excellence (Miscellaneous Transport Equipment & Parts, Large Enterprise Category)" by EEPC, "Award for Operational Performance Excellence"- 8th PSE Excellence Award by Indian Chamber of Commerce and Dun & Bradstreet "PSU Award" for best growth and performance in medium sector in FY 2018-19.**



Dun & Bradstreet 'PSU Award' for best growth and performance in medium sector in FY 18-19 on 22 Aug 2019

Visits of Parliamentary Committee

39. During the year, National Commission for Scheduled Tribes (NCST) visited Goa from 08 to 10 Jan 2019 and held discussions with GSL Management.

Corporate Governance

40. 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 2018-19, the Company has achieved **"Excellent" grading**.

41. Ministry of Defence vide its letter dated 15 Jul 2019 has appointed Shri V. Nagaraj as Part-time Non-Official Director on the Board of the Company. His appointment has been effective from 23 Jul 2019. He has also been appointed as member of the Audit Committee and Nomination & Remuneration cum Human Resource Committee of Directors and Chairman of Committee on Sustainable Development & Corporate Social Responsibility of the Company. In accordance with Article 117(2) of the Articles of Association of the Company, he will retire from office on the day of the Annual General Meeting and is eligible for re-appointment.

Corporate Social Responsibility and Sustainability Development

42. Your Company has been contributing immensely towards social development and enriching quality of life of the weaker sections of society. Your Company has participated in large number of community projects, with an aim to promote inclusive growth of the society and environmental sustainability, in fulfilment of its role as a Socially Responsible Corporate.

43. The Company has implemented 35 projects under CSR and Sustainability activities during the FY 2018-19 which primarily includes providing medical assistance to poor patients at Goa Medical College, Bambolim (GMC), providing ventilator machine to GMC, training of nursing attendant in collaboration with Matruchhaya Rugna Seva Kendra, trained Govt. Primary School teachers of Mormugao Taluka in oral health, adopting road for regular cleaning activity, constructed/renovated toilet blocks, installed sanitary pad vending machines and incinerators in academic institutions to provide better sanitation facilities for girl students etc. The Company has also adopted Vasco ITI under its Skill Development Programme through its in-house expertise. Continuing its past trend, the Company has spent much higher amount on CSR than the statutorily prescribed, which indicates its strong commitment and zeal for social development of the community in and around Goa. A

number of measures, aimed at conservation of energy, were undertaken by the Company which included installation of solar power plant, replacement of conventional lights with LED lights, using of energy efficient inverter & SCR based welding machines, etc.

Human Resource, Welfare, Health and Safety

44. Your Company continues to give utmost importance to its human resources and has created a favourable work environment that encourages innovation, meritocracy and performance. The Company has adopted best HR practices for motivating its employees and keeping their morale high. The Company continues to render in-house and external training programmes towards learning and development.

45. In order to provide better working environment, a slew of welfare measures were undertaken by the Company which includes accident cover and comprehensive medical assistance to employees through various Group Insurance Schemes, medical coverage to the retired Officers, Supervisors & Employees through Post Retirement Medical Scheme, relief of Rs 4,00,000/- to spouse or nominee of the employees in case of death of employee during service period through Death Benevolent Fund, reimbursement of tuition fee for higher studies, sponsorship for M.Tech at DIAT, Pune, Special Commendation and Commendation Awards to employees for outstanding performance etc. A modern & well equipped crèche-cum-day care facility has been set up to provide work-life balance to the women employees. In order to build a dynamic and responsive platform for women employees, a Women Cell has been created at GSL.



Distribution of Medical Cards with cashless facility

46. Medical department of the Company strives to provide a healthy work environment for the employees. Relentless efforts have been put in to safeguard the health of workforce, by offering continuous medical care such as family polyclinic to provide multi speciality medical consultations and in-house diagnostic laboratory to carry out various clinical tests in the premises itself. Employees are also encouraged to undergo preventive health check-ups at external health care set ups. Many health awareness programmes were conducted to educate the employees on various diseases and preventive measures to be taken. First Aid training programmes were conducted in association with St. John Ambulance Association, a branch of national body headed by President of India and 49 First Aiders were trained and certified as First Aiders.

47. The Company has always laid topmost priority in integrating safety with business operations. In order to prevent repetition of two fatal accidents which took place in Jul 2019, the safety procedures to be followed have been strengthened wherein new and improved safety measures has been instituted and employees have been regularly sensitised about the strict observance of safety norms at workplace. The Company has been carrying out regular Safety Training and Awareness Programmes for its employees and contract workers and has implemented regulations for Personal Safety and use of Personal Protective Equipment (PPE) and compliance to various work permits.

Industrial Relations

48. The employees of the Company are its core strength and they are working in perfect synergy with the management to improve the productivity and meet timely delivery schedules. The Company strives to maintain harmonious and cordial industrial relations and the Yard continued to work peacefully throughout the year.

Appreciation

49. On behalf of the Board of Directors of the Company, I wish to express my sincere gratitude to all the stakeholders for their valuable contribution. 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. I would also like to place on record our **sincere thanks and appreciation for assistance, co-operation and guidance received by the Company from various Ministries of the Government of India, IHQ/MoD, the Indian Navy, the Indian Coast Guard, Comptroller & Auditor General of India, Controller of Defence Accounts (Navy) and Government of Goa,** and look forward to their continued support in the future. 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. I would also like to acknowledge the immense dedication and unstinted efforts put in by all employees which have helped the Company to reach greater heights. I acknowledge with gratitude the **continuous patronage and support received from the Company's clients, OEMs, vendors and all stakeholders**. I also thank the **classification authorities, Company's Bankers, Insurers, Legal Advisors and Auditors** for their support and co-operation.

Jai Hind

CHAIRMAN

Note: This does not purport to be a record of the proceedings of the 53rd Annual General Meeting.

NOTICE

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of Goa Shipyard Limited will be held as under:

Day	Thursday
Date	12th September, 2019
Time	1615 hours
Venue	Registered Office of the Company, Vaddem, Vasco da Gama, Goa

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date together with the Directors' and Auditors' Reports thereon.

2. To confirm the Interim Dividends paid during the year and to consider and declare Final Dividend for the Financial Year 2018-19.

3. To appoint Directors in accordance with Article 117(2) of the Articles of Association of the Company.

4. To fix the remuneration of Auditors to be appointed by the Comptroller and Auditor General of India for the Financial Year 2019-20 pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013 and Article 174 of the Articles of Association of the Company by passing, with or without modifications, the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013 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 for the Financial Year 2019-20 be fixed at Rs 3,00,000/- plus GST and out of pocket expenses at actual plus applicable taxes, if any."

SPECIAL BUSINESS

5. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the Financial Year 2019-20 pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, by passing, with or without modifications, the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and 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 2019-20 be and is hereby ratified."

6. To consider contribution to Defence Innovation Organisation/Innovations for Defence Excellence and other charitable funds/institutions pursuant to the provisions of Section 181 of the Companies Act, 2013 and if deemed fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions of the Companies Act, 2013 (including any re-enactment(s) and amendment(s) made thereunder, if any, for the time being in force) and the applicable rules and regulations thereto, consent of the members be and is hereby accorded to contribute Rs 15 Crore (Rupees fifteen crore only) to Defence Innovation Organisation/Innovations for Defence Excellence and to authorise the Board of Directors of the Company to contribute to any other bona fide charitable, national, social, benevolent and other funds for a total amount upto Rs 1 Crore (Rupees one crore only) during the FY 2019-20."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

By Order of the Board

Chhaya

(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 14th June, 2019

NOTES

1. **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.**

2. The instrument appointing a proxy or other authority, if any, should, in order to be effective, be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representative under Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

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

5. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the meeting is annexed hereto.

6. The Equity Shares of the Company are admitted in the depository system of NSDL and CDSL for dematerialisation. International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is **INE178Z01013**. 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), whose 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
   Tel: 022 2301 6761 / 2301 2518

7. Members who wish to dematerialise their shares held in physical form may kindly contact the RTA through his/her/its depository participant.

8. Members holding shares in physical form are requested to notify to the RTA quoting their folio, any change in their registered address with pin code, e-mail address, mandate/bank details and in case the shares are held in dematerialised form, this information should be passed on to their respective depository participant.

9. 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 depository participant for availing this facility.

10. The Company has implemented the Electronic Clearing Service (Credit Clearing) System (ECS) introduced by Reserve Bank of India, which provides an option to receive dividend directly through the Bank Account. The Members who have not yet participated in the ECS System are requested to avail the mandate facility provided by the Company. ECS Mandate Form can be obtained from the Company/RTA.

11. Pursuant to Sections 101 and 136 of the Companies Act, 2013, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company/RTA or with the depository participant. In view of the same, the members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically.

12. 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 depository and (b) Members in Register of Members of the Company as at the close of business hours on the date of AGM.



13. Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the Financial Year 2011-12 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 24.08.2019.

14. The Company has transferred the unpaid or unclaimed dividends declared up to the FY 2010-11 from time to time to IEPF.

15. The Company has uploaded the details of unpaid or unclaimed dividend amounts lying with the Company as on 17.09.2018 (i.e. date of the previous Annual General Meeting) on the website of the Company www.goashipyard.in and also on the website of the Ministry of Corporate Affairs www.mca.gov.in.

16. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 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.

17. Members are requested to send all communications relating to shares and unclaimed dividends either to the Company at its Registered Office address or to the RTA.

18. Any document referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on weekdays (Monday to Friday) excluding intervening public holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.

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. 5

2. 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 2019-20 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.

3. 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 shareholders of the Company.

4. Accordingly, the Board recommends to the Members to ratify the remuneration payable to the Cost Auditor for the Financial Year 2019-20, by passing the proposed resolution set out at Item No. 5 of the Notice as an Ordinary Resolution.



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

Item No. 6

6. In order to foster innovation and technology development in Defence and Aerospace, "Innovations for Defence Excellence" (iDEX) has been launched by Government of India. To accomplish this objective, Defence Innovation Organisation (DIO) has been formed to fund and support iDEX.

7. In this context, Ministry of Defence has instructed DPSUs to contribute an initial corpus to iDEX, for the purpose of providing DIO with sufficient financial wherewithal. Accordingly, Ministry of Defence has communicated GSL to make a contribution of Rs 15 Crore to DIO towards the initial corpus. Your Company proposes to make the above contribution.

8. In addition to the above, your Company would like to contribute, donate, subscribe or otherwise provide assistance from time to time to any bona fide charitable, national, social, benevolent and other such funds, body, university, institute, society, trust, etc. for charitable and other purposes.

9. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount to be contributed to any charitable and other funds in excess of five per cent of the Company's average net profits for the three immediately preceding financial years need prior approval of the members of the Company. Since the amount of contribution proposed as above (including contribution to DIO) exceeds the prescribed limit, it is therefore necessary to obtain the approval of Members of the Company under the said Section.

10. Approval of the Members is now being sought pursuant to Section 181 of the Companies Act, 2013 to make contribution of Rs 15 Crore to DIO/iDEX and to authorise the Board of Directors of the Company to contribute to any other bona fide charitable, social, benevolent and other funds for a total amount upto Rs 1 Crore during the FY 2019-20.

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

12. The Board recommends the resolution set forth in item No. 6 of the Notice for approval of the Members as an Ordinary Resolution.

By Order of the Board

Chhaya

(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 14th June, 2019



DIRECTORS' REPORT FOR THE YEAR 2018-19

To

The Members,

The Board of Directors is pleased to present the 53rd Annual Report on business and operations of the Company, together with the Audited Financial Statements for the year ended 31 Mar 2019.

BUSINESS OVERVIEW

1. The current report is submitted by the Board of Directors headed by Chairman and Managing Director Cmde B.B. Nagpal, NM IN (Retd), who took over the reins of the Company on 01 Dec 2018. FY 2018-19 witnessed the successful culmination of two projects for the Indian Navy viz. 4 X 1000 T Fuel Barge Project and Nuclear Biological Chemical Training Facility (NBCTF), which exhibits your Company's strong focus to deliver platforms in a time bound manner. The Company is focusing on timely completion of the ongoing 05 Coast Guard Offshore Patrol Vessel (CG OPV) Project, within contracted schedule. Besides this, the Company has signed a Contract with Ministry of Defence (MoD) on 25 Jan 2019 for construction of 02 ships of P-1135.6 follow-on class for the Indian Navy for a contract price of Rs 14,120 Cr (excluding tax). With this project, the Company has broken the barrier and moved into the big league of weapon intensive projects that will change the product profile of the Company and will bring it along with most advanced shipbuilders in the world. The preparatory activities are being executed on war footing to commence production by early 2020.

2. A few expected orders got delayed for finalisation due to circumstances beyond the control of the Company, leading to interim low order book position, till commencement of Frigate Project in 2020. However, despite adverse market conditions and low order book position, the Company managed to achieve excellence in majority of performance parameters and is expected to attain '**Excellent**' MoU rating for the FY 2018-19. Against all odds, the Company managed to achieve VoP of Rs 848 Cr during the year from 5 CG OPVs being constructed in the Yard and other Ship Repairs & General Engineering Services.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

3. **Revenue from Operations:** During the year under review, the Company achieved Operating Revenue of Rs 906 Cr (last year Rs 1,373 Cr). The dip was mainly due to inordinate delays experienced in conclusion of expected orders such as Landing Ship Tank (LST) from Nigeria, Multi-Purpose Offshore Patrol Vessel (MPOPV) from Mauritius and Patrol Boat Project from Ministry of Home Affairs (MHA), which all are at near finalization stage. This has affected the Revenue from Operations of the Company. The Revenue from Operations during 2018-19 and the previous year are given below:

(Rs. in crore)

	Revenue from Operations	
	2018-19	2017-18
Ship Construction	649.54	1118.82
Ship Repairs	45.94	68.72
General Engineering	152.32	155.13
Total Value of Production	847.80	1342.67
Other Operating Revenue	57.81	30.76
Total	905.61	1373.43

4. **Financial Performance:** During FY 2018-19, the Company has **earned Operating Profit of Rs 130 Cr** (last year Rs 252 Cr) **and Profit before Tax (PBT) of Rs 210 Cr** (last year Rs 331 Cr). The Financial Performance of the Company for FY 2018-19 vis-a-vis the previous year is summarized below:

(Rs. in crore)

	2018-19	2017-18
Gross Revenue	986.29	1452.46
Revenue from Operations	905.61	1373.43
Earnings before Interest, Taxes & Depreciation	259.15	373.94
Less: Finance Costs	3.69	0.79
Less : Depreciation	44.98	42.61
Profit Before Tax	210.47	330.54
Less: Tax Expense	78.95	113.21
Profit After Tax	131.52	217.33
Other Comprehensive Income (net of tax)	(8.31)	(1.75)
Total Comprehensive Income	123.21	215.58
Appropriation		
Amount available for appropriation (including Opening Balance)	272.81	268.69
Less: Dividend paid for the previous year	66.93	40.74
Dividend paid as % of Share Capital	115%	70%
Less: Interim Dividend paid	17.47	58.20
Less: 2nd Interim Dividend paid	15.13	-
Less: Dividend Distribution Tax Paid	20.46	20.15
Balance	152.82	149.60

5. During the year, District Court judgements with regard to certain arbitration cases were pronounced on account of which provision of Rs 45 Cr towards interest and other charges had been made in the accounts. This extraordinary item of expense has affected the PBT for FY 2018-19 in a major way. Had this case not being thrust upon the Company, the PBT would have been Rs 255.47 Cr as against Rs 210.47 Cr reported.

MOU RATING

6. The Company bagged **'Excellent'** MoU Performance rating for FY 2017-18 for the **third time in a row and secured 100% marks, a unique distinction for second consecutive year, a first time by a DPSU in last 10 years.** Further, in terms of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government for the FY 2018-19, **the Company has achieved excellent MoU rating, as per self-evaluation and expects to maintain the 'Excellent' rating for fourth time in a row.**

DIVIDEND

7. 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 02 Interim Dividends at Rs 1.50 and Rs 1.30 per equity share of Rs 5.00 each on 23 Nov 2018 and 16 Mar 2019 respectively. Total Interim Dividend payout for the year 2018-19 amounted to Rs 32.59 Cr (plus DDT of Rs 6.70 Cr) which equals to 56% of the Paid-up Share Capital of Rs 58.20 Cr.

8. The Board of Directors is pleased to recommend final dividend for the year 2018-19 at Rs 1.20 per equity share of Rs 5.00 each i.e. 24% of the Paid-up Share Capital. The total outgo for final dividend including DDT will be Rs 16.84 Cr. **Thus, the total dividend for the year 2018-19 is Rs 4.00 per equity share being 80% on Paid-up Share Capital and total outgo will be Rs 56.13 Cr (including DDT)** [Previous year 215% of the Paid-up Share Capital equal to Rs 150.74 Cr (including DDT)].

FINANCE

9. **Paid-up Share Capital:** The Paid-up Share Capital of the Company as on 31 Mar 2019 was Rs 58.20 Cr.

10. **Reserves:** The Other Equity representing various Reserves and P&L Accounts balance stood at Rs 854.12 Cr as at the end of the year prior to declaration of final dividend of Rs 13.97 Cr as proposed and Rs 2.87 Cr being DDT thereto. This consists of Capital Reserve Rs 0.43 Cr, General Reserve Rs 700.87 Cr and P&L Account Rs 152.82 Cr.

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

12. **Foreign Exchange earnings and outgo:** The foreign exchange outgo during the year was Rs 226.36 Cr (previous year Rs 90.82 Cr) and the earning in foreign exchange was Rs 142.28 Cr (previous year Rs 177.94 Cr).

13. **Financial Position:** The financial position of the Company as on 31 Mar 2019 and previous year is shown below:

(Rs. in crore)

	As on 31.03.2019	As on 31.03.2018
Capital Employed	912.32	909.10
Working Capital	511.38	530.40
Net Worth	911.90	908.67
Value Added	426.25	637.34
Ratios:	%	%
Profit before interest and tax : Capital Employed	23.47	36.45
Profit after tax : Net worth	14.42	23.92
Value added : Capital employed	46.72	70.11

CONTRIBUTION TO EXCHEQUER

14. The Company's contribution to the Exchequer during 2018-19 is Rs 174.84 Cr (Rs 254.59 Cr last year). Details of the Company's contribution to the Exchequer is given below:

(Rs. in crore)

Particulars	2018-19	2017-18
A. Dividend	50.84#	50.55##
B. Taxes:		
i. Central Exchequer:		
a. Corporate Tax	72.00	120.50
b. Tax on Distributed Profit	20.46	20.14
c. Goods & Services Tax	31.54	61.52
d. Central Sales Tax	0.00	0.70*
e. Service Tax	0.00	0.80*
f. Central Excise duty	0.00	0.06*
ii. State Exchequer:		
a. VAT	0.00	0.32*
Total	**174.84**	**254.59**

Notes:

 # Dividend paid during FY 2018-19 includes Final Dividend for FY 2017-18 of Rs 34.19 Cr and Interim Dividend for FY 2018-19 of Rs 16.65 Cr.

Dividend paid during FY 2017-18 includes Final Dividend for FY 2016-17 of Rs 20.81 Cr and Interim Dividend for FY 2017-18 of Rs 29.74 Cr.

**Three months (Arp 2017 to June 2017) for FY 2017-18.*

OPERATIONAL PERFORMANCE

Ship Construction

15. **P1135.6 Frigates**: Under the leadership of Chairman and Managing Director **Cmde B.B. Nagpal, GSL signed the prestigious contract on 25 Jan 2019 with MoD/Indian Navy to build 02 Frigates "Project 1135.6"**. With the signing of this contract for construction of Frigates under ToT from Russia for the Indian Navy, GSL is poised for a huge leap in technology absorption and will be among the select few shipyards of the nation for construction of complex weapon intensive platforms. Preparatory activities, in coordination with the Indian Navy and Russian Side, are in full swing for commencement of construction in early 2020. Approx 51 major equipment are scheduled to be indigenised for the Project, for which the Shipyard is closely working with the local industry and Indian Navy for finalization of technical specifications and contractual processing.



Signing of P1135.6 Contract on 25 Jan 2019

16. **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 is in the completion stage and on completion, it will be one of the unique facilities in the country for fabrication of advanced composite hull.

17. **Launching of Ships**: 1st vessel of the second series of indigenous Project for 05 Offshore Patrol Vessels for the Indian Coast Guard was launched by the Hon'ble Raksha Mantri Smt Nirmala Sitharaman on 21 Feb 2019. Work on all the 05 vessels of the CG OPV Project is progressing concurrently as per schedule and likely to be delivered within the contracted delivery schedules.





Launching of 1st CGOPV (YD 1233) on 21 Feb 2019 by the then Hon'ble Raksha Mantri Smt Nirmala Sitharaman

18. **Keel Laying:** Keel of the following vessels were laid during FY 2018-19:

(a) 3rd CG OPV (Yard 1235) on 01 Aug 2018 by RAdm Philipose George Pynumootil, NM Flag Officer Commanding Goa Area and Naval Aviation; and

(b) 4th CG OPV (Yard 1236) on 10 Nov 2018 by Dr. Ajay Kumar, IAS, Secretary (Defence Production).



Keel Laying of YD 1235 on 01 Aug 2018 by
RAdm Philipose George Pynumootil, NM, FONA & FOGA



Keel Laying of YD 1236 on 10 Nov 2018 by
Dr. Ajay Kumar, the then Secretary (DP)

General Engineering Services



ICG Amal under refit at GSL



MV Mana under refit at GSL

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

(a) During the year, the Company delivered 3rd Fuel Barge Yard 1241 on 14 May 2018, **52 days ahead of delivery schedule** and 4th Fuel Barge Yard 1239 on 23 Jul 2018, **05 months and 12 days ahead of contractual delivery schedule** of the 4 x 1000 T Fuel Barge series Project of the Indian Navy, thus completing the project ahead of contractual delivery schedule.

(b) The Company built and delivered to Indian Navy the Nuclear Biological Chemical Training Facility (NBCTF) the first of its kind on 28 Sep 2018, on scheduled time. The facility was formally inducted into the services of Navy by Admiral Sunil Lanba, PVSM, AVSM, ADC, Chief of Naval Staff on 25 Mar 2019.





Commissioning of NBCTF on 25 Mar 2019 by Adm Sunil Lanba, PVSM, AVSM, ADC, the then Chief of Naval Staff

(c) 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.

(d) The Company signed the contract for comprehensive maintenance of Damage Control Training Facility (DCTF) Avijit at Visakhapatnam and for providing AMC services for a period of six years from 27 Apr 2018.

