GOA SHIPYARD LIMITED

A PREMIER DPSU SHIPYARD

Passion for Excellence

Azadi Ka Amrit Mahotsav



ANNUAL REPORT

2020-21

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

ISO 9001:2015 Certified by IRQS NABCB QM 006

ISO 14001:2015 Certified by IRQS NABCB EM 005

ISO 45001:2018 Certified by IRQS NABCB OHSMS 007

GOA SHIPYARD LIMITED

VISION

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

MISSION

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

CORPORATE QUALITY POLICY

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

CORE VALUES

CUSTOMER SATISFACTION

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

QUALITY, TIME AND COST CONSCIOUSNESS

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

INNOVATION & CREATIVITY

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

PEOPLE & TEAM WORK

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

COMMITMENT TO SOCIETY

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

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

AUTHENTICATED

(Ajay Bhatt)
Raksha Rajya Mantri

(AJAY BHATT)
RAKSHA RAJYA MANTRI

REVIEW OF THE GOVERNMENT ON THE ANNUAL REPORT 2020-21 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.

2. During the Financial year 2020-21, the Company achieved Value of Production of Rs. 827.39 crore. The Company has also achieved Profit After Tax (PAT) of Rs. 127.91 crore.

3. During the year 2020-21, GSL has delivered 2nd vessel of the series (ICGS Sujeet), 3rd vessel of CGOPV Project (ICGS Sajag) with more than 70% indigenous contents. The Company undertook refit of 17 vessels of which 6 vessels were the Indian Guard Ships, 2 vessels each for the Indian Navy and Fishery Survey of India and remaining were commercial vessels. The company has signed contracts for construction and maintenance of Damage Control Simulator (DCS) facility at Port Blair with IHQ MoD(Navy) and with MoD for construction and supply of 12 High Altitude Patrol Boats to the Indian Army.

4. GSL has implemented various 'Make in India and Indigenisation' policies and has been consistently progressing towards achieving self-reliance in key areas of shipbuilding technology. The Company has successfully indigenised Gear Box, Steering Gear System, Fin Stabilizer System and various other equipment/ items for ongoing CGOPV project with assistance from Indian industries. Indigenization content in ongoing 05 CGOPV project has been increased to 72% from 62%.

5. GSL has implemented e-procurement system and majority of total requirement was processed through e-procurement platform, which includes e-tendering. During the year 2020-21, more than 95% of total requirements was procured through e-procurement.

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

7. Under Swachh Bharat Abhiyan, GSL carried out 'Swachh Bharat Pakhwada' in which display of posters, banners and signboards in the public places, Shramadan drive, tree plantation drive, cleaning of beaches, etc were undertaken.

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

9. GSL has achieved the 'Excellent' MoU rating for FY 2019-20. GSL has also received/ won 19th Annual Greentech Safety Award 2020 for outstanding achievement in 'Industry Sector Safety Excellence'; 9th Annual Greentech HR Award 2020 and 12th Construction Industry Development Council ('CIDC') Vishwakarma Awards, 2021 for best professionally managed PSUs, State Government Departments, State Corporation & for Corona Warriors (Organization category).

The Government is in agreement with the Report.

AUTHENTICATED

(AJAY BHATT)
RAKSHA RAJYA MANTRI

(Ajay Bhatt)
Raksha Rajya Mantri

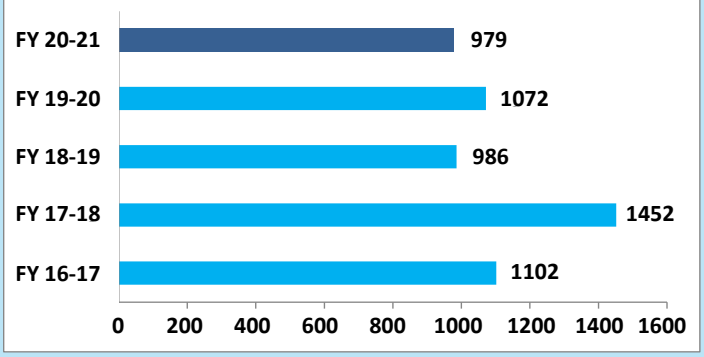
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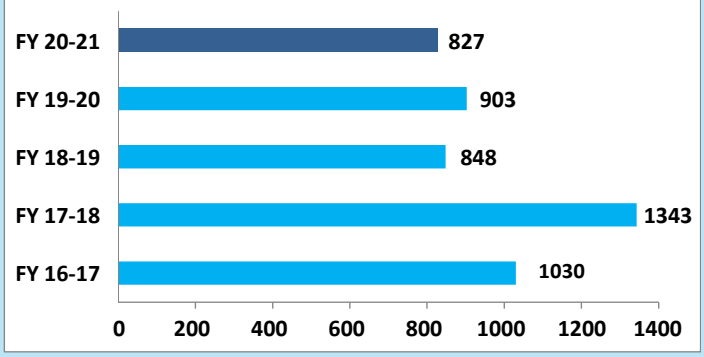


FINANCIAL HIGHLIGHTS

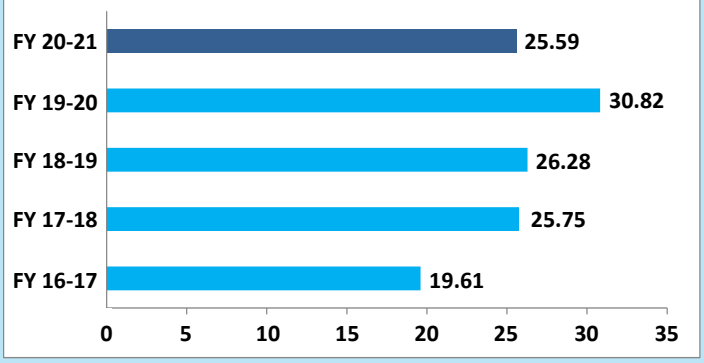
GROSS REVENUE (Rs in Cr)



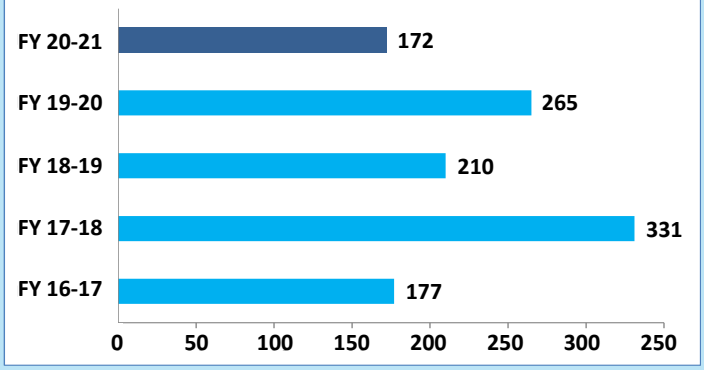
VALUE OF PRODUCTION (Rs in Cr)



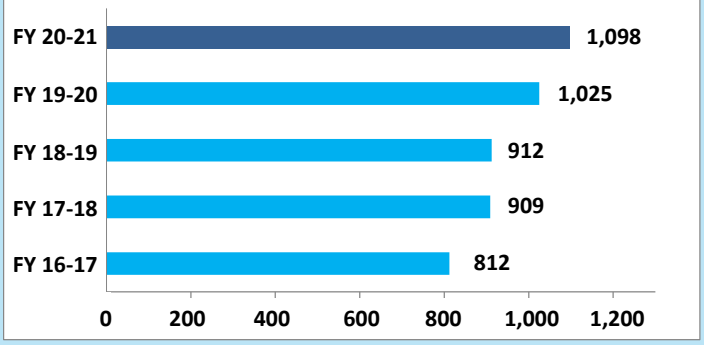
EBIDTA MARGIN (%)



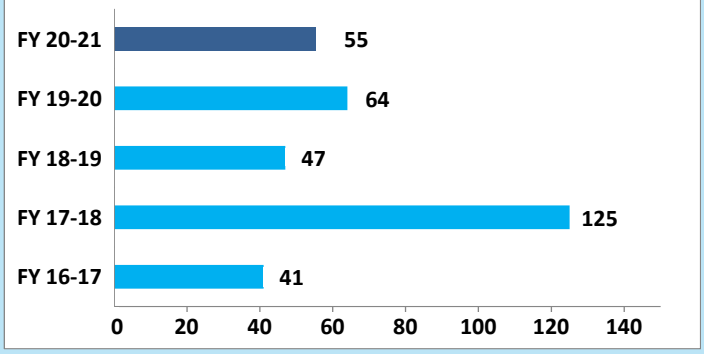
PROFIT BEFORE TAX (Rs in Cr)



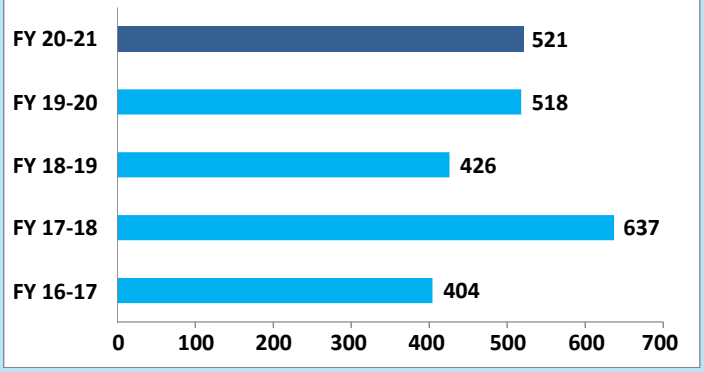
NET WORTH (Rs in Cr)



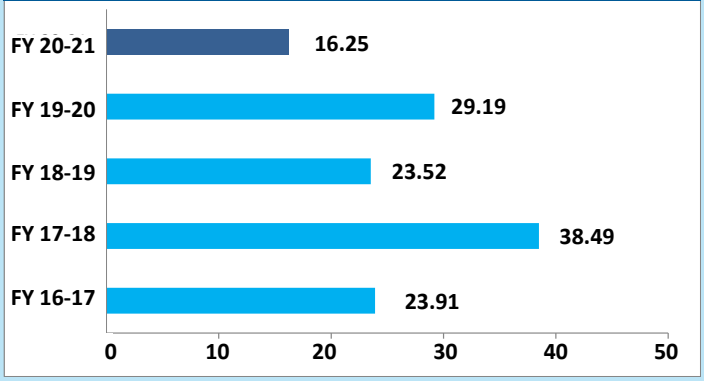
DIVIDEND PAYOUT (Rs in Cr)



VALUE ADDED (Rs in Cr)



RETURN ON AVERAGE CAPITAL EMPLOYED (%)



PERFORMANCE HIGHLIGHTS



CONTRIBUTION TO GOVT. INITIATIVES

Make in India & Aatmanirbhar Bharat Initiatives

- Implemented various 'Make in India and Indigenisation' policies and consistently progressing towards achieving self-reliance in key areas of shipbuilding technology.
- Frontrunner in implementing various Govt. orders such as Restriction imposed on floating of Global Tender Enquiry for any procurement/service valuing below Rs 200 Cr, except with the approval of Competent Authority; and Restrictions in participation in public procurement by entities belonging to land border countries except those registered with Competent Authority.
- Successfully indigenised various equipment / items for ongoing 05 CGOPV Project with assistance from local industries and as a result, achieved 72% indigenisation content in ongoing Project as against 60% indigenization achieved in 06 CGOPV Project completed in Oct 17.
- Equipment fit for ongoing P1135.6 Frigate Project at GSL is scheduled to have fairly large indigenous component.
- Implemented e-procurement system and majority of total requirement was processed through e-procurement.
- Continuous impetus on procurement of commonly used goods through GeM portal.
- Constant efforts to encourage domestic vendors to register on GeM portal by giving wide publicity on GSL website, in local & national newspapers and sensitizing domestic vendors by conducting/attending vendor meets.
- 'Make-in-India' Cell established, with Nodal Officers nominated in respective disciplines.
- Adopted TReDS platform for ensuring timely payment to MSEs. Instituted payment of advance to MSEs against security.
- Adopted 'Startup Policy' with a view to encourage Startups by relaxing norms.
- Created provision in GSL Procurement Manual for payment through inland Letter of Credit to domestic vendors.

Other Government programmes

- **Skill Development programme:** Instituted various initiatives such as adoption of Vasco ITI, building state-of-the-art Centre of Excellence for Welding, established 'Multi Product Processing Centre' for enhancing livelihood opportunities for tribal women, conducting Apprentice training programs etc.
- **Swachh Bharat Campaign:** Undertook multiple cleanliness drives, celebrated 'Swachh Bharat Pakhwada' by involving local community, carried out Shramadan drive, promoted Tree Plantation, provision of safe drinking water, undertook pest control activities, constructed/ renovated toilet blocks for local community, etc.
- **Intellectual Property Rights:** Increased focus towards generation of in-house IPR has resulted in filing of 25 IP applications and imparting of awareness training to more than 180 vendors during FY 2020-21.
- **Artificial Intelligence:** Increased emphasis on identifying and implementing various AI related use cases in GSL products and processes.

BOARD OF DIRECTORS



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



Smt Nazli Jafri Shayin
Govt. Nominee Director
(From 31.05.2021)



Smt Richa Misra
Govt. Nominee Director
(Upto 02.02.2021)



Shri T. N. Sudhakar
Director (Finance)



Capt. Jagmohan, IN (Retd.)
Director (CPP&BD)



Shri Brajesh Kumar Upadhyay
Director (Operations)

Statutory Auditors
ABM & Associates LLP
Chartered Accountants
Porvorim – Goa

Company Secretary
Smt Chhaya Jain

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

Secretarial Auditor
CS Francisco Dias
Practicing Company Secretary
Vasco-da-Gama, Goa – 403 802

Registered Office
Vaddem House,
Vasco-da-Gama,
Goa – 403 802

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

Name	Designation
Cmde. B.B. Nagpal, IN (Retd.)	Chairman & Managing Director
Shri T. N. Sudhakar	Director (Finance)
Capt. Jagmohan, IN (Retd.)	Director (CPP&BD)
Shri Brajesh Kumar Upadhyay	Director (Operations)
Shri Mahesh Chandra, IRSS(88) CVO, MDSL	Chief Vigilance Officer (Addl. charge w.e.f. 01.12.2019)
Shri Mahesh G. Malkarnekar	Chief General Manager (Commercial & OS)
Shri Sunil S. Bagi	Chief General Manager (Finance & IT)
Shri Manoranjan Khuntia	Chief General Manager (HR & Admin.)
Shri Rajeev G. Vaidya	General Manager (GES & SR)
Shri Thomas Verghese	General Manager (Technical Services)
Shri Clifford A. Pereira	General Manager (Planning)
Smt Shibi K. Varghese	General Manager (PCV & R&D)
Shri P. Ravindran	General Manager (Production)
Shri Dattaprasad Bhat	Addl. General Manager (QA & R)
Shri Sunil Prasad Yadav	Addl. General Manager (Vigilance)
Shri Devanand Patekar	Addl. General Manager (FPG & D/E)
Shri Anand B. Murshilli	Addl. General Manager (Internal Audit)
Shri Kishor Manohar Samant	Addl. General Manager (Legal)
Maj. H.R. Madhusudhan, (Retd.)	Addl. General Manager (Admin.)
Smt Chhaya Jain	Addl. General Manager (CS)
Shri Nitendra G. Naik Adpaikar	Addl. General Manager (Modernisation & Stores)
Dr. Vedpal S. Tari	Addl. General Manager (Medical)
Shri Vibhu Singh Pratihar	Dy. Commandant - CISF
Cdr. M. Harikrishnan, (Retd.)	TA to CMD (DGM) - Member Secretary

CORPORATE OBJECTIVES

1. To design and build warships for defence forces of the Nation, sea faring platforms for commercial sector and export to friendly foreign Nations meeting project timelines and quality standards.
2. To carry out repairs and refits of defence and commercial ships.
3. General engineering services related to design and manufacturing of products relevant to shipbuilding and Naval applications.
4. Endeavor to expand/diversify business of the Company through concerted marketing efforts.
5. To enhance global outreach and increase footprints through exports to friendly foreign nations by offering comprehensive solutions thereby enhancing revenue from exports.
6. To continuously enhance production capabilities by adopting emerging technologies, improved internal processes, innovative practices and infrastructure augmentation.
7. To strive for maximizing indigenisation in line with Govt. policies with the aim of achieving self-reliance in shipbuilding.
8. To make sustained efforts for encouraging domestic vendors for onboarding GeM portal with a view to achieve objective of mandatory procurement.
9. To help build up a strong industrial base through development of ancillaries.
10. To ensure commitment towards environment protection & conservation and integrate in production processes.
11. To formulate corporate policies on employment, promotion, reservations, workers' participation consistent with the Government's efforts in promoting social justice to the people at large. Promote use of Hindi as a medium of communication.
12. To improve productivity by harmonious industrial relations.
13. Promote welfare activities to raise morale of the employees and up-skill human resources through training and engaging workforce in learning and development programmes.
14. To create conducive, clean and safe working environment.
15. Maintain high standard of quality through strict quality assurance measures at each stage, from design to delivery process and continuously improve the production processes to ensure high efficiency of production and to increase customer satisfaction Index.
16. Make sustained efforts for self-reliance through continuous R&D on extensive basis to develop in-house viable designs for complex and weapon intensive platforms to meet customer requirements.
17. Generation and maximization of internal financial resources for enhancing growth and maximization of the return on investment and create wealth for shareholders.
18. Enhancement of the Company's share in total National Industrial output.
19. Fostering inclusive growth & development of the society and to actively participate towards maintaining ecological balance through implementation of sustainable CSR activities, projects and programmes.
20. To support and implement various govt. schemes & programmes issued from time to time.
21. To promote integrity, fairness & transparency through various trainings and to root out corruption & malpractices through confidence building and awareness programmes.