(e) The Company also entered into technology collaboration with various OEMs for indigenous production of highly advanced and technology intensive marine underwater systems and developing of products similar to OEM's under Buy & Make in India program for platforms of Indian Navy in addition to the existing collaboration for state of the art facilities. These tie ups reflect that the Company has emerged as a preferred partner for foreign MNCs, to support Government of India 'Make in India' program.

ORDER BOOK POSITION

24. As on 31 Mar 2019, the net value of outstanding work against orders received for Ship Construction, Ship Repair/Refit work and General Engineering Services amounted to Rs 15,319 Cr (approx) consisting of 5 CG OPVs, 02 P1135.6 Frigates, River Passenger Ferry for U.P. Rajkiya Nirman Nigam Ltd and three vessels under refits.

FUTURE PROSPECTS

25. The Company has set target for VoP of Rs 980 Cr for FY 2019-20, as per the MoU signed with the Government. The Company is striving hard towards achieving the targets set for **'Excellent'** MoU category.

26. The Company is focusing on launch of 04 CG OPVs and delivery of 1st CG OPV during FY 2019-20 as per contractual schedule.

27. The Company has kept the complete range of Naval Surface Vessels as thrust area for business in near future. Several customers have shown keen interest in the Company's in-house designed and well proven Patrol Vessels, some of which have been successfully deployed across the world by the Indian Navy and Coast Guard for prolonged durations in various climatic conditions.

28. A number of shipbuilding projects of the Indian Navy and Coast Guard are on the anvil and likely to be tendered out in the near future. Your Company will be bidding aggressively for these projects to increase the order book value and expand product portfolio. Some of the targeted projects include Pollution Control Vessels, FPVs and Hovercrafts for the Indian Coast Guard and Missile Vessels, OPVs, Training Ships, Survey Training Vessels and Corvettes for the Indian Navy.

29. The Company has emerged as L-1 in two of the prestigious tenders for 150 GRP Boats and 10 nos 28 M Steel Boats, both Projects of Ministry of Home Affairs for which bid validity has been extended till 30 Jun 2019 as per the request of MHA.

EXPORT INITIATIVES

30. The Company has made significant inroads into global market with export of diverse vessels to 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.

31. GSL has also emerged L1 in Nigerian Navy global tender for acquisition of 02 X Landing Ship Tank (LST) and subsequently, the case for conclusion of contract for 01 LST is being pursued with the Nigerian Side. GSL had also steered case for design and construction of Multi-Purpose Offshore Patrol Vessel for Mauritius and the case is being pursued for acceptance by Mauritius Govt. GSL has been pursuing with the respective Ministry/Government/Departments for conclusion of contract of aforesaid projects, where GSL has emerged L1 or was nominated.

32. GSL team had visited Vietnam in Jun 2018 as part of the MoD delegation to explore export opportunities. During interactions with the Vietnamese Navy, they have evinced interest in acquisition of OPVs from GSL and the same is being pursued. GSL is also in dialogue for construction and repair of ships for Government of Vietnam.





Visit of H. E. Shri Jaideep Mazumdar, Ambassador of India to the Republic of Philippines on 11 Dec 2018



Visit of VAdm Ete Ekwe Ibas, CNS, Nigerian Navy on 19 Jul 2018

Order for Public Procurement (Preference to Make in India).

35. **E-procurement:** Your Company has implemented e-procurement system and is procuring materials and services through e-procurement platform on ERP system. During the year, about 90-95% of total requirement was processed through e-procurement.

36. **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-a-vis foreign firms.

37. **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.

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

INDIGENIZATION AND MAKE IN INDIA INITIATIVES AT GSL

39. The Company is committed to the success of 'Make in India' programme and initiated several steps to adopt 'Make in India' concept launched by the Government of India. The Company has been making efforts to increase indigenization 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 and Interceptor Crafts.

40. Proactive steps are being taken by the Company for involvement of local industries for having maximum indigenous content in projects to meet the objective of self reliance. As part of 'Make in India' initiatives, GSL as on date has successfully indigenized several equipment/items with the help of Indian Industry which include AVCAT Filter Water Separator & Absorber, MS Weather Tight Door, Water Tight Door, Anchor Capstan, Sound Powered Telephone, Gemini Boat, Gear Box, Helo Landing Grid, Helo Traversing System, Satellite TV (Gyro Stabilised) System, Steering Gear System, Fin Stabilizer System, Steel Plates and Electric Operated Winch for SS Bulwark of imported QRIB. As a result of implementing indigenization, which is a part of 'Make in India' initiatives, a saving of valuable foreign exchange and procuring import substitute assemblies has been achieved.

41. M/s Walchandnagar Industries Limited (WIL) with assistance and guidance of GSL, has successfully developed Marine Gearbox for ongoing 05 CG OPV project which is major success in import substitution. Factory Acceptance Trials of the Gearbox for 1st CG OPV under ABS and IRS inspection has been successfully completed and delivered at GSL. Further, M/s Geeta Engineering Works with GSL technical support, has successfully developed 20 TM capacity Hydraulic RAM type Steering Gear System which has been successfully tested during the Factory Acceptance Trials and is presently being installed on the ongoing 05 CG OPV project, GSL Yard 1233-37.

42. GSL has also collaborated with M/s Naiad Dynamics for manufacture and assembly of Fin Stabiliser equipment at GSL under 'Make in India' initiatives. The equipment is presently being installed on the ongoing 05 CG OPV project.

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs)

43. The Company has proactively adopted Government of India initiatives for MSEs development and implemented the following steps:

(a) GSL is the **1st DPSU to be associated with National Small Scale Industries Corporation (NSIC) under 'NSIC Consortia-Tender Marketing Scheme'** for enhancing procurement from MSEs. In order to boost, encourage and strengthen MSE ecosystem, GSL has taken solo initiatives for **Deemed Direct Registration** for vendors registered with NSIC for Goods and **waiver for submission of Security Deposit** in such cases.

(b) GSL has reserved **18 Shipbuilding Project specific items for exclusive procurement from MSEs,** over and above 358 items reserved by GoI.

(c) GSL has also instituted **liberalized payment terms to MSEs** in order to enhance their liquidity to tackle multiple long term projects smoothly.

(d) **Payment through TReDS:** The Company has adopted Trade Receivable Electronic Discounting System (TReDs), a payment system introduced by Govt. of India in Feb 2018 to ensure timely

payment to MSEs immediately after the acceptance of bill on a discounting system. As a part of handholding and outreach programme, GSL requested all MSEs to enrol on TReDS platform and also imparted special training/knowledge sharing interactive session to MSEs in this regard.

(e) **10% Rebate on Type Approval Fees:** The Company has 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.

(f) **MSME SAMBANDH:** The Company is registered with Public Procurement Policy Monitoring Portal 'MSME Sambandh' in Jan 2018 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.

44. The Company achieved 48% of procurement from MSE sector, as against the revised mandatory target of 25% in line with amendment in Public Procurement Policy, MSE Order 2012 for enhancing the benchmark target of procurement from MSE sector to 25% effective from Nov 2018.

VENDOR DEVELOPMENT MEETS

45. As a part of vendor development program, the Company organized/participated in various States, Regional and National Vendor meets, conclave, workshops, programs etc. to strengthen the procurements and identify potential vendors especially from MSE and SC/ST sectors in line with Government of India policy. GSL organized Vendor Meet in association with RXIL in Vasco, Goa for imparting training to MSE's for TReDS platform on 02 May 2018.

46. During the year, your Company participated in '5th CII National Vendor Development Programme for Micro and Small Enterprises' organized by CII, in partnership with the Ministry of MSME at New Delhi. Your Company also participated in Vendor Development Meet organized by NSSH, NSIC at Hubballi, Defence exhibition at Aligarh, UPDEX 2018 at Kanpur, Stakeholders Consultation Meeting with CPSEs on Public Procurement Policy - Promoting SC/ST Entrepreneurs organized by FICCI in association with NSSH, Special State Level vendor development programme organized jointly by NSIC & MSME and several other meets/programs/workshops.



Defence Industry Stakeholders Seminar cum Vendor Development Meet at Nashik on 17 Jan 2019



National SC-ST Hub (NSSH) by NSIC at Hubballi on 15 Dec 2018

INTELLECTUAL PROPERTY RIGHTS (IPR)

47. GSL constituted Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. GSL became first DPSU to achieve training target for the Year 2018-19 IPR cell imparted training to more than 400 Officers & Supervisors and 06 IPR applications were filed during the FY 2018-19.

CONSERVATION OF ENERGY

48. **Steps taken by the Company to conserve energy**: The Company continues its drive to conserve energy. During the year 2018-19, the Company executed various energy saving projects and took following steps to conserve energy:

(a) Replaced conventional lighting with LED lights in shop floors and onboard ships under construction.

(b) Observation of Energy Conservation month in Dec 2018 to commemorate Energy Conservation day on 14 Dec.

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

(d) Obtaining rebate in Energy bill by maintaining Power factor from 0.99 to Unity.

(e) Use of energy efficient inverter, SCR based welding machines, in place of conventional transformer type welding machine, for GSL as well as for the subcontractors.

49. **Steps taken by the Company for utilizing 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, procurement of one number 200 KW Solar Power plant is also in progress.

50. **The capital investment on energy conservation equipment:** Capital investment on energy conservation and renewable source of energy equipment for FY 2018-19 is Rs 1.2 Cr.

RESEARCH & DEVELOPMENT/TECHNOLOGY ABSORPTION

51. 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. GSL is the first shipyard to have achieved this unique distinction of receiving the recognition, which is valid for 5 years i.e. 31 Mar 2021.

52. The CAD setup in the Company has the latest AVEVA Marine software with advanced features. For vessels designed and built at Goa Shipyard, 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).

53. GSL has a full-fledged 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%. Presently, GSL is executing the latest Offshore Patrol Vessel project for the Indian Coast Guard. First vessel of the class is expected to be delivered by the end of 2019.

54. The Company has successfully developed the design for Landing Ship Tank, 105 M Corvette and 85 M Training cum Diving Vessel for export. Further, design for New Generation Missile Vessel and 50 M Fast Patrol 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 achievement of self reliance to a very large extent.

55. GSL has also signed a contract for building Frigates for the Indian Navy with technology from Russia. During the execution of this Project, the Shipyard will gain invaluable experience and expertise in design and construction of high end warships like corvettes and frigates.

56. During the year, the expenditure (both Revenue & Capital) to the tune of Rs 1,033.11 lakh has been incurred by the Company on Research and Development.

ISO CERTIFICATIONS

57. GSL is certified for Integrated Management System on **ISO 9001:2015 for Quality Management System (QMS)** on 16 Nov 2018 by Indian Register Quality System (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

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

(a) "Governance Now - 6th PSU Award" for Best Practices in CSR under Miniratna category.

(b) "Award for Export Excellence (Miscellaneous Transport Equipment & Parts, Large Enterprise Category)" by EEPC.

(c) "Operational Performance Excellence"- 8th PSE Excellence Award by Indian Chamber of Commerce.



"Governance Now - 6th PSU Award" for Best Practices in CSR under Miniratna category on 17 Jan 2019



Award for Export Excellence by EEPC on 03 Feb 2019

HUMAN RESOURCE

Manpower

59. As on 31 Mar 2019, the Company had on its roll total 255 Officers, 170 Supervisors and 961 Workmen. The manpower strength also includes 19 Officers and 98 Workmen & Supervisors on fixed term basis. Further, there are 13 Management Trainees and 88 Tradesmen Trainees. The total strength also includes 27 Executive and 123 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.

60. The position regarding representation of SCs/STs and women employees in various categories as on 01 Jan 2018 and 01 Jan 2019 is given in '**Annexure A**'. The particulars of recruitment of SCs/STs and women personnel during the calendar year 2018 are given in '**Annexure B**'.

61. 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 Opportunity Protection of Right and Full Participation) Act, 1995" and "The Rights of Persons with Disability Act, 2016".

Industrial Relations

62. Industrial relations were cordial and harmonious and the Yard continued to work peacefully throughout the year. Multi-unions/associations scenario continued in the Company. Participative fora are working effectively in the Company. The Company has signed with the Unions the MoS on Wage Structure and other benefits to Workmen for a period of 10 years w.e.f. 01 Jan 2017 to 31 Dec 2026. Shop Council Meetings are being held at regular intervals and six monthly meetings with Employees' Unions and Associations were conducted.

Job Rotation and Transfer Policy for Executives

63. The Company has formulated and implemented Job Rotation and Transfer Policy with effect from 01 Apr 2016, keeping in view the broader requirements of the Organisation and CVC guidelines.

Compulsory Retirement Scheme for Executives and Supervisors

64. In terms of DPE guidelines for periodical review of CPSE employees for ensuring probity and efficacy in line with the provisions laid down under FR56(j), the Company has formulated Compulsory Retirement Scheme under the Service Rules and implemented with effect from 01 Apr 2016. Under the scheme, periodical review of Officers and Supervisors is conducted six months prior to he/she attains the age of 50/55 years. A report in this regard is being forwarded to MoD on monthly basis.

Superannuation Scheme for Executives and Non-Unionized Supervisors

65. In terms of DPE guidelines and MoD instructions, the Company has implemented Superannuation Scheme for Executives and Non-Unionised Supervisors with effect from 01 Jan 2007. In this regard, GSL Superannuation Pension Trust has been constituted and the Life Insurance Corporation of India (LIC) has been appointed as the Insurance Partner for providing Death-cum-Retirement Pension to the aforesaid categories of employees.



Development of Human Resources

66. The Company believes that Learning & Development is a continuous process of HRD and is an important pillar on which the organization's current performance and future growth depends. The Company has been able to create a favourable work environment that encourages innovation and meritocracy.

67. The Company provides a learning environment in the organization which not only has improved the culture but has also increased motivation and feeling of belongingness in the Company. The value addition to human resources is a continuing process and in-house & external training programmes were organized towards achieving the objective.

68. During the year, 1608 personnel were trained in various in-house and external training programs. One Executive attended 01 month residential Advanced Leadership Program for Corporate Executives – Leadership for Business Excellence in the Global Economy organized by the Indian Institute of Public Administration. Major capacity building and leadership development programmes, inter alia, include 5-days Course on Risk Mitigation through Forensic Document Examination for PSUs/Nationalized Banks by LNJN National Institute of Criminology and Forensic Science at Delhi, 5-days Programme for the Officers of CPSEs organized by DPE regarding HR Related issues like RTI Act, Establishment Rules, Review under FR56(j), Enquiry & Disciplinary Proceeding etc. at Mysore, 5-days Executive Development Program - Certificate Course on Project Management for Engineers by Engineering Council of India at New Delhi, 4-days Residential Management Development Program on Risk Based Internal Audit for Effective Management Control by ICWAI at Kodaikanal, 4-days Cyber Surakshit Bharat Training program conducted by Indian Institute of Public Administration at New Delhi, 6-days non-residential Training Program on Intellectual Property Rights by MoD, DGQA/PP&T/IPF Cell at Nagpur, 3-days All India Conference on Emerging Trends in Domestic and International Arbitrations by National Arbitration Council at Bogmalo, Goa.

69. Besides, in order to ensure professional efficacies, training programmes on Intellectual Property Rights, Training on Health & Safety by Inspectorate of Factories & Boilers, Goa, Machine Learning workshop, Cyber Security, Project Management etc. were attended by the Company's employees.



Propulsion System Integration Workshop by Cmde Sreenivas on 04 Mar 2019



Machine Learning Workshop by Persistent Systems on 10 Sep 2018

WELFARE, HEALTH AND SAFETY

Welfare

70. The Company continues to accord importance to welfare measures of employees. To promote a sense of discipline, an award is being given to employees for 15 years and 25 years of clean record of service. The Company provides accident cover and comprehensive medical assistance to employees through various Group Insurance Schemes and also provides relief of Rs 4,00,000/- to spouse or nominee of the employees in case of death of employee during service period through the GOA SHIPYARD EMPLOYEES DEATH BENEVOLENT FUND. 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 effective from the financial year 2018-19.

71. 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. During the year, the Company observed Quami Ekta Week/Communal Harmony week from 19 to 25 Nov 2018. 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.

72. **GSL is sponsoring 02 Executives every year to Defence Institute of Advanced Training (DIAT), Pune to pursue two years M Tech programme.** DIAT has designed a specific program of 02 years duration in consultation with experts from various academic institutions, DRDO and the industry to augment the required technical inputs to the executives of Shipbuilding industry and more specifically keeping in view the requirements of DPSUs in the field of ship production, marine engineering and radar technology etc.

73. The Company also encourages employees to actively participate in various sports/tournaments. A lady employee Mrs. Regina Dourado participated in athletic meets and won Silver Medal in 400 mtrs. run and Gold Medal in 800 mtrs. run in 50+ Category Women at 40th National Masters Athletic Championship at Guntur, Andhra Pradesh. She also won medals in Power lifting Bench Press at Nationals in Pune in both Equipped and Unequipped in 57 Kg category.



Mrs. Regina Dourado, a GSL employee won medals in Bench Press at Nationals in Pune

Health

74. 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. medical check up of drivers, canteen workers, crane operators and painters is carried out on schedule. Employees are also encouraged to undergo preventive health checkups at external health care settings. The Family polyclinic is an added welfare measure through which, the multi speciality medical consultations are made available to employees and their families, retired employees and contract workers in the premises itself. The diagnostic laboratory facility helps in reduction of time consumed for medical investigations, if done externally. More than 2000 beneficiaries have availed the facility in FY 2018-19.

75. **"Health Education":** The health awareness programmes are held to educate the employees on various diseases; its signs and symptoms and preventive measures to be taken. Health topics such as Heart disease, Bones and Joints, Breast and Cervical cancer, Prostate, Dengue and Malaria, HIV/AIDS etc. were covered in FY 2018-19. Employees have shown keen interest on guest lectures and participated in large numbers.

76. **"First Aid Programmes":** The emphasis is laid on creating more and more 'in-house First Aiders'. To realise this objective, the First Aid training programmes were conducted in association with St. John Ambulance Association, branch of national body headed by President of India. 49 First Aiders were trained and they are certified First Aiders.



Dental Camps for School Children



Eye Check-up camp at Canacona on 24 Feb 2019

77. **"Community Health":** GSL has reached to the masses through Medical/Health CSR activities. The local community was benefited through its various medical programmes such as eye camps, dental camps, health awareness programmes etc. 250 school children from Vasco underwent dental check up. Around 800 beneficiaries participated in the eye camp held in Canacona. 588 beneficiaries were issued with spectacles.

Safety

78. 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 inspections, noise level monitoring for implementation of the safety regulations and also brought safety awareness inside the Yard through different activities such as conducting safety as well as fire training programs, tool box talk, safety week program/campaign etc. Work Permit system for different activities has brought a close control over the critical activities.

79. Safety Committee Meeting is held once in a month to work out and implement both Preventive and Corrective Action. 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 Shipyard.



Inaugural Function of Safety Week on 04 Mar 19



First Aid Training Programme at GSL

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

80. During the financial year 2018-19, the Company has not received 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. The Company has an active Internal Complaints Committee headed by a Lady Officer as its Chairperson for enquiring into complaints of sexual harassment at workplace. The Committee holds its meetings every quarter. Number of awareness programs and trainings have been organised during the year.

WHISTLE BLOWER POLICY

81. The Company has 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.

SKILL DEVELOPMENT

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

(i) Organized trainings for students as well as instructors on Safety, Technical and Soft skills.
(ii) Augmented the training facilities of ITI by providing tools and machinery. Hydraulic and Pneumatic Trainer kit have been provided along with workstation which will help them in their academics and practicals.
(iii) GSL has also provided incentives to toppers of Vasco ITI from each trade.
(iv) Apart from the above mentioned activities, provided support in development of infrastructure at Vasco ITI.

(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 benefited from the program which has enhanced their employment capability.

(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 train them in Multi-Skill aspects.



Training of Government ITI instructors under Train the Trainer Programme

(d) **Apprentice Training Program at GSL**: The Company has also augmented its Apprentice Training School by creating additional training facilities. The Company has increased the strength of its apprentices to 10% of manpower to meet target of Skill Development.

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

SWACHH BHARAT ABHIYAN

83. In response to Swachh Bharat Campaign launched by the Government, GSL has continued its effort towards accelerating the activities at various levels. During the year, the Company undertook and pursued the following activities:

(a) As part of 150th Birth year celebration of Mahatma Gandhi, 'Swachhata Hi Sewa' campaign was conducted by GSL from 15 Sep 2018 to 02 Oct 2018, wherein various activities like mass pledge on Swachhta, display of posters/banners on cleanliness, cleanliness drives in various places in Vasco, Nukkad Natak performed by local schools for generation of awareness on Swachhta etc. were undertaken.

(b) Swachh Bharat Pakhwada was observed from 01 to 15 Dec 2018 wherein various activities like painting, essay and quiz competition on importance of cleanliness were organized for the school children, formation of human chain by GSL apprentices, 'Mini Marathon' etc. were organized for creating awareness and spreading the message of cleanliness.



GSL observed "Swachh Bharat Pakhwada" from 01-15 Dec 2018

(c) Adopted Municipal Wards 15 (part 18 & part 19), 20 and 21 (part 38 & part 39) in Vasco for cleaning activities in collaboration with Mormugoa Municipal Council.

(d) Renovated 8 toilet blocks at Government High/Higher Secondary School, Baina, 2 toilet blocks each at Government High School, Zuarinagar and Government Primary School, Chicalim.

(e) Renovated existing toilet block and construction of 2 new toilet blocks at New Vaddem for local community.

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

(g) Provision of safe drinking water facilities by providing 20 nos. water purifiers to 14 nos. schools covering a total number of 2000 students.

(h) Provided 2000 nos. portable mini car trash bins for four wheelers in collaboration with Transport Department, Government of Goa.

(i) Assistance towards desilting of lakes at INS Valsura, Jamnagar, Gujarat for conservation of environment and providing irrigation facility during scarcity of water.

(j) Installation of 2 nos. Sanitary Pad Vending Machines and 2 nos. Incinerators at Gomantak Ayurveda Mahavidyalaya & Research Centre, Shiroda, Goa for facilitating girl students to promote on using of hygienic pads and maintain cleanliness.

(k) Contribution of Rs 10.00 lakh each towards Government schemes namely Swachh Bharat Kosh and Clean Ganga Fund.

VISITS OF PARLIAMENTARY COMMITTEES

84. During the year, National Commission for Scheduled Tribes (NCST) visited Goa from 08 to 10 Jan 2019 and held discussions with GSL Management.