TEN YEARS AT A GLANCE

(Rupees in lakhs)

Sl. No.	FINANCIAL RESULTS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
		1	2	3	4	5	6	7	8	9	10
A	**OPERATING RESULTS**										
1	Gross Revenue	97,876	107,176	98,629	145,246	110,236	80,452	68,077	55,252	56,422	72,288
2	Value of Production	82,739	90,294	84,780	134,267	103,020	72,596	56,955	50,890	50,662	67,643
3	Revenue from Operations	86,049	93,127	90,561	137,343	105,545	76,233	57,551	51,163	50,870	68,162
4	Operating Profit	8,181	12,443	12,980	25,151	13,054	6,851	1,525	(2,857)	(2,940)	8,629
5	Profit Before Tax and Exceptional Items	20,007	26,492	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612	12,603
6	Exceptional Items	2,775	-	-	-	-	-	-	-	-	-
7	Profit Before Tax	17,232	26,492	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612	12,603
8	Provision for Tax	4,441	6,714	7,895	11,321	6,005	4,841	(2,507)	(170)	1,062	4,327
9	Profit After Tax	12,791	19,777	13,152	21,733	11,740	6,229	7,824	(6,109)	1,550	8,276
10	Gross Margin (EBIDTA)	25,046	33,034	25,915	37,394	21,619	13,865	6,288	(2,510)	6,853	15,937
11	Gross Profit (EBIT)	17,259	28,281	21,417	33,133	17,924	11,175	5,390	(4,237)	5,036	14,309
12	Value Added	52,064	51,812	42,625	63,734	40,359	31,800	19,825	15,059	19,639	27,523
B	**FINANCIAL POSITION**										
1	Equity Share Capital	5,820	5,820	5,820	5,820	5,820	2,910	2,910	2,910	2,910	2,910
2	Reserve & Surplus	104,048	96,747	85,412	85,090	75,440	65,776	59,011	55,527	61,143	60,273
3	Borrowings	-	-	-	-	-	-	2,377	2,659	1,728	1,129
4	Property, Plant and Equipment (Gross Block)	113,112	107,536	90,580	88,780	86,741	57,785	15,710	44,184	43,920	42,057
5	Property, Plant and Equipment (Net Block)	74,658	74,265	61,969	64,429	65,650	40,116	6,890	32,428	33,802	33,741
6	Capital Work-in-Progress	28,772	23,680	26,371	17,221	7,403	23,321	14,304	10,423	1,348	7,242
7	Capital Employed	109,868	102,567	91,232	90,910	81,261	68,686	64,298	61,096	65,781	64,312
8	Net Worth	109,826	102,524	91,190	90,867	81,218	68,643	61,921	58,437	64,053	63,184
C	**RATIOS & OTHER FINANCIAL INFORMATION**										
1	Profit After Tax : Net Worth	11.65	19.29	14.42	23.92	14.46	9.07	12.64	(10.45)	2.42	13.10
2	Gross Margin (%)	25.59	30.82	26.28	25.75	19.61	17.23	9.24	(4.54)	12.15	22.05
3	Return on Average Net Worth (RONW) (%)	12.05	20.42	14.45	25.26	15.67	9.54	13.00	(9.97)	2.44	13.78
4	Return on Average Capital Employed (ROCE) (%)	16.25	29.19	23.52	38.49	23.91	16.81	8.60	(6.68)	7.74	23.38
5	Face Value per share (Fully paid up) (Rs.)	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00
6	Dividend per share (%)	95	110	80	215	70	64	54	-	20	59
7	Dividend Payout (Rs. in lakh)	5,529	6,402	4,656	12,513	4,074	1,862	1,571	-	582	1,717
8	Value Added per employee (Rs. in lakh)	37.48	35.20	26.57	38.79	24.39	19.81	12.64	9.75	12.26	17.16
9	Number of Employees (Nos)	1389	1472	1604	1643	1655	1605	1568	1545	1602	1604

GLORIOUS MOMENTS



Dedicated GSL built River Passenger Ferry by Hon'ble Prime Minister to U.P. Govt on 15 Jul 2021



Handing over of Interim Dividend cheque for FY 2020-21 to Hon'ble Raksha Mantri



Launching of "Off the Shelf" Fast Interceptor Boat by Hon'ble Raksha Mantri Shri Rajnath Singh during "Azadi Ka Amrit Mahostav" on 13 Aug 2021



Visit of Chief of Army Staff, General M M Naravane, PVSM, AVSM, SM, VSM, ADC on 07 Aug 2021 to review Army Patrol Boat project



Signing of contract for design and construction of two PCVs for the Indian Coast Guard on 22 Jun 2021



HR Association India-
HR Distinction Award 2021 to CMD for CEO of the year (Diamond Award)

VISIT OF DIGNITARIES TO GSL



Visit of Shri Vijay Sampla, the Chairman, National Commission for Scheduled Castes on 10 Apr 2021



Visit of Parliamentary Standing Committee on Rural Development on 23 Aug 2021



Visit of Shri Sailesh, IAS, Secretary, DPE on 08 Dec 2020



Visit of VAdm R Hari Kumar, PVSM, AVSM, VSM, FOC-in-C WNC on 06 Apr 2021



Visit of Lt Gen Harpal Singh, PVSM, AVSM, VSM, ADC, Engineer-in-Chief Indian Army on 24 Jun 2021



Visit of VAdm Ajit Kumar P, PVSM, AVSM, VSM, ADC, the then FOC-in-C WNC on 23 Oct 2020



Dear Shareholders,

I welcome you all to the 55th Annual General Meeting ('AGM') of your Company and thank you for joining in for the meeting. At the outset, I would like to extend my gratitude to each one of you for your continued support and patronage to the Company. This is the second AGM of the Company that is being held through video conferencing due to the ongoing COVID-19 pandemic. I take this opportunity to share the performance highlights of the year 2020-21 and future outlook for the Company.

Since early 2020, the world has been grappling with the significant implications of the COVID-19 pandemic that has created massive economic uncertainties. In view of the countrywide lockdown, your Company's operations were halted and production activities were disrupted for more than two months, which resulted fall in revenue in the first quarter of FY 2020-21. Despite the considerable challenges, your Company weathered the pandemic strongly and swiftly recovered from its impact. With structured efforts and strict monitoring, the Company concluded FY 2020-21 with positive performance and satisfactory financial results.

OPERATIONAL PERFORMANCE

Execution of Shipbuilding projects

The Company posted yet another successful year of on-time deliveries of shipbuilding projects despite the disruptions due to COVID-19 pandemic. Two vessels of the five Offshore Patrol Vessel (CGOPV) Project were delivered to the Indian Coast Guard with over 70% indigenous content within the stipulated delivery dates. The fourth vessel is ready for delivery in all respects and expected to be delivered soon. The fifth and last vessel of the series has been launched and the Yard is working towards its on-time delivery, which would result in yet another successful culmination of the OPV project, exhibiting Company's prowess in this product segment.

Presently, your Company is executing the contract for the construction of two highly technologically advanced P1135.6 Frigates for the Indian Navy. I am glad to state that against all odds, the production of the Frigates has commenced and keel of both the vessels have been laid. Significant progress has been achieved in the design process and procurement activities. This Project will catapult the Shipyard to a different league of yards with enhanced capability to design and construct weapon-intensive platforms.

Your Company has secured an order for supply of twelve specialized boats for high altitude operations to the Indian Army on competitive basis. The construction activities of the boats are in progress and prototype boat is in final trial stages. Once inducted, it will be a force multiplier for the defence forces and a boost to indigenisation, thus making it one of the most prestigious Projects for the Yard.

I am happy to inform you that your Company has recently been awarded a contract for construction of two Pollution Control Vessels ('PCVs') for the Indian Coast Guard on competitive bidding. The design process for the vessels is underway and Company is striving to commence production in later part of the year.

Ship Repairs and General Engineering Services

During the year, the Yard consolidated its refit division by executing multiple refits concurrently and reported an impressive growth in revenue from this vertical. During FY 2020-21, the Company successfully completed refit activities of 17 vessels, comprising of Naval, Coast Guard, Fishery Survey of India & commercial vessels.

The Yard has built River Passenger Ferry along with Jetty/ allied services for U.P. Rajkiya Nirman Nigam Ltd. Hon'ble Prime Minister of India dedicated the Ferry to U.P. Govt. on 15 Jul 2021 through video conferencing.

The Company is executing the contracts for construction of two 2000 LPG Cylinder Carrier Vessels for Union Territory of Lakshadweep Administration and three 7.5T Bollard Pull Tugs for Assam Inland Water Transport Development Society. Though the construction schedule of these vessels was adversely affected by the pandemic, the Yard has been putting relentless efforts in completing the projects without much delay.

Your Company has also bagged a contract for construction and maintenance of Damage Control Simulator ('DCS') Facility at Port Blair for the Indian Navy. Work on DCS is progressing as per schedule and foundation stone was laid on 19 Feb 2021.

These achievements exhibit the Company's agility to respond to a rapidly changing business environment and remain resilient in times of disruptions. Your Company is fully committed to meet its physical milestones and continue to enhance its operational efficiency whilst adopting technological advancements.

FINANCIAL PERFORMANCE

Your Company posted satisfactory financial results for FY 2020-21 and overall performance of the Yard was positive. Net worth of the Company has reached a new milestone of Rs 1,098 Cr. The Company achieved Gross Revenue of Rs 979 Cr as against Rs 1,072 Cr in the previous year and Value of Production ('VoP') of Rs 827 Cr in FY 2020-21 as compared to Rs 903 Cr achieved in FY 2019-20. Profit Before Tax reported at Rs 172 Cr as against Rs 265 Cr in previous year and Profit After Tax at Rs 128 Cr as compared to last year's figure of Rs 198 Cr. Halting of construction activities during the first quarter of the financial year impacted the revenue and profit margins.

The dynamic nature of the situation has made it challenging to fully assess the impact of COVID-19 on the future business outlook of the Company. The financial impact for FY 2020-21 was assessed at Rs 27.75 Cr as exceptional item of expenditure during lockdown period.

I am delighted to state that as on 31 Mar 2021, the Company has a healthy order book of Rs 14,120 Cr (approx) which majorly consists of two OPVs for the Indian Coast Guard and two Frigates of the P1135.6 series for the Indian Navy which ensures growing revenue and profitability in coming years. Recently concluded contract valuing Rs 559 Cr for two PCVs has further strengthened the order book position.

DIVIDEND & CONTRIBUTION TO EXCHEQUER

The Board of Directors is pleased to recommend a final dividend of Re 1.00 per equity share of Rs 5.00 each i.e. 20% of the Paid-up Share Capital for FY 2020-21, subject to deduction of tax at source. This is in addition to the Interim Dividend for the year paid by the Company @ Rs 3.75 per equity share of Rs 5.00 each, being 75% of the Paid-up Share Capital. Thus, the total dividend for FY 2020-21 will be Rs 4.75 per equity share being 95% on Paid-up Share Capital and total outgo will be Rs 55.29 Cr.

For FY 2020-21, the Company contributed a sum of Rs 101.17 Cr to the Exchequer towards various taxes such as GST and Income-tax.

MOU RATING

The performance of the Company for FY 2019-20 vis-à-vis MoU Targets is under evaluation by Department of Public Enterprises and rating is awaited. In terms of actual achievements vis-à-vis parameters laid down in the MoU signed with MoD, your Company expects to achieve 'Excellent' rating for FY 2019-20 and 'Very Good' rating for FY 2020-21.

EXPORT INITIATIVES

Your Company is determined and focussed to increase its global footprints by exporting its in-house designed products. In line with Government's thrust on exports, efforts are being made for export of the Company's products to South East Asia, Middle East, Africa and Latin America. The Company has formulated strategies for promoting GSL products and appointed marketing representatives in foreign countries for providing assistance in identifying potential export opportunities.

FUTURE OUTLOOK & OPPORTUNITIES

The Defence Industry in India is experiencing significant and progressive change with opportunities for growth. The Indian government has set the defence production target at US$ 25 billion by 2025 (including US$ 5 billion from exports by 2025). To support defence modernisation, in the budget 2021-22 the defence capital outlay has been increased by 18.75% from the preceding year. Changing dynamic of global security and recent turbulence in neighbouring lands have re-enforced the need of a strong and self-reliant defence industry.

Aggressive fleet expansion plan of maritime defence forces coupled with the 'Make in India' initiative of the Government and rapidly changing geo-political situation provides wider opportunities to Indian shipyards. The Yard is proactively responding to the defence acquisition programmes of the Government and has submitted techno-commercial offers for various shipbuilding projects of the Indian Navy and Indian Coast Guard. Some of the targeted projects include New Generation OPVs, Fast Patrol Vessels and Cadet Training Ships.

The Company is aggressively bidding for RFPs issued by Integrated Headquarters, MoD and other customers for refit and also liaisoning with commercial shipping industry for undertaking repair of private commercial vessels. The Company has emerged as successful bidder for refit of three Coast Guard vessels and one Naval ship.

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

AATMANIRBHAR BHARAT - INDIGENISATION AND MAKE IN INDIA INITIATIVES

The Government is continuously taking several initiatives under 'AatmaNirbhar Bharat Abhiyan' to encourage domestic manufacturing of defence products and accordingly, reduce its external dependence for these products. Indian Government has put 101 defence items under import embargo and released Defence Acquisition Procedure (DAP) 2020 under the 'AatmaNirbhar Bharat' scheme, with the ultimate aim of turning India into a global defence manufacturing hub.

In tandem with the objective of self-sufficiency and to boost export, a draft Production and Export Promotion Policy (DPEPP) 2020 has also been formulated. To give further impetus to this initiative of self-reliance, the Government has notified 'Positive Indigenisation List' of 108 items that must be compulsorily procured from indigenous sources.

These initiatives have opened plethora of opportunities for the Indian defence industry to explore new

products and markets for optimum utilization of their infrastructure and technological capabilities. Your Yard is moving forward with aggressive growth agenda to scale up its revenue by targeting various opportunities unfolding under 'AatmaNirbhar Bharat Abhiyan', the Government's vision to make India self-reliant.

In line with its commitment to support the aforesaid initiatives of Make in India, your Company has been consistently increasing indigenisation in key areas of shipbuilding technology and thus, successfully indigenised GearBox, Steering Gear System, Fin Stabilizer System and various other equipment / items for ongoing CGOPV Project with assistance from local industries. The Company has also indigenously developed designs of ships/ platforms which are part of the 101 items included under import embargo. As a result, considerable cost reduction, saving of valuable foreign exchange and procuring import substitute assemblies have been achieved.

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

INFRASTRUCTURE MODERNISATION

A major part of infrastructure modernisation plan at GSL has been completed which has substantially enhanced the capabilities of the Yard to build larger and complex class of vessels. The modernisation programme at GSL is being executed in five phases out of which works on Phase 1, 2 & 3A were completed. The work on Phase 3B and 4 is in advanced stage of completion. During the year, Steel Preparation Shop, 4 bays of Block Assembly Workshop and GRP (Glass Reinforced Plastic) complex as part of Phase 4 were completed and equipped the Yard with new steel fabrication facilities, dedicated facilities for the construction of high technology GRP hull vessels and facility for repair & refits of ships.

RESEARCH & DEVELOPMENT / TECHNOLOGY ABSORPTION

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

The process of customisation of the design of P1135.6 Frigate Project to cater for indigenised equipment has commenced at Russian Side and during this process, the Shipyard is gaining valuable exposure to cutting-edge design technology. This process will culminate in enabling the Shipyard for in-house design of complex and advanced platforms to meet the requirements of the Indian maritime forces and reduce dependence on foreign sources.

ARTIFICIAL INTELLIGENCE INITIATIVES

In line with MoD's thrust towards adoption and deployment of Artificial Intelligence ('AI') technology, the Company is venturing into AI systems to build a vibrant AI ecosystem with intelligent machines enabling high level cognitive processes in the shipbuilding products and processes. The Company has successfully installed prototype Condition Monitoring System on ICGS Samarth, 105M OPV, which shall help to drastically reduce unplanned downtime of ship engines and also in critical decision making. The Company has signed MoU with IIT-Goa for taking up the incorporation of AI in condition monitoring of shiplift system.

IMPLEMENTATION OF GOVERNMENT PROGRAMS

GSL has been proactively implementing various flagship programs of the Government such as consistent thrust on procurement from MSEs, foster invention, innovation and IPR culture, promotion of startups, etc. During the year, the Company achieved 43.34% of the indigenous procurement (excluding BNE items) from MSE sector, much higher than the revised mandatory target of 25%. The Company also filed 25 IPR applications, imparted awareness training to 181 GSL vendor representatives and tied up with a startup for development of Deep Tech enabled RCS reduction system.

Your Company has also been instrumental in implementing the Government's 'Swachh Bharat Campaign' by carrying out multiple cleanliness drives, undertaking tree plantation drive, provisioning of safe drinking water and constructing & renovating toilets.

NATIONAL RECOGNITION / AWARDS

During FY 2020-21, your Company participated in various significant events and won many accolades in the form of recognition and awards, notable among them being Governance Now 8th PSU Award for CSR Commitment, HR Excellence and Research & Innovation, thereby demonstrating the varied competencies of the Company.

CORPORATE GOVERNANCE

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 2020-21, the Company has achieved **"Excellent"** grading.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

GSL is an integral part of the social fabric of the Goan community and has been contributing immensely towards social development and enriching quality of life of underprivileged section. During the year, the Company's CSR activities were aligned with the national priority of tackling the COVID-19 pandemic making healthcare the core thrust area. Whole-hearted support was extended to local and state administration through supply of ambulance, PPE kits and medical equipment. Other focus areas were in the sectors of sanitation, education & skill development, women empowerment through livelihood intervention and environmental sustainability. Continuing its past trend, the Company has spent much higher amount on CSR than the statutory prescribed, which indicates its strong commitment for social development of the community in and around Goa.

Parliamentary Standing Committee on Rural Development visited Goa and held discussions with the Company's management regarding various initiatives taken by the Company for rural development.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

Your Company recognises the contribution of its Human Resources towards enhancing the organization's growth trajectory. Your Company provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovation among employees. Structured professional and leadership development programmes, various reward schemes and mentoring at various levels are provided to enable them to embrace new management techniques, enhance individual excellence and cohesive teamwork. The Company has given paramount importance to health and safety of the employees and relentless efforts have been put in to safeguard the health of the workforce through various safety measures and by providing continuous medical care.

The Company strives to maintain harmonious and cordial industrial relations with the workforce and the Yard continued to work peacefully throughout the year.

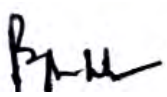
ROAD AHEAD

Rapid upgradation in shipbuilding technologies and renewed emphasis on stealth, automation, robotic technologies propel the demand of technologically advanced vessels in coming years. Regional geopolitical developments and security challenges are expected to drive the defence market on an upward curve. Government initiatives for indigenisation and self-reliance further fuel the demand and provide huge opportunities to the yards. Cognizant of these reforms and anticipated acceleration in the industry, your Yard is gearing up to build new age competencies and adopt newer and improved business processes to enlarge its product offerings. Leveraging its rich experience and strong execution skills, your Company remains committed to pursuing growth opportunities and determined to scale new summits whilst contributing to the Government's vision for 'AatmaNirbhar Bharat' and adding value to the society.

APPRECIATION

As I conclude, I wish to express my sincere gratitude to the Ministry of Defence, Central and State Government Authorities, the Indian Navy, the Indian Coast Guard and other esteemed Customers for their unwavering support and the confidence reposed in the Yard. I would like to thank you, our shareholders, for your overwhelming trust, support and confidence in GSL. I would also like to place on record my wholehearted appreciation to the Board of Directors for their harmonious support and contribution in propelling this Yard forward. I acknowledge the unstinted support and sterling efforts put in by all the employees of the Company for its continued progress and unflinching commitment during these uncertain times of COVID-19 pandemic. I am sure that with the continued support and encouragement from all stakeholders, the Company will continue to explore new paths of excellence in their pursuit of enhancing stakeholder value.

Jai Hind



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

NOTICE OF 55TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Members of Goa Shipyard Limited will be held on Wednesday, 29th September, 2021 at 1600 hrs IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Statutory Auditors thereon and the Comments of the Comptroller & Auditor General of India.

2. To confirm the payment of Interim Dividend of Rs 3.75 (75%) per equity share of Rs 5.00 each and to declare Final Dividend of Re 1.00 (20%) per equity share of Rs 5.00 each for the financial year 2020-21.

3. To fix the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013 ('the Act') and Article 174 of the Articles of Association of the Company, the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act for the financial year 2021-22 be fixed at Rs 3,00,000/- plus GST and out of pocket expenses at actual plus applicable taxes."

SPECIAL BUSINESS

4. To appoint Smt Nazli Jafri Shayin as Government Nominee Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the appointment of Smt Nazli Jafri Shayin (DIN-07528552), Joint Secretary, Department of Defence, Ministry of Defence as Government Nominee Director of the Company with effect from 31st May 2021 on the terms and conditions as stipulated by the Government of India, be and is hereby approved."

5. To ratify the remuneration payable to the Cost Auditor for the financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs 1,50,000/- plus applicable GST and out of pocket expenses at actual (maximum upto Rs 50,000/-) plus applicable taxes, 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 2021-22 be and is hereby ratified."

By Order of the Board
For **Goa Shipyard Limited**

(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 06th August, 2021

NOTES:

1. Considering the ongoing COVID-19 pandemic and in view of the continuing restrictions on movement of persons, the Ministry of Corporate Affairs ('MCA'), vide its General Circular no. 02/2021 dated 13 January 2021 read with General Circular nos. 14/2020 dated 08 April 2020, 17/2020 dated 13 April 2020 and 20/2020 dated 05 May 2020 (collectively referred to as 'MCA Circulars') has allowed the companies to conduct the Annual General Meeting ('AGM') through VC/OAVM, during the calendar year 2021 without the physical presence of the members at a common venue. Hence, in accordance with the MCA Circulars and provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Vaddem House, Vaddem, Vasco da Gama, Goa - 403 802.

2. An explanatory statement pursuant to Section 102(1) of the Act relating to Special Businesses to be transacted at the meeting is annexed hereto. Special Businesses as appearing at Item Nos. 4 & 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

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

Dispatch of Annual Report through Electronic Mode

4. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members, whose email addresses are registered with the Company/Depository Participant(s) ('DP'). Members may note that the Notice of AGM is also available on the Company's website at www.goashipyard.in.

5. To receive copies of the Annual Report for FY 2020-21 in electronic mode:

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

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

Procedure for joining the AGM through VC/OAVM

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

   URL:https://goashipyardwebex.com/goashipyard/j.php?MTID=m2fd5a178cc92a2ab487324343d2870a7

   Meeting No.: 2513 467 8937

   Password: p2xAiN3uHK6

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

7. It is recommended to join the Meeting through Laptops and use stable Wi-Fi or LAN connection for better experience.

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

9. Members who need assistance with using the technology before or during the AGM, may kindly contact Mr. Ashok Kumar Sahoo, Assistant Company Secretary, GSL at the designated email id: ashoksahoo@goashipyard.com or call on 0832 2513870/ 2514232.

10. Pursuant to Section 113 of the Act, Institutional/ Corporate Members (i.e. other than individuals/ HUF, NRI, etc.) are requested to send the scanned copy of the resolution passed by its board/ governing body authorizing their representative(s) to attend and vote at the AGM through VC/ OAVM at ashoksahoo@goashipyard.com together with attested specimen signature(s) of the duly authorized representative(s).

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

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

12. As the AGM is being conducted through VC/ OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their questions/queries in advance mentioning their name, demat account number/folio number, email id, mobile number at ashoksahoo@goashipyard.com. Questions/ queries, if any may kindly be submitted on or before 27th September, 2021 for providing adequate reply during the AGM.

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

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

15. The Members, whose names appear in the Register of Members/List of Beneficial Owners as on 24th September, 2021 (Cut-off date) are entitled to cast their vote on the Business(es)/Resolution(s) set forth in this Notice. In terms of the MCA Circulars and provisions of the Act, where less than 50 members are present at a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with Section 109 of the Act.

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

17. In case of joint holding, the joint holder whose name appears as first holder as per the Company’s records shall alone be entitled to vote.

Procedure for inspection of documents

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

Dividend related information

19. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of declaration, to those persons whose names appear as (a) Beneficial Owners in the list of Beneficial Owners to be furnished by the DP and (b) Members in the Register of Members of the Company as at the close of business hours on the date of AGM.

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

21. With effect from 01 April 2020, the Income Tax Act, 1961, ('the IT Act') as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company shall be taxable in the hands of shareholders. The Company is therefore required to deduct tax at source (TDS) at the time of making the payment of dividend to its shareholders (resident as well as non-resident). The rate of TDS would vary depending on the residential status of the shareholders and documents submitted by the shareholders with the Company/ RTA/ DP. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the IT Act.

    For resident Shareholders:

    TDS will be deducted @10% on the amount of dividend payable where a valid Permanent Account Number (PAN) has been furnished by the resident shareholders to their respective DP (in case shares are held in dematerialised form) or to the Company/ RTA (in case shares are held in physical form).

    TDS will be deducted @20% i.e. at twice the applicable rate on the amount of dividend payable where the resident shareholders:

    (i) have not furnished valid PAN; or

    (ii) have not filed with the Income Tax Department their return of income for the previous two financial years and were subject to tax deduction / collection at source aggregating Rs 50,000/- or more in each of those financial years.

    Members who have not registered their PAN are requested to submit a self attested copy of valid PAN card on or before the date of AGM. In case of corporate members, attestation is to be done by their authorized signatory(ies).

    No tax shall be deducted on the dividend payable to a resident individual, if the total dividend to be received by him during the FY 2021-22 does not exceed Rs. 5,000/-. Further, if the resident individual shareholder, who is not liable to pay income tax, can submit a yearly declaration in Form 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to individuals aged 60 years or more) along with a copy of self attested PAN card, to avail the benefit of non-deduction of tax at source to the Company. Resident individual shareholder may also submit any other document as prescribed under the IT Act to claim a lower tax.

    For non-resident Shareholders:

    Taxes are required to be withheld in accordance with the provisions of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, non-resident Shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of

the member, if beneficial to them. In this regard, non-resident Shareholders will have to provide the following documents:

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

(b) Form 10F duly filled and signed;

(c) Self attested copy of the PAN card;

(d) Self-declaration by the member of having no permanent establishment/fixed base in India;

(e) Self-declaration of beneficial ownership of its shareholding in the Company; and

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

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

Accordingly, the Company requests the members to provide the details and documents/ declarations as mentioned above quoting the folio number to the Company/RTA or update with the respective DP on or before the date of AGM.

22. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents/ declarations, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall be preferred against the Company for such taxes deducted.

IEPF related information

23. Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended, any amount of dividend which remains unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund ('IEPF'). In compliance to this, the Company has transferred the unpaid or unclaimed amount for dividends declared up to FY 2012-13 from time to time to IEPF. Since no dividend was declared during FY 2013-14, no amount is due for transfer to IEPF by the Company during FY 2021-22. Details of dividends so far transferred to the IEPF are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

24. Further, in terms of Section 124(6) of the Act, read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF Authority. Details of shares transferred to Demat Account of IEPF Authority have been uploaded on the website of the Company and on the website of the IEPF Authority, which can be accessed through the link: www.iepf.gov.in. There are no shares liable to be transferred to Demat Account of IEPF Authority during FY 2021-22.

25. Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back by making an online application in the prescribed Form No. IEPF-5 to the IEPF Authority. No claim shall be preferred against the Company, for the amount of dividend/shares so transferred to IEPF.

26. Details of unpaid or unclaimed dividend amounts lying with the Company as on 31st March, 2020 are uploaded on the website of the Company www.goashipyard.in and on the website of the IEPF Authority, which can be accessed through the link: www.iepf.gov.in. Members whose dividend for FY 2014-15 and/or any subsequent financial years is unclaimed/unpaid are requested to claim their dividends from the Company, within the stipulated timeline.

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

Other information

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

    Purva Sharegistry (India) Pvt. Ltd.
    Unit No. 9 Shiv Shakti Ind. Estt.,
    J R Boricha Marg, Lower Parel East,
    Mumbai - 400 011
    Email id: support@purvashare.com
    Tel: 022 2301 6761 / 2301 2517/2518

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

30. Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-3, as prescribed in the Companies (Share Capital & Debentures) Rules, 2014. Form No. SH-3 can be obtained from the Company/RTA. Members holding shares in dematerialised form may contact their respective DP for availing this facility.

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

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

1. The following Explanatory Statement sets out all material facts relating to special businesses mentioned in the accompanying Notice:

Item No. 4

2. In terms of Article 117 of the Articles of Association of the Company, the President of India is vested with the power to appoint Government Nominee Director on the Board of the Company. Accordingly, as per the directives of the President of India, Smt Nazli Jafri Shayin has been appointed as Government Nominee Director of the Company vide Government of India, Ministry of Defence, Department of Defence Production letter No. 8(32)/2019-D(Coord/DDP) dated 31 May 2021. Her appointment has been effective from even date. The Board noted the appointment of Smt Nazli Jafri Shayin in its meeting held on 07 June 2021.

3. Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, save as otherwise expressly provided in the Act, every director shall be appointed by the company in general meeting. The Board, therefore, proposes the aforesaid appointment of Smt Nazli Jafri Shayin as Government Nominee Director of the Company for the approval of the Members.

4. The brief profile of Smt Nazli Jafri Shayin is given as under:

    Smt Nazli Jafri Shayin is currently holding the post of Joint Secretary, Department of Defence, Ministry of Defence. Smt Shayin is an IA&AS officer of 1999 batch and has done B.A. from Sophia College, Ajmer, M.B.A. from Aligarh Muslim University and M.P.A. from London School of Economics, UK. She has served in various capacities in offices of AGs and C&AG office. In addition, she has served as Executive Director of Tribal Cooperative Marketing Development Federation of India Limited ('TRIFED') and has been on Board of National Scheduled Tribes Finance and Development Corporation and as Director of D/o School Education & Literacy, Govt. of India. She has worked in various departments spanning over 20 years and having a rich and vast experience of working in the fields of Audit, Administration and on State Govt. deputations.

5. The Board recommends to the Members the passing of the proposed resolution as set out at Item No. 4 of the Notice as an Ordinary Resolution.

6. None of the Directors, Key Managerial Personnel of the Company or their relatives except Smt Nazli Jafri Shayin is in any manner, concerned or interested, financially or otherwise, in the resolution.

Item No. 5

7. The Board has approved the appointment of M/s. S R Bhargave & Co, Cost Accountants, Pune, Maharashtra as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2021-22 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 taxes.

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

9. Accordingly, the Board recommends to the Members to ratify the aforesaid remuneration payable to the Cost Auditor for the financial year 2021-22, by passing the proposed resolution as set out at Item No. 5 of the Notice as an Ordinary Resolution.

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

By Order of the Board
For **Goa Shipyard Limited**



(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 06th August, 2021

DIRECTORS' REPORT FOR THE YEAR 2020-21

To

The Members,

The Board of Directors takes pleasure in presenting the 55th Annual Report on business and operations of the Company, together with the Audited Financial Statements for the year ended 31 Mar 2021.

BUSINESS OVERVIEW

1. During FY 2020-21, your Company recorded sustained performance despite witnessing deceleration in production activities during the first quarter of the year due to massive and unprecedented disruption owing to COVID-19 pandemic and faltering of economic activities amidst a country-wide lockdown. Despite adverse socio-economic environment and host of disturbances, your Company achieved Value of Production ('VoP') of Rs 827 Cr in FY 2020-21 (Rs 903 Cr in FY 2019-20) and earned Profit After Tax ('PAT') of Rs 128 Cr (Rs 198 Cr in previous year). Amidst the multifarious challenges, during FY 2020-21 the Company delivered 2nd & 3rd vessels of the ongoing Project for five Offshore Patrol Vessels to the Indian Coast Guard ('CGOPV'), with over 70% indigenous content, within the permitted delivery dates as per Government Notification. These on-time deliveries of the vessels affirmed the Company's resolute commitment towards its customers. The Company is focusing on timely completion of the remaining two vessels of the series within the permitted delivery schedule.

2. The Board is happy to intimate that your Company has diversified into different domains in the field of Shipbuilding opening up new business lines and opportunities. Presently, your Company is executing the contract for construction of two ships of P1135.6 Frigates for the Indian Navy. This is a highly technologically advanced Project and the Yard is working relentlessly towards its timely execution. Against all odds, the production has commenced from 21 Sep 2020 and significant progress has been achieved in the design process of the vessels. The procurement activities in respect of critical equipments including pre-launch items are in advance stages. The invaluable exposure and experience garnered by the Company in the design and construction process of this class of vessels has placed the Shipyard amongst the unique league of shipbuilders capable to undertake design and construction of advanced warships.

3. During FY 2020-21, the Company continued its focus on exploiting the potential of commercial shipbuilding, inland waterways and repair sectors to supplement the order book position. In this endeavour, the Company successfully completed refit of 17 ships during the year and is executing multiple projects under its General Engineering Services vertical for various state governments and defence forces. The Company has emerged lowest bidder for design and construction of two Pollution Control Vessels for the Indian Coast Guard, which will strengthen the order book position and capacity utilization. Post completion of construction of Advanced GRP complex as part of the Yard Modernisation Program, the Company has chalked out a comprehensive plan for utilisation of this facility which resulted in obtaining the prestigious order for design and construction of specialised boats for the Indian Army, which is presently under execution in full swing.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

4. **Revenue from Operations.** During the year under review, the Company achieved Gross Revenue of Rs 979 Cr (Rs 1,072 Cr in the previous year) and reported Operating Revenue of Rs 860 Cr in FY 2020-21 compared to Rs 931 Cr in FY 2019-20. Dip in revenue was mainly on account of lockdown and restrictions on production activities due to COVID-19 pandemic. The contract conclusion for two Pollution Control Vessels for the Indian Coast Guard has been deferred to next financial year, which is also one of the factors that resulted in lower Operating Revenue. The Revenue from Operations during FY 2020-21 and the previous year is given below:-

(Rs. in crore)

Revenue from Operations		
	2020-21	2019-20
Ship Construction	**677.34**	784.39
Ship Repairs	**43.04**	29.02
General Engineering Services	**107.01**	89.53
Total Value of Production	**827.39**	902.94
Other Operating Revenue	**33.10**	28.33
Total	**860.49**	931.27

5. **Financial Performance.** The Profit Before Tax ('PBT') in FY 2020-21 was Rs 172 Cr compared to that of previous year Rs 265 Cr. Adjustment of exceptional items of expenditure of Rs 27.75 Cr incurred by the Company towards salary and depreciation during the lockdown period severely impacted the PBT as no production activities took place during the lockdown period. The Financial Performance of the Company for FY 2020-21 vis-à-vis the previous year is summarized below:

(Rs. in crore)

	2020-21	2019-20
Gross Revenue	**978.76**	1,071.76
Revenue from Operations	**860.49**	931.27
Earnings Before Interest, Taxes & Depreciation	**250.46**	330.35
Less: Finance Costs	**0.26**	17.90
Less: Depreciation	**50.13**	47.53
Profit Before Exceptional Items and Tax	**200.07**	264.92
Less: Exceptional Items	**27.75**	-
Profit Before Tax	**172.32**	264.92
Less: Tax Expense	**44.41**	67.14
Profit After Tax	**127.91**	197.78
Other Comprehensive Income (net of tax)	**0.40**	(4.10)
Total Comprehensive Income	**128.31**	193.68
Profit & Loss Appropriation Account		
Amount available for appropriation (including Opening Balance)	**264.47**	346.16
Less: Final Dividend paid for the previous year	**11.64**	13.97
Less: Interim Dividend paid	**43.65**	52.38
Less: Dividend Distribution Tax paid	**-**	13.64
Less: Amount transferred to Reserves	**120.00**	130.00
Balance	**89.18**	136.17

IMPACT OF COVID-19 PANDEMIC ON OPERATIONAL PERFORMANCE

6. The outburst of COVID-19 pandemic unleashed unprecedented disruptions affecting public health, livelihood, economy and ways of living. In last quarter of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns and curfews. The nationwide lockdown and curtailment measures imposed by the Government of India impacted the economic activities significantly and led to serious ramification as the Indian industry witnessed contraction of industrial output and reduction in discretionary consumption.