Visit of National Commission for Schedule Tribes from 08-10 Jan 2019

OFFICIAL LANGUAGE IMPLEMENTATION

85. The Company continues to give utmost importance for implementation of the Official Languages Act, 1963, the Official Language Rules, 1976, the Official Policy of the Union and various directives/instructions issued by the Department of Official Language, Ministry of Home Affairs and Ministry of Defence from time to time. The Company has achieved the targets laid down in the Annual Programme regarding use of Hindi in official work and compliant with 'Online' submission of Quarterly Report.

86. Official Language Implementation Committee (OLIC) under the Chairmanship of Chairman & Managing Director (CMD) met regularly and reviewed the progress in implementation of various measures for promoting Official Language. As per the decision taken in the OLIC meeting, Hindi Parangat Training under Hindi Teaching Scheme, Mumbai and Hindi Typing correspondence course for newly joined Office/Yard/Store Assistants/Clerks under Central Hindi Training Institute, MHA, GoI, New Delhi has been started from Feb 2018 & Aug 2018 respectively. So far 3 batches of Hindi Parangat comprising of total 68 Officers/Employees and 2 batches of Hindi Typing comprising of total 52 employees were trained. Refresher Course of Hindi Typing on Computer and Personal Contact Programme on computer were organized periodically. To encourage Officers/Employees to do their routine work in Hindi, they were provided training in Functional Hindi Workshop and Glossary of Administrative Terms. A separate Hindi Library has been established with good number of Hindi books. Two edition of half yearly in-house magazine in Hindi "**Goayard Darshan**" were released.

87. Hindi Fortnight was celebrated in GSL from 03 to 17 Sep 2018. 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. All India level Hindi competitions of Kendriya Hindi Sachiwalaya such as Hindi Noting & Drafting and Hindi Typing were conducted under the auspicious of Town Official Language Implementation Committee (TOLIC).

88. As per the instruction issued by MHA, Dept. of OL, for the purpose of equality and information, only Unicode encoding system to be used in computers by all Central Govt. Offices. Accordingly, advanced computer training programme was organised for Officers, Supervisors and Employees in different batches.



GSL observed "Hindi Pakhwada" from 03 -17 Sep 2018

89. The Company has gone a step further to popularize Hindi by 'Aaj ka Shabd evum Aaj ka Vichar', containing inspirational thoughts, important events, achievements, retirements etc. are displayed in the Saransh Digital Board with Software solution module by the power of technology. Option to answer the question papers of all recruitment and promotional examinations in Hindi was provided by setting the question papers in Hindi and English. 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. Many Employees and their children got benefited by these schemes. 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.

IMPLEMENTATION OF RTI ACT, 2005

90. 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 2018-19, the Company received 72 RTI applications and the information was furnished in time. 08 RTI applicants preferred an appeal before the Appellate Authority under Section 19(1) of the RTI Act and the same were disposed off accordingly. There are no cases pending as on date before the Central Information Commissioner for the RTI application filed for the year 2018-19. 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

91. **"Eradicate Corruption – Build a New India"** was the theme during this financial year. Regular and surprise checks were carried out to prevent violations, lapses, if any, of the laid down procedures and CVC guidelines. All newly joined Executives as well as Management Trainees were made aware of the role of vigilance and its functions in the Company. The required training on vigilance matter and the importance of **'Preventive Vigilance'** has been explained to the newly joined incumbents.

92. As per directives of Central Vigilance Commission (CVC), **'Vigilance Awareness Week'** was observed in the Company from 29 Oct to 03 Nov 2018. Sensitization program for recently posted CISF personnel was conducted so as to promote their involvement in preventive vigilance and eradicating corruption. Posters and banners were displayed at prominent places of GSL Corporate Office and auxiliary units. A talk followed by an interactive session with **Ms. Anjali Sehrawat, IAS, Special Secretary (Home), Govt. of Goa** was held during the week.



Special talk and interaction session by Smt Anjali Sehrawat, IAS, Special Secretary (Home) on 02 Nov 2018

93. The Department has been responsible for implementation and monitoring system improvements in connection with rotational transfer policy, improvised attendance recording systems and CCTV coverage of written test for recruitment.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

94. The Company has implemented the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005-GM dated 14.05.2010. The Management Discussion & Analysis Report and Corporate Governance Report along with Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as required under the said Guidelines, are placed at **'Annexures C and D'** hereto, respectively. As per the Self-evaluation Annual Grading Report on Corporate Governance for the year 2018-19, the Company has achieved "**Excellent**" grading.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

95. The Company has been contributing immensely towards social development and meaningful quality of life of the community through value creation, promotion of sustained growth of the society and environmental sustainability 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 Policy) Rules, 2014 and the Guidelines on Corporate Social Responsibility issued by DPE.

96. 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.

EXTRACT OF ANNUAL RETURN

97. In accordance with the provisions of Section 92(3) and Section 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 Financial Year ended on 31 Mar 2019 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

98. All related party transactions that were entered during the financial year were in ordinary course of business of the Company and were 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, 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 2.43 to the Financial Statements which sets out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

PARTICULARS OF EMPLOYEES

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

DIRECTORS

Appointment

100. Shri Shrikrishna J. Kamat was appointed as Director (Operations) w.e.f. 01 Jun 2018 vide MoD letter no. 2(9)/2016/GSL/D(NS) dated 02 May 2018.

101. Smt Richa Misra, Joint Secretary (Navy), MoD, Dept. of Defence, Govt. of India was appointed as Government (Nominee) Director on the Board of GSL vide MoD, DDP letter No. 8(80)/2015-D(Coord/DDP) dated 14 Sep 2018. Her appointment became effective from 18 Oct 2018.

102. Cmde B. B. Nagpal, NM, IN (Retd) was appointed as Chairman & Managing Director of GSL vide MoD, DDP letter No. 2/1(2)/2017/D(NS) dated 05 Jul 2018 and assumed the charge w.e.f. 01 Dec 2018. He has been entrusted with additional charge of Director (Corporate Planning, Project & Business Development).

103. Shri K. Mohandas was re-appointed as Independent Director on GSL Board for a period of one year from 07 Jan 2019 vide MoD, DDP letter No. 11(57)/2017/MDN/D(NS) received on 07 Dec 2018.

104. The Board welcomed the appointment of Shri Shrikrishna J. Kamat, Smt Richa Misra and Cmde B. B. Nagpal and re-appointment of Shri K. Mohandas.

Cessation

105. Shri Shrihari Pai Raikar ceased to be Director (Operations) w.e.f. 31 May 2018 on attaining the age of superannuation.

106. Shri Vijayendra, Joint Secretary (Naval Systems), MoD, DDP ceased as Government (Nominee) Director w.e.f. 14 Sep 2018.

107. RAdm Shekhar Mital, NM, IN (Retd) superannuated from the post of Chairman & Managing Director of GSL w.e.f. 30 Nov 2018.

108. The Board placed on record its deep appreciation of the valuable services rendered and guidance provided by Shri Shrihari Pai Raikar, Shri Vijayendra and RAdm Shekhar Mital during their tenure.

Declaration of Independence

109. The Company has received Declaration of Independence from Part-time Non-Official (Independent) Director stating that he has complied with all the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013.

Re-appointment at Annual General Meeting

110. In accordance with Article 117(2) of the Articles of Association of the Company, the under mentioned Directors shall retire from office on the day of the Annual General Meeting and are eligible for re-appointment:

(a) Shri K. Mohandas and
(b) Smt Richa Misra.

MEETINGS OF THE BOARD

111. 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

112. Your Company being a Government Company, the appointment, tenure and remuneration of Directors of the Company is 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 fee or any other remuneration. Since the Board level appointments are made by the GoI, the evaluation of performance of such appointees is also done by GoI.

DIRECTORS' RESPONSIBILITY STATEMENT

113. 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 2019 and of the profit of the Company for the year ended 31 Mar 2019;

(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 proper systems have been devised to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively;

(f) That the Company has put in place adequate internal financial controls with reference to financial statements.

AUDIT COMMITTEE

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

RISK MANGEMENT

115. The "Risk Management Policy" has been implemented and operational. The Policy is formulated with intend to enable the Company to adopt a defined process for managing its risks on an on-going 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.

116. 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, apprise Board of Directors about various Risk Management initiatives and ensure adequate reporting of the same to various stakeholders on a regular basis.

INTERNAL FINANCIAL CONTROLS

117. 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 and issues directives based on the same. 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

118. Pursuant to Section 139(5) of the Companies Act, 2013, C&AG 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 2018-19.

119. The Directors recommend to the members of the Company to consider fixation of the remuneration of Rs 3,00,000/- plus GST and out of pocket expenses at actual plus applicable taxes to Auditors of the Company appointed by the C&AG for FY 2019-20.

120. Auditors' Report on the Financial Statements of the Company for FY 2018-19 is appended to this Report. The comments of the C&AG u/s 143(6) of the Companies Act, 2013, on the Accounts of the Company for FY 2018-19 will be placed on receipt.

COST AUDITORS

121. As per requirements of the Section 148 of the Act 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, CMA Rammohan Menon was appointed as Cost Auditor for conducting the Cost Audit of the Company for the Financial Year 2018-19. The remuneration of Cost Auditor for the financial year 2019-20 will be ratified by the shareholders at the ensuing AGM.

SECRETARIAL AUDIT

122. Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Francisco Dias, Practicing Company Secretary (PCS Registration No. 3765) was appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2018-19. The Secretarial Audit Report submitted by Secretarial Auditor is annexed to this Report as **'Annexure G'** and forms part of this Report.

123. The Secretarial Auditor in his Report observed that from 22 Jul 2017 onwards the Company had only one Independent Director on the Board. From 01 Sep 2017 until 18 Oct 2018, the Company did not have a Woman Director on its Board. As the Company did not have the requisite number of Independent Directors and Woman Director on its Board, the composition of Board of Directors is not in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. Similarly, in the absence of requisite number of Independent Directors, the Audit Committee and Nomination & Remuneration Committee of the Company are not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

124. 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 including Woman Director, which is under consideration of the Government. It is further submitted that Smt Richa Misra, Joint Secretary (Navy), Department of Defence was appointed as Government Director on the Board of GSL vide MoD letter dated 14 Sep 2018 and her appointment became effective from 18 Oct 2018. With this appointment, the provisions of second provisio of Section 149(1) of the Companies Act has been complied with.

COMPLIANCE OF SECRETARIAL STANDARDS

125. The applicable Secretarial Standards issued by Institute of Company Secretaries of India have been complied by the Company for the FY 2018-19.



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

126. 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

127. 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 Act.

(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 have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report.

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

ACKNOWLEDGMENT

128. The Directors wish to express their grateful thanks and appreciation for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India, especially Ministry of Defence, Department of Defence Production for its pro-active policy framework and implementation mechanism, and other stakeholders like the Integrated Headquarters (Navy)/MoD, Indian Coast Guard organization, Comptroller & Auditor General of India, Controller of Defence Accounts (Navy), Government of Goa, Mormugao Port Trust and Flag Officer Goa Area & Naval Aviation and look forward to their continued support in the future. The Directors also acknowledge with gratitude the continued patronage and wholehearted support given by the Company's clients. Directors are also thankful to the Classification Authorities, Auditors, Rating Agencies, Company's Bankers, Insurers and the CISF Contingent for their wholehearted help and co-operation.

129. Last but not the least, the Directors also wish to record their appreciation for the dedication and sincere efforts put in by all employees of the Company to achieve its goal.

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: 14th June 2019

STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED CASTES/SCHEDULED TRIBES AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.01.2019 AND 01.01.2018

CLASSIFICATION OF POSTS	AS ON 1ST JANUARY 2019					AS ON 1ST JANUARY 2018				
	TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	WOMEN EMPLOYEES*		TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	WOMEN EMPLOYEES*	
				NO.	%				NO.	%
Permanent										
GROUP 'A'	268[$]	33	23	24	8.95%	259[$]	30	19	24	9.26%
GROUP 'B'	17	3	1	2	11.76%	9	2	2	1	11.11%
GROUP 'C'	1095[#]	55	80	115	10.50%	1153[#]	60	72	115	9.97%
GROUP 'D'	234[#]	23	17	7	2.99%	242[#]	25	16	8	3.30%

* 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 and FTE Officers

includes Fixed Term Employees, ITI and Diploma Trainees

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE DURING THE CALENDAR YEAR 2018, THE NUMBER FILLED BY MEMBERS OF SCs & STs 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		WOMEN PERSONNEL VACANCIES FILLED *	REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED		
Permanent							
GROUP 'A' (including MTs)	16	3	4#	1	3#	NIL	A Special Recruitment Drive for ST (Advt 04/2018) was released to fill up the backlog vacancies. All efforts are being made to fill up these vacancies.
GROUP 'B'	NIL	NIL	NIL	NIL	NIL	NIL	
GROUP 'C' (including Fixed Term employees, ITI and Diploma Trainees)	40	NIL	1#	3	9#	13	
GROUP 'D' (including Fixed Term employees)	4	NIL	NIL	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 2018-19

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

Industry structure and developments

1. The Indian Shipbuilding and Ship Repair industry primarily comprises of enterprises that design, build and repair ships and submarines for defence as well as commercial requirements such as transportation, fishing, pleasure crafts, scientific/exploration and other vessels for extraction of ocean resources. The Shipbuilding industry is critical part of the strategic and economic interests of the country and is characterized by high growth potential due to its multiplier effect on the economy. It assumes much greater relevance given the Govt intention to shift to blue water economy and exploit the untapped marine resources. The industry is highly capital, labour and technology intensive requiring a large percentage of its value addition from wide range of other associated industries. Being a labour intensive industry, it provides tremendous indirect potential in employment generation.

2. Your Company is predominantly in the defence shipbuilding segment and has gained sufficient expertise in medium size advanced and complex ships required by the Indian Navy and Indian Coast Guard in particular and generally enjoys excellent reputation for the ships that it has built and delivered. Owing to its quality products and timely deliveries, it has developed a niche for itself in this segment and is a preferred shipbuilder for both the Indian Navy and Indian Coast Guard. Due to highly competitive environment in defence shipbuilding, the Shipyard faces stiff challenges from private players as well as other PSU Shipyards. Despite these highly competitive conditions, the Company continues to enjoy its share in shipbuilding/ship repair orders at domestic and international level and is maintaining the growth momentum.

3. Considering the complexity and multirole capabilities demanded in a warship, design and construction of warships have turned out to be a very technology intensive and challenging process. The long gestation or build periods involved in the construction of frontline warships owing to their complexities, makes the sector vulnerable to dynamic up-gradation of technology taking place during the ship's build period. Armed with improved and expeditious procedures, continuous focus on timely completion of activities, impetus on research & development, ongoing modernisation of the Yard, skilled workforce and capabilities for easy migration to advancement in technology, your Company has overcome myriad of challenges and placed itself as a **"dependable and preferred Shipyard"**. In line with the Govt thrust on 'Make in India', your Company has invested considerably in increasing the indigenized content onboard ships constructed at GSL and indigenise various critical technologies and equipment which has significantly reduced dependence on imports. Proactive engagements with local industry and collaborations with world leading OEMs have helped to bring the most advanced maritime defence technologies to India and attain self-reliance.

4. The Company always aspires to create superior value for its customers and has succeeded in its endeavours, with timely delivery of quality ships. With the innovation and constructive initiatives, the Company will continue to build and deliver technologically advanced vessels for maritime security of nation and contribute to India's economic and social growth story.



Outlook

5. With its mighty defence industrial base, staggering defence budget, continual deals with global defence giants and surge of policy reforms, the Government of India has set ambitious plans for the Shipbuilding and Ship Repair Industry. The Industry has witnessed healthy growth in the recent past, driven primarily by powerful influx of progressive reforms. Policy initiatives have been adopted to ensure efficacious procurement, ease of doing business and lower entry barriers. Defence Procurement Procedure 2016 (DPP 2016) was introduced to provide for efficient and expeditious procurement of defence technology and equipment for the armed forces of the country. It also provides large incentives to the private sector - promising transparency and probity to the process. It aims to promote the **'Make in India'** initiative by fostering growth of the domestic defence industry and introduces the Buy (Indian-IDDM) and Buy and Make (Indian) categories of procurement. In a major boost to domestic small-scale and medium-scale enterprises, the Government has very recently simplified its Make-II policy, which is part of DPP. The new initiative will enable the smaller players to participate in defence production and innovation. As part of another enabling move, the MoD has approved the creation of a Defence Innovation Fund, which is an attempt to foster innovation and technology development in the sector.

6. The Company believes that there are enough opportunities in the shipbuilding and repair sector and accordingly, the Company is continuously optimising its capacity/resources, augmenting capability, realigning internal policies, fortifying its product offerings and taking them to prospective as well as existing customers.

SWOT Analysis

7. In the changing environment, your Company has identified following strengths, weaknesses, opportunities and threats:

Strengths

(a) Ability to design sophisticated vessels in-house. 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 other class of vessels.

(b) 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.

(c) Fully computerized network encompassing the entire gamut of operations. This enables us to monitor production activities closely and process activities faster. All workflows from the initiation stage to termination are fully system based.

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

(e) Expertise in construction of shipbuilding, ship repair and manufacture of stern gear system. This expertise in the ship system has grown year on year.

(f) Sophisticated CAD/CAM facility supported by AVEVA Marine software, knit seamlessly with BaaN ERP and Primavera software. Seamless integration between design and production activities has been successfully done.



(g) Modern machineries like CNC plasma cutting machines, 3-D pipe bending machines, Pipe flanging machine, Ceramic back-up welding machines, Inverter based MIG welding machines etc., are in service for expeditious construction of vessels. Advancement in technology is captured and absorbed parallelly.

(h) Shiplift and Transfer System capable of docking vessels upto 6000 tonnes with two land berths of 130 Mts. (L) x 30 Mts. (W) and 250 Mts. long jetty for berthing of vessels and repair work. Two numbers covered Ship Assembly Workshop 126.2 Mts. (L) x 35.00 Mts. (W) x 36.00 Mts. equipped with 2 Nos. crane of 80T each with tandem operation cable of lifting max 160T, showcasing high maneuverabilities of infrastructure.

(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) No level playing ground with private sector due to large restrictions being subjected due to Article 12 of the Constitution and limited autonomy, being a Govt. Company.

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

(c) Limited water front and water depth.

(d) Inadequate industrial and local vendor base.

Opportunities

(a) Growing maritime defence needs of the country.

(b) High potential for export, as a result of Government's liberalised policy, easing of foreign exchange controls.

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

(d) Prospective requirement of commercial vessels for coastal shipping in India like Ro-Ro and container vessels.

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

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

(g) Indian Navy's requirement for GRP hull vessels.

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

(i) Impetus on Make in India policy of the Government.

(j) Growing export potential with friendly nations.

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 huge demand.

(d) Uncertain and unexpected amendments in statutes.

8. The SWOT analysis brings out the huge opportunities available for building defence and commercial vessels. Therefore, strategies are being focused on exploiting these opportunities based on our strength and minimizing the impact of weaknesses. GSL continues to consolidate its strengths and focusing on to reduce the impact of its 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

9. Risks and concerns are an integral part of the business of the Company and giving impetus to address these risks with appropriate risk management practices is the main focus. The major risk and concerns to the Company are:

(a) Bridging the technology gap on meeting the emerging demand for higher technologically advanced equipment and design.

(b) Incase of delay in delivery of vessels, the same may adversely affect the Company's reputation and operation & financial performance.

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

(d) Lack of orders may lead to under-utilization of facilities and idling of trained manpower and infrastructure.

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

Major Initiatives Undertaken and Planned to Ensure Sustained Performance and Growth

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

A. **Production:** The Company has introduced various innovative measures, new processes/ technologies which are having positive impact on productivity and throughput of the Company and ensure sustained growth in the coming years.

(a) **Nil liability certificate:** On successful completion of one year of delivery of vessels, the Company has successfully completed the after sales guarantee dry docking of the CGOPV, SLNOPV (Yard-1217) & MFPV (Yard-1232) vessels and **achieved nil liability certificate from owners,** which facilitated claiming of the balance retention money on these vessels.



(b) **Dockings:** Since commissioning of Shiplift system in 2011, the Company has completed docking of 138 ships on the Shiplift. This has enhanced shipbuilding and repair capabilities of the Company.

(c) **Helo Traversing System:** Modifications on pneumatic lines for rail-type helo traversing system were undertaken on ICGS-Samrath (Yard-1202, AOPV) and ICGS-Vijit (Yard-1204, OPV) and successfully conducted Harbour Acceptance Trails (HATs) and Ship Acceptance Trails (SATs). Thus, proving the effectiveness of modified system and eliminating the long pending D448 liability.

(d) **IPR Application:** 04 IPR Applications were filed by Production department in FY 2018-19.

(e) **Block Stowage Truss Support System** has been adopted in the Hull Assembly Shop, for using as temporary storage support during transfer of Hull Blocks from assembly bay to erection berth, thereby eliminating the need for repeated use of EOT Crane and thus resulted in flexibility in planning the Block shift out. This has resulted in improved daily utilisation efficiency of both EOT Crane as well as Transporter by approx 10%.

(f) **Modular Construction Techniques:** The Company adopted Modular Construction (pre-outfitting) techniques for the Hull Construction of Coast Guard ships - GSL Yard 1233-37 and maximum feasible outfitting works were completed at the pre-launch stage in covered Building Bays, which resulted in significant reduction in time duration and man-day effort for outfitting works. **First of the class ship GSL Yard 1233 was launched with Ship's progress of 66.21% compared to average percentage progress on earlier project of 47%.**

B. **Infrastructure Modernisation:** Infrastructure Augmentation Plan is being implemented in five phases. Phase 1, 2 and 3A have since been completed. Phase 4 and 3B are presently in progress as under:

(a) **Accommodation for Foreign Specialists:** As part of the Phase 4 works, Accommodation Facility named "Shipyard Sadan" for Foreign ToT Specialists was completed and inaugurated at the hands of Dr. Ajay Kumar, IAS, Secretary (Defence Production) on 10 Nov 2018.



Inauguration of Shipyard Sadan on 10 Nov 2018 by Dr Ajay Kumar, the then Secretary (DP)

(b) **GRP Complex:** Construction Works under Phase 4 contract comprises of setting up of facility for construction of GRP hull. Civil works and fitting out of GRP Complex has been completed. Testing and commissioning of the services like air conditioning system, compressed air system, fire fighting system are in progress. This facility is likely to be completed by June 2019.