7. In compliance to the lockdown order of the Central/ State Government for containing the spread of virus, the Yard had suspended ship production, ship repair and other construction activities from 23 Mar 2020 to 03 May 2020. Essential services such as Power House, Water Supply, IT Server, Safety and other production / work exigencies were operating with restricted manpower. To minimise disruption of administrative activities, Work from Home was enabled for employees in the administrative sections. Post Lockdown 1.0 and after obtaining approval of Local Administration, office work was resumed from 20 Apr 2020 with limited manpower. Yard activities were resumed from 04 May 2020 in a phased manner with staggered manpower deployment and were fully functional w.e.f. 09 Jun 2020, factoring in various guidelines and advisories issued by the Central and State Governments. The Company instituted measures to ensure the health and well-being of all employees and framed detailed guidelines & SoPs for COVID appropriate behaviour at workplace and ensured strict compliance by all concerned.

8. During the year, the pandemic imposed several challenges to the Yard which resulted in slowdown of production activities and operational performance. The major constraints experienced are given below:

   (a) Non-availability of manpower during the lockdown period and large scale disruption in entire year due to incapacitation of the workforce exposed to the pandemic;

   (b) Disruptions in supply chain affecting timely availability of material;

   (c) Non-availability of the outstation & overseas OEMs/ Service Engineers for installation, setting to work and trials of equipment installed onboard vessels;

   (d) Procurement processes were delayed due to non-availability of vendors in time for discussion & negotiation; and

   (e) Aforesaid disruptions have detrimentally affected project timelines and planned targets for delivery / launching of vessels.

9. To overcome the aforesaid challenges, critical activities were identified, prioritized and resources mobilized to meet the targets. As a result of structured efforts and strict monitoring, the Yard was able to successfully deliver two vessels & launch two other vessels of CGOPV series and laid the keel of first vessel (Yard 1258) of Frigate Project during the year. However, due to sudden and rapid surge in the pandemic cases experienced in Mar 2021, several employees and their family members contracted the virus infection which impaired the momentum gained in production activities.

MOU RATING

10. Your Company signs Memorandum of Understanding ('MoU') with MoD, Government of India in each financial year, which outlines targets and various performance parameters for the Company. The performance of the Company for FY 2019-20 vis-à-vis MoU Targets is under evaluation by Department of Public Enterprises and rating is awaited. In terms of actual achievements vis-à-vis parameters laid down in the MoU signed with MoD, your Company expects to achieve 'Excellent' rating for FY 2019-20 and 'Very Good' rating for FY 2020-21.

DIVIDEND

11. Your Company is a profit making company and has been consistently paying higher dividends to its members. To continue with the trend, the Board of Directors declared and paid Interim Dividend for FY 2020-21 @ Rs 3.75 per equity share of Rs 5.00 each,

being 75% of the Paid-up Share Capital of Rs 58.20 Cr. Interim Dividend payout amounted to Rs 43.65 Cr, subject to tax deducted at source.

12. 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 is pleased to recommend final dividend for FY 2020-21 @ Re 1.00 per equity share of Rs 5.00 each i.e. 20% of the Paid-up Share Capital, amounting to Rs 11.64 Cr, subject to tax deduction at source. Thus, the total dividend for FY 2020-21 will be **Rs 4.75 per equity share being 95% of the Paid-up Share Capital and total outgo will be Rs 55.29 Cr** [Previous year 110% of the Paid-up Share Capital equal to Rs 74.79 Cr (incl. DDT on Interim Dividend)].

FINANCE

13. **Paid-up Share Capital:** The Paid-up Share Capital of the Company as on 31 Mar 2021 was Rs 58.20 Cr.

14. **Reserves:** Other Equity representing Reserves and P&L Account balance stood at Rs 1,040.48 Cr as at the end of the year prior to declaration of final dividend of Rs 11.64 Cr as proposed. This consists of Capital Reserve Rs 0.43 Cr, General Reserve Rs 950.87 Cr and P&L Account Rs 89.18 Cr.

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

16. **Financial Position:** The financial position of the Company as on 31 Mar 2021 and previous year is shown below:-

(Rs. in crore)

	As on 31.03.2021	As on 31.03.2020
Capital Employed	**1,098.68**	1,025.67
Working Capital	**570.52**	541.26
Net Worth	**1,098.26**	1,025.24
Value Added	**520.64**	518.12
Ratios:	**%**	%
Profit Before Interest, Exceptional Item and Tax : Capital Employed	**18.23**	27.57
Profit After Tax : Net Worth	**11.65**	19.29
Value Added : Capital Employed	**47.39**	50.52

CONTRIBUTION TO EXCHEQUER

17. The Company's contribution to the Exchequer during FY 2020-21 was Rs 129.42 Cr (Rs 158.56 Cr last year). Details of Company's contribution to the Exchequer is given below:

(Rs. in crore)

Particulars	2020-21	2019-20
A. Dividend	28.25	33.90
B. Taxes:		
a. Corporate Income Tax	43.70	69.00
b. Dividend Distribution Tax	-	13.64
c. Goods & Services Tax	57.47	42.02
Total	**129.42**	**158.56**

OPERATIONAL ACHIEVEMENTS



Keel laying of Yard 1135.6 on 29 Jan 2021



Commissioning of 2nd CGOPV (ICGS Sujeet) on 15 Dec 2020



Delivery of 3rd CGOPV (ICGS Sajag) on 15 Mar 2021



Launching of 5th CGOPV on 14 Dec 2020



River Passenger Ferry flagged off from GSL on 23 Nov 2020



Keel laying of 1st 2000 LPG Cylinder Carrier Vessel for UTLA on 16 Mar 2021



Keel laying of 1st two 7.5 T Bollard Pull Tugs for AIWTDS on 24 Mar 2021



Laying of foundation stone for DCS at Port Blair on 19 Feb 2021

OPERATIONAL PERFORMANCE

Ship Construction

18. Progress of P1135.6 Advanced Frigates:

(a) On signing of the contract with MoD on 25 Jan 2019 for construction of two P1135.6 Advanced Frigates for the Indian Navy with design assistance and part Build Material Package from Russia, your Company has entered into the league of leading Warship Builders. The Company has commenced the construction of the said Frigates and significant part of preparatory activities have been completed.

(b) **Design:** Due to uncertainties posed by COVID-19 pandemic, delays / re-scheduling were experienced in receiving technical design documents and consignments of the Build Material Package from the Russian side. With concerted efforts and rigorous monitoring, the delays were mitigated to a large extent and the technical design stage for the Project was completed and the detailed design process has commenced which is expected to gain momentum with relentless efforts of GSL design team in coordination with Russian Side and the Indian Navy.

(c) **Construction Activities:** Construction activities of the Project have commenced with steel cutting ceremony on 21 Sep 2020 by VAdm G Ashok Kumar, PVSM, AVSM, VSM, the then Vice Chief of Naval Staff through electronic mode. Fabrication, assembly and erection of initial sections are in final stages of completion. The Company has been putting all out efforts to accelerate the production activities of P1135.6 Frigate Project.

(d) **Keel Laying:** Keel of Yard 1258 was laid on 29 Jan 2021 at the hands of VAdm Sandeep Naithani, AVSM, VSM, the then Controller of Warship Production and Acquisition, the Indian Navy.

(e) **Procurement of Pre-launch and Critical Equipment:** Majority of the orders for long lead and critical items have either been placed or are in the advanced stages of procurement.

19. Progress of second series of CGOPV:

(a) **Delivery of Ships:** During the year, the following two vessels with more than 70% indigenous content were delivered within the revised timelines of four months extension granted under Force Majeure by MoD vide order no. 4(4)/D(Acq)/20 dated 12 Jun 2020:

i. 2nd vessel of the series (ICGS Sujeet) was delivered on 12 Nov 2020 and the same was commissioned on 15 Dec 2020 by Shri Raj Kumar, IAS, Secretary (Defence Production) in the distinguished presence of DG K Natarajan, PVSM, PTM, TM, Director General Indian Coast Guard.

ii. 3rd vessel of CGOPV Project (ICGS Sajag) was delivered on 15 Mar 2021.

On-time delivery of these ships in testing times of COVID-19, has reinforced the trust of our esteemed customers in the shipbuilding capability of the Yard.

(b) **Launching of Ships:** The following vessels were successfully launched during FY 2020-21:

i. 4th CGOPV (Yard 1236) on 13 Aug 2020 by Smt Veena Ajay Kumar, in the august presence of Dr. Ajay Kumar, IAS, Defence Secretary, GoI.

ii. 5th CGOPV (Yard 1237) on 14 Dec 2020 by Smt Jayanthi Natarajan, in the august presence of DG K. Natarajan, PVSM, PTM, TM, Director General Indian Coast Guard.

iii. Work on the above two vessels is progressing concurrently and the vessels are expected to be delivered within the revised delivery schedule.

20. Pollution Control Vessels (PCVs): The contract for design and construction of two PCVs for the Indian Coast Guard is in final stages for signing. The Company is gearing up to complete the design process and commence construction in the last quarter of FY 2021-22.

21. Composite/GRP Vessels: Construction of advanced vessels with composite/GRP hull which is another major project of import substitution is being progressed in coordination with the Indian Navy. The advanced composite fabrication facility for the same has been completed and is ready for

utilization. It is one of the unique facilities in the country for fabrication of advanced composite hull. In order to utilize this fully completed state-of-the-art infrastructure facility during the interim period till finalisation of the contract, the Company is executing order for twelve specialised boats for the Indian Army using this facility. Further, a Fast Interceptor Boat is also being constructed under Research and Development at this facility.

Ship Repairs

22. During the year, the Yard executed refit of multiple vessels concurrently and reported an impressive growth in revenue from this vertical. The Company undertook refit of 17 vessels, of which six vessels were the Indian Coast Guard Ships, two vessels each for the Indian Navy & Fishery Survey of India and remaining were commercial vessels. Refit of three Coast Guard vessels were in progress as at the end of the year. The Company relentlessly worked towards absorbing the delays caused by COVID-19 pandemic and succeeded in timely completion of most of the refit activities. However, due to disarray caused by second wave of the pandemic, the completion of ongoing refit activities within the stipulated time are likely to get affected.



Refit of ICGS C-421 underwent at GSL



Refit of MFV Yellow Fin underwent at GSL

General Engineering Services

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

(a) River Passenger Ferry (cruise) was constructed in GSL for U.P. Rajkiya Nirman Nigam Limited ('UPRNN'). Post completion of trials, the Ferry Boat was flagged off from the Company on 23 Nov 2020 by Shri Raj Kumar, IAS, Secretary (Defence Production) which reached Varanasi on 30 Jan 2021. Other allied works relating to the Project have been completed. Due to resurgence of COVID-19 pandemic in Mar 2021, handing over of the Ferry is yet to take place.

(b) The Company is executing the contract for construction of two 2000 LPG Cylinder Carrier Vessels for Union Territory of Lakshadweep Administration ('UTLA'). Hull construction activities are presently in progress. Keel of the first vessel (Yard 1261) was laid on 16 Mar 2021. The negative impacts of COVID-19 pandemic have substantially affected the construction schedule of these vessels and the Company has accordingly requested for extension of delivery date under Force Majeure clause from UTLA.

(c) The Company is executing the construction of three 7.5T Bollard Pull Tugs for Assam Inland Water Transport Development Society ('AIWTDS'). Hull construction activities of all three Tugs are in progress. Keel of first two vessels (Yard 1264 & 1265) was laid on 24 Mar 2021. Due to COVID-19 restrictions, extension of delivery dates has been sought under Force Majeure clause.

(d) A contract for construction and maintenance of Damage Control Simulator ('DCS') Facility at Port Blair was signed on 07 Aug 2020 with IHQ MoD (Navy). Work on DCS is progressing as per schedule. The foundation stone was laid on 19 Feb 2021 by Andaman and Nicobar Command Chief Lt Gen Manoj Pande, AVSM, VSM.

(e) A contract was signed on 30 Dec 2020 with MoD for construction and supply of twelve High Altitude Patrol Boats to the Indian Army. This Project was won by your Company through competitive bidding and is one of the most prestigious projects for the Yard. The Company is pooling all resources and working on war footing for successful completion of the Project.

(f) The Company continues to execute stern gear supply / service orders for Naval/Coast Guard OPVs constructed at GSL and continues to provide assistance for the system already installed onboard the Air Craft Carrier under construction at Cochin Shipyard Limited for the Indian Navy. The Company continues to provide training on Survival at Sea to ONGC personnel on the training vessel 'Samudra Shiksha'.

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

ORDER BOOK POSITION

24. As on 31 Mar 2021, the net value of works to be executed in respect of orders received by the Company for Ship Construction, Ship Repair/Refit work and General Engineering Services amounted to Rs 14,120 Cr (approx) which consists of two OPVs for the Indian Coast Guard, two Frigates of the P1135.6 series & one DCS at Port Blair for the Indian Navy, twelve High Altitude Patrol Boats for the Indian Army, two 2000 LPG Cylinder Carrier vessels for UTLA, three Tugs for AIWTDS, Ship Repairs, Annual Maintenance Contracts for boats, B&D Spares and other projects. The Company continues its thrust for securing more orders in both shipbuilding and refit sections and also seeking orders for export of its products to friendly foreign countries.

FUTURE PROSPECTS

25. In its pursuit to maintain a consistent and steady growth, your Company is focusing on new emerging business opportunities and targeting upcoming & likely projects of the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Inland Waterways Authority of India and Shipping Corporation of India. The Company endeavours to grow in each of its vertical by expanding its product profile, aligning with market requirements.

26. The Yard has submitted techno-commercial offers for various ship building projects of the Indian Navy and Indian Coast Guard. Some of the targeted projects include New Generation OPVs, Fast Patrol Vessels and Cadet Training Ships.

27. The Company is aggressively bidding for RFPs issued by the Indian Navy, Indian Coast Guard and other customers for refit and also liaisoning with commercial shipping industry for undertaking repair of private commercial vessels. The Company has emerged as successful bidder for refit of ICGS Vishwast and for installation of Boat and Davit System onboard ICGS Sangram and Samar. Further a liaison office has been set up in Karwar, Karnataka for proactively pursuing various ship repair opportunities.

EXPORT INITIATIVES

28. Your Company is determined and focussed to increase its global footprints by exporting its in-house designed products. The Company has been making all out efforts for participation in overseas acquisition programs of South East Asia, Middle East, Africa and Latin America. Strategies adopted to promote and enhance the Company's export business include brand building & visibility through presentations, participation in exhibitions, conferences, webinars etc. Marketing Representatives have been appointed in foreign countries which are potential export markets, for providing assistance in marketing and promoting the Company's products.

29. 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.

30. Efforts are being made for export of the Company's products to countries such as Sri Lanka, Comoros, Bangladesh, Myanmar, Portugal, Indonesia, Vietnam, Kenya, Angola and Maldives. In addition to the export of in-house designed products, Training Simulators, GRP boats etc., concerted efforts are being put in for offering training packages to foreign navies for training of their personnel in ship design, construction, repair and maintenance aspects.



GSL participated in iDEX-NAVDEX 2021 in Abu Dhabi

31. Case for procurement of three projects from the Company i.e. Landing Ship Tank, Training Ship and Ship Design & Construction Centre under Line of Credit for the Nigerian Navy is under advance stage of approval by the Nigerian Government. The Company has also finalised a Training Program for the Nigerian Navy which will commence on improvement of the COVID-19 pandemic situation. The Company has been pursuing with the respective Ministries/ Governments/ Departments for early conclusion of contracts for the aforesaid projects.



GSL signed MoU with Hindustan Shipyard Limited in Aero India in Bengaluru

INDIGENISATION AND MAKE IN INDIA INITIATIVES

32. The Company has adopted the 'Make in India' initiatives launched by the Government of India and successfully implemented the 'Make in India and Indigenisation' policies promulgated by the Government from time to time. The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenisation in key areas of shipbuilding technology.

33. As part of the Government's efforts to achieve self-reliance in defence production, the Company has taken steps to support the Government's initiative and has indigenously developed designs of ships/ platforms which are part of the 101 items included under import embargo. These include Offshore Patrol Vessels, Waterjet Fast Attack Crafts, Survey Vessels, Pollution Control Vessels, Next Generation Missile Vessels, Multi Purpose Vessels and Anti Submarine Warfare Shallow Water Crafts. Out of these indigenously developed designs, the Company has constructed and delivered Offshore Supply Vessels, Waterjet Fast Attack Crafts and Survey Vessels to the Indian Navy, Indian Coast Guard and exported to Navies of friendly foreign Nations.

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

have been achieved. This has helped the Company in increasing the indigenous content from 62% for the previously executed similar project to 72% for the ongoing 05 CGOPV Project.

35. The ongoing P1135.6 Frigate Project is likely to have fairly large level of indigenous components, including major equipment, weapons and sensors, control and monitoring systems, etc. The Company has identified several major equipment for indigenization for the Frigate Project viz. Auxiliary Control System, Fin Stabilizers with Controls, Steering Gear System, Shakti EW System and Combat Management System. Complex process of indigenization of these systems has already been initiated and timely availability of these systems is expected as per the production schedule of P1135.6 Frigate Project.