(c) **Construction of Command, Control & Design Office Building at GSL:** As part of Phase 4, Command, Control & Design Office is being erected at GSL. This Office building is planned to have 08 floors (6+2), out of which 07 floors have been erected and final floor slab and concreting are in progress along with block works and installation of services. Civil works including furnishing is likely to be completed by end of 2019.

(d) **Construction Works Phase 3B:** Steel Preparation Workshop (SPS), housing steel cutting and steel preparation equipment workshop, is completed. Erection of Block Assembly Workshop (BAW) is in progress. Phase 3B is expected to be completed by 2020.

C. **Marketing & Business Development:** Buoyed by the successful exports in the past years, the Company 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 following initiatives were taken towards marketing and business development:

(a) The Company is expanding its capabilities into high value weapon intensive warships (Corvettes, Frigates, etc) and therefore, 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.

(b) GSL participated in DEFEXPO-18, Chennai and showcased its product range and advance technological capability. GSL team led by CMD visited IDEF 2018, Indonesia and IDEX/NAVDEX 2019, Abu Dhabi with focus on identifying various business opportunities available and to understand the market scenario at Indonesia, South-East Asian region and the Middle East respectively.

(c) GSL also participated as an Exhibitor in 04 other major exhibitions namely Army 2018 exhibition held in Moscow, EuroNaval 2018 held at Le Bourget, Paris, France, Aero India 2019 held in Bengaluru and LIMA 2019 Exhibition in Malaysia.



Visit of Philippine Navy delegation to GSL stall at EuroNaval 2018



Visit of Adm Karambir Singh, PCSM, AVSM, Chief of Naval Staff to GSL Stall at LIMA 2019

INFORMATION TECHNOLOGY (IT) SYSTEM INITIATIVES

11. **Workflow Application:** Paperless operations of GSL have been further improved with implementation of New Workflow/Manpower Resources Applications for Financial/Admin approvals. The software provides effective paperless office environment, effecting significant improvement in organisational efficiency. Grievances Redressal System has been designed and implemented. MSME Payments module through TReDS is also implemented.

12. **Disaster Recovery System:** The ERP data generated is replicated on a day to day basis to a disaster recovery site at Sancoale Unit-II (distant site) on a scheduled basis for data security. This is done through fiber based data leased line connectivity.

13. **Separation of Internet from existing ERP LAN through separate PC:** The access of internet on the desktops which are on business LAN through Citrix Virtualization Software has been completely stopped. Further separation between internet and intranet applications has been accomplished by giving a separate Desktop System for accessing internet in all departments, thereby establishing a complete air-gap strategy to separate internet from intranet.

14. **Auditing of IT Systems:** Information Technology Systems and Infrastructure are audited by different authorities for better evaluation of risk exposure and rectification, as required, on day-to-day basis. The auditing includes Vulnerability Assessment and Penetration Testing (VAPT) by Cert-In empanelled auditors, Cyber Security Audit by CSG-DDP, Internal System Audit through in-house resources, Physical Security Audit by Intelligence Bureau (IB).

15. **Selection of New ERP System:** The Company has initiated process of evaluation for a New ERP Solution which will encompass all the functions of the Company on a single platform with flexibility for integration.

16. **Cyber Security Framework & Policy:** Major emphasis has been put on strengthening the Cyber Security Posture of GSL. The Company is in process of formulating Cyber Security Framework within which all types of security measures will be undertaken and Cyber Security Policy detailing security measures related to each domain of IT.

17. **Cyber Crisis Management Plan:** The Company is in process of formulating Cyber Crisis Management plan which details about the roles & responsibilities of each stakeholder in the event of any crisis. It also explains the steps to be taken to mitigate and overcome the crisis and templates to capture reasons & knowhow.

18. **Enhancements:** Various system enhancements were done in BaaN ERP and Reverse Auctioning was launched on NIC's e-procurement Portal.

19. **Participation in GoI Digital Initiatives:** Senior executives from GSL IT Department participated in SMART INDIA HACKATHON 2019, a Ministry of HRD initiative to have Pan India participation of budding Software Professionals.

20. **In-house & External Workshops on Cyber Security:** The Company has put major emphasis in skilling its workforce on matters related to Cyber Security and how faulty & less know how results into an outbreak of malwares/ransomware. Actions to be taken with shared directories, attachments, mails were discussed and demonstrated. Internal trainings through C-DAC and Phronesis Systems were organized and external workshops were organized by CSG DDP Organization for IT Resources.

21. **E-waste Generation and Disposal Policy & Procedure:** GSL has built its e-waste categorization and disposal policy. The procedure to be followed has been released to all stakeholders for their comments and any updation.

22. **Obsolete PC Replacement:** As part of taking steps to remove those IT Resources from the network, which are vulnerable to Cyber Security, GSL has embarked upon a phased replacement of all XP Pcs.

QUALITY ASSURANCE AND QUALITY MANAGEMENT

23. 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 inspection checks at every stage of the construction as detailed in quality plans. Ship construction, 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. The Yard also implemented 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 environment pollution to 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.

24. 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.

CUSTOMER SATISFACTION INDEX

25. Composite Customer Satisfaction Report derived from reports of all GSL customers was adjudged by IRQS.

SPECIFIC MEASURES FOR INCREASED PRODUCTIVITY, OPERATIONAL EFFICIENCY AND COST REDUCTION

26. The Company has taken various measures towards enhancing productivity, increasing operational efficiency and cost reduction in various fields such as inventory control, labour productivity, outsourcing, energy conservation, support services, etc. A few of these are highlighted below:

(a) Apart from successful implementation of E-procurement at GSL for threshold value of Rs 2 lakh & above, the possibility of procuring generic items such as Cable Trays, Flat Bars, Pipe Fittings, Signal & Control Cables etc through open tender was explored. These items were procured earlier on limited/single tender basis.

(b) Various austerity measures such as stiff price negotiations and utilization of balance available inventory of completed projects were implemented.

(c) Various improvements in procurement process such as clubbing of similar items for procurement, release of purchase orders with staggered delivery schedule, institution of AMC/BMCs for new items, procedure akin to 'Just in Time' process, were introduced.

(d) Signing of MoU with IOCL for supply of LSHF HSD and lubricants for vessels under construction for 5 years, extendable by another 5 years.

(e) Procurement through electronic reverse auction and GeM procurement.

(f) Entered into 05 years agreement with MSTC for e-auctioning for disposal of waste.

(g) In house Fabricated Steel Pallet racks introduced to shift out of small and medium sized CNC cut Structural Block components, resulting in efficient and quick transfer of steel material from SPS bay to the Block Assembly bays.

(h) Increased outsourcing resorted for non-core activities like dry surveys, fitment of manholes, ladders, doors, windows, minor seatings, etc.

(i) Use of semi-automatic welding machines, stud-welding machines for alignment of hull-block joints for better productivity.

(j) Use of laser alignment tools for shafting jobs for improved accuracy.

(k) Higher capacity cranes at berths have enabled erection of bigger super structure blocks.

(l) Continued with Annual Rate Contracts (ARC) covering a majority of yard equipment, general stock items, welfare items, yard consumables, IT Assets, design softwares, stationeries, industrial gases, safety items and various services obviating the need of repeated tendering.

(m) Disposal of scrap material (56 Items) worth Rs 2.13 crore achieved thus creating additional space for shipbuilding.

(n) The Company has acquired a property from Western India Shipyard Ltd. through e-auction. The property is intended to be utilized as accommodation facility for Ship's crew in respect of ships under construction/refit and also for foreign specialists. This would enable the Company to save considerable cost in providing accommodation.

SEGMENT-WISE PERFORMANCE

27. The Company is engaged in three major activities viz. shipbuilding, ship repairs and general engineering services. The detail of segment wise performance is as follows:

(Rs in crore)

	Revenue from Operations	
	2018-19	2017-18
Ship Construction	649.54	1118.82
Ship Repairs	45.94	68.72
General Engineering	152.32	155.13
Total Value of Production	847.80	1342.67
Other Operating Revenue	57.81	30.76
Total Revenue from Operations	905.61	1373.43

28. The main cause for a dip in the performance was due to lack of orders.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

29. 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.

30. 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/OPERATIONAL PERFORMANCE STRATEGY & OBJECTIVES

31. The main objectives of the financial strategy of the Company are as follows:

(a) To maximize profit with the available resources and increased productivity.

(b) To make available funds by effective cash flow management and improved collection of funds.

(c) To maintain the highest credit rating so as to raise funds at most economical rates.

(d) To meet the expectations of the various stakeholders.

(e) To improve the post tax yield to the shareholders by Tax Planning.

(f) To prudently invest the surplus funds of the Company.

32. The Company continues to accord the highest priority to each of the objectives listed above. During the year, the funding of incremental working capital requirement was largely met from the Company's own resources besides improving the earnings on deployment of short term surplus funds.

SUSTAINABLE DEVELOPMENT: ENVIRONMENTAL ASPECTS AND ABATEMENT OF POLLUTION

33. 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 1000 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.



34. 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.



Bio gas plant installed in GSL premises

OTHER INFORMATION

35. Details regarding the Company's Financial Performance, Human Resource Development, Industrial Relations, Indigenization, Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo and CSR Programmes are included in the Directors' Report and Annexure thereto.

ANNEXURE 'D' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR FY 2018-19

1. The Report on Corporate Governance along with a 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 (DPE), vide DPE's OM No.18(8)/2005-GM dated 14 May 2010, is given below:

PHILOSOPHY ON CORPORATE GOVERNANCE

2. 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.

3. 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

Composition of Board of Directors

4. The Board of Directors of the Company as on 31 Mar 2019 consisted of 05 members, viz., 03 Whole-time Directors including the Chairman & Managing Director, 01 Part-time Official (Government) Director and 01 Part-time Non-Official (Independent) Director, as follows:-

Whole-time Directors

Sr. No.	Name of Director	Director Identification Number (DIN)	Designation
1.	Cmde Bharat Bhushan Nagpal, NM, IN (Retd)	07564818	Chairman & Managing Director and Addl. charge of Director (Corporate Planning, Projects & Business Development)
2.	Shri T. N. Sudhakar	07419878	Director (Finance)
3.	Shri Shrikrishna J. Kamat	08143652	Director (Operations)

Part-time Official (Government) Director

4.	Smt Richa Misra, Joint Secretary (Navy), Ministry of Defence (DIN 08259796)

Part-time Non-Official (Independent) Director

5.	Shri K. Mohandas (DIN 06493283)

5. GSL, being a Government Company, under the administrative control of the Ministry of Defence, the power to appoint Directors (including Independent Directors) vests with the Government of India. There were 02 vacancies of Part-time Non-Official (Independent) Directors as on 31 Mar 2019. Accordingly, the composition of Board did not comply with the requirement of DPE Guidelines on Corporate Governance. The Company is pursuing with the Ministry of Defence (MoD) to induct requisite number of Independent Directors as required under the provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. The matter is under consideration at MoD.

Brief resume of newly appointed/re-appointed directors are provided below:

6. Shri Shrikrishna J. Kamat is a Bachelor in Mechanical Engineering and is a Fellow of Institute of Engineers. He started his career with Goa Shipyard in May, 1984 as a Graduate Trainee and has been associated with the Company from last 34 years. He has held various key positions in the functional and operational areas in the Company. He was instrumental in establishing capability for Propulsion System Integration as part of the in-house ship design and many other initiatives in ship design, project planning and shipbuilding. He has also worked on successful implementation of the ERP system in the Yard.

7. Smt Richa Misra is a M.A and M. Phil and member of Indian Defence Accounts Service (1996 Batch). She is presently holding the position of Joint Secretary (Navy/Medical) in the Department of Defence, Ministry of Defence. She also held important portfolios including Director (Budget) in MoD, Deputy Secretary, UPSC, IFA-MAP, MoD and Senior Dy. Controller General of Defence Accounts, CGDA.

8. Cmde B. B. Nagpal is B. Tech (Hons.) Graduate in Mechanical Engineering from National Institute of Technology, Kurukshetra and completed DIIT (PG Diploma) in Naval Construction from Indian Institute of Technology, New Delhi in 1986 and Masters in Naval Architecture from the Naval War College, St. Petersburg (Russia) in 1993. He has served with distinction in diverse fields of warships design, quality control, training, repair and overseeing. He was awarded Nausena Medal by President of India in 2013 for his distinguished services and devotion to duty in the Indian Navy.

9. Shri K. Mohandas is a Post-Graduate - M.Sc. (Finance). He has served the Government of India and the State Government of Kerala, as a member of the Indian Administrative Service (Kerala Cadre, 1974 Batch) from 22.07.1974 till his retirement on 29.02.2012. He has considerable experience in diverse sectors including Industries, Finance, Logistics, Infrastructure and General Administration. He holds directorship in 04 other companies namely (i) Seaways Shipping and Logistics Ltd. (ii) Turya Consulting Pvt. Ltd. (iii) Falcon Infrastructures Ltd. and (iv) Ushodaya Ventures Pvt. Ltd.

Meetings of Board and Attendance

10. During the financial year ended 31 Mar 2019, **five** Meetings of the Board of Directors were held on 09 May 2018, 28 Jun 2018, 17 Sep 2018, 23 Nov 2018 and 14 Feb 2019. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other directorships held by them during 2018-19 etc. are furnished below:



Sr. No.	Name of Director	Meeting held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 17.09.2018	No. of other director ships held	No. of committee membership in other companies	
						As Chairman	As Member
Serving Directors							
1	Cmde B. B. Nagpal, IN (Retd) CMD (Appointed w.e.f. 01.12.2018)	01	01	NA	Nil	Nil	Nil
2	Shri T. N. Sudhakar, Director (Finance)	05	05	Yes	Nil	Nil	Nil
3	Shri Shrikrishna J. Kamat, Director (Operations) (Appointed w.e.f. 01.06.2018)	04	04	Yes	Nil	Nil	Nil
4	Smt Richa Misra, Government Director (Appointed w.e.f. 18.10.2018)	02	01	NA	Nil	Nil	Nil
5	Shri K. Mohandas, Independent Director	05	05	Yes	04	01	01
Retired/Ceased Directors							
1	RAdm Shekhar Mital, IN (Retd), CMD (Retired on 30.11.2018)	04	04	Yes	01	Nil	Nil
2	Shri Shrihari Pai Raikar, Director (Operations) (Retired on 31.05.2018)	01	01	NA	Nil	Nil	Nil
3	Cmde B. B. Nagpal, IN (Retd) Director (CPP & BD) (Ceased on 30.11.2018)	04	04	Yes	Nil	Nil	Nil
4	Shri Vijayendra, Government Director (Ceased on 14.09.2018)	02	00	NA	Nil	Nil	Nil

AUDIT COMMITTEE

Terms of Reference of Audit Committee

11. 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 statement is correct, sufficient and credible.

(b) Appointment and removal of external firms of Chartered Accountants for Internal Audit, Tax Auditors 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) Reviewing Management discussion and analysis of financial condition and results of operations.

Composition of Audit Committee

12. The Audit Committee of Board of Directors was last reconstituted w.e.f. 24 Nov 2018. Due to pendency of appointment of 02 Independent Directors on the Board of the Company by Administrative Ministry, the Audit Committee is not having adequate number of Independent Directors as required pursuant to Section 177 of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. The composition of Audit Committee as on 31 Mar 2019 was as under:

Sr. No.	Name of Member	Category
1.	Shri K. Mohandas, Chairman	Independent Director
2.	Smt Richa Misra	Government Nominee Director
3.	Shri Shrikrishna J. Kamat	Director (Operations)

Meetings of Audit Committee and Attendance

13. During the financial year ended 31 Mar 2019, four meetings of the Audit Committee were held on 28 Jun 2018, 17 Sep 2018, 23 Nov 2018 and 14 Feb 2019. CMD, Director (Finance), Internal Auditor and General Manager (Finance) of the Company regularly attended the meetings of the Audit Committee as Invitees. Statutory Auditors attended the meeting of Audit Committee as and when required. The Company Secretary acts as the Secretary to Audit Committee. The Minutes of the meetings of the Audit Committee were placed before the Board in its subsequent meeting for information. The attendance of the Chairman and Members of the Audit Committee in these meetings was as follows:

Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Shri K. Mohandas, Chairman	04	04
2.	Smt Richa Misra (From 24.11.2018)	01	01
3.	Shri Shrikrishna J. Kamat (From 09.06.2018)	04	04
4.	Cmde B. B. Nagpal, IN (Retd) (Upto 23.11.2018)	03	03

14. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

15. Shri K. Mohandas, Part-time Non-Official (Independent) Director, Chairman of the Audit Committee, attended the 52nd Annual General Meeting of the Company held on 17 Sep 2018.

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

Terms of Reference of N&RHR Committee of Directors

16. 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, include 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 of N&RHR Committee of Directors

17. The N&RHR Committee was last reconstituted w.e.f. 24 Nov 2018. Due to pendency of appointment of 02 Independent Directors on the Board of the Company by Administrative Ministry, the N&RHR Committee is not having adequate number of Independent Directors as required under Section 178 of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. The composition of N&RHR Committee as on 31 Mar 2019 was as under:

Sr. No.	Name of Member	Category
1.	Shri K. Mohandas, Chairman	Independent Director
2.	Smt Richa Misra, JS (Navy)	Govt. Nominee Director
3.	Director (Finance)	Functional Director

18. Director (Operations) and Director (CPP&BD) are the Permanent Special Invitees to the N&RHR Committee w.e.f. 24 Nov 2018. The Head of HR&A Dept. is the Secretary to the Committee.

Meetings of N&RHR Committee of Directors and Attendance

19. During the year ended 31 Mar 2019, five meetings of the N&RHR Committee were held on 09 May 2018, 27 Jun 2018, 17 Sep 2018, 01 Nov 2018 and 14 Feb 2019. The Minutes of the meetings of N&RHR Committee were placed before the Board in its subsequent meetings for information. The attendance of the Chairman and Members of the N&RHR Committee in these meetings was as follows:

Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Shri K. Mohandas - Chairman	05	05
2.	Smt Richa Misra, JS (N) (From 24.11.2018)	01	01
3.	Shri T. N. Sudhakar, Director (Finance) (From 24.11.2018)	01	01
4.	Shri Vijayendra, JS (NS) (Upto 14.09.2018)	02	Nil
5.	Cmde B. B. Nagpal, IN (Retd), Director (CPP & BD) (Upto 23.11.2018)	04	04

OTHER BOARD SUB-COMMITTEES

PROCUREMENT SUB-COMMITTEE (PSC) OF DIRECTORS

Terms of Reference and Composition of PSC of Directors

20. PSC of Directors approves the proposals for placement of orders for procurement of materials, equipment, tools, stores & spares, imports, works, sub-contracts, facility hire, capital expenditure, etc., of specified value as per the powers delegated by the Board. The PSC was last reconstituted w.e.f. 23 Jul 2017. The composition of the PSC as on 31 Mar 2019 was 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 K. Mohandas, Independent Director	Member

Meetings of PSC of Directors and Attendance

21. During the year ended 31 Mar 2019, one meeting of the PSC of Directors was held on 01 Nov 2018. The Minutes of the meetings of the said Committee were placed before the Board in its subsequent meetings for information. The attendance of the Chairman and Members of the Committee in the meeting was as follows:

Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Radm Shekhar Mital, IN (Retd), CMD - Chairman (Upto 30.11.2018)	01	01
2.	Shri T.N. Sudhakar, Director (Finance)	01	01
3.	Shri Shrikrishna J. Kamat, Director (Operations) (From 01.06.2018)	01	01
4.	Cmde B. B. Nagpal, IN (Retd), Director (CPP&BD) (Upto 30.11.2018)	01	01
5.	Shri K. Mohandas, Independent Director	01	01

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

Terms of Reference and Composition of SD & CSR Committee

22. 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 Committee was last reconstituted w.e.f. 23 Jul 2017. The composition of the said Committee as on 31 Mar 2019 was as follows:

1.	Shri K. Mohandas	Independent Director	Chairman
2.	Director (Finance)	Functional Director	Member
3.	Director (Operations)	Functional Director	Member
4.	Director (CPP&BD)	Functional Director	Member

Meetings of SD & CSR Committee and Attendance

23. During the year ended 31 Mar 2019, four meetings of the SD & CSR Committee were held on 09 May 2018, 17 Sep 2018, 23 Nov 2018 and 14 Feb 2019. The Minutes of the meetings of the Committee were placed before the Board in its subsequent meetings for information. The attendance of the Chairman and Members of the Committee in the meetings was as follows:

Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Shri K. Mohandas, Independent Director - Chairman	04	04
2.	Shri T.N. Sudhakar, Director (Finance)	04	04
3.	Shri Shrikrishna J. Kamat, Director (Operations) (From 01.06.2018)	03	03
4.	Shri Shrihari Pai Raikar, Director (Operations) (Upto 30.05.2018)	01	01
5.	Cmde B. B. Nagpal, IN (Retd), Director (CPP & BD) (Upto 30.11.2018)	03	03

PROJECT REVIEW SUB COMMITTEE (PRSC)

Terms of Reference and Composition of PRSC of Directors

24. PRSC of Directors was constituted as per the directions of the MoD. The PRSC was reconstituted with effect from 23 Jul 2017. The composition of the said Committee as on 31 Mar 2019 was as follows:

1.	Shri K. Mohandas	Independent Director	Chairman
2.	Director (Finance)	Functional Director	Member
3.	Director (Operations)	Functional Director	Member
4.	Director (CPP&BD)	Functional Director	Member

25. 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.

(d) Submit its report to the CMD at least on a quarterly basis.

(e) Keep the Board of Directors informed of the findings of the Committee from time to time.

Meetings of PRSC of Directors and Attendance

26. During the year ended 31 Mar 2019, four meetings of the PRSC were held on 27 Jun 2018, 17 Sep 2018, 23 Nov 2018 and 14 Feb 2019. Minutes of the meetings of PRSC were placed before the Board of Directors in its subsequent meetings for information. The attendance of the Chairman and Members of the Committee in the meetings was as follows:



Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Shri K. Mohandas - Chairman	04	04
2.	Shri T.N. Sudhakar, Director (Finance)	04	04
3.	Shri Shrikrishna J. Kamat, Director (Operations) (From 01.06.2018)	04	04
4.	Cmde B. B. Nagpal, IN (Retd), Director (CPP&BD) (Upto 30.11.2018)	03	03

INVESTMENT COMMITTEE

Composition and Terms of Reference of Investment Committee

27. As on 31 Mar 2019, the composition of the Investment Committee of Directors constituted by the Board was as follows:

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

28. 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) to avail 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.

SHARE TRANSFER COMMITTEE (STC)

Composition and Terms of Reference of STC

29. The Board of Director at their 01/2018 meeting held on 16 Feb 2018, constituted 'Share Transfer Committee' (STC) pursuant to the applicable provisions of the Articles of Association of the Company, the Companies Act, 2013 and the Rules made thereunder. The composition of the said Committee as on 31 Mar 2019 was as follows:

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

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

31. 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 of STC and Attendance

32. During the year ended 31 Mar 2019, one meeting of STC was held on 04 Oct 2018. Minutes of the meetings of STC were placed before the Board of Directors in its subsequent meetings for information. The attendance of the Chairman and Members of the Committee in the meetings was as follows:

Sr. No.	Name of Member	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Radm. Shekhar Mital, IN (Retd), CMD Chairman (Upto 30.11.2018)	01	01
2.	Shri T.N. Sudhakar, Director (Finance)	01	01
3.	Cmde B. B. Nagpal, IN (Retd), Director (CPP&BD) (Upto 30.11.2018)	01	01

MEETINGS OF INDEPENDENT DIRECTORS

33. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company needs to be conducted at least once in a year. Since, the Company had only one Independent Director, no separate meeting was conducted during the financial year 2018-19.

REMUNERATION OF DIRECTORS

34. GSL being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors of the Company is decided by the Government of India. The Company does not pay any commission to its Directors. Details of remuneration paid to the Whole-time Directors for the year ended 31 Mar 2019, are given below:

(Rs. in lakh)

Sr. No.	Name of Director	Salary	Perquisites as per IT Rules	Contribution to PF	Total
Serving Directors					
1	Cmde B. B. Nagpal, IN (Retd) CMD (From 01.12.2018)	33.61	0.77	0.84	35.22
2	Shri T.N. Sudhkar, Director (Finance)	54.61	0.00	2.65	57.26
3	Shri Shrikrishna J. Kamat, Director (Operations) (From 01.06.2018)	38.56	0.00	2.07	40.63
Retired/Ceased Directors					
4	RAdm Shekhar Mital, IN (Retd) CMD (Upto 30.11.2018)	73.47*	4.03	2.46	79.96
5	Shri Shrihari Pai Raikar, Director (Operations) (Upto 31.05.2018)	44.17*	0.00	0.70	44.87
6.	Cmde B. B. Nagpal, IN (Retd) Director (CPP& BD) (Upto 30.11.2018)	28.63	0.00	2.33	30.96

* includes terminal benefits

35. Part-time Non-Official (Independent) Directors are paid sitting fees only for attending meetings of the Board of Directors and Committees thereof. The Independent Directors are paid sitting fees of Rs. 15,000/- per meeting of the Board or Committee thereof attended by them. In case more than one meeting of the Board or Committee thereof is held on the same day, the sitting fees payable are Rs.15,000/- for the first meeting and Rs.10,000/- for every additional meeting on the same day attended by the Independent Director. Part-time Government Directors are not paid sitting fees or any other remuneration. The sitting fees paid to Part-time Non-Official (Independent) Directors during the year 2018-19 are as follows:

(Rs. in lakh)

Sr. No.	Name of the Non-Official Part-time (Independent) Directors	Sitting Fee
1.	Shri K. Mohandas	3.15
	Total	**3.15**

DIRECTORS' SHAREHOLDING

36. Except Shri Shrikrishna J. Kamat, Director (Operations), none of the other Directors of the Company held any shares of the Company as on 31 Mar 2019. Director (Operations) has held 88 equity shares of the Company having face value of Rs 5/- each, as on 31 Mar 2019. Shri Shrihari Pai Raikar, Director (Operations), who retired on 31 May 2018, held 40 equity shares of Rs 5/- each in the Company.

TRAINING OF BOARD MEMBERS

37. 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. During the year 2018-19, Independent Director was sponsored for training programme organized by Department of Public Enterprise. RAdm Shekhar Mital, former CMD and Shri T.N. Sudhakar, Director (Finance) attended a training programme on Cyber Security organized by CSG, DDP during June-July 2018.

CODE OF BUSINESS CONDUCT AND ETHICS

38. The Code of Business Conduct & Ethics for all Board members and Senior Management of the Company has been 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.

GENERAL BODY MEETINGS

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

Year	Location	Date and Time
2015-16	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	28th September, 2016 at 1615 hours
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

40. 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.

DISCLOSURES

41. (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) The Company has promulgated a Whistle Blower Policy.

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

(e) 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 Remuneration Committee due to pending appointment of two Independent Directors on the Board of the Company. Certificate regarding Compliance of Corporate Governance guidelines from Practicing Company Secretary is enclosed to this Report.

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

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

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

(i) Details of Administrative and office expenses and reasons for increase are given below:
As compared to last year, Administrative Expenses (Other Expenses) has increased due to interest accrued on Arbitration Award and financial expenses increased due to increase in short term borrowings.

MEANS OF COMMUNICATION

42. Annual Report is circulated to members and others entitled thereto. The Management Discussion & Analysis Report and Corporate Governance Report form part of the Annual Report. The Annual Report of the Company is posted on the Company's Website www.goashipyard.in in English and Hindi. A press release is generally issued in the newspapers after conclusion of the Annual General Meeting.

AUDIT QUALIFICATIONS

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

WHISTLE BLOWER POLICY

44. 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 Company has also a Fraud Prevention Policy in place.

RISK MANAGEMENT

45. 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 is placed in the Directors' Report.

SHAREHOLDING PATTERN

46. The shareholding pattern as on 31 Mar, 2019 is given below:

Sr. 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

47. The Equity Shares of the Company are admitted in the depository system of NSDL and CDSL for dematerialisation. The Company has appointed Purva Sharegistry (India) Pvt. Ltd., a SEBI Registered Category I Share Transfer Agents as the Company's Registrar and Share Transfer Agent (RTA). The contact details are as under:-

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

48. The shares held in dematerialised form, are transferrable through the depository system. However, shares held in physical form are processed by Company's RTA. Shares sent for transfer are registered within the stipulated period. Shares under objection are returned within the stipulated period, seeking suitable rectification.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

49. 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 year 2018-19 an amount of Rs 54,034/- pertaining to Unclaimed/Unpaid Dividend for the Year 2010-11 was transferred to the IEPF. The amount of Dividend for the Year 2011-12 which remains Unpaid/Unclaimed as on 25 Aug 2019 will be transferred to the Fund 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.



50. 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. Accordingly, during the year 2018-19 the shares in respect of which dividend declared for the financial year 2010-11 remained unpaid or unclaimed by the members for seven consecutive years or more were transferred to IEPF. There are no shares liable to be transferred for dividend declared for the financial year 2011-12 to IEPF.

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

ADDITIONAL/GENERAL INFORMATION FOR SHAREHOLDERS

53rd Annual General Meeting

Date : 12th September, 2019
Time : 1615 hours
Venue : Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa – 403 802.

Yard Location

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

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

Registered Office/Address for correspondence

Goa Shipyard Limited,
Registered Office: Vaddem House, Vaddem,
Vasco-da-Gama,
Goa – 403 802.
Phone: 0832-2512152-56 **Fax**: 0832-2513943
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 2019.

For Goa Shipyard Limited

Place: Vasco-da-Gama
Date: 14th June, 2019

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

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To

The Members
Goa Shipyard Limited

I have examined the compliance of conditions of corporate governance by Goa Shipyard Limited, for the year ended on 31.03.2019, as stipulated in the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Government.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the aforesaid Guidelines on Corporate Governance, subject to the following observations:

As the Company did not have requisite number of Independent Directors on its Board, the composition of the Board of Directors, Audit Committee and Remuneration Committee of the Company are not in compliance with the provisions of DPE Guidelines on Corporate Governance. I have been informed that the filling up of these vacancies is under process with Administrative Ministry of the Company i.e. Ministry of Defence.

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

Francisco Dias
Company Secretary
FCS No: 2225
CP No: 3765

Place: Vasco da Gama, Goa.
Date: 27th May, 2019

ANNEXURE 'E' TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES 2018-19

1. **A brief outline of GSL's CSR & Sustainability Policy including overview of projects or programmes undertaken.**

(a) GSL has been a vital part of the Goan industrial landscape, with seamless integration into the community. Besides generating employment and business opportunities for the local populace, it constantly strives to reach out to the community with active participation in the social development of local population. The Company has always been liberally discharging its Corporate Social Responsibility (CSR) commitments over the years for which, it has shaped a range of broad objectives in the social domain encompassing a charter of activities to foster sustainable community development.

(b) GSL CSR & Sustainability Policy is framed with thrust on inclusive growth and development keeping in view environment sustainability and encompasses safe drinking water and sanitation, health, education, skill development and basic needs of the under privileged and weaker sections of the society, old and aged senior citizens.

(c) Aligning with the **Vision** of the Company as well as the **Skill India** and **Swachh Bharat Campaign** of the Government of India, 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, through value creation, promoting inclusive growth of the society and environmental sustainability in fulfillment of its role as a Socially Responsible Corporate.

(d) The Company has implemented 35 projects under CSR and Sustainability activities during FY 2018-19. Major projects undertaken are in the area of Skill Development, Health by providing Medical Assistance to poor patients at Goa Medical College (GMC), Bambolim and training of nursing attendant in collaboration with Matruchhaya Rugna Seva Kendra. All these projects are aimed at providing fruitful assistance in seeking livelihood opportunities in the region, enhancing entrepreneurship skills, imparting employability skill, health awareness and sustainable development.

(e) Sanitation & Personal Hygiene: Under the special CSR activities, namely Swachh Bharat Abhiyan, GSL has constructed/renovated a total no. of 13 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 2nd October, 2018 where various parts of Vasco City were cleaned with combined efforts of GSL team. GSL has also installed Sanitary Pad Vending Machines and Incinerators in academic institutions to provide better sanitation facilities for girl students.





Inauguration of Public Toilet at New Vaddem, Vasco on 30 Jan 2019



Adoption of road at Vasco for cleaning

(f) Education & Skill development: The Yard has also adopted Vasco ITI to make it a model ITI under its Skill Development Programme through its in-house expertise. GSL has promoted education through educational aid support i.e. support of equipment for functioning of labs established at academic institutions, provision of safe drinking water facility for school children, infrastructure support etc.

(g) Health care: In order to promote healthcare, GSL has trained Govt. Primary School teachers of Mormugoa Taluka in oral health and provided ventilator machine to GMC, Bambolim.

(h) Apart from the above, GSL has also supported societal activities such as construction of road, bus sheds and promoted road safety for local populace.

(i) 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.

(j) CSR and Sustainability initiatives of the Company are reported on GSL Website www.goashipyard.in.



Safe drinking water facilities for school children



Portable mini car trash bins distributed for four wheelers under Swachh Bharat Initiative

2. **Composition of the CSR Committee**

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

Tier – I: Board Level Committee

1.	Independent Director	Chairman
2.	Independent Director	Member
3.	Functional Director	Member
4.	Functional Director	Member
5.	Functional Director	Member
6.	Nodal Officer – Head of Tier II Committee	Member

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

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

3. The Average net profit of the Company for last three financial years: (FY 15-16, FY 16-17 and FY 17-18) — Rs 20,623 lakh

4. The Prescribed CSR Expenditure: (Two percent of the amount as in item 3 above) — Rs 412.46 lakh

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: — Rs 412.46 lakh

(b) Amount unspent, if any: — Nil

(c) Amount spent during the financial year: — Rs. 432.08 lakh as per details placed 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 imple-menting agency
PROJECT MODE								
1.	3G Welding Training & Construction of Centre of Excellence at ISBT, Bogda	Skill Develop-ment	Society for Industrial and Technical Education of Goa	Bogda, Vasco, Goa	8.85	5.08	135.90	
2.	Facilitated poor patients in getting Medical Assistance at Goa Medical College (GMC), Bambolim and Training of nursing attendant Matruchhaya Rugna Seva Kendra	Health	Matruchhaya Rugna Seva Kendra	Goa	15.54	15.54	Not applicable being a yearly activity separately carried out	Through impleme--nting agency
3.	Medical CSR (Mobile Medical Project)	Health	GSL	Vasco, Goa	24.84	18.72	Not applicable being a yearly activity separately carried out	Direct
NON-PROJECT MODE								
1.	Swachh Bharat activities: (Construction/ renovation of toilets, Adoption of Road, Swachh Bharat Kosh etc.)	Health/ Sanitation	GSL	Vasco, Mormugao, Goa	140.47	113.88	Not applicable being a yearly activity separately carried out	Direct
2.	Other Activities: Educational aid to schools, Renovation of School Building, Support of Lab equipment, Construction of Road, Bus Sheds, Apprentice Training Programme Under CSR, Adoption of Vasco ITI, provision of safe drinking water for school children, Road Safety etc.	Education/ Health/ Social/ Skill Develop-ment	GSL	Vasco, Mormugao, Goa	335.95	278.86	Not applicable being a yearly activity separately carried out	Direct
		TOTAL			**525.65**	**432.08**		

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.'

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

(K. Mohandas)
Chairman of SD & CSR Committee
DIN: 06493283

Place: Vasco-da-Gama
Date : 14.06.2019



FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[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 – 403802 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: busicomp@vsnl.com; 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	77%
2.	Ship Repairs & General Engineering Services	3315 – Specialized repair and maintenance of ships and floating structures	23%

** 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 /FI	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/FI	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/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	59466780	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):-	0	114424380	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	0	1362688	1362688	1.170	405000	957688	1362688	1.170	0
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	0	139430	139430	0.120	33556	100884	134440	0.116	(0.004)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	243000	243000	0.209	217800	25200	243000	0.209	0
c) Others (specify)									
i) Mormugao Port Trust	0	226436	226436	0.194	0	226436	226436	0.194	0
ii) IEPF Authority	3318	0	3318	0.003	8308*	0	8308	0.007	0.004
iii) Foreign Nationals	0	88	88	Insignificant	0	88	88	Insignificant	0
Sub-total (B)(2):-	3318	1976050	1979368	1.70	664664	1314704	1979368	1.70	0
Total Public Shareholding (B) = (B)(1)+(B)(2)	**3318**	**116400430**	**116403748**	**100.00**	**60131444**	**56272304**	**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)	**3318**	**116400430**	**116403748**	**100.00**	**60131444**	**56272304**	**116403748**	**100.00**	**0**

* Pursuant to Section 124(6) of the Companies Act, 2013 and rules made thereunder, 4990 Equity Shares of Rs 5/- each were transferred on 13 Oct 2018 to Demat Account of IEPF Authority opened with National Securities Depository Limited.

(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 01.04.2018		Increase/ Decrease in Shareholding during the year	Cumulative Shareholding during the year 31.03.2019	
	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 Ltd.	54957600	47.21%	-	54957600	47.21%
3.	V S Dempo Holdings Private Limited (Formerly known as Dempo Brothers Limited)	415620	0.36%	-	415620	0.36%
4.	V. M. Salgaocar & 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 01.04.2018)		Cumulative shareholding at end of the year (as on 31.03.2019)	
	For Each of the Directors and KMP	No. of shares of Rs 5/- each	% of total shares of the Company	No. of shares of Rs 5/- each	% of total shares of the Company
1	2	3	4	5	6
i.	Shri Shrihari Pai Raikar, Director (Operations) (Upto 31.05.2018)	40	Insignificant	40	Insignificant
ii.	Shri Shrikrishna J. Kamat, Director (Operations) (From 01.06.2018)	88	Insignificant	88	Insignificant

Note: No other Director 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

	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	0	0	0	0
• Reduction	0	0	0	0
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 Director and/or Manager:

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total amount
		Cmde B.B. Nagpal (CMD from 01.12.18)	Radm Shekhar Mital (CMD upto 30.11.18)	Cmde B. B. Nagpal (D(CPP& BD) upto 30.11.18)	Shri T.N. Sudhakar D(F)	Shri Shrikrishna J. Kamat (D(O) from 01.06.18)	Shri Shrihari Pai Raikar (D(O) upto 31.05.18)	
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	33.61	73.47*	28.63	54.61	38.56	44.17	**273.05**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.77	4.03	0	0	0	0	**4.80**
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0	**0**
2.	Stock Option	0	0	0	0	0	0	**0**
3.	Sweat Equity	0	0	0	0	0	0	**0**
4.	Commission							
	- as % of profit	0	0	0	0	0	0	**0**
	- Others, please specify	0	0	0	0	0	0	**0**
5.	Others, please specify (Contribution to PF)	0.84	2.46	2.33	2.65	2.07	0.70	**11.05**
	Total (A)	**35.22**	**79.97**	**30.96**	**57.26**	**40.63**	**44.86**	**288.90**
	Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of the Companies Act, 2013.						

* Remuneration includes terminal Benefits

B. Remuneration to other Directors:

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Name of Director	Total amount
		Shri K. Mohandas	
1.	**Independent Directors**		
	Fee for attending board/committee meetings	3.15	3.15
	Commission	0	0
	Others, please specify	0	0
	Total (1)	**3.15**	**3.15**
2.	**Other Non-Executive Directors**		
	Fee for attending board/committee meetings	0	0
	Commission	0	0
	Others, please specify	0	0
	Total (2)	0	0
	Total (B) = (1+2)	**3.15**	**3.15**
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of the Companies Act, 2013.	

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

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mrs. Chhaya Jain, CS	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.51	20.51
	(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)	1.37	1.37
	Total	**21.88**	**21.88**

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	---------- NIL ----------				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	---------- NIL ----------				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	---------- NIL ----------				
Punishment					
Compounding					

Annexure 'G' of Directors Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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 - 403802.

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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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 Goa Shipyard Limited for the financial year ended on 31st March, 2019 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 and 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 applicable;

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

(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, 1992 (Not applicable to the Company during the audit period);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (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, 1998 (Not applicable to the Company during the audit period).

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.
ii) Factories Act, 1948
iii) 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) Payment of Gratuity Act, 1972
viii) Industrial Dispute Act, 1947
ix) Environment Protection Act, 1986 and other environmental laws
x) 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 except to the extent as mentioned below:

From 22nd July, 2017 onwards the Company had only one Independent Director on the Board. From 1st September, 2017 until 18th October, 2018 the Company did not have a Woman Director on its Board. As the Company did not have the requisite number of Independent Directors and Woman Director on its Board, the composition of Board of Directors is not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. Similarly, in the absence of the requisite number of Independent Directors, the Audit Committee and Remuneration Committee of the Company are not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. I have been informed that the filling up of these vacancies is under process with 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 as per the information and explanations provided by the Company:

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 meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors 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, there were no instances of:

(i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity.
(ii) Redemption/ buy back of securities.
(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
(iv) Merger/ amalgamation/ reconstruction etc.

Francisco Dias
Company Secretary
FCS No: 2225
CP No: 3765

Place: Vasco Da Gama, Goa.
Dated: 27th May, 2019

NOTE: This Report is to be read with my letter of even date which is annexed as **Annexe A** and forms an integral

'Annexe A' to Secretarial Audit Report for the year ended 31st March, 2019

To,

The Members,
Goa Shipyard Limited
Vasco Da Gama,
Goa- 403802.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. 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 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.

Francisco Dias
Company Secretary
FCS No: 2225
CP No: 3765

Place: Vasco Da Gama, Goa.
Dated: 27th May, 2019

TEN YEARS AT A GLANCE

(Rupees in Lakhs)

Sl. No.	FINANCIAL RESULTS	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
		1	2	3	4	5	6	7	8	9	10
A	**OPERATING RESULTS**										
1	Gross Revenue	98,629	145,246	110,236	80,452	68,077	55,252	56,422	72,288	102,739	95,478
2	Value of Production	84,780	134,267	103,020	72,596	56,955	50,890	50,662	67,643	99,032	86,648
3	Revenue from Operations	90,561	137,343	105,545	76,233	57,551	51,163	50,870	68,162	99,102	86,733
4	Operating Profit	12,980	25,151	13,054	6,851	1,525	(2,857)	(2,940)	8,629	22,842	11,022
5	Profit Before Tax and Exceptional Items	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612	12,603	26,479	19,723
6	Provision for Tax	7,895	11,321	6,005	4,841	(2,507)	(170)	1,062	4,327	8,866	6,651
7	Profit after Tax	13,152	21,733	11,740	6,229	7,824	(6,109)	1,550	8,276	17,613	13,072
8	EBIDTA	25,915	37,394	21,619	13,865	6,288	(2,510)	6,853	15,937	27,861	21,301
9	EBIT	21,417	33,133	17,924	11,175	5,390	(4,237)	5,036	14,309	27,010	20,831
10	Value Added	42,625	63,734	40,359	31,800	19,825	15,059	19,639	27,523	40,615	33,701
B	**FINANCIAL POSITION**										
1	Equity Share Capital	5,820	5,820	5,820	2,910	2,910	2,910	2,910	2,910	2,910	2,910
2	Reserve & Surplus	85,412	85,090	75,440	65,776	59,011	55,527	61,143	60,273	54,001	40,528
3	Borrowings	-	-	-	-	2,377	2,659	1,728	1,129	1,175	1,220
4	Property, Plant and Equipment (Gross Block)	90,580	88,780	86,741	57,785	15,710	44,184	43,920	42,057	41,648	11,908
5	Property, Plant and Equipment (Net Block)	61,969	64,429	65,650	40,116	6,890	32,428	33,802	33,741	34,940	5,963
6	Capital Work in Progress	26,371	17,221	7,403	23,321	14,304	10,423	1,348	7,242	1,088	15,739
7	Capital Employed	91,232	90,910	81,261	68,686	64,298	61,096	65,781	64,312	58,086	44,658
8	Net Worth	91,190	90,867	81,218	68,643	61,921	58,437	64,053	63,184	56,911	43,438
C	**RATIOS & OTHER FINANCIAL INFORMATION**										
1	Profit after Tax : Net Worth	14.42	23.92	14.46	9.07	12.64	(10.45)	2.42	13.10	30.95	30.09
2	EBIDTA Margin (%)	26.28	25.75	19.61	17.23	9.24	(4.54)	12.15	22.05	27.12	22.31
3	Return on Average Net Worth (RONW) (%)	14.45	25.26	15.67	9.54	13.00	(9.97)	2.44	13.78	35.10	34.02
4	Return on Average Capital Employed (ROCE) (%)	23.52	38.49	23.91	16.81	8.60	(6.68)	7.74	23.38	52.58	52.51
5	Face Value per share (Fully paid up) (Rs.)	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6	Dividend per share (%)	80	215	70	64	54	-	20	59	122	90
7	Dividend Payout (Rs. In lakhs)	4,656	12,513	4,074	1,862	1,571	-	582	1,717	3,550	2,620
8	Value Added per employee (Rs. In lakhs)	26.57	38.79	24.39	19.81	12.64	9.75	12.26	17.16	24.36	19.81
9	Number of Employees (Nos)	1604	1643	1655	1605	1568	1545	1602	1604	1667	1701

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, 2019, 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, 2019, and of 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the 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.