36. The Company has also collaborated with M/s Wartsila for supply of CPP system components which are presently being installed on the ongoing CGOPV Project and further in the process of indigenisation of Water Jet Subsystems for ongoing and future ships of the Indian Navy.

PROCUREMENT

37. **E-procurement**: Your Company endeavours to maximise the procurement of materials and services through e-procurement platform which includes e-tendering, GeM and other online procurement platforms. During FY 2020-21, more than 95% of total requirements was procured through e-procurement.

38. **Procurement through Government e-Marketplace (GeM):** GeM portal is a fair, transparent and robust digital platform, enabling to achieve maximum advantage through competitive bids by reaching to lakhs of vendors registered on the platform. The Company has registered with GeM portal for procurement of commodities and services, including capital goods, office equipment etc. and has carried out numerous transactions through GeM portal till date. Consistent efforts to enhance the procurement through GeM portal resulted in total procurement to the tune of Rs 12.78 Cr during FY 2020-21.

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

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs)

40. The Company has also been providing thrust on enhancing procurements from MSEs. During FY 2020-21, the Company achieved 43.34% of the indigenous procurement (excluding BNE items) from MSE sector, as against the revised mandatory target of 25%. The Company has reserved 18 Shipbuilding Project specific items for exclusive procurement from MSEs, over and above 358 items reserved by the Government of India and instituted liberalized payment terms in order to enhance their liquidity to tackle multiple long-term projects smoothly.

41. The Company is registered with Public Procurement Policy Monitoring Portal 'MSME Sambandh' and 'MSME Samadhaan' and adopted Trade Receivable Electronic Discounting System (TReDs), a payment system introduced by the Government of India to ensure timely payment to MSEs immediately after the acceptance of their bills on a discounting system.

VENDOR DEVELOPMENT MEETS

42. To strengthen procurements and identify potential vendors especially from MSE and SC/ST sectors in line with the Government of India policies, your Company has participated in several meets, webinars and programmes organised by Confederation of Indian Industry (CII), Society of Indian Defence Manufacturers (SIDM), Engineering Export Promotion Council (EEPC) etc. during the year.

43. As a part of vendor development program, the Company organised three vendor meets during the year viz. Virtual Vendor Meet on the occasion of Vigilance Awareness week and two Vendor Development Programs for guiding, training and sensitizing GSL vendors on GeM.

INTEGRITY PACT

44. The Company has adopted Integrity Pact for procurement transactions/contracts above Rs 2.00 Cr, in line with the directives of MoD and Central Vigilance Commission. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer (GSL), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to the Pact, would be considered competent to participate in the bidding process.

45. Presently, Vice Admiral Ashok Vishwanath Subhedar (Retd.) is the Independent External Monitor (IEM) for monitoring implementation of Integrity Pact in the Company. During the year 2020-21, 29 contracts worth Rs 823 Cr (approx.) were covered under Integrity Pact and reviewed by the IEM and none of the Integrity Pact contracts attracted complaint/grievance of any nature. Further, no complaints were received by the IEM from any of the Company's vendors.

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

46. Government Company engaged in producing defence equipment are exempted to furnish the information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, limited information on Conversation of Energy and Technology Absorption is provided herein below:

Conservation of Energy

47. **Steps taken by the Company to conserve energy:** The Company continues its energy conservation drive relentlessly and during FY 2020-21, the Company executed various energy saving projects and took following steps to conserve energy:

    (a) High bay fittings using conventional lamp are being replaced with LED lights in SOW (Outfitting Hull/ Engineering and Carpentry workshops).

    (b) Flood lights which used conventional lamp were replaced with energy efficient LED lights on high mast and also use of LED lighting onboard yards under construction.

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

    (d) Observation of Energy Conservation month in Dec 2020 to educate all employees about the importance of conservation of energy and also Energy Conservation day was observed on 14 Dec 2020.

    (e) Display of various banners, posters and stickers in the Yard for spreading awareness on energy conservation such as usage of energy efficient electrical fittings, prevention of leakage of electrical energy, preservation of electricity by switching of all lights and fans, air conditioners, other electrical fittings, etc. while not in use.

48. **Steps taken by the Company for utilising alternate source of energy:** The Company has commissioned 216 KW Solar Power Plant on roof top of Main Unit, Unit 2 and Unit 4 as alternate source of energy. Power generated from Solar Power Plant in Unit 2 and Unit 4 was exported to the Grid and the same was monetised. Further, installation process of 200 KW Solar Power Plant on new Steel Preparation Shop is also in progress.

49. **The capital investment on energy conservation equipment:** Capital investment on energy conservation and renewable source energy equipment for FY 2020-21 is Rs 70 lakh.

Research & Development (R&D)/Technology Absorption

50. 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. The CAD setup in the Company has the latest AVEVA Marine software with advanced features. For vessels designed and built at GSL, the 3D hull structural models and outfitting models are developed in AVEVA Marine software. 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). The Company has also operationalised the

FORAN software as second line of CAD/CAM facility for increasing capability and reliability of the design and testing facility.

51. The Company has a full-fledged Design set up where newer platforms are developed regularly for the Indian Navy and Indian Coast Guard. Proven Products include 105M Advanced Offshore Patrol Vessels, 90M Offshore Patrol Vessels and 105M Naval Offshore Patrol Vessels. The Company has also designed, constructed and delivered Advanced Offshore Patrol Vessel for Sri Lanka Navy and Fast Attack Crafts for Mauritius Coast Guard. The Company has successfully developed the design for Landing Ship Tank and 85M Training cum Diving Vessel, which are under consideration by friendly countries.

52. Presently, the Company is executing the latest series of Offshore Patrol Vessels for the Indian Coast Guard, the design of which has been developed fully in-house. Three vessels of the class were already delivered to the Indian Coast Guard. The designs of vessels developed by the Company indigenously have saved considerable amount of foreign exchange through avoiding import of ship designs and achieving self-reliance to a large extent. Further, design work on Pollution Control Vessel is in progress and would result in saving of foreign exchange. These vessels are equipped with the latest Pollution Control Systems and expected to be in great demand for export considering the stress on worldwide environmental protection.

53. Technical design process of P1135.6 Frigate Project was completed, through which the Shipyard got exposure on the cutting edge design technology related to weapon integration. This process will culminate in enabling the Shipyard for in-house design of complex and advanced platforms for the requirements of the Indian maritime forces and reduce dependence on foreign sources. It will thus provide the Nation with a strategic Shipyard which is capable to handle weapon intensive platforms.

54. During the year, the expenditure to the tune of Rs 9.96 Cr was incurred by the Company under the R&D head (both Revenue & Capital Expenditure).

CONTRIBUTION TO DIO/iDEX

55. In order to foster innovation and technology development in Defence and Aerospace, "Innovations for Defence Excellence" (iDEX) has been launched by the Government of India. In line with MoD directions, your Company contributed a sum of Rs 5.00 Cr to Defence Innovation Organisation during FY 2020-21 for promotion of innovation and technology development for Defence Excellence.

INTELLECTUAL PROPERTY RIGHTS (IPR)

56. The Company constituted Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. Increased thrust was given this year towards generation of in-house IPR, supported by Mission Raksha Gyan Shakti, an initiative of MoD. IPR cell imparted training to 181 GSL vendor representatives and filed 25 IPR applications during FY 2020-21. In terms with MoD's initiative to facilitate IPR culture, the Company has framed Innovation Mentorship Scheme with an objective to provide a platform for insightful knowledge sharing between the mentor and mentee and to encourage & inculcate IP culture.

ARTIFICIAL INTELLIGENCE INITIATIVES

57. In line with MoD's thrust towards adoption and deployment of artificial intelligence ('AI') technology, the Company is venturing into AI systems to build a vibrant AI ecosystem with intelligent machines enabling high level cognitive processes in the shipbuilding products and processes. A dedicated team has been constituted to develop roadmap for AI for identifying and successfully implementing various AI related use cases in GSL products and processes. The Company has undertaken the following AI enabled projects:

    (a) **Condition Monitoring System (CMS) for Shipboard equipment (Main Engines)**. Prototype CMS system has been successfully installed on ICGS Samarth, 105M OPV. The Company is exploring possibility of installing similar system on other ships also. CMS Solution shall help to drastically reduce unplanned downtime of ship engines and also in critical decision-making.

(b) **MoU with IIT Goa**. MoU has been signed with IIT-Goa for taking up the incorporation of AI in condition monitoring of shiplift system.

(c) **Autonomous Surface Vessel under R&D**. The Company has proposed to the Indian Navy for jointly developing autonomous surface vessel with academia and industry. The project is in advance stage for joint development.

(d) **Autonomous Survey Boat**. The Company has submitted response to RFI issued by the Indian Navy for proof of concept and prototype development and supply of three autonomous boats, which is under evaluation stage.

STARTUP INDIA

58. Startup India initiative of the Government of India aims to build a strong ecosystem for nurturing innovations and startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. In order to support the Government initiative and emergent magnitude of startups, one startup for development of Deep Tech enabled RCS reduction system through a seamless integration of passive suppression, active suppression and innovative RADAR absorption material under iDEX challenge, financed by Defence Innovation Organization (DIO), MoD has been finalized. The Company has also submitted evaluation report for selecting Startup under Atal Innovation Mission, Niti Aayog for development of Condition Monitoring System for Plant & Machinery of the Company.

QUALITY ASSURANCE AND QUALITY MANAGEMENT

59. The Company continues its strong commitment to product quality and customer satisfaction. The Company is certified for Integrated Management System on ISO 9001:2015 for Quality Management System; ISO 14001:2015 for Environment Management System and ISO 45001:2018 for Occupational Health & Safety Management System by Indian Register of Quality System, Mumbai. The certification is for 'Design, Construction and Repair of Ships & Crafts and Providing General Engineering Services'.

60. The Yard has a well experienced QA inspection team, which is continuously trained in adopting updated inspection methodologies and best practices. Ship construction, ship repair and general engineering activities are monitored both by in-house QA dept and external inspection agencies. The Yard has focused on defect avoidance through awareness training, self-inspection and root cause analysis to identify appropriate corrective and preventive measures for achieving continual improvement, which led to cost reduction, reduced build periods and reduction of D448 defects at the time of handing over of the ships.

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

62. The ISO implementation team coordinates in execution of risk management policy of the Company. All sections of the Company identify 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.

NATIONAL RECOGNITION / AWARDS

63. The Company bagged the following awards during FY 2020-21:

(a) 19th Annual Greentech Safety Award 2020 by the Greentech Foundation - Winner for outstanding achievements in 'Industry Sector Safety Excellence' category.

(b) 9th Annual Greentech HR Award 2020 to two employees in Individual categories.

(c) 12th Construction Industry Development Council ('CIDC') Vishwakarma Awards, 2021:

i. Achievement Award for Best Professionally Managed PSUs, State Government Departments, State Corporations;

ii. Award for Corona Warriors – Organization category;

iii. Achievement Award for Creating Social Development & Impact; and

iv. Award to six employees in Individual categories.



19th Annual Greentech Award 2020 for 'Industry Sector Safety Excellence'



12th CIDC Vishwakarma Awards, 2021 for 'Best Professionally Managed PSUs'

HUMAN RESOURCE

Manpower

64. The total manpower strength as on 31 Mar 2021 is 1,389 including 238 executives, 159 supervisors and 866 workmen. Additionally, the manpower strength also includes 31 executives, 03 supervisors & 91 workmen on fixed term basis and 01 tradesman trainee with ITI qualification. The total strength includes 29 executive and 121 non-executive women employees.

65. The position regarding representation of SCs/ STs/OBCs/PwBDs (i.e. Persons with Benchmark Disabilities) and women employees in various categories as on 01 Jan 2020 and 01 Jan 2021 is given in **Annexure 'A'**. The particulars of Recruitment of SCs/STs/OBCs/PwBDs and women personnel during the calendar year 2020 are given in **Annexure 'B'**.

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

Industrial Relations

67. Industrial relations remained cordial & harmonious and the Yard continued to work smoothly throughout the year. Multi-unions/Associations scenario continued in the Company. Meetings of participative fora such as Shop Council and monthly meetings with Employees' Unions and Associations were held at regular intervals. Overall industrial relations between the Management and Unions/ Associations continued to be peaceful and the Workmen Unions/Associations co-operated with the Management to work towards the common objective of the Company. The Management has received full support of Unions/ Associations in operation of the Yard during COVID-19 crisis, which deserve a special reference and appreciation. Grievance Redressal Mechanism is in place in the Company to address Employee Grievances / Representations.

Development of Human Resources

68. The Company has always kept 'Learning & Development' in its priority list of activities as it believes that the key to survival, sustainability and growth in any competitive sector lies in continuous learning and development of the Human Resource. Learning & Development is the most important factor that contributes to increasing the efficiency, improving the product quality, adopting new technologies, catalyzing innovation, controlling cost and staying ahead of the competition in long run.

69. Considering the ongoing COVID-19 pandemic, most of the training programs were conducted through various web based platforms during FY 2020-21 and accordingly, the Learning & Development infrastructure has been upgraded to Audio Visual Theatre with multiple internet lines for achieving an uninterrupted e-learning platform. The new Audio Visual Theatre has facilitated in hosting online training programs as well as attending the e-learning programs. The employees were facilitated to attend the same through electronic devices. Only in unavoidable circumstances, classroom trainings were conducted by observing the social distancing and other COVID-19 protocols. Total 685 employee mandays were spent on in-house and online training programs and 56 employee mandays were spent on training abroad during FY 2020-21.

70. **Online Training Programs**. During the year, 360 employees attended online programs through 44 Webinars on various subjects such as GeM, Public Procurement, Technical Negotiations, Cyber Security, HR related matters, Preventive Vigilance, Ethics & Values, Welding Corrosion & Control, Construction Safety, Project Management, Industrial Engineering, Welding Inspections, SOTR, Plant Profitability, Leadership Excellence, Corporate Governance, Board Governance, Industrial Safety, Official Language etc. 148 executives were trained in eight batches by National Productivity Council, Jaipur on Preventive Vigilance during FY 2020-21. Theme based training programs were conducted for ensuring day to day safety, security and health of the employees. Pre-examination training for supervisors eligible for promotion to Junior Manager was also conducted online.

71. **Technical Training Programmes**. Technical training programs aimed at improving the productivity and upgrading the skill sets of employees includes in-house training program on various subjects such as Personal Effectiveness, Aerial Work Platform Operator Training, Safety at Workplace, Mock Drill for Emergency Preparedness etc. were organized for the Yard employees.



Personal Effectiveness Program on 09 Feb 2021

72. **Awareness Programme on IPR**. Special focus has been given on spreading awareness about innovative culture and Intellectual Property Rights in the Company. 06 online training programs on IPR were conducted covering 181 vendors.

73. **Training for Frigate Project**. To undertake the construction activities of P1135.6 Frigate Project, requisite training on installation, STW and trails of MGTA M7N.1 onboard IN Ship was imparted by Ukranian Specialists to two executives. 24 executives were trained by the Russian Side on various aspects of Frigate construction through video conferencing in three batches in a phased manner. Eight executives were deputed to Russia for undergoing training on Production Engineering for installation of pipes in P1135.6 Frigate class vessels.

74. **Mentorship Development Scheme**. The Company has in place Mentorship Development Scheme to steer newly inducted Executives into correct service attitude, impart key professional skill sets, orient towards professional ethics & integrity and give guidance on expected norms of personal conduct in public life.

75. **Apprentice Training**. In line with Skill India Mission of the Government, the Company has enhanced the apprentice intake from 10% to 11% of its total strength in its Apprentice Training Centre (ATC). To promote innovation and novelty in the ATC, action has been initiated for starting Basic Training Centre (BTC) in the Apprentice School and the apprentices are encouraged to develop various equipments under the guidance of the ATC instructors.

Women Empowerment

76. At GSL, women employees are treated at par with male employees and various guidelines promulgated for women workforce for achieving safer working environment are complied with. The Company has created a women cell, which is a dynamic and responsive platform for women employees, which would nurture growth and development amid them. Women employees were nominated for various training programs round the year. Few women employees were nominated for awards organized by outside agencies and brought laurels for the Company.

77. The Company celebrated International Women's Day with great zeal and enthusiasm by undertaking notable activities to embark the spirit of womanhood. The theme of the program was 'Women empowerment, dedication, passion and grit'. Women entrepreneurs were invited to share their journey of passion, which boosted the morale of women employees, gave them a new perspective and also threw light on societal and environmental concerns. As part of the celebration, lot of games and fun activities were organized. Award ceremony was also organized to felicitate women employees especially in Group C & D category for their contribution to the Yard.





Celebration of International Women's Day

WELFARE, HEALTH AND SAFETY

Welfare

78. The Company values its human resources the most. It continues to accord importance to welfare measures of employees. Compliance of statutory welfare provisions like providing canteen facility, employee rest room, first aid appliances, crèche, ambulance, etc. are followed meticulously. The Company is also providing welfare and safety items like safety shoes, safety helmet, boiler suit cloth, suiting & shirting cloth etc. every year.

79. The Company is committed towards the well being of its employees and continues to extend the following welfare measures:

    (a) Implemented Superannuation Pension Scheme for Executives and Non - unionised Supervisors w.e.f. 01 Jan 2007;

    (b) Implemented Superannuation Pension Scheme for Workmen on permanent rolls w.e.f. 01 Jan 2017;

    (c) Accident Cover and Comprehensive Medical Assistance are provided through Group Insurance Schemes;

    (d) Financial Assistance by way of relief of Rs 4.00 lakh is provided through contributory Goa Shipyard Employees Death Benevolent Fund to spouse or nominee of the employees in case of death of employee during service period;

    (e) Medical Assistance Scheme to the retired employees is provided through Post Retirement Medical Insurance Scheme;

    (f) Long service award is instituted to employees who have clean record of 15 years and 25 years of service;

(g) CMD's Commendation & Special Commendation awards are distributed to the employees, based on their outstanding performance;

(h) Incentives are granted for higher education and self-development in related skills, etc.;

(i) Scholarship to the employees' children are granted as an incentive for pursuing higher education; and

(j) An Innovation Award Scheme is framed with the objective to promote individual/ team innovativeness and encourage & tap creative potential of the employees for betterment of performance.