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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   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 2.36.3 to the financial statements;

2. There were no any material foreseeable losses for the year, in respect of any long-term contracts including derivative contracts, for which provision was required to be made for the year.

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

Place: Porvorim
Date: June 14, 2019

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, 2019 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, 2019, 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 Registration Number : 105016W/ W-100015

Sd/-
Sagar G. Teli
Partner
Membership No. : 138620

Place: Porvorim
Date: June 14, 2019



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 and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following two cases of leased immovable properties:

1. In the case of company godown at Sada, Vasco Goa (Land Details: Part 2 of PT Sheet No. 52), having land area 10775 Sq. Mtrs, 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.

2. In the case of Company's Unit II at Sancoale Industrial Estate, Goa (GIDC Plot No. 8 & 9), having land area of 2240 Sq. Mtr lease deed expired in the year 2014 and renewal is in process.

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 give 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 Registration Number.: 105016W/ W-100015

Sd/-
Sagar G. Teli
Partner
Membership No. : 138620

Place: Porvorim
Date: June 14, 2019



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, 2019 issued by the Comptroller & Auditor General of India 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, 2019. Based on our examination, these funds have been properly accounted and utilised as per its Terms and Conditions of sanction. No deviation in this case has been noticed by us.

For **abm & associates LLP**
Chartered Accountants
Firm Registration Number.: 105016W/ W-100015

Sd/-
Sagar G. Teli
Partner
Membership No. : 138620

Place: Porvorim
Date: June 14, 2019

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 2019.

The Preparation of financial statements of **Goa Shipyard Limited**, **Vasco-Da-Gama, Goa** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 June 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Goa Shipyard Limited, Vasco-Da-Gama, Goa** for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory 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: 11 July 2019.

BALANCE SHEET AS AT 31ST MARCH 2019

	Particulars	Note	As at 31-03-2019	As at 31-03-2018
			Rupees in Lakhs	Rupees in Lakhs
I	**ASSETS**			
(1)	**Non-current Assets**			
(a)	Property, Plant and Equipment	2.1	61,917.69	64,366.66
(b)	Intangible Assets	2.1	50.95	62.15
(c)	Capital Work-in-Progress	2.2	26,370.61	17,220.67
(d)	Financial Assets			
(i)	Long-term Loans and Advances	2.3	416.94	359.63
(ii)	Other Financial Assets	2.4	2,258.80	8,497.80
(e)	Other Non-current Assets	2.5	4,841.52	4,739.02
	Total - Non-current Assets		**95,856.51**	**95,245.93**
(2)	**Current Assets**			
(a)	Inventories	2.6	20,242.10	10,738.47
(b)	Financial Assets			
(i)	Trade Receivables	2.7	12,593.78	30,654.28
(ii)	Cash and Cash Equivalents	2.8	23,066.41	26,981.53
(iii)	Bank Balances other than Cash and Cash Equivalents	2.9	90,393.05	55,755.60
(iv)	Short-term Loans and Advances	2.10	3,730.24	4,279.32
(v)	Other Financial Assets	2.11	6,759.59	5,379.07
(c)	Current Tax Assets (Net)	2.12	1,204.13	1,392.73
(d)	Other Current Assets	2.13	4,714.07	1,975.75
	Total - Current Assets		**1,62,703.37**	**1,37,156.75**
	TOTAL		**2,58,559.88**	**2,32,402.68**
II.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Fund**			
(a)	Equity Share Capital	2.14	5,820.19	5,820.19
(b)	Other Equity	2.15	85,412.26	85,089.75
			91,232.45	**90,909.94**
(2)	**Share application money pending allotment**		-	-
(3)	**Non-current Liabilities**			
(a)	Financial Liabilities			
(i)	Trade Payables	2.16	-	-
(ii)	Other Financial Liabilities	2.17	676.30	823.88
(b)	Long-term Provisions	2.18	2,713.41	2,120.69
(c)	Deferred Tax Liabilities (Net)	2.19	716.22	544.96
(d)	Other Non-current Liabilities	2.20	51,656.47	53,886.38
	Total - Non-current Liabilities		**55,762.40**	**57,375.91**
(4)	**Current Liabilities**			
(a)	Financial Liabilities			
(i)	Trade and Other Payables	2.21	2,229.62	4,619.75
(ii)	Other Financial Liabilities	2.22	25,180.32	26,415.15
(b)	Other Current Liabilities	2.23	78,270.62	45,703.93
(c)	Short-term Provisions	2.24	5,884.47	7,378.00
	Total - Current Liabilities		**1,11,565.03**	**84,116.83**
	TOTAL		**2,58,559.88**	**2,32,402.68**
SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.48) 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: 14 Jun 2019

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance)

Place: Vasco da Gama, Goa
Date: 14.06.2019



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2019

	Particulars	Note	For the year ended 31.03.2019	For the year ended 31.03.2018
			Rupees in Lakhs	Rupees in Lakhs
I	**INCOME:**			
	Revenue from Operations:			
	i. Turnover (Value of Production)	2.25	84,779.50	1,34,266.91
	ii Other Operating Revenue	2.25	5,781.80	3,075.97
			90,561.30	1,37,342.88
	Other Income	2.26	8,067.20	7,902.84
	Total Revenue		**98,628.50**	**1,45,245.72**
II	**EXPENSES:**			
	Cost of Materials Consumed	2.27	32,882.96	58,567.78
	Employee Benefit Expenses	2.28	17,589.50	20,001.40
	Sub-Contract		9,271.10	11,965.47
	Direct Expenses		760.85	6,613.16
	Finance Costs	2.29	369.38	78.87
	Depreciation	2.1	4,498.04	4,260.64
	Other Expenses	2.30	11,009.56	7,518.70
	Corporate Social Responsibility Expenditure	2.31	432.08	288.30
	Provisions	2.32	767.76	2,897.31
	Total Expenses		**77,581.23**	**1,12,191.63**
III	**Profit before Tax (I - II)**		**21,047.27**	**33,054.09**
IV	**Tax Expense:**	2.33		
	(i) Current tax		7,200.00	12,050.00
	(ii) Prior tax adjustment		524.13	-
	(iii) Deferred tax		171.26	(729.00)
	Total Tax Expenses		**7,895.39**	**11,321.00**
V	**Profit for the period (III - IV)**		**13,151.88**	**21,733.09**
VI	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial gain/(loss) on employment defined benefit plan		(831.08)	(175.22)
	B. Items that will be reclassified to profit or loss		-	-
VII	**Other Comprehensive Income for the period**		**(831.08)**	**(175.22)**
VIII	**Total Comprehensive Income for the period (V+VII) (Comprising Profit and Other Comprehensive Income for the period)**		**12,320.80**	**21,557.87**
IX	**Earnings per equity share:**	2.34		
	(1) Basic Earnings per Equity Share (Rs.)		10.58	18.52
	(2) Diluted Earnings per Equity Share (Rs.)		10.58	18.52
SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.48) 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: 14 Jun 2019

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance)

Place: Vasco da Gama, Goa
Date: 14.06.2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
		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**		**21,047.27**		**33,054.09**
	Adjusted for:				
	Loss on Sale/Discard of Assets (Net)	(10.88)		(10.30)	
	Depreciation and Amortisation Expense	4,498.04		4,260.64	
	Interest Income (Contra)	(6,096.91)		(6,184.58)	
	Corporate Social Responsibility Reserve	-		-	
	Finance Costs	369.38		78.87	
	Unwinding of grant income	(2,229.91)	(3,470.28)	(2,169.29)	(4,024.66)
B	**Operating Profit/(Loss) before Working Capital Changes**		**17,576.99**		**29,029.43**
	Adjusted for:				
	Other Current Assets	(3,381.16)		6,848.68	
	Trade Receivables	18,060.50		(19,706.65)	
	Inventories	(9,503.63)		36,284.10	
	Trade and Other Payables	28,941.73		(16,722.08)	
	Other Liabilities	(147.58)		16,660.61	
	Long-term Loans and Advances	5,454.19		5,266.14	
	Provisions	(1,731.89)	37,692.16	3,911.93	32,542.73
C	**Cash Generated from Operations**		**55,269.15**		**61,572.16**
	Taxes Paid		(7,724.13)		(12,050.00)
D	**Net Cash (used in)/from Operating Activities (I)**		**47,545.02**		**49,522.16**
II	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(2,058.79)		(3,052.69)	
	Sale/Adjustment of Fixed Assets	31.80		23.96	
	Capital Work in Progress	(9,149.94)		(9,818.16)	
	Amount received against ICD	625.00		1,500.00	
	Interest Income (Contra)	6,096.91		6,184.58	
	Net Cash (used in)/from Investing Activities (II)		**(4,455.02)**		**(5,162.31)**
III	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Dividends Paid (including Dividend Distribution Tax)	(11,998.29)		(11,908.57)	
	Interest Paid	(369.38)		(78.87)	
	Net Cash (used in)/from Financing Activities (III)		**(12,367.67)**		**(11,987.44)**
IV	**Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)**		**30,722.33**		**32,372.41**
V	**Opening Balance of Cash and Cash Equivalents**	Note 2.8 & 2.9	**82,737.13**		**50,364.72**
VI	**Closing Balance of Cash and Cash Equivalents**		**1,13,459.46**		**82,737.13**

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: 14 Jun 2019

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance)

Place: Vasco da Gama, Goa
Date: 14.06.2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2019

A. Equity Share Capital

(Rupees in Lakhs)

Particulars	As at	
	31st March, 2019	31st March, 2018
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						Effective portion of Cash Flow Hedges	Total
	Capital Reserve	General Reserve	Retained Earnings	CSR Reserve	Capital Redemption Reserve	Debenture Redemption Reserve		
Balance as at 01 April, 2018	**42.86**	**70,087.04**	**14,959.85**	-	-	-	-	**85,089.75**
Changes in accounting policy or prior period errors			-					-
Restated balance at the beginning of the reporting period	**42.86**	**70,087.04**	**14,959.85**	-	-	-	-	**85,089.75**
Profit/(Loss) for the year			13,151.88	-				13,151.88
Other Comprehensive Income/(loss) for the period								-
Remeasurements of defined employee benefit plan			(831.08)					(831.08)
Dividends (including taxes)- Please see note below			(11,998.29)					(11,998.29)
Transfer from retained earnings		-	-					-
Amount paid/utilised during the year				-			-	-
Amortisation of premium								
Balance as at 31.03.2019	**42.86**	**70,087.04**	**15,282.36**	-	-	-	-	**85,412.26**

Note:

1. The Company at its Annual General Meeting for the FY 2017-18 held on 28th September 2018 declared a Final Dividend to the Equity Shareholders @115% per share (i.e. Rs 5.75/-) which amounted to Rs 6693.22 lakhs and Dividend Distribution Tax of Rs 1375.81 lakhs thereto were paid during FY 2018-19.

2. During FY 2018-19, the Company declared and paid Interim Dividend of Rs. 3259.30 lakhs at the rate of Rs. 2.80/- per equity share and Dividend Distribution Tax of Rs 669.96 lakhs thereto.

3. Accordingly the total Dividend paid during FY 2018-19 amounts to Rs 11998.29 lakhs including DDT.

4. Further to the interim dividend paid as mentioned at sl.no.2 above, the Board proposes Final Dividend @ 24% per share to the Equity Shareholders (Previous year 115%), which works out to Rs. 1396.85 Lakhs and Rs 287.13 lakhs towards Dividend Distribution Tax. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2018-19. The total Dividend paid/proposed amounts to Rs 4656.15 lakhs (including Interim Dividend of Rs 3259.30 lakhs) and Dividend Distribution Tax Rs 957.09 lakhs thereto for the financial year ended March 31st, 2019.

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: 14 Jun 2019

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance)

Place: Vasco da Gama, Goa
Date: 14.06.2019

SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

The Company is a Government company domiciled in India and is 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).

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 (as amended). The Financial Statements for the year ended 31st March 2017 are the first financial statements prepared by the Company in accordance with Ind AS.

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 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.

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 for a finance lease and 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 incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

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. Freehold land is carried at historical cost.

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 Rs 5000/- or less have been 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 licence 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 recognised 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 recognised 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

Finance leases of property, plant and equipment (including land) procured by the Company are capitalized at the inception of lease at the fair value of the leased property and in the case of material lease arrangements, at the present value of the minimum lease payments, if lower than the fair value. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the financial liability and finance cost. The finance cost is charged to Statement of Profit & Loss over the lease period.

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 capitalised 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 is 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.

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 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

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through Profit or Loss, 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

a. **Trade Receivables**

(i) Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment wherever applicable.



(ii) 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.

(iii) 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.

b. **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.

c. **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

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 initially at fair value 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. The effects of adoption of the same is **Nil** for the current Financial Year.

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.

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 recognised 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 recognised 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 of the entity 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.

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 substantively 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 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 31-03-2019

NOTES ON BALANCE SHEET ITEMS

2.1 PROPERTY, PLANT & EQUIPMENT

(Rupees in Lakhs)

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2018	Additions during the Period	Deductions/ adjustments	As at 31-03-2019	As at 01-04-2018	Depreciation for the period	Deductions/ adjustments	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
A	**PROPERTY, PLANT & EQUIPMENT**										
	Freehold Land	143.15	594.03	-	737.18	-	-	-	-	737.18	143.15
	Buildings & Other Civil Constructions	50,380.64	953.14	36.55	51,297.23	7,074.74	1,820.63	30.44	8,864.93	42,432.30	43,305.90
	Plant & Machinery	32,591.59	236.43	174.56	32,653.46	13,051.27	2,251.37	161.20	15,141.44	17,512.02	19,540.32
	Capital Dredging	1,269.05	9.87	-	1,278.92	588.47	90.24	-	678.71	600.21	680.58
	Slipways	143.48	-	-	143.48	143.48	-	-	143.48	-	-
	Fitting out Jetty	-	-	-	-	-	-	-	-	-	-
	Furniture & Fittings	958.95	133.94	22.06	1,070.83	749.46	63.45	20.90	792.01	278.82	209.49
	Office Equipment	246.01	25.23	5.36	265.88	190.11	29.60	5.09	214.62	51.26	55.90
	Medical Equipment	19.80	-	-	19.80	2.80	1.96	-	4.76	15.04	17.00
	Computers	1,199.42	73.79	19.50	1,253.71	1,170.25	37.61	19.48	1,188.38	65.33	29.17
	Server & Network	16.62	-	-	16.62	2.35	2.90	-	5.25	11.37	14.27
	Motor Cars & Vehicles	214.31	23.09	-	237.40	184.25	14.44	-	198.69	38.71	30.06
	Steam Launches & Boats	799.96	-	-	799.96	707.43	79.08	-	786.51	13.45	92.53
	Total	**87,982.98**	**2,049.52**	**258.03**	**89,774.47**	**23,864.61**	**4,391.28**	**237.11**	**28,018.78**	**61,755.69**	**64,118.37**
B	**R & D ASSETS**										
	R & D Assets	550.05	1.96	-	552.01	301.76	88.25	-	390.01	162.00	248.29
	Total R&D Assets	**550.05**	**1.96**	-	**552.01**	**301.76**	**88.25**	-	**390.01**	**162.00**	**248.29**
	TOTAL (A+B)	**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**
	Previous Year	86,526.47	3,020.29	1,013.73	88,533.03	20,928.55	4,237.89	1,000.07	24,166.37	64,366.66	65,597.91
C	**INTANGIBLE ASSETS**										
	ERP Software	246.55	7.31	-	253.86	184.40	18.51	-	202.91	50.95	62.15
	Total Intangible Assets	**246.55**	**7.31**	-	**253.86**	**184.40**	**18.51**	-	**202.91**	**50.95**	**62.15**
	Previous Year	214.15	32.40	-	246.55	161.65	22.75	-	184.40	62.15	52.50
D	**ASSETS FUNDED BY CUSTOMER (INCLUDED IN PPE ABOVE):**										
	Buildings & Other Civil Construction	22,225.57	906.73	-	23,132.30	4,282.35	757.67	-	5,040.02	18,092.28	17,943.22
	Plant & Machinery	19,359.91	-	-	19,359.91	7,203.91	1,384.50	-	8,588.41	10,771.50	12,156.00
	Capital Dredging	1,107.13	-	-	1,107.13	522.87	82.29	-	605.16	501.97	584.26
	Furniture & Fittings	-	110.99	-	110.99	-	5.45	-	5.45	105.54	-
	Total	**42,692.61**	**1,017.72**	-	**43,710.33**	**12,009.13**	**2,229.91**	-	**14,239.04**	**29,471.29**	**30,683.48**
E	**Capital Work in Progress**	17,220.67	11,208.73	2,058.79	26,370.61	-	-	-	-	26,370.61	17,220.67
	Previous Year	7,402.51	12,870.84	3,052.68	17,220.67	-	-	-	-	17,220.67	7,402.51

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.



NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

2.2	CAPITAL WORK-IN-PROGRESS	As at 31-03-2019		As at 31-03-2018	
	Opening Balance	17,220.67		7,402.51	
	Add: Expenditure during the year	11,208.73		12,870.84	
		28,429.40		20,273.35	
	Less: Capitalisation/Adjustments during the year	2,058.79	26,370.61	3,052.68	17,220.67
			26,370.61		**17,220.67**

The Capital Work-in-Progress includes:

GSL Modernisation Programme presently in progress, was approved by the Government of India, which was divided into 5 phases (1, 2, 3A, 3B & 4) with a total outlay of Rs. 1,400 Cr out of which Rs 880 Cr will be met from Government Assistance and the balance Rs.520 Cr from Internal Resources. The entire project is to be completed in four phases. 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 263.63 Cr has been spent upto 31.03.2019.

2.3	LONG-TERM LOANS AND ADVANCES	As at 31-03-2019		As at 31-03-2018	
	1. Loans to Employees (Secured by way of mortgage/ hypothecation or by way of third party guarantee)	183.85		201.47	
	Less: Current maturities of Long Term Advances	32.39	151.46	36.23	165.24
	2. Loans to Employees (Unsecured and Considered good)	269.86		184.60	
	3. Unsecured and Considered doubtful	-		-	
		269.86		184.60	
	Less: Provision for doubtful loans	-		-	
		269.86		184.60	
	Less: Current maturities of Long Term Advances	31.75	238.11	16.50	168.10
	4. Security Deposit & EMD paid				
	Unsecured considered good	27.37		26.29	
	Unsecured considered doubtful	-		-	
		27.37		26.29	
	Less: Provision for doubtful deposit	-	27.37	-	26.29
	5. License and Tech doc fees 1241RE*	1,454.30		1,454.30	
	Less: Amount received included under Advances Received from Customers (Note No 2.23)	1,454.30		1,454.30	
			416.94		**359.63**

*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.

2.4	OTHERS FINANCIAL ASSETS (NON CURRENT)	As at 31-03-2019		As at 31-03-2018	
	1. Term Deposits with Cement Corporation India Ltd. *	-		625.00	
	Less: Amount receivable within 12 months included in Short Term Financial Assets (Note 2.11)	-	-	625.00	-
	2. Fixed Deposits with Banks (Maturity beyond 12 months) (Note 2.8)		2,255.00		8,494.00
	3. Other Receivable		3.80		3.80
			2,258.80		**8,497.80**

* Denotes the balance amount of Unsecured Inter Corporate Short term Deposits of Rs. 3000 lakhs (Original amount) made with Cement Corporation of India Limited (CCIL), a Central PSU under the Ministry of Industry, Department of Heavy Industry. As per mutual agreement between GSL and CCIL, the Company has agreed to accept the refund of Principal amount of Rs 3000 lakhs in 24 equal instalments of Rs 125 lakhs each. CCIL has paid all 24 equal instalments of Rs 125 lakhs each and no amount is outstanding as on reporting date (entire interest due on the ICD was waived).



NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

2.5	OTHER NON-CURRENT ASSETS (Unsecured)	As at 31-03-2019		As at 31-03-2018	
	1. GST Input Credit & Payments	4,556.17		1,983.47	
	Less: Current amount reclassfied	4,054.45	501.72	1,481.75	501.72
	2. Other Deposits		6.75		6.89
	3. Balances with Government Dept. & Tax authorities		-		-
	Unsecured considered good	4,291.34		4,182.88	
	Unsecured considered doubtful	-		-	
		4,291.34		4,182.88	
	Less: Provision for doubtful deposits	-	4,291.34	-	4,182.88
	4. Prepaid Rent	47.53		53.35	
	Less: Amount shown in current maturities	5.82	41.71	5.82	47.53
			4,841.52		**4,739.02**

2.6	INVENTORIES (as verified, valued & certified by Management)	As at 31-03-2019		As at 31-03-2018	
	1. Raw Materials, Stores & Spares				
	a) Stores in Hand	7,909.69		7,928.10	
	b) Stock in Transit	-	7,909.69	126.93	8,055.03
	2. Work-in-progress	70,080.56		17,957.56	
	Less: Amounts received from Customers (as per Contra-Note 2.23)	57,748.15	12,332.41	15,274.12	2,683.44
			20,242.10		**10,738.47**

2.7	TRADE RECEIVABLES (Current)	As at 31-03-2019		As at 31-03-2018	
	(Unsecured, Considered good unless otherwise specified)				
	Total Receivables				
	i) Considered good	12,593.78		30,654.28	
	ii) Considered doubtful	1,001.39		391.09	
		13,595.17		31,045.37	
	Less: Provision for allowance on expected credit loss	1,001.39	12,593.78	391.09	30,654.28
			12,593.78		**30,654.28**

2.8	CASH AND CASH EQUIVALENTS	As at 31-03-2019		As at 31-03-2018	
	1. Balances with Banks in current accounts		23.41		67.89
	2. Fixed Deposit with Banks	115,682.19		91,153.55	
	Less: Reclassified Maturity period for more than 03 months but not more than 12 months	90,393.05		55,755.60	
		25,289.14		35,397.95	
	Less: Reclassified Maturity period more than twelve months included in Other Financial Assets Note (2.4)	2,255.00		8,494.00	
	3. Fixed Deposit with Banks less than three months		23,034.14		26,903.95
	4. In Imprest Account		8.86		9.69
			23,066.41		**26,981.53**

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.

NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

2.9	OTHER BANK BALANCES	As at 31-03-2019		As at 31-03-2018	
	Fixed Deposits with Banks more than 03 months but not more than 12 months		90,393.05		55,755.60
			90,393.05		**55,755.60**

2.10	SHORT-TERM LOANS AND ADVANCES	As at 31-03-2019		As at 31-03-2018	
	1. Loans to Employees - Current Maturity of Long Term Advances (Secured by way of mortgage/hypothecation or by way of third party guarantee)		32.39		36.23
	2. Current maturity of Loans to Employees (Unsecured)		31.75		16.50
	3. EMD paid (Unsecured and Considered good)		26.20		2.10
	4. Advance to Suppliers				
	- Secured considered good (Secured against Bank Guarantees)	987.88		2,365.07	
	- Unsecured considered good	2,652.02		1,859.42	
	- Unsecured considered doubtful	297.95		329.71	
		3,937.85		4,554.20	
	Less: Provision for doubtful advances	297.95		329.71	
		3,639.90	3,639.90	4,224.49	4,224.49
			3,730.24		**4,279.32**

2.11	OTHERS FINANCIAL ASSETS (Current)	As at 31-03-2019		As at 31-03-2018	
	1. Interest accrued but not due		3,010.97		3,660.71
	2. Income accrued but not due		3,237.57		859.68
	3. Receivable from Navy (1241RE)		466.55		228.98
	4. Forward Contract				
	i) Recognised at FV through OCI	-		-	
	ii) Recognised at FV through Profit & Loss A/c	44.50	44.50	4.70	4.70
	5. Short Term Deposit with CCIL (Note 2.4)				625.00
			6,759.59		**5,379.07**

2.12	CURRENT TAX ASSETS (NET)	As at 31-03-2019		As at 31-03-2018	
	Advance Income Tax	29,652.04		23,690.64	
	Less: Provision for Income Tax	28,447.91	1,204.13	22,297.91	1,392.73
			1,204.13		**1,392.73**

2.13	OTHER CURRENT ASSETS (Considered good)	As at 31-03-2019		As at 31-03-2018	
	1. Deposits with Government Departments		4,054.45		1,481.75
	2. Prepaid Expenses		653.80		488.18
	3. Prepaid Rent		5.82		5.82
			4,714.07		**1,975.75**

NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

2.14	EQUITY SHARE CAPITAL	As at 31-03-2019		As at 31-03-2018	
	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
	Conversion on account of Share Split	-	-	-	-
	Bonus Issue during 2016-17 in the ratio of 1:1	-	-	-	-
	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 have 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 during FY 2016-17.				
	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 (In Lakhs)**	**Percentage of Share holding**	**Amount (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.

2.15	OTHER EQUITY	As at 31-03-2019		As at 31-03-2018	
	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		74,990.57	
	Less:Transfer to Profit & Loss A/c for Payment of Dividend FY 2016-17	-		4,903.53	
	Add: Transfer from Surplus	-	70,087.04	-	70,087.04
	3. Profit and Loss Account				
	Opening Balance	14,959.85		407.02	
	Add: Net Profit/(Loss) after Tax transferred from Statement of Profit & Loss	13,151.88		21,733.09	
	Add: Other Comprehensive Income for the period (net of tax)	(831.08)		(175.22)	
	Add: Transfer from General Reserve	-		4,903.53	
		27,280.65		26,868.42	
	Less: Appropriations:				
	Transfer to General Reserve	-		-	

NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

	Dividend Payment on Equity Shares	9,952.52		9,894.32	
	Dividend Distribution Tax on Dividend	2,045.77		2,014.25	
		11,998.29		11,908.57	
	Closing Balance		15,282.36		14,959.85
	Total Reserve & Surplus		**85,412.26**		**85,089.75**

4. The Company at its Annual General Meeting for the FY 2017-18 held on 28th September 2018 declared a Final Dividend to the Equity Shareholders @115% per share (i.e. Rs 5.75/-) which amounted to Rs 6,693.22 lakhs and Dividend Distribution Tax of Rs 1,375.81 lakhs thereto were paid during FY 18-19.
5. During FY 2018-19, the Company declared and paid Interim Dividend of Rs. 3,259.30 lakhs at the rate of Rs. 2.80/- per equity share and Dividend Distribution Tax of Rs 669.96 lakhs thereto.
6. Accordingly the total Dividend paid during FY 2018-19 amounts to Rs 11,998.29 lakhs including DDT.
7. Further to the interim dividend paid as mentioned at sl. no. 5 above, the Board proposes Final Dividend @ 24% per share to the Equity Shareholders (Previous year 115%), which works out to Rs. 1,396.85 Lakhs and Rs 287.13 lakhs towards Dividend Distribution Tax. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2018-19. The total Dividend paid/proposed amounts to Rs 4,656.15 lakhs (including Interim Dividend of Rs 3,259.30 lakhs) and Dividend Distribution Tax Rs 957.09 lakhs thereto for the financial year ended March 31st, 2019.
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, 2019, the Company has no outstanding effective derivative contracts.

Particulars	March 31, 2019		March 31, 2018	
	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, 2019 for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
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

NOTES ON BALANCE SHEET ITEMS

iv. Other than the details of derivative mentioned above, the Company has outstanding Foreign Exchange derivative contracts of firm commitment or highly probable forecast transactions and contracts with underlying transactions aggregrating to Rs.1,434.00 lakhs as on 31.03.2019 (Previous Year Rs 8,529.15 lakhs). The Fair value determination as on 31.03.2019 results in a Positive MTM of Rs 44.50 lakhs (Previous year profit of Rs 4.70 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 recorded in the Statement of Profit and Loss.

(Rupees in Lakhs)

2.16	TRADE PAYABLE (NON CURRENT)	As at 31-03-2019		As at 31-03-2018	
	Deferred payment liability to foreign supplier against supply of materials				
	Deferred Liabilities (From foreign suppliers against supply of material)*	1,335.09		1,345.59	
	Less: Amount shown in current maturities of Long Term Debts	237.57	1,097.52	237.57	1,108.02
	Less: Amount receivable from Navy/Indian Govt towards defered debts	1,335.09		1,345.59	
	Less: Amount shown in current maturities of Long Term Debts	237.57	1,097.52	237.57	1,108.02

*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. 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).

2.17	OTHER FINANCIAL LIABILITIES	As at 31-03-2019		As at 31-03-2018	
	1. Security Deposit & Earnest Money Deposit	15.32		27.05	
	Less: Payable within 12 months (as per contra-2.22)	-	15.32	-	27.05
	2. Creditors for capital goods - Foreign supplier deferred credit	4.22	-	4.25	-
	Less: Amount shown in current maturities of Long Term Debts: (as per contra-2.22)	0.75	3.47	0.75	3.50
	3. Differential Interest Liability (Exim Bank)	883.09	-	1,139.72	-
	Less: Amount shown in current maturities of Long Term Debts: (as per contra-2.22)	225.58	657.51	346.39	793.33
			676.30		**823.88**

2.18	LONG-TERM PROVISIONS	As at 31-03-2019		As at 31-03-2018	
	1. Provision for Leave Salary Encashment	3,518.28		3,050.40	
	Less: Payable within 12 months (as per contra-2.24)	804.87	2,713.41	929.71	2,120.69
	2. Other Provisions		-		-
			2,713.41		**2,120.69**

2.19	DEFERRED TAX (NET)	As at 31-03-2019		As at 31-03-2018	
	1. Deferred Tax Assets				
	Provisions:				
	Provision for Doubtful Debts	349.93		135.35	
	Provision for Non-Recoverable Advances	104.12		114.11	

NOTES ON BALANCE SHEET ITEMS

(Rupees in Lakhs)

	Provision for Guarantee Repairs	1,008.20		1,336.39	
	Provision for Leave Encashment (Section 43B)	1,229.43	2,691.68	1,055.68	2,641.53
	2. Deferred Tax Liabilities				
	Depreciation		3,392.35		3,184.86
	MTM		15.55		1.63
	Deferred Tax Liabilities/(Assets)(Net)		**716.22**		**544.96**

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.

2.20	GOVERNMENT ASSISTANCE FOR INFRASTRUCTURE AUGMENTATION	As at 31-03-2019		As at 31-03-2018	
	Balance at the beginning of the year	53,886.38		40,160.15	
	Add: Amount received during the Period	-		15,895.53	
		53,886.38		56,055.68	
	Less: Proportionate amount of deferred revenue credited to P&L Statement	2,229.91		2,169.30	
			51,656.47		53,886.38
			51,656.47		**53,886.38**

2.21	TRADE & OTHER PAYABLES	As at 31-03-2019		As at 31-03-2018	
	1. MSME Vendors		29.86		2.26
	2. Other Vendors		2,199.76		4,617.49
	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	-
			2,229.62		**4,619.75**

Details of the 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 2019 is Rs. 29.86 lakhs, (previous year ended 31st March 2018 : Rs.2.26 lakhs) are as shown below :

	Vendor Name	As at 31-03-2019	As at 31-03-2018
i	B.C.S Engineering	1.10	0.57
ii	CMI Aerospace Metal Ind. Pvt. Ltd.	9.59	-
iii	Eckhardt Steel And Alloys	0.59	-
iv	Geeta Engineering Works Pvt. Ltd.	14.36	-
v	Hemant Engineering Works	-	0.88
vi	Linia Engineering Services	0.23	-
vii	Marine Electronics & Navigation Systems	-	0.26
viii	Malhar Valves	0.66	-
ix	Orient Metal Industries	0.94	-
x	Vinaya Corporation	2.39	-
xi	Val-Paz Enterprises	-	0.35
xii	Zenith Control & Systems Pvt. Ltd.	-	0.20
		29.86	**2.26**

NOTES ON BALANCE SHEET ITEMS

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 2019 have been paid between 1st April to 29th April 2019.

(Rupees in Lakhs)

2.22	OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31-03-2019	As at 31-03-2018
1.	Unclaimed Dividend	8.84	4.20
2.	Earnest Money Deposit	475.79	522.10
3.	Retention Money received	2,102.55	1,594.20
4.	Liability for Liquidity Damages	1,850.03	2,109.00
5.	Creditors for capital goods - Foreign supplier deferred credit (as per contra-2.17)	0.75	0.75
6.	Differential Interest Liability for Exim Bank (as per contra-2.17)	225.58	346.39
7.	Liability for Purchases	7,507.54	8,426.02
8.	Creditors for Other Expenses	953.41	846.53
9.	Liability for Wages and related Liabilities	2,415.33	4,908.01
10.	Interest on Arbitration Award	5,596.24	1,076.38
11.	Other Liabilities	4,044.26	6,581.57
		25,180.32	**26,415.15**

2.23	OTHER CURRENT LIABILITIES	As at 31-03-2019		As at 31-03-2018	
	1. Advances Received from Customers *	136,989.98		61,855.65	
	Less : Amount received towards License and Tech doc fees 1241RE (as per contra- 2.3)	1,454.30		1,454.30	
	Less : Deduction towards work executed, included in Work-in-Progress (as per contra-2.6)	57,748.15	77,787.53	15,274.12	45,127.23
	2. Statutory Dues		483.09		576.70
			78,270.62		**45,703.93**

*Advance from Customers includes an amount of Rs.1454 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 2.3.

2.24	SHORT-TERM PROVISIONS	As at 31-03-2019		As at 31-03-2018	
	1. Provision for Leave Salary Encashment		804.87		929.71
	2. Provision for Gratuity		966.69		1,466.70
	3. Provision for Superannuation Fund		508.41		561.57
	4. Provision for PRMS		719.31		558.51
	5. Provision for Guarantee and Warranty				
	Opening Balance	3,861.51		1,958.93	
	Less: Utilised - Material	525.01		218.94	
	Less: Utilised-Sub Cont and Direct Expenses	602.79		378.48	
		2,733.71		1,361.51	
	Add : Additional Provision (Refer Note -2.32)	151.48	2,885.19	2,500.00	3,861.51
			5,884.47		**7,378.00**



NOTES ON STATEMENT OF PROFIT & LOSS

2.25	REVENUE FROM OPERATIONS	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	I. Turnover (Value of Production)		
	(a) Contract Revenue		
	i) Ship Construction	63,468.86	1,04,171.91
	ii) General Engineering	6,227.55	10,396.94
	(b) Sale of Products		
	i) B & D Spares	2,145.73	7,710.07
	(c) Sale of Services		
	i) Ship Repairs	4,593.94	6,872.17
	ii) General Engineering	8,343.42	5,115.82
	Total (I)	**84,779.50**	**1,34,266.91**
	I. Contract revenue recognition with respect to ongoing projects/vessels in WIP:		
	Amount recognized as Revenue in Statement of Profit & Loss	63,658.57	12,806.24
	Aggregate amount incurred less loss charged to P&L (Cumulative)	70,080.56	17,957.56
	Advance payment received (Cumulative)	71,581.19	56,978.79
	Remaining Contract to be executed *	1,18,150.07	1,98,410.27
	* Out of the above, estimated Revenue likely to be recognised during FY 2019-20 is 33% and balance thereafter.	-	-
	II. Other Operating Revenue		
	1. Revenue from Govt Contract	3,293.10	-
	2. Sale of Stores & Scrap	258.79	574.38
	3. Settlement of Insurance Claim for BRI	-	99.52
	4. Interest on Arbitration Award	-	232.78
	5. Deferred revenue on Depreciation on Customer Funded Assets	2,229.91	2,169.29
	Total (II)	**5,781.80**	**3,075.97**
	Total Revenue from Operation (I+II)	**90,561.30**	**1,37,342.88**

2.26	OTHER INCOME	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	1. Interest				
	a) On Deposits with Banks	5,889.93		5,807.90	
	b) On Loan to Employees	12.39		11.19	
	c) Other Interest	194.59	6,096.91	365.49	6,184.58
	2. Profit on sale of fixed assets (Net)		10.88		10.30
	3. Liabilities/Provisions no longer required written back		1,358.60		1,235.77
	4. Miscellaneous Income		600.81		472.19
			8,067.20		**7,902.84**

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

2.27	MATERIAL CONSUMPTION	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	1. Cost of Material consumed:				
	Opening Stock of Raw materials, Stores and Spares		8,055.03		46,366.48
	Add : Adjustment relating to Depletion in value of Inventory		-		1,235.77
			8,055.03		47,602.25
	Add : Purchases (Gross)		34,773.85		20,621.47
			42,828.88		68,223.72
	Less : Closing Stock-Stores in Hand		7,909.69		8,055.03
	Value of Raw Materials consumed:		**34,919.19**		**60,168.69**
	Add: Cost of Material to be issued to Vessels Completed in the Current Year	-		100.00	
	Less: Cost of Material issued to Completed Vessels	512.62	(512.62)	593.57	(493.57)
	Value of Raw Materials consumed (Gross):		34,406.57		59,675.12
	Less: Material issued for Guarantee Repair	525.01		218.94	
	Stores & Spares consumption included in Repairs & Maintenance	998.60	1,523.61	888.40	1,107.34
	Cost of Material Consumed (Net)		**32,882.96**		**58,567.78**
	2. Break up of Net Consumption				
	i. Imported	21,467.56		33,559.61	
	ii. Indigenous	11,415.40	32,882.96	25,008.17	58,567.78
	Total Consumption		**32,882.96**		**58,567.78**
	3. Consumption consists of:				
	i. Iron & Steel	1,280.02		1,773.37	
	ii. Non-ferrous Metals & Alloys	432.00		405.43	
	iii. Machinery & Equipment fitting on ships etc.	31,098.21		55,883.49	
	iv. Others	72.73		505.49	
			32,882.96		**58,567.78**
	4. Value of Imports on CIF basis:				
	A. Total Foreign Exchange outflow				
	i. Raw material including machinery, equipment for construction of ships, repairs and other production jobs.	22,101.02			8,638.31
	ii. Expenditure in Foreign Currency Know-how, Professional Consultancy Fees, Inspection charges and others.	497.18			414.08
	iii. Capital goods	38.22			30.10
		22,636.42			**9,082.49**
	B. Total Foreign Exchange Inflow on Export orders	**14,228.14**			**17,793.73**



NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

2.28	EMPLOYEE BENEFIT EXPENSES	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	1. Salaries, Wages, Allowances and Bonus	13,206.48	14,330.92
	2. Leave Encashment	1,062.84	1,124.89
	3. Contribution to Provident Fund	1,086.46	994.88
	4. Contribution to Employees State Insurance Scheme	42.16	50.99
	5. Contribution to Deposit Linked Insurance Scheme	13.88	13.78
	6. Contribution to Gratuity Fund	135.61	1,291.48
	7. Contribution to Superannuation Fund	518.34	499.10
	8. Contribution to PRMS	260.96	558.51
	9. Staff Welfare Expenses	1,262.77	1,136.85
		17,589.50	**20,001.40**

	1. Actuarial valuation of liability towards Gratuity - Note No. 2.28 above refers.		
	Defined Benefit Plans Gratuity - as per actuarial valuation on March 31, 2019		
		Valuation Date 31st March 2019	**Valuation Date 31st March 2018**
	i) Assumptions as at		
	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
	Discount Rate	7.47%	7.73%
	Rate of increase in compensation	4.00%	4.00%
	Expected average remaining service	9.78	8.53
	Employee Attrition Rate (All Ages)	5.00%	5.00%
	ii) Changes in Present Value of Obligations		
	Present Value of Obligation as at the beginning of the year	7,605.60	7,016.54
	Interest Cost	539.82	439.30
	Current Service Cost	523.04	471.18
	Past service Cost-(non vested benefits)	-	-
	Past service Cost-(vested benefits)	-	819.71
	Benefits Paid	(1,244.25)	(1,188.02)
	Actuarial (Gain)/Loss on Obligations	830.76	46.89
	Present Value of Obligation as at the end of the year	8,254.97	7,605.60
	iii) Interest Expenses		
	Interest Cost	539.82	439.30
	iv) Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	6,138.90	6,879.88
	Interest Income	512.66	434.76
	v) Net Liability		
	PVO at beginning of period	7,605.60	7,016.54
	Fair Value of the Asset at beginning of report	6,138.90	6,879.88
	Net Liability	1,466.70	136.66
	vi) Net Interest		
	Interest Expenses	539.82	439.30
	Interest Income	512.66	434.76
	Net Interest	27.16	4.54

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

	vii) Actual Return on Plan Assets	512.33	306.43
	Less interest income included above	512.66	434.76
	Return on plan assets excluding interest income	(0.33)	(128.33)
	viii) Actuarial (Gain)/Loss on obligation		
	Due to Demographic Assumption*	-	-
	Due to Financial Assumption	71.13	(245.92)
	Due to Experience	759.63	292.81
	Total Actuarial (Gain)/Loss	830.76	46.89
	* 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	6,138.90	6,879.88
	Adjustment to opening Fair Value of Plan Asset	349.26	-
	Return on Plan Assets excl. Interest income	(0.33)	(128.33)
	Interest Income	512.66	434.76
	Contribution by Employer	1,532.04	140.61
	Contribution by Employee	-	-
	Benefits Paid	(1,244.25)	(1,188.02)
	Fair Value of Plan Assets at end	7,288.28	6,138.90
	x) Past Service Cost Recognised		
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	819.71
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past Service Cost - non vested benefits	-	-
	Recognised Past Service Cost - vested benefits	-	819.71
	Unrecognised Past Service Cost - non vested benefits	-	-
	xi) Amount recognized in the Balance Sheet and Statement of Profit and Loss		
	PVO at end of period	8,254.97	7,605.60
	Fair Value of Plan Assets at end of Period	7,288.28	6,138.90
	Funded Status	(966.69)	(1,466.70)
	Net Assets/(Liability) recognized in the balance sheet	(966.69)	(1,466.70)
	xii) Expenses recognized in Statement of Profit & Loss		
	Current Service Cost	523.04	471.18
	Interest Cost	27.16	4.54
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	819.71
	Expenses Recognized in the Statement of Profit & Loss	550.20	1,295.43
	xiii) Other Comprehensive Income (OCI)		
	Actuarial Gain / Loss recognized for the period	830.76	46.89
	Adjustment to opening balance	-	-
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	0.33	128.33
	Unrecognized Actuarial (Gains)/Losses from previous period	-	-
	Total Actuarial (Gain) /Loss recognised in OCI	831.09	175.22



NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

xiv) Movements in the liability recognised in Balance Sheet				
Opening Net Liability	1,466.70		136.66	
Adjustment to opening Fair value of plan assets	(349.26)		-	
Expenses as above	550.20		1,295.43	
Contribution paid	(1,532.04)		(140.61)	
Other Compreneshive Income (OCI)	831.09		175.22	
Closing Net liability	966.69		1,466.70	
xv) Schedule III of the Companies Act, 2013				
Current Liability	966.69		1,466.70	
Non Current Liability	7,288.28		6,138.90	
xvi) Projected Service Cost 31st March, 2020	534.07		523.04	
xvii) Asset Information	**Total Amount**	**Target allocation (%)**	**Total Amount**	**Target allocation (%)**
Cash and Cash Equivalents	-	-	1.84	0.03
Debt Security-Government Bond	7,288.28	100.00	6,137.06	99.97
Equity Securities-Corporate Debt securities	-	-	-	-
Total Itemized Assets	**7,288.28**	100.00	**6,138.90**	**100.00**
xviii) Sensitivity Analysis	**01-04-2018 to 31-03-2019**			
Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	7,989.64	8,544.20	8,551.34	7,978.62
2. Actuarial valuation of liability towards Leave Encashment - Note No. 2.28 above refers.				
Defined benefit Plans Leave Encashment as per actuarial valuation on March 31, 2019				
	Valuation Date 31st March 2019		**Valuation Date 31st March 2018**	
i) Assumptions as at				
Mortality	IALM (2006-08) Ult		IALM (2006-08) Ult	
Discount Rate	7.47%		7.73%	
Rate of Increase in Compensation Levels	4.00%		4.00%	
Rate of Return on Plan Assets	-		-	
Expected Average remaining working lives of employees (years)	9.78		9.02	
Employee Attrition Rate (All Ages)	5.00%		5.00%	
ii) Changes in Present Value of Obligations				
Present Value of Obligation as at the beginning of the year	3,050.41		3,006.55	
Adjustment to opening Fair value of plan assets	-		-	
Interest Cost	221.26		193.35	
Past Service Cost - (non vested benefits)	429.95		399.11	
Past Service Cost - (vested benefits)	-		-	