80. During the year, the Company observed Quami Ekta Week/Communal Harmony week from 19 to 25 Nov 2020. The executives, supervisors and workmen voluntarily contributed money towards the Communal Harmony Fund and the fund so collected was given to National Foundation for Communal Harmony, New Delhi. The Company also observed 'Rashtriya Ekta Diwas' on 31 Oct 2020 to commemorate the Birth anniversary of Sardar Vallabhbhai Patel and the 'Constitution Day' on 26 Nov 2020.

81. The Company also encourages employees to actively participate in various sports/tournaments. The Company has set up both indoor and outdoor Gymnasium in the residential enclave along with provision for sporting activities in the sports complex.

Health

82. The Company gives paramount importance to health of the employees and relentless efforts have been put in to safeguard the health of workforce, by providing continuous medical care. Concerted efforts have been put in to provide a healthy work environment for the employees and to keep their families healthy and safe. Periodic medical examination of employees and CISF personnel were carried out during FY 2020-21 to meet the statutory requirements as per rules. Employees are also motivated to undergo preventive health checkups in external healthcare settings. The Company disseminates information on health, diseases and adopting preventive measures for healthy living and conducted COVID-19 awareness sessions through virtual mode.

COVID-19 Management & Response

83. The recent outbreak of COVID-19 has caused widespread concern in terms of its impact on the lives of the people. Considering the seriousness of COVID-19, your Company proactively took several initiatives and measures to mitigate the pandemic and accentuate the nation's efforts to fight against COVID-19. With a more virulent surge of the pandemic in Mar 2021, the Company has ramped up its efforts significantly to alleviate the impact of the virus. During these tough times, the Company not only supported its employees but also took care of the communities by providing necessary livelihood items along with PPE kits. The Company contributed Rs 50.00 lakh to Goa State COVID-19 Relief Account towards various relief activities.

84. Further, to ensure and monitor 'welfare & safety of our employees', a Committee has been constituted headed by a Functional Director. Multiple initiatives have been undertaken by the Company for smooth functioning of the Yard without compromising on employees safety and adopted the following measures in line with the Government guidelines to support employees and their families during the pandemic:

(a) Strict adherence to COVID-19 appropriate behaviour norms viz. compulsory wearing of masks at all times, maintaining social distancing norms inside the Yard, mandatory download & use of Aarogya Setu App, contactless thermal checking and sanitization of all employees/ contract workers at all entry points;

(b) Distribution of hygiene kits like protective masks, shields, sanitisers etc. to employees and sanitisation of office space & canteen at regular intervals and vehicles at all entry gates;

(c) UV scanner to disinfect the documents / mails received from outside agencies was installed at all critical locations;

(d) Avoiding physical meetings and movement of physical files by promoting meetings through virtual platforms and sharing documents electronically;

(e) Implemented staggered manpower deployment and staggered lunch breaks, whenever the situation warranted;

(f) Employees with co-morbidities, pregnant women and person with disabilities are advised to work from home during peak of COVID-19 cases;

(g) Providing necessary medical aid in case of COVID-19 infection and liaisoning with tertiary care centre for admissions;

(h) Necessary quarantine protocol have been observed for contacted employees and created quarantine barracks & isolation rooms with all facilities for CISF personnel, GSL employees and contract labours;

(i) Facilitated lab investigations like Rapid Antigen Test and RT-PCR for employees and dependents including special in-house screening camps for employees for early detection of COVID-19;

(j) Tied-up with various COVID-19 vaccination centres for facilitating vaccination of employees and their dependants; and

(k) Efforts were made to ensure that migrant and contract workers do not leave the station during the lockdown period due to lack of earning. Necessary support in terms of essential commodities and groceries were provided to them.





COVID-19 Vaccination Camp at GSL Family Polyclinic

85. Inspite of critical situation and large workforce on ground everyday, the Company with its safety protocols and meticulous administration has been effectively handling COVID-19 situation. In this regard, the Company's efforts have been recognized by CIDC and has been bestowed the Corona Warrior Award for 2021.

Safety

86. The Company continues to accord utmost importance to safety while carrying out various jobs inside the Yard and continuously strives to achieve the objective of 'zero accident'. The Company has a dedicated Safety Cell with qualified and trained personnel in the field of Industrial Safety. The Safety Cell has been carrying out regular safety audits (internal as well as external), safety inspections, noise level & illumination monitoring for implementation of the safety regulations and has also brought safety awareness inside the Yard through different activities such as conducting safety training programs through Inspectorate of Factories, Goa, fire fighting training programs, toolbox talks, safety week program/campaign etc. Safety posters, safety messages, SOPs are displayed at various locations inside the Yard. Hazard Identification and Risk Assessment (HIRA) for routine and non routine activities has been conducted. Work Permit system for different activities has brought a close control over the critical activities.

87. Safety Committee meeting is held once in a month to work out and implement both preventive and corrective actions. Issues regarding safety and health are discussed during these meetings with the active participation from employees of various sections. The executives, supervisors and workmen are also taking safety precautions/measures which resulting in prevention of reportable and non-reportable accidents, despite higher number of vessels under construction/repairs and modernization activities undertaken in the Yard.

INDUSTRIAL SECURITY

88. The security of GSL offices and Yard has been vested with Central Industrial Security Force (CISF) which is headed by Dy. Commandant rank officer. The fire prevention and fire fighting activities of the Yard and Unit-II are also entrusted to CISF. The security of Unit-III, IV & V, which basically are makeshift godowns and warehouses, is vested with private security. The Management has taken steps to strengthen the security arrangement in the Yard by improving infrastructure and procuring necessary security devices. Special systems and measures such as CCTV Cameras, Night Vision Devices, Metal Detectors, Riot Control Sets, Biometric Access Control System, photo entry pass (for visitors) has been installed / implemented to ensure robust security of the Yard. Two patrolling boats have been provided to CISF for round the clock waterfront patrolling duties. Regular safety audit, awareness programmes, fire safety training, periodic contingency exercise/mock drills, NSG exercises were conducted during the year to sharpen their skills. Employees have been sensitized on the security threat and action to be taken in case of emergency and fire accidents, on regular basis.



Mock Drill for Emergency Preparedness by CISF Fire Fighting Cell on 18 Nov 2020



Celebration of CISF Raising Day 2021

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

89. In pursuance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has the Internal Committee for enquiring into complaints of sexual harassment at workplace. The Internal Committee is headed by a senior woman executive and has an external member who is a person familiar with the issues relating to sexual harassment. During FY 2020-21, four Internal Committee meetings were conducted. During FY 2020-21, the Company did not receive any complaint on sexual harassment, hence, NIL disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Awareness programs to sensitize the employees were organised during FY 2020-21.

SWACHH BHARAT ABHIYAN

90. The Company continues to provide its wholehearted support to the Government 'Swachh Bharat Campaign' and accelerated the activities at various levels. During FY 2020-21, 'Swachh Bharat Pakhwada' was carried out from 01 Dec 2020 to 15 Dec 2020, in which display of posters, banners & signboards in the public places, Shramadan drive, tree plantation drive, cleaning of beaches, children's park, bus

stands, schools in the vicinity of Vasco city, fogging /pest control activities in the neighbouring wards of the Company were undertaken. On the occasion of Gandhi Jayanti on 02 Oct 2020, Swachhta Pledge was administered online to all the employees and cleanliness drive was undertaken inside the Yard following COVID-19 protocol.



Cleaning of Hollant Beach, Goa during 'Swachh Bharat Pakhwada'

OFFICIAL LANGUAGE IMPLEMENTATION

91. Your Company is committed to adhere to the Official Language Policy of the Government of India. The Company has achieved the targets laid down in the Annual Programme regarding use of Hindi in official work and is compliant with 'Online' submission of Quarterly Report. The Town Official Language Implementation Committee, South Goa has awarded Third prize to the Company for the commendable performance amongst Central Government Offices in South Goa in the implementation of Official Language Policy. Official Language inspection of Delhi Liaision Office was conducted on 04 Mar 2021 by Ministry of Defence, Department of Official Language.

92. To encourage all the employees to do their routine work in Hindi, they were provided training in Functional Hindi Workshop and Glossary of Administrative Terms. In line with instruction issued by MHA, Dept. of OL, advanced computer training programme in Unicode encoding system was organised for employees in different batches. So far, 96 employees were trained in Hindi Parangat Training under Hindi Teaching Scheme ('HTS'), Mumbai and 6th Batch of Parangat Training has commenced from Jan 2021 and 33 employees have been nominated. Online classes are conducted every Monday and Friday by Hindi Pradyapak, HTS, Mumbai. The Company successfully completed Hindi Typing training on computer under Hindi Typing correspondence course organized by Central Hindi Training Institute, MHA.

93. Official Language Implementation Committee (OLIC) under the Chairmanship of CMD met regularly through video conferencing and reviewed the progress made in promoting Official Language. A separate Hindi Library has been established with good number of Hindi books. Books are being distributed to all the employees on monthly basis to encourage Hindi reading. Two editions of half yearly in-house magazine in Hindi **'Goayard Darshan'** were released.

94. The Company observed Hindi Week from 14 to 21 Sep 2020. As part of celebrations, all Goa level competitions and functional workshops on Official Language were organised through virtual mode. On the occasion of Vigilance Awareness Week, National Safety Week, Quami Ekta Week, Energy Conservation Week and Swachh Bharat Abhiyan, various competitions were conducted in Hindi to promote Official Language. A large number of employees and their children participated with great enthusiasm and awards were given to the participants.

95. With a view to motivate the employees' children in learning Hindi and employees to use Hindi in their office work, various incentive schemes are in vogue. The Company's Annual Report, MoU, questionnaire and presentation of various parliamentary committees, recruitment advertisement and promotional & recruitment question papers were prepared in bilingual form. Website of the Company has been designed in Hindi and English and content is updated periodically.



Observation of Hindi Week in GSL

VISIT OF PARLIAMENTARY COMMITTEE

96. Parliamentary Standing Committee on Defence visited the Yard on 21 Jan 2021 and held discussions with the Company's management on issues like modernisation of DPSUs and examined various production facilities and modernization activities undertaken in the Yard.



CMD, GSL greeted Hon'ble Shri Jual Oram, the Chairman of Parliamentary Standing Committee on Defence

IMPLEMENTATION OF RTI ACT, 2005

97. 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 transferred applications from MoD under Section 6(3) of the RTI Act were replied within the prescribed statutory requirement. During the year 2020-21, the Company received 64 RTI applications and the information was furnished in time. Nine RTI applicants preferred an appeal before the Appellate Authority under Section 19(1) of the RTI Act and the same were disposed of accordingly. There were no cases pending as on 31 Mar 2021 before the Central Information Commissioner for the RTI applications filed for the year 2020-21.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

98. Preventive Vigilance & Systemic Improvements have been the thrust areas of Vigilance Department to ensure transparency, fairness & probity in all transactions and processes of the Company. During the year 2020-21, a number of regular inspections, surprise checks and CTE (Type) inspections were carried out in various areas with the aim of intervening in time to preclude lapses/violations of instructions and guidelines of Central Vigilance Commission ('CVC'), if any. The required sensitization program on vigilance matter and formal training on 'Preventive Vigilance' were imparted to nearly 150 executives comprising of entry level inductees as well as middle level executives as per CVC mandate on the subject.

99. During FY 2020-21, the Company has implemented seven systemic improvements towards simplification of procedures/ guidelines w.r.t. procurement, promoting ease of doing business and ensuring more transparency & fairness to all the stakeholders as a part of preventive vigilance activities.

100. As per directives of CVC, 'Vigilance Awareness Week 2020' was observed from 27 Oct 2020 to 02 Nov 2020 with theme of 'Vigilant India, Prosperous India'. During the week, various in-house & outdoor activities such as essay writing, elocution, poster making & slogan writing competition were organized through virtual mode for GSL employees, CISF personnel and for school & college students to promote integrity, transparency and accountability in public life as well as to create awareness on corruption and its ill effects. On this occasion, an interactive session on various issues related to procurement procedures and guidelines was organised for the Company's personnel. Further, sensitization programme followed by screening of CVC documentary was conducted for Gram Panchayat, Chicalim, Goa as an outbound activity.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

CORPORATE GOVERNANCE

102. Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activities carried out by the Company and continues to lay strong emphasis on transparency,

accountability and integrity. A detailed Report on Corporate Governance as per the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005-GM dated 14.05.2010 along with Compliance Certificate from the Practicing Company Secretary is placed at **Annexure 'D'** hereto. As per the Self-evaluation Annual Grading Report on Corporate Governance for FY 2020-21, the Company has achieved **'Excellent'** grading.

COMPLIANCE OF SECRETARIAL STANDARDS

103. The Company has complied with the Secretarial Standards 1 & 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the Institute of Company Secretaries of India. Due to non-availability of Independent Director(s) on the Company's Board, the provisions w.r.t. minimum number of meetings of Audit Committee, Meeting of Independent Directors and presence of Chairman of Audit Committee and Nomination & Remuneration Committee at the last Annual General Meeting could not be complied with.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

104. Recognising its equal responsibility towards the community, the Company has been contributing steadily towards the goal of achieving sustainable and equitable development of society through capacity building measures, improved quality of life and empowerment of the marginalised and underprivileged sections. The CSR initiatives of your Company have been undertaken in conformity with the provisions of Section 135 of the Companies Act, 2013, Schedule VII thereto, Companies (Corporate Social Responsibility) Rules, 2014 including re-enactments and amendments thereto and the Guidelines on Corporate Social Responsibility issued by DPE.

105. The Company has amended its CSR & Sustainability Policy, in line with the Companies (CSR Policy) Amendment Rules, 2021 notified on 22 Jan 2021, which can be accessed on Company's website www.goashipyard.in. The details regarding the Committee on Sustainable Development and Corporate Social Responsibility are provided in Corporate Governance Report. The Annual Report on CSR activities carried out during the financial year is placed at **Annexure 'E'** hereto.

106. The Company's CSR activities were aligned with national priority of mitigating the ill-effects caused during COVID-19 pandemic and thus healthcare was the core thrust area during the year. Whole-hearted support in form of contribution, providing ambulance, supply of PPE kits, medical equipments, etc. has been extended. Factoring in community needs, the other focus areas were in the sectors of sanitation, education and skill development, women empowerment through livelihood intervention, environmental sustainability, etc. The brief snapshot of the CSR projects undertaken during FY 2020-21 are as under:

(a) **Healthcare: COVID-19 relief measures.** To support the Government and other institutions in management of COVID-19 pandemic, the Company contributed Rs 1.25 Crore to PM-CARES Fund; provided ventilator, portable touch free hand wash station, hi-flow nasal cannulas, personal protective items and other medical equipment to Government Hospitals/Agencies; and provided advanced life support ambulance to Goa Police.

(b) **Other Healthcare Support.** The Company contributed towards strengthening the medical infrastructure within the State of Goa by implementing Core Laboratory Management System at Goa Medical College, Bambolim, Goa; provided ECG Machines to Directorate of Health Services Goa; Dengue Kits and Malaria kits to Sub-District Hospital, Chicalim. In collaboration with Matruchhaya Charitable Trust, the Company has provided medical assistance to poor patients at Goa Medical College, Bambolim.

(c) **Sanitation**. In line with 'Swachh Bharat' campaign of the Government of India, the Company undertook following activities during FY 2020-21:

(i) Established 'Material Recovery Facility (MRF)'- a waste management facility at Sada, Vasco in collaboration with Goa State Urban Development Agency (GSUDA), Government of Goa;

(ii) Repaired dilapidated drain near KTC Bus Stand, Vasco for smooth drainage of water and prevention against dengue, malaria and other diseases;

(iii) Constructed/ renovated toilet blocks for local community at New Vaddem and for school children at Government High School (Main), Vasco;

(iv) Provided Sanitary Pad Vending Machines & Incinerators to local schools in and around Vasco for benefits of girl students;

(v) Adoption of public road from St. Andrew Circle, Vasco to Airport Junction, Chicalim for regular cleaning activities, painting of railings and other common signboards was also undertaken to improve overall ambience; and

(vi) Provided facilities for supply of safe drinking water for school children.

(d) **Education & Skill Development**. Under Prime Minister's Vision of Skill India, the Company has been supporting Ministry of Defence initiatives and implemented following measures for Skill Development of the youths of the society:

(i) **Adoption of Vasco ITI**. The Company has adopted the local Industrial Training Institute (ITI) at Vasco to make it a model ITI and organized trainings for students as well as instructors on safety, technical and soft skills. Sensing the future employment opportunity in the area of renewable energy, the Company is considering to set up an infrastructure facility at Vasco ITI for starting Solar Technician Course.

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

(iii) **Multiproduct Processing Centre**. The Company in collaboration with Goa State Biodiversity Board (GSBB), Government of Goa has established 'Multiproduct Processing Centre' at Sanquelim, Goa for imparting training on Food Processing to tribal women with the objective to enhance the income of women belonging to economically weaker section, through sustainable utilization of non-timber forest produce.

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

(e) **Other CSR Activities.** The Company contributed a total amount of Rs 50.00 lakh to FITT-IIT, Delhi towards Innovation for Defence Excellence and also contributed towards Armed Forces Flag Day Fund. 100 Life Jackets were provided to fishermen community towards their safety.