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

	Benefits Paid	(376.04)	(359.72)
	Actuarial (Gain)/Loss on Obligations	192.70	(188.88)
	Present Value of Obligation as at the end of the year	3,518.28	3,050.41
	iii) Interest Expenses		
	Interest Cost	221.26	193.35
	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	3,050.41	3,006.55
	Fair Value of the Asset at beginning of report	-	-
	Net Liability	3,050.41	3,006.55
	vi) Net Interest		
	Interest Expenses	221.26	193.35
	Interest Income	-	-
	Net Interest	221.26	193.35
	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	36.19	(110.12)
	Due to Experience	156.51	(78.76)
	Total Actuarial (Gain)/Loss	192.70	(188.88)
	* 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	376.04	359.72
	Contribution by Employee	-	-
	Benefits Paid	(376.04)	(359.72)
	Fair Value of Plan Assets at end	-	-
	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	-	-



NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

	xi) Amount to be recognized in the Balance Sheet and Statement of Profit and Loss		
	PVO at end of period	3,518.28	3,050.41
	Fair Value of Plan Assets at end of Period	-	-
	Funded Status	(3,518.28)	(3,050.41)
	Net Assets/(Liability)recognized in the Balance Sheet	(3,518.28)	(3,050.41)
	xii) Expenses recognized in Statement of Profit & Loss		
	Current Service Cost	429.95	399.11
	Interest Cost	221.26	193.35
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	-
	Curtailment effect	-	-
	Settlement Cost /(Credit)	-	-
	Actuarial (Gain) /Loss recognized in the year	192.70	(188.88)
	Expenses recognized in the Statement of Profit & Loss	843.91	403.58
	xiii) Other Comprehensive Income (OCI)		
	Actuarial Gain/Loss recognized for the period	-	-
	Adjustment to opening balance	-	-
	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	3,050.41	3,006.55
	Adjustment to opening Fair value of plan assets	-	-
	Expenses as above	843.91	403.58
	Contribution paid	(376.04)	(359.72)
	Closing Net liability	3,518.28	3,050.41
	xv) Schedule III of the Companies Act, 2013		
	Current Liability	804.87	929.71
	Non Current Liability	2,713.41	2,120.70
	xvi) Projected Service Cost 31st March, 2020	419.35	429.96
	xvii) Asset Information	Not applicable as the plan is unfunded	
	xviii) Sensitivity Analysis	01-04-2018 to 31-03-2019	

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	3384.20	3667.25	3670.96	3378.68

2.29	FINANCE COSTS	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	1. Interest Expenses on Bank LAD	368.30	74.21
	2. Others	1.08	4.66
		369.38	**78.87**

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

2.30	OTHER EXPENSES	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	1. Power, Fuel and Electricity		324.17		435.57
	2. Rent		37.42		29.36
	3. Rates and Taxes		20.27		25.47
	4. Water expenses		56.08		51.20
	5. Insurance		104.68		104.02
	6. Repairs and Maintenance:				
	i) Factory Buildings & site	330.07		635.23	
	ii) Plant and Machinery	618.93		562.20	
	iii) Others	829.61		905.90	
		1,778.61	1,778.61	2,103.33	2,103.33
	7. Loose Tools consumed		0.88		-
	8. Printing and Stationery		25.54		25.76
	9. Postage, Telegrams and Telephone		48.46		71.35
	10. Travelling Expenses	268.80		496.35	
	Less: Amount included under				
	- Training Expenses	33.92		16.74	
	- Recruitment Expenses	1.48		3.43	
	- Direct Expenses	-	233.40	174.53	301.65
	11. Recruitment Expenses	9.79		26.31	
	Less: Advertisement expenses for Recruitment included under the Head "Advertisement"	8.31	1.48	18.93	7.38
	12. Advertisement				
	- Recruitment	8.31		18.93	
	- Staff & Establishment	25.64		0.86	
	- Tenders	63.41		72.26	
	- Publicity	26.88	124.24	52.89	144.94
	13. Business Promotion Expenses		180.51		235.66
	14. Export Promotion Expenses		574.95		-
	15. Bank Charges		17.44		18.52
	16. Auditors Remuneration				
	- Statutory Audit Fees	3.00		2.95	
	- Auditor fees for other services	1.50		2.95	
	- Tax Audit Fees	0.50		0.47	
	- Fees for Certification	7.64		1.79	
	- Audit Expenses	1.95	14.59	2.82	10.98
	17. Other Audit Fees				
	- Cost Audit Fees	1.50		1.77	
	- GST & VAT Audit Fees	0.50		0.30	
	- Fees for Secretarial Audit	0.80		1.00	
	- Audit Expenses	0.50		0.30	
	- Internal Audit fees	4.42	7.72	5.74	9.11
	18. CISF and Security Expenses		1,311.15		1,213.30
	19. Stock Adjustments		20.42		18.34
	20. Legal Charges		9.30		30.48
	21. Professional and Consultant Fees		124.95		143.88

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

	22. Insurance Claim disallowed		-		-
	23. Vehicle Hire charges		187.38		207.86
	24. Books & Periodicals		26.93		12.22
	25. Foreign Exchange Variation		(1,197.66)		0.13
	26. Training Expenses	31.88		34.41	
	Add: Travelling expenses for training	33.92	65.80	16.74	51.15
	27. Directors Sitting Fees & Expenses		6.24		7.74
	28. LD/FE Variation Deducted by Customer		59.08		17.49
	29. R & D Expenditure		1,031.15		882.77
	30. Stores Clearing and Handling Charges		553.17		310.98
	31. Bad Debt Written off		-		-
	32. Interest/Cost on Arbitration Award		4,519.87		1,120.35
	33. Exchange Fluctuation gain on Forward Contract		454.44		(447.10)
	34. Miscellaneous Expenses		286.90		374.81
			11,009.56		**7,518.70**

2.31	CORPORATE SOCIAL RESPONSIBILITY	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	(a) Gross Amount required to be spent by the Company during the period		412.46		227.54
	(b) Amount spent during the period		432.08		288.30
	(i) On construction or acquisition of Assets - In Cash	232.12		142.80	
	- Liability accounted	32.18	264.30	-	142.80
	(ii) On purposes other then (i) above - In Cash	159.32		142.39	
	- Liability accounted	8.46	167.78	3.11	145.50
			432.08		**288.30**

2.32	PROVISIONS MADE	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	1. Guarantee Repairs	151.48	2,500.00
	2. Bad and Doubtful Debts	616.28	397.31
	3. Others	-	-
		767.76	**2,897.31**

2.33	INCOME TAX	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	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	7,200.00	12,050.00
	Adjustment in respect of previous year	524.13	-
	Deferred Tax:		
	In respect of Current period	171.26	(729.00)
	Income Tax expenses recognised in the Statement of Profit & Loss	**7,895.39**	**11,321.00**

NOTES ON STATEMENT OF PROFIT & LOSS

(Rupees in Lakhs)

	B. Reconciliation of Tax expenses and the accounting profit for the year is as under:		
	Profit before Tax	21,047.27	33,054.09
	Income Tax computed	7,354.76	11,439.36
	Tax effect on non deductible expenses	150.99	99.77
	Incentive Tax credits	(141.79)	(188.70)
	Others	(83.79)	(194.16)
	Additional Provision	91.09	164.73
	Total	**7,371.26**	**11,321.00**
	Adjustments in respect of current income tax of previous year	524.13	-
	Tax expense as per Statement of Profit and Loss	**7,895.39**	**11,321.00**

2.34	EARNINGS PER SHARE	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	Total Comprehensive Income for the period	12,320.80	21,557.87
	Earnings per share Basic (in Rs.)	10.58	18.52
	Earnings per share Diluted (in Rs.)	10.58	18.52
	Share having nominal value of Rs.5/- each (Previous year Rs 5/- each)		

NOTES ON STATEMENT OF PROFIT & LOSS

ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

(Rupees in Lakhs)

2.35	Business Segment Reporting	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
	A) Segment-wise Turnover (Value of Production)		
	Shipbuilding	64,953.54	1,11,881.98
	Ship Repair	4,593.94	6,872.17
	General Engineering	15,232.02	15,512.76
	Total	**84,779.50**	**1,34,266.91**
	B) Segment Result		
	(i) Profit /(Loss) before Tax from each Segment		
	Shipbuilding	10,326.27	24,241.16
	Ship Repair	1,710.83	1,042.54
	General Engineering	4,533.34	4,147.09
	Other Operating income	5,781.80	3,075.97
	Sub-total :	**22,352.24**	**32,506.76**
	(ii) Less: Expenditure not allocated to segments		
	Interest payments	369.38	78.87
	Other Unallocable Expenditure	9,002.79	7,276.64
	Sub-total :	**9,372.17**	**7,355.51**
	(iii) Add: Income not allocated to segments		
	Interest received	6,096.91	6,184.58
	Other Income	1,970.29	1,718.26
	Sub-total :	**8,067.20**	**7,902.84**
	(iv) Profit before Tax (PBT) (i-ii+iii)	**21,047.27**	**33,054.09**
	(v) Less: Income Tax	**7,895.39**	**11,321.00**
	(vi) Profit after Tax (PAT) (iv-v)	**13,151.88**	**21,733.09**

i) There is no segment wise bifurcation of Assets & Liabilities for Ship Construction, Ship Repair, General Engineering and B & D Spares. Assets & Liabilities of the Company are jointly used by all segments.

ii) There are no geographical segments within the business segments.

2.36 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:**

a)	Estimated amount of contracts remaining to be executed on capital account.	36,437.53	51,997.87
b)	Position of non-fund based limits utilized for:		
	(i) Letters of Credit	6,069.11	4,465.57
	(ii) Guarantees and counter guarantees	6,523.37	23,644.24
c)	Indemnity Bonds issued by the Company to Customers for various contracts	5,30,940.66	32,636.02

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

2.36.3 Contingent Liabilities and Commitments (to the extent not provided for):

(Rupees in Lakhs)

	Particulars	As on 31.03.2019				As on 31.03.2018			
		Carrying amount at the beginning of the year	Amount reduced through settlement/ provision during the period	Additional provisions made during the Period	Amount at the end of the period	Carrying amount at the beginning of the year	Amount reduced through settlement/ provision during the period	Additional provisions made during the Period	Amount at the end of the period
(i)	Arbitration case no. 01/2008, M/s Mahalasa Services (Cleaning contractor) Arbitration Claim raised before the Sole Arbitrator for Yard & Colony Contract for the period 2006-2008.	-	-	-	-	6.00	6.00	-	-
(ii)	Arbitration against M/s Shoft Shipyard for yard 1205 (The amount has been claimed with interest @ 18% p.a.).	-	-	-	-	2,227.00	2,227.00	-	-
(iii)	Arbitration appeal no. 06/2014, M/s Mahalasa Services against the Award of the Arbitrator.	-	-	-	-	62.86	62.86	-	-
(iv)	Damages claimed by dismissed employee in Civil Suit filed in Vasco Court.	840.00	-	-	840.00	840.00	-	-	840.00
(v)	Appeal against disputed Income Tax Liability for the AY 2010-11 pending before The Hon'ble High Court against disallowance of Expenditure of Rs 876 Lakhs out of which Rs 796 lakhs is allowed by ITAT as allowable deduction in AY 2013-14.	-	-	-	-	18.00	18.00	-	-
(vi)	Claim by Simplex Ltd for stoppage of work	-	-	-	-	18.00	18.00	-	-
(vii)	Mukand Ltd, "C" Form issue/ differential tax	133.00	133.00	-	-	-	-	133.00	133.00
(viii)	JMC : Contract value enhancement and migration from VAT to GST	1,391.01	1,391.01	-	-	-	-	1,391.01	1,391.01
	Total	**2,364.01**	**1,524.01**	-	**840.00**	**3,171.86**	**2,331.86**	**1,524.01**	**2,364.01**

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

2.36.4 PROVISIONS								As on 31.03.2019 (Rupees in lakhs)	
Sr. No	Provision towards	Carrying amount at the beginning of the year	Additional provisions made during the period	Amount used during the period	Unused amount reversed	Amount at the end of the Period	Brief description of nature and obligation	Indications of uncertainities about the outflow	Amount expected reimbursement, if any
1	Taxation	22,297.91	7,200.00	1,050.00	-	28,447.91	Provision for Income Tax of various Assessment Years	Any excess / short provided would be adjusted on completion of assessment	Nil
2	Leave Encashment	3,050.40	1,062.84	594.96	-	3,518.28	Provision for encashable earned leave as per actuarial valuation	Nil	Nil
3	Gratuity	1,466.70	966.69	1,466.70	-	966.69	Provision for Gratuity as per actuarial valuation	Nil	Nil
4	Superannuation	561.57	518.34	571.50	-	508.41	Provision for Superannuation Scheme	Nil	Nil
5	Guarantee Repairs	3,861.51	151.48	1,127.80	-	2,885.19	Provision for Guarantee Repairs	Nil	Nil
6	PRMS Provisions	558.51	260.96	100.16	-	719.31	Provision for Post retirement Medical Scheme	Nil	Nil
	Total 1 to 6	**31,796.60**	**10,160.31**	**4,911.12**	-	**37,045.79**			

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

2.37 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.

2.38 The Appellate Authority for Arbitration after hearing Andaman & Nicobar Administration and Goa Shipyard Limited passed an Arbitration Award/Order on 15/11/2011 allowing Appeal filed by GSL & rejected the Appeal of Andaman & Nicobar Administration. The subject was discussed in a meeting convened by Cabinet Secretary on 29.10.2017, wherein it was decided to settle the matter in the interest of both the parties, being Government organizations. Accordingly, it was decided to settle the matter, subject to approval of competent authorities of respective organizations. As the claim amount is certain, the provision made earlier in this regard amounting to Rs 52 lakhs has been withdrawn. The amount due from Andaman & Nicobar Administration has been settled during FY 2017-18 and GSL has received an amount of Rs 285.09 lakhs towards the settlement including interest thereon.

2.39 The Company has taken up with the Customer/Ministry the issues regarding waiver of LD of GSL Yard 1211, reimbursement of additional project expenditure on account of warranty extension of major equipments of NOPVs amounting to Rs 2857 lakhs, Cost difference of Gear Box amounting to Rs. 809 lakhs and Cost Escalation of Rs 838 lakhs on SRGM Gun. MOD has sanctioned an amount of Rs. 3293.10 Lakhs (Rs. 838.14 for cost escalation of SRGM for YD 1211 and Rs. 2454.96 lakhs for reimbursement of warrantee extension for YD 1194-96/1211) vide letter No: MF/9003/NOPV/GSL/397/D(N-I) dated 20.02.2019. The corresponding effect of the above has been made in the accounts for FY 2018-19 under the head 'Other Operating Revenue'.

2.40 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. During the year GSL has received an amount of Rs. 1901.88 lakhs towards the above and the balance amount is expected to received in FY 2019-20.

2.41 (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.

2.42 **Recent Accounting Pronouncements**

i. **Ind AS 116 – Leases:** On March 30, 2019, the MCA notified the Ind AS 116 - Leases, the Core Principal of the new standard is that an entity, being a lessee, is required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the

lease term. The right-of-use of asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred by the entity and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located. Recognition of right to use asset and corresponding lease liability result in an increase in the amount recognized for financial liabilities and assets for entities. Right to use asset is to be depreciated as per Ind AS requirements. Recognition of depreciation on right to use assets and unwinding of finance costs on lease liabilities result in costs being recognized during the lease term. The effective date for adoption of Ind AS 116 is financial period beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 by using the transition methods prescribed. The effect on adoption of Ind AS 116 is expected to be insignificant.

ii. **Amendment to Ind AS 19** – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

2.43 **Related Party Transaction**

All the transactions entered into by the Company with related parties, during the year 2018-19, were in ordinary course of business and on arm's length basis and which don't have potential conflict with the interests of the Company at large.

Remuneration to Director and Key Managerial Personnel: (Rupees in Lakhs)

Particulars	For the Year ended 31st March, 2019		For the Year ended 31st March, 2018	
	Salary & Allowances	Perquisites as per IT Rules	Salary & Allowances	Perquisites as per IT Rules
Chairman & Managing Director	33.61	0.77	-	-
Ex Chairman & Managing Director *	73.47	4.03	67.69	4.24
Director (Finance)	54.61	-	47.49	-
Director (CPP&BD) (Assumed charge of CMD w.e.f. 01.12.2018)	28.63	-	50.68	-
Present Director (Operations)	38.56	-	-	-
Ex Director (Operations)*	44.17	-	53.81	-
Present Company Secretary	20.51	-	8.59	-
Ex Company Secretary *	-	-	49.74	-

* Includes terminal benefits

2.44 **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.

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

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.

(Rupees in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
Trade Payables	2,229.62	4,619.75
Other Payables	1,04,127.24	72,942.96
Net Debt	1,06,356.86	77,562.71
Equity Share Capital	5,820.19	5,820.19
Other equity	85,412.26	85,089.75
Total Equity	91,232.45	90,909.94
Gearing Ratio	1.17	0.85

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

2.45 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. A 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 prescribed 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 reasonable 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.

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

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. 2.15.8.

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 counter parties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counter parties.

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 31-03-2019	As at 31-03-2018
Balance at the beginning of the year	391.09	29.15
Loss allowance measured at lifetime expected credit losses	610.30	361.94
Balance at the end of the year	1,001.39	391.09

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.

ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

2.46 **Financial Instruments**

A. Category wise classification of financial instruments:

(Rupees in Lakhs)

	Refer Note	As at 31-03-2019	As at 31-03-2018
Financial assets measured at fair value through Profit or Loss (FVTPL)			
Forward exchange contracts (net)	2.11	44.50	4.70
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)			
Forward exchange contracts (net)	2.11	-	-
Financial Assets measured at amortised cost			
(i) Trade receivables	2.7	12,593.78	30,654.28
(ii) Cash and cash equivalents	2.8	23,066.41	26,981.53
(iii) Bank balances other than (ii) above	2.9	90,393.05	55,755.60
(iv) Loans	2.3 & 2.10	4,147.18	4,638.95
(v) Other Financial assets	2.4 & 2.11	8,973.89	13,872.17
Total Financial Assets		**1,39,218.81**	**1,31,907.23**
Financial liabilities measured at amortised cost			
(i) Trade payables	2.16 & 2.21	2,229.62	4,619.75
(ii) Other financial liabilities	2.17 & 2.22	25,856.62	27,239.03
Total Financial Liabilities		**28,086.24**	**31,858.78**

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.



ADDITIONAL NOTES TO ACCOUNTS - INFORMATIVE

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 31-03-2019	As at 31-03-2018
Financial assets measured at fair value through Profit or Loss (FVTPL)			
Forward exchange contracts (net)	Level 1	44.50	4.70
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)			
Forward exchange contracts (net)	Level 1	-	-

2.47 **Details of Hedged and unhedged foreign currency Forward Contracts**

For Hedging Currency related risks

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Forward Contract	1,434.00	8,529.15

a. All derivative 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.

2.48 In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped/reclassified, wherever considered necessary to conform to current year presentation. Figures are suitably rounded off to Rs. 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: 14.06.2019

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

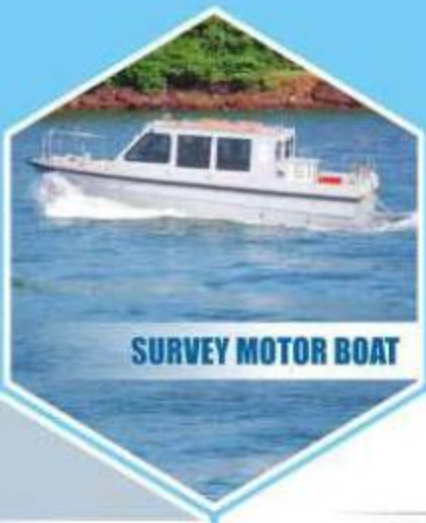
Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance)

Place: Vasco da Gama, Goa
Date: 14.06.2019

PRODUCT DIVERSIFICATION

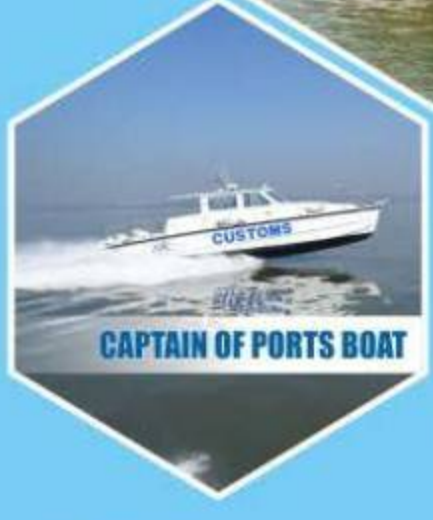

SEA SURVIVAL TRAINING FACILITY


SURVEY MOTOR BOAT


SHORE BASED TEST FACILITY

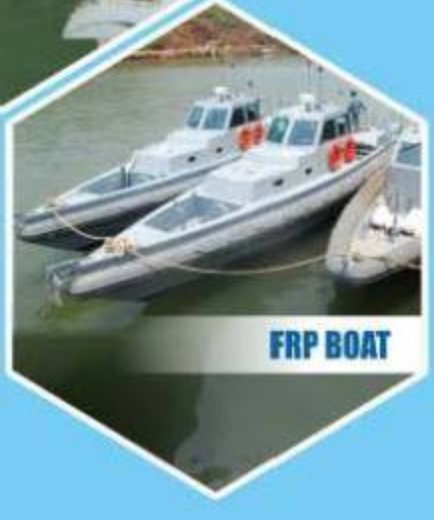

INTERCEPTOR BOAT


1000 T FUEL BARGE



CAPTAIN OF PORTS BOAT


12 M BOAT


FRP BOAT

Harnessing technology to provide high quality diversified Marine Products

PRODUCT PROFILE


105 M NOPV


ADVANCED MISSILE FRIGATES


FAST ATTACK CRAFT


CG OPV


1241 RE MISSILE CRAFT


HOVERCRAFT


SAIL TRAINING SHIP


DAMAGE CONTROL SIMULATOR

Delivering state of the art ships ahead of schedule at fixed costs

GOA SHIPYARD LIMITED

PASSION FOR EXCELLENCE

(A GOVT. OF INDIA UNDERTAKING)
VASCO-DA-GAMA, GOA - 403 802, INDIA
Tel: +91 - 832 - 2512152 - 56 (5 lines), 2513954, 2512359
Fax: +91 - 832 - 2513260, 2513943, 2512148, 2515261
email: contactus@goashipyard.com url: www.goashipyard.in