WHISTLE BLOWER POLICY

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

COPY OF ANNUAL RETURN

108. In accordance with the provisions of Section 92(3) and 134(3) of the Companies Act, 2013, a copy of the Annual Return for the year ended 31 Mar 2021 is placed on the Company's website, which can be accessed through www.goashipyard.in under Annual Reports.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

109. All related party transactions entered during the financial year were in ordinary course of business of the Company and on arm's length basis. There were no materially significant related party transactions entered into by the Company, which may have a

potential conflict of interest of the Company. Hence, the disclosure of Related Party Transactions in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 is not attached with the Directors' Report. However, your Directors draw attention of the members to Note 2.48 to the Financial Statements which sets out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

PARTICULARS OF EMPLOYEES

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

DIRECTORS

Appointment

111. **Appointment during FY 2020-21**. Shri Brajesh Kumar Upadhyay has been appointed as Director (Operations) on the Board of GSL vide Department of Defence Production ('DDP'), MoD letter no. 2/1(2)/2019/D(NS) dated 26 Aug 2020 for a period of five years with effect from the date of his assumption of charge of the post on or after 01 Sep 2020, or till the date of his superannuation, or until further orders, whichever is the earliest. He assumed the charge of the post on 01 Sep 2020 (AN).

112. **Appointment after closure of FY 2020-21 to the date of this Report**. Smt Nazli Jafri Shayin, Joint Secretary, Department of Defence, MoD has been appointed as Government Nominee Director on the Company's Board vide DDP, MoD letter no. 8(32)/2019-D(Coord/DDP) dated 31 May 2021 and her appointment has been made effective from even date.

113. The Board welcomed the appointment of Shri Brajesh Kumar Upadhyay and Smt Nazli Jafri Shayin. A brief resume of the newly appointed Directors is placed at **'Annexure D'** to this Report.

Cessation

114. Shri Shrikrishna J. Kamat ceased as Director (Operations) w.e.f. 31 Aug 2020 on attaining the age of superannuation.

115. Late Shri V. Nagaraj ceased as Part-Time Non-Official (Independent) Director w.e.f. 26 Sep 2020 due to his sudden and sad demise.

116. Smt Richa Misra ceased as Government Nominee Director w.e.f. 02 Feb 2021, vide MoD, DDP letter no. 8(32)/2019-D(Coord/DDP) dated 02 Feb 2021.

117. The Board placed on record its deep appreciation of the valuable services rendered and guidance provided by Shri Shrikrishna J. Kamat, Late Shri V. Nagaraj and Smt Richa Misra during their respective tenure.

Declaration of Independence by Independent Director

118. There was no Independent Director on the Company's Board as on 31 Mar 2021. Hence no declaration of independence by Independent Director was provided as per the provisions of Section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

119. During the year, seven 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

120. Your Company being a Government Company under administrative control of Ministry of Defence, the appointment, tenure and remuneration of Directors of the Company are decided by the Government of India. Article 117 and 121 of the Articles of Association of the Company state that the President will appoint Directors and determine their remuneration. Part-Time Non-Official (Independent) Directors are paid sitting fees for attending meetings of the Board of Directors and committees thereof. Government Nominee Director is not paid sitting fees or any other remuneration. Since the Board level appointments are made by the Government of India, the evaluation of performance of such appointees is also done by the Government of India as per its own evaluation methodology. For further details, please refer to Report on Corporate Governance placed at **'Annexure D'** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

121. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors in terms of Section 134 of the Companies Act, 2013 state that:

(a) in the preparation of the annual accounts for the year ended 31 Mar 2021, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;

(b) they had selected such accounting policies 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 2021 and of the profit of the Company for the year ended 31 Mar 2021;

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

(d) they had prepared the annual accounts on a going concern basis;

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

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

AUDIT COMMITTEE

122. For details regarding functioning of Audit Committee during FY 2020-21, please refer Report on Corporate Governance placed at **'Annexure D'** to this Report.

RISK MANAGEMENT

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

(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.

124. 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, monitors the same, apprises the Board of Directors about various risk management initiatives and ensures adequate reporting of the same to various stakeholders on a regular basis.

INTERNAL FINANCIAL CONTROLS

125. 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 executives 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 the Board of Directors examines audit observations, provides guidance, suggests corrective measures and issues directives, if required. The Audit Committee also looks into the Internal Control Systems, Company Procedures and Internal Audit performance while reporting to the Board of Directors. Due to the pendency of appointment of Independent Directors by the Government on the Company's Board, the meetings of Audit Committee could not be held from 26 Sep 2020 onwards and therefore, Internal Audit reports were reviewed by the Board directly.

STATUTORY AUDITORS

126. Pursuant to Section 139(5) of the Companies Act, 2013, Comptroller and Auditor General of India ('C&AG') has appointed M/s. ABM & Associates LLP, (BO1440) Chartered Accountants, Porvorim, Panaji, Goa as Statutory Auditors to audit the Financial Statements of the Company for FY 2020-21.

127. Auditors' Report on the Financial Statements of the Company for FY 2020-21 is appended to this Report. There are no audit qualifications or adverse remarks on the Company's Financial Statements. The comments of the C&AG under Section 143(6) of the Companies Act, 2013, on the Financial Statements of the Company for FY 2020-21 are placed next to the Statutory Auditors' Report.

COST AUDITORS

128. As per the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained the cost records relating to Shipbuilding industry. Pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S R Bhargave & Co, Cost Accountants, Pune, Maharashtra (FRN 000218) was appointed as Cost Auditor for conducting the audit of cost records of the Company for FY 2020-21.

SECRETARIAL AUDIT

129. Pursuant to Section 204 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, CS Francisco Dias, Practicing Company Secretary, Vasco da Gama, Goa (PCS Registration No. 3765) was appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for FY 2020-21. The Secretarial Audit Report submitted by Secretarial Auditor is annexed to this Report as **Annexure 'F'** and forms part of this Report.

130. The Secretarial Auditor in his Report observed that during the current Audit period, from 01 Apr 2020 up to 25 Sep 2020 the Company had only one Independent Director on the Board of Directors, and thereafter had no Independent Director on its Board. From 02 Feb 2021 onwards 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 was not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. In the absence of the requisite number of Independent Directors, the Audit Committee, Nomination & Remuneration cum Human Resource Committee and Committee on Sustainable Development & CSR of the Company were not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

131. It is submitted that as per the Articles of Association of the Company, power to appoint directors (including Government Nominee Director & Independent Directors) and the terms and conditions of such appointments including remuneration and evaluation is vested with the President of India and the filling up of the vacancies of Independent Directors is under process with Administrative Ministry of the Company i.e. Ministry of Defence. It was further submitted that the order for appointment of Woman Director notified by Administrative Ministry has been amended with appointment of another Woman Director before implementation of earlier order.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

132. In terms of Gazette Notification No. GSR 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempted from the provisions of Section 186 of the Companies Act, 2013.

GENERAL

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

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

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

(c) 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.

(d) 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.

ACKNOWLEDGEMENT

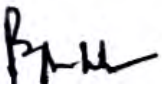
134. The Board of Directors is extremely thankful for the continued patronage and gratefully acknowledge the valuable assistance and guidance received by the Company from various Ministries of the Government of India, especially Ministry of Defence, Department of Defence Production, the Integrated Headquarters (Navy)/MoD, Indian Coast Guard organization, Government of Goa, Mormugao Port Trust and Flag Officer Goa Area & Naval Aviation.

135. The Directors are also thankful for the valuable advice rendered by and co-operation received from the Comptroller and Auditor General of India, the Principal Director of Commercial Audit, Ex-officio Member of the Audit Board, Bengaluru, Controller of Defence Accounts (Navy) and the Department of Public Enterprises.

136. The Directors are immensely thankful to the Company's clients and shareholders for the trust and confidence reposed in the Company. The Directors gratefully acknowledge the wholehearted support and co-operation extended by the Company's suppliers, Classification Authorities, Rating Agencies, Auditors, Bankers, Insurers and the CISF Contingent.

137. The Directors sincerely appreciate the invaluable contribution, committed services and unstinted efforts put in by all employees of the Company for its continued progress and exhibiting grit, determination and resilience during these calamitous times of COVID-19 pandemic. The Directors look forward to their continued support and participation to propel the Company to greater heights in the coming years.

For and on behalf of Board of Directors



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

Place: Vasco da Gama
Date: 06th August, 2021

STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED CASTES/ SCHEDULED TRIBES/OTHER BACKWARD CLASSES/PERSONS WITH BENCHMARK DISABILITIES AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.01.2021 AND 01.01.2020

CLASSIFICATION OF POSTS	AS ON 1ST JANUARY 2021							AS ON 1ST JANUARY 2020						
	TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOYEES*		TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOYEES*	
						NO.	%						NO.	%
Permanent														
GROUP 'A'	253$	34	23	58	0	26	10.27%	256$	33	22	59	1	25	9.76%
GROUP 'B'	19	0	1	4	0	3	15.78%	16	1	1	4	0	2	12.50%
GROUP 'C'	940#	45	87	245	13	115	12.23%	1009#	50	87	231	17	119	11.79%
GROUP 'D'	203#	17	15	22	11	7	3.44%	219#	20	16	22	11	7	3.19%

* 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/ Fixed Term Officers

includes Fixed Term Supervisors/ Fixed Term Workmen/ ITI/ Diploma Trainees

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE DURING THE CALENDAR YEAR 2020, THE NUMBER FILLED BY MEMBERS OF SCs, STs, OBCs, PwBDs AND WOMEN PERSONNEL, REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION

CLASSIFICATION OF POSTS	TOTAL NO. OF VACANCIES FILLED DURING THE YEAR	SCHEDULED CASTES		SCHEDULED TRIBES		OTHER BACKWARD CLASSES		PERSONS WITH BENCHMARK DISABILITIES		WOMEN PERSONNEL RECRUITED*	REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED		
Permanent											
GROUP 'A' (including Fixed Term Officers)	1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
GROUP 'B'	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
GROUP 'C' (including Fixed Term Employees, ITI and Diploma Trainees)	16	NIL	NIL	1	3#	2	1#	NIL	NIL	NIL	Unfilled vacancy wherever reflected is due to non-availability of suitable candidate. However efforts are being made to fill up the vacancy by respective category.
GROUP 'D' (including Fixed Term Employees)	NIL	NIL	NIL	NIL	NIL	Nil	Nil	NIL	NIL	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 2020-21

INDUSTRY SCENARIO AND DEVELOPMENTS

Global Scenario

1. During the year 2020-21, the world witnessed health adversities due to COVID-19 pandemic, confounding changes, growing insularity and economic severities that has both immediate and long-term impact on global economy. To sustain their fight against the virus, major economies are forcing redistribution of resources, shifting priorities towards other areas of economy particularly healthcare and accordingly reshuffling investment priorities. Many countries temporarily deferred defence capital acquisition programs and reducing defence spending due to the adverse impact of the pandemic on economic growth. A marked slowdown is witnessed in manufacturing and trade of military hardware. Given the disruption in the complex global supply chain, some defence programs could result in minor near-term cost corrections and schedule delays in 2021.

2. While the pandemic has affected the defence shipbuilding industry; proliferating security concerns among various nations, rising global tensions, territorial expansionism, cross border conflicts, technological advancements and rising spending in research and development activities are likely to propel the industry growth in the long term. Countries across the globe are likely to spend on strengthening their militaries as geopolitical tensions intensify. Nations are retooling their fighting abilities towards more affordable and updated technology. Vessel obsolescence being faced by many nations in the coming few years and requirement for deployment of new and advanced naval fleets to counter rival fleet expansionism are expected to drive the market on an upward curve.

3. Global defence spending is expected to grow about 2.8% in 2021, crossing the USD 2 trillion mark. As per a published report, the Naval Vessels Market was valued at USD 57.01 billion in 2019 and is anticipated to reach USD 232 billion by 2030, at a CAGR of 13.5% during the forecast period (2021-2030). Renewed emphasis on stealth, automation, robotic technologies, multi-mission capability and modular ship design by operators will further fuel the demand of technologically advanced vessels. The relevance of maritime defence, especially for developing nations, is likely to increase significantly, fuelling growth in shipbuilding industry.

Indian Scenario

4. In the wake of the unprecedented global fallout of the COVID-19 pandemic which also had a severe impact across the country, the Government of India initiated pro-active actions to combat and control/mitigate the outbreak of COVID-19. Though the pandemic resulted in severe disruption in industrial production and consumption spending during first quarter of FY 2020-21, the Government implemented a slew of measures and rolled out stimulus packages to stabilize economic conditions. As the detrimental impact of the pandemic receded from third quarter of FY 2020-21, the Indian economy started rebounding and economic growth picked up momentum. Indian economy which started showing signs of recovery in early 2021, with policy support and gradual unwinding of containment measures, was again hit by the second wave of the pandemic in Mar 2021. Despite the prompt nationwide containment strategy and subsequent policy support, a downturn in the domestic economy during FY 2020-21 was unavoidable on account of COVID-19.

5. Defence shipbuilding industry is no exception and was equally hit by the impact of pandemic and the strict confinement measures. Capital expenditure related to new acquisition programs was constrained as the resources were channelised to cater for the unexpected immediate healthcare needs of the country. Considering the delays in project execution and supply chain disruptions due to the impact of pandemic, four months extension was provided by Ministry of Defence ('MoD') in delivery / completion

period of capital acquisition contracts with Indian vendors. However, the increased instabilities along our northern border and the evolving geopolitical development coupled with the Government of India's thrust for 'AatmaNirbhar Bharat' to minimise our external dependencies and enhance self-reliance, provided the much needed push to the defence industry.

6. The Government is continuously taking several initiatives to encourage domestic manufacturing of defence products and accordingly to reduce its external dependence for these products. The Government has raised FDI limit from 49% to 74% via automatic route which resulted in significant FDI inflows in the defence sector. In Aug 2020, Indian Government put 101 defence items under import embargo to offer potential military hardware manufacturing opportunities to the Indian defence industry. To give further impetus to this initiative of self reliance, on 31 May 2021 the Government notified 'Positive Indigenisation List' of 108 items that must be compulsorily procured from indigenous sources. An indigenisation portal namely 'SRIJAN' has been launched in Aug 2020 for DPSUs/OFB/Services with an industry interface to provide development support to MSMEs/Startups/ Industry for import substitution.

7. Under the 'AatmaNirbhar Bharat' scheme, MoD has formulated draft 'Defence Production and Export Promotion Policy 2020' which provides a focused and structured thrust to defence production capabilities of the country for self-reliance and exports. Further, Defence Acquisition Procedure (DAP) 2020, released in Sep 2020, has been aligned with the Government's vision of AatmaNirbhar Bharat and empowering Indian domestic industry through 'Make in India' initiative with the ultimate aim of turning India into a global defence manufacturing hub.

8. India's proactive approach towards foreign mutual trade and rising joint agreements with foreign countries for joint defence manufacturing and strengthening defence ties, will offer huge potential growth opportunities to boost defence manufacturing in India. Provisions such as allowing leasing of equipment and waiver of offset requirements in government-to-government deals also hold promise in the upcoming decade.

9. The Indian Navy has been the leading patron of the indigenisation of defence production capabilities, with a vision of a 200-strong combat fleet by 2027. In addition to the Indian Navy, the Indian Coast Guard is also engaged in a massive expansion plan and is in the process of acquiring various vessels and crafts to strengthen the long maritime boundaries of the country. On account of critical need to build technological capabilities vis-à-vis our neighbouring countries owing to the ongoing territorial disputes and rising security challenges, the future of warship construction looks promising.

ORGANISATION STRUCTURE

10. Goa Shipyard Limited ('GSL') is a defence public sector undertaking under the administrative control of Ministry of Defence, Department of Defence Production wherein 51.09% shares are held by the President of India and 47.21% by Mazagon Dock Shipbuilders Limited, Mumbai and balance 1.70% by others. GSL, a Miniratna, Category-I, ISO 9001:2015 (QMS), 14001:2015 (EMS) and 45001:2018 (OHSMS) certified company with state-of-the-art shipbuilding infrastructure positioned at Vasco da Gama (Goa), is engaged in Shipbuilding, Ship Repair and General Engineering Services for defence and commercial sector. GSL has newly setup a dedicated infrastructure for production of GRP vessels. Separate facilities to support Ship Repair & General Engineering Services activities also exist as part of diversification. Further a liaison office has been opened in Karwar, Karnataka to explore ship repair opportunities.

PRODUCTS AND SERVICES

11. In the recent past, GSL has grown exponentially in diverse fronts offering end-to-end solutions for design, construction and through-life support for defence platforms. It has emerged as a leading shipbuilder in the Indian sub-continent, capable of indigenously designing and building state-of-the-art high technology and sophisticated ships to cater for maritime security requirements of the

country and also for its friendly neighbours. The product range of GSL includes Frigates, Missile Crafts, Offshore Patrol Vessels, Fast Patrol Vessels, Sail Training Ships, Pollution Control Vessels, Fast Attack Crafts, etc. The Shipyard has further diversified into design and construction of Glass Reinforced Plastic (GRP) Boats, Tugs, Auxiliary Vessels, Hovercrafts, Nuclear Biological Chemical Training Facility (NBCTF), Damage Control Simulator (DCS), Survival at Sea Training Facility (SSTF), Shore Based Test Facility (SBTF), Stern Gear and Shafting Equipment. Dedicated infrastructure facilities have been created to build GRP boats at GSL Unit II at Sancoale Industrial Estate, Goa. The ship repair capability of GSL includes facilities for repair of large vessels up to 135 mtrs. long, 2000 DWT and 5 mtrs. draught. GSL has ventured into hardware demands for catering the inland waterways and commercial ship repair activities.

OUTLOOK

12. The Indian defence market is at the cusp of a revolution, with the introduction of policy changes that promises increased domestic defence manufacturing, reduced program delays and speedy acquisitions. As per the report published by Indian Brand Equity Foundation, the Indian Government has set the defence production target at US$ 25 billion by 2025 (including US$ 5 billion from exports by 2025). The Defence Ministry estimates potential contract worth approximately Rs 4 lakh crore (US$ 57.2 billion) for the domestic industry in the next 5-7 years (2025-2027).

13. Government's emphasis on 'Make in India' initiative in the defence sector provides huge opportunities for domestic players to enhance their production capacity and capability. Adoption of new technologies, such as Artificial Intelligence (AI), Automation and Industry 4.0 technologies will provide opportunities to meet incessant need to build high-tech platforms for maritime forces. Emerging business prospects in commercial shipbuilding segment and growing demand of unmanned & autonomous vessels would also offer additional avenues to the shipyards. There is plethora of opportunities in the sector which can be harnessed by adopting emerging technologies and leveraging long-term strategic partnerships with the global equipment manufacturers.

14. Your Company continues its efforts in securing shipbuilding and repair orders at domestic and international level and has been bidding aggressively for upcoming projects of the Indian Navy & Indian Coast Guard and is endeavouring to maximise the indigenization content with the help of Indian shipbuilding industry. The Company is focusing on emerging business opportunities and develops new products / aggregates to align with market requirements. Considering the healthy order book position and expected orders, the future outlook of the Company is bright and encouraging.

SWOT ANALYSIS

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

Strengths

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

(b) In-house design capabilities, operating on computerized modelling and drafting software, has led to development of designs of Advanced Offshore Patrol Vessels, Fast Patrol Vessels, etc. The Company is in the process of developing more sophisticated designs for varied vessels for different applications for which the Company has procured additional FORAN Software licences.

(c) The Company has a well established Enterprise Resource Planning (ERP) system encompassing the entire gamut of operations. This enables seamless integration of all activities resulting in faster and efficient handling of the entire functions. All workflows from the initiation stage to termination are fully system based.

(d) Highly skilled work force with ability to absorb and adopt improvements/new technologies. On the job training and special training sessions

for acquisition of new skills are imparted to keep the workforce abreast with emerging technologies.

(e) Successful implementation of e-procurement system and incorporation of such other advancements in IT in the day-to-day working of the Company as well as in Cyber Security to protect the IT Infrastructure.

(f) New and advance shipbuilding infrastructure supported with modern machineries which enable simultaneous construction and fitting out of hull blocks. Advancement in technology is captured and absorbed simultaneously.

(g) New Shiplift and Transfer System capable of docking / undocking of vessels upto 6000T with two land berths and two covered Ship Assembly Workshop equipped with two cranes of 80T each with tandem operation capable of lifting 160T, showcasing vast expanse of infrastructure.

(h) Newly commissioned state-of-the-art Steel Preparation Shop and Block Assembly Workshop for achieving the modern-day block construction philosophy.

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

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

(k) Cohesive management with better communication network.

(l) Good industrial relations.

(m) Possess sound financials in all parameters.

Weaknesses

(a) Geographical limitation for expansion.

(b) Limited water front and water depth.

(c) Dependence on foreign suppliers for sophisticated systems and machineries due to inadequate industrial and local vendor base.

(d) Availability of limited experienced contractors to whom work can be outsourced to meet the stiff delivery schedules.

Opportunities

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

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

(c) Encouraging demand for OPVs/FPVs/PCVs which are the flagship projects of the Company, due to increasing security needs internationally for patrolling, pollution control, etc.

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

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

(f) Increasing needs for GRP/FRP boats for patrolling activities by the armed forces / other government agencies.

(g) Increased opportunities due to impetus on self-reliance and Make in India policy of the Government.

(h) Construction of two technologically advanced Frigates has opened up a plethora of opportunities for venturing into the league of more advanced and sophisticated warship builders.

(i) Potential for upkeep of various vessels built and delivered by the Yard to different customers, under Annual Maintenance Contracts.

Threats

(a) Increased competition in the shipbuilding / refit market.

(b) Rapid advancement in technology in defence.

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

(d) Disruption in supply chain due to COVID-19 uncertainty.

16. The SWOT analysis brings out the huge opportunities available for building defence, commercial & inland water vessels and repair/refit of vessels.

Therefore, GSL continues to focus on exploiting these opportunities based on its strength and minimizing the impact of weaknesses. The Company leverages its strengths of infrastructure, design and manufacturing facilities through strategic alliances to address the emerging opportunities and reducing the impact of perceived threats and weaknesses.

RISKS AND CONCERNS

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

    (a) The most significant emerging risk is the outbreak of the novel coronavirus (COVID-19). The manifold disruptions in carrying out production activities, curtailment of all subcontract activities, challenges in running business processes, managing supply chain and ultimately the financial stress impacting Government spending on defence procurements pose the risk that is rapidly evolving.

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

    (c) Requirement for augmentation of IT infrastructure including Software/ERP system aligning with advancement in technology.

    (d) Uncertainties on the part of suppliers and subcontractors affecting the timely delivery of equipment and completion of job works entrusted to them.

    (e) Unexpected delays experienced in finalisation of high-value orders and effectuation of contracts may hamper optimum utilization of facilities, trained manpower and infrastructure.

    (f) Increased competition influencing maintenance of cost competitiveness and sustenance of market share.

MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH

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

    A. **Infrastructure Modernisation:** A major infrastructure modernisation plan at GSL is nearing completion which will enhance the capabilities of the Yard to build larger and complex class of vessels for defence forces, commercial applications and exports. The plan also include creation of dedicated facilities for the construction of high technology Glass Reinforced Plastic (GRP) hull vessels, new steel fabrication facilities for construction of new technology ships and facility for repair & refit of ships. With the ongoing modernisation plan, the capacity of the Shipyard is being enhanced multifold. Modernisation plan for creating facilities for construction of GRP hull vessels is financed partly from internal accruals and partly through the Government assistance. Infrastructure modernisation programme at GSL is being executed in five phases out of which works on Phase 1, 2 and 3A have been completed. The work on Phase 3B and 4 is in advanced stage of completion as below:

        (a) **Steel Preparation Shop:** The state-of-the-art Steel Preparation Shop (SPS) was completed under Phase 3B which was inaugurated on 10 Aug 2020 by Hon'ble Raksha Mantri Shri Rajnath Singh, through video conferencing as part of AatmaNirbhar Bharat week. This facility will enhance the existing steel preparation capabilities by threefold and it envisages a reduction in the steel preparation cycle time through introduction of larger number of dedicated process lanes and workstations.

        (b) **Construction Works Phase 3B:** Block Assembly Workshop (BAW) area 1, 2, 3 & 4 were completed. Erection of Post Paint Shop as part of BAW, construction of Blasting & Painting cells, Amenity Building, new stores and other ancillary buildings are in progress. Phase 3B is expected to be completed by end 2021.

        (c) **GRP complex:** GRP complex as part of Phase 4 was completed and inaugurated by Shri Raj Kumar, IAS, Secretary (Defence

Production) through video conferencing on 08 Jul 2020. GRP complex consists of mould bay, GRP workshop, transfer rails & deck work for GRP transfer area, office buildings, movable shelters and cranage facilities.

(d) **Construction of Command, Control & Design Office Building at GSL:** As part of Phase 4, Command, Control & Design Office comprising of 08-floors is in final stages of completion with interior works in progress.

(e) Due to the lockdown restrictions imposed on account of COVID-19 pandemic and restricted movement of labour and materials, the progress of construction works under Phase 3B and 4 has been hampered. The Company is taking all concerted efforts to arrest the slowdown and accelerate the pace of construction activities.

B. **Marketing & Business Development:** In order to further strengthen the order book position and in line with growing thrust on export by the Government of India, the following initiatives were taken towards marketing and business development:

(a) GSL is marketing aggressively its various reliable and proven products specially the in-house designed range of Patrol Vessels along with Survey Vessels, Training Ships, Landing Craft Utility and the varied range of GRP boats and Training Simulators etc. to various friendly countries. The Company is expanding its capabilities into construction of high value weapon intensive warships (Corvettes, Frigates, etc.) and bidding aggressively for international and domestic acquisition programmes. GSL is firming up plans to foray into unchartered technologically advanced shipbuilding segments 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 shipbuilder league, which is considered critical for long term growth of the Company.

(b) In order to publicize our expertise and improve exposure in the international market and to identify various business opportunities, the Company participated in defence exhibitions viz. 'ARMY-2020' Exhibition in Moscow, Russia, 'AERO INDIA-21' in Bengaluru and 'IDEX / NAVDEX-21' in Abu Dhabi. GSL also participated in online virtual exhibitions namely 'Euronaval - 20', 'Korea Maritime Trade Show' and 'Virtual Maritime India Summit' wherein virtual stalls were put up for showcasing GSL's capabilities and product range. During the AERO INDIA-21 Exhibition in Bengaluru, GSL signed four MoUs/Agreements and participated in a seminar on Indian Ocean Region in which the capability of GSL in construction of Patrol Vessels was highlighted.

(c) The Company deputed its representatives to potential countries to obtain insights on their forthcoming projects and impress upon them the capabilities of GSL to design and build various types of high quality, cost effective defence vessels, high speed boats and training simulators. Interaction and discussions with potential countries, through Indian Missions abroad, are held for exploring the export opportunities of GSL vessels.

C. **Information Technology (IT) System Initiatives.** Your Company has continued to undertake various initiatives on the Information Technology front to facilitate business operations. Some of the major initiatives taken during FY 2020-21 are as under:

(a) Implemented / re-designed workflow enabled functional processes such as Dashboard Application for Senior Management, Loans and Advances sanction & payment for Workman, Annual Confidential Report (ACR) Submission system etc.

(b) The process for procurement of the new ERP product and its System Integrator has been initiated and is under progress.

(c) The complete list of IT assets has been labelled, maintained and classified.

(d) Improvements in Disaster Recovery (DR) site at Sancoale Unit-II brought by installing the smart racks which is intended to enhance IT Hardware Infrastructure. Smart racks are mini data center solution to keep the redundancy in application servers for better availability of data in safe running condition with built in access, temperature, humidity and power supply control.

(e) Windows-XP desktops were replaced with new desktops with Windows-10 Operating System. Desktops with Windows-7 software were upgraded to Windows-10 for virtualizing critical updation process and proper support from OEM of the software i.e. Microsoft.

(f) Standard Operating Procedures (SOPs) with regard to Cyber Security Policy implementation have been framed.

(g) Sensitive data is being encrypted with the configuration / implementation of Microsoft Bitlocker encryption services.

(h) Online training on Cyber Security is being conducted by ISEA, C-DAC (MeitY) on regular basis for basic awareness to computer users and deep drive training to IT personnel.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

19. The Company has an adequate system of Internal Control implemented towards achieving effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The system comprises well defined organization structures, pre-identified authority levels and procedures issued by Management covering all vital and important areas of activities, viz. Budget, Procurement, Material 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. Internal Audit with regard to three major areas such as Inventory, Transactions and Fixed Assets are outsourced to professional practicing firms. The Internal Control Systems are reviewed by the Audit Committee of Board of Directors. Audit reports are submitted to the Audit Committee and observations, if any are specifically reported to the Audit Committee. Due to the pendency of appointment of Independent Directors by the Government on GSL Board, the meetings of Audit Committee could not be held from 26 Sep 2020 onwards and therefore, Internal Audit reports were reviewed by the Board directly.

20. 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 adequacy of Internal Control Procedures is reviewed and reported by the Statutory Auditors in their Audit Report. The Company, being a Government Company, is subject to audit by the office of Comptroller and Auditor General of India.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

21. The Performance Highlights of the Company during the year ended 31 Mar 2021 are as follows:

(Rs. in crore)

	2020-21	2019-20
Value of Production	**827.39**	902.94
Gross Revenue	**978.76**	1,071.76
Revenue from Operations	**860.49**	931.27

	2020-21	2019-20
Earnings before Interest, Taxes & Depreciation	**250.46**	330.35
Less: Finance Costs	**0.26**	17.90
Less: Depreciation	**50.13**	47.53
Profit before Exceptional Item and Tax	**200.07**	264.92
Less: Exceptional Item	**27.75**	-
Profit Before Tax	**172.32**	264.92
Less: Tax Expense	**44.41**	67.14
Profit After Tax	**127.91**	197.78
Other Comprehensive Income (net of tax)	**0.40**	(4.10)
Total Comprehensive Income	**128.31**	193.68
Net Worth	**1,098.26**	1,025.24
Inventory	**247.25**	333.31
Trade Receivables (Net)	**201.84**	118.47
Earnings Per Share (in Rs)	**10.99**	16.99
Dividend (%)	**95%**	110%

SEGMENT-WISE PERFORMANCE

22. The Ministry of Corporate Affairs, Government of India vide Notification No. S.O. 802(E) dated 23 Feb 2018 has exempted companies engaged in defence production from disclosure requirements with regard to the Accounting Standard on segment reporting. Hence, the segment-wise/ product-wise performance is not appended to this Report.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

23. The details regarding Human Resource Development, Industrial Relations and Manpower Strength are more specifically covered in the Directors' Report.

ENVIRONMENTAL PROTECTION AND CONSERVATION

24. The Company is a least polluting company and 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 300 trees of different varieties including fruit bearing trees and medicinal plants were planted in the Yard premises, residential complexes of the officers and CISF barracks. The Company has adopted a few public gardens for general maintenance and plantations in these areas have also been carried out. As a part of celebration of Environment Day on 05 Jun 2020, banners and posters were displayed inside GSL & public places for creating awareness amongst GSL employees and general public regarding 'Protection of Environment' by avoiding use of plastics and encouraging reforestation.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

Annexure 'D' to Directors' Report

CORPORATE GOVERNANCE REPORT FOR FY 2020-21

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

PHILOSOPHY ON CORPORATE GOVERNANCE

1. It is the constant endeavour of your Company to maintain the highest standards of ethics in all spheres of business activities. Your Company's philosophy on 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 conflict of interest. It also accords due importance to adherence to the adopted corporate values and objectives and discharging social responsibilities as a corporate citizen.
2. Keeping up its professional approach, your Company is implementing the precepts of Corporate Governance in letter and spirit. The Company has set itself a new mission with the objective of expanding its capacities and capabilities for becoming globally competitive in its business. The Company expects to realize its vision by achieving its goals of value creation, safety, environment and people.

BOARD OF DIRECTORS

3. The Board of Directors of the Company, headed by Chairman & Managing Director, ensures that the Company has clear goals aligned with stakeholder's interest and its growth. The Board oversees the overall functioning of the Company and gives strategic directions and seeks accountability for their fulfillment. The Board of Directors of the Company plays a pivotal role in ensuring good Corporate Governance.

Composition of Board of Directors

4. Goa Shipyard Limited ('GSL') is a Government Company under the administrative control of the Ministry of Defence ('MoD'). The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 ('the Act') and DPE Guidelines. Being a Government Company and as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India.
5. The Board of Directors of the Company comprises of Directors with diverse experience, qualifications, skills etc. which are aligned with the Company's business, overall strategy, corporate ethics, values and culture. As on 31 Mar 2021, the Board of Directors of the Company consisted of 04 Whole-Time Directors including Chairman & Managing Director.
6. Details of the Members of the Board during the period from 01 Apr 2020 to 31 Mar 2021 are given below:-

Sl. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of other directorships held	No. of committee membership in other companies	
				As Chairman	As Member
Whole-Time Director:					
1.	Cmde Bharat Bhushan Nagpal, NM, IN (Retd.), Chairman & Managing Director	07564818	Nil	Nil	Nil
2.	Shri T. N. Sudhakar, Director (Finance) & Chief Financial Officer	07419878	Nil	Nil	Nil
3.	Capt. Jagmohan, IN (Retd.), Director (Corporate Planning, Projects & Business Development)	08630668	Nil	Nil	Nil
4.	Shri Brajesh Kumar Upadhyay, Director (Operations) *(Appointed w.e.f. 01.09.2020 AN)*	08852107	Nil	Nil	Nil
5.	Shri Shrikrishna J. Kamat, Director (Operations) *(Ceased as Director w.e.f. 01.09.2020)*	08143652	Nil	Nil	Nil
Government Nominee Director:					
6.	Smt Richa Misra, Joint Secretary (Armed Forces), Ministry of Defence *(Ceased as Director w.e.f. 02.02.2021)*	08259796	Nil	Nil	Nil
Part-Time Non-Official (Independent) Director:					
7.	Late Shri V. Nagaraj, *(Ceased as Director w.e.f. 26.09.2020)*	08517963	Nil	Nil	Nil

7. As per DPE Guidelines, there should be 03 Part-Time Non-Official (Independent) Directors and 01 Govt. Nominee Director on the Company's Board. There were 02 vacancies of Independent Directors at the beginning of the year. Due to sad and sudden demise of lone Independent Director Shri V. Nagaraj on 25 Sep 2020, there has been no Independent Director on the Company's Board since 26 Sep 2020. The Company has been pursuing with its administrative ministry for appointment of Independent Directors, which is under consideration.

8. Smt Richa Misra, JS (Armed Forces) ceased to be the Govt. Nominee Director w.e.f. 02 Feb 2021 vide MoD, Department of Defence Production ('DDP') letter of even date. Thereafter, MoD vide its letter dated 17 Mar 2021 appointed new Govt. Nominee Director on the Company's Board but due to some procedural reasons the order of appointment could not be implemented and subsequently, MoD vide its letter dated 31 May 2021 amended its aforesaid order by appointing another Govt. Nominee Director.

9. In view of the aforesaid vacancies of Independent Directors and Govt. Nominee Director, the provisions of the Act and DPE Guidelines regarding composition of Board could not be complied with as on 31 Mar 2021.

Brief resume of newly appointed Directors

10. **Appointment during FY 2020-21**. Shri Brajesh Kumar Upadhyay has been appointed as Director (Operations), GSL vide MoD, DDP letter No. 2/1(2)/2019/D(NS) dated 26 Aug 2020. He has assumed the charge of the post of Director (Operations) in GSL on 01 Sep 2020 (AN). Shri Brajesh Kumar Upadhyay is a Graduate in

Electrical Engineering and a Fellow member of Institute of Engineers, Kolkata and Institute of Electronics & Telecommunication Engineers, New Delhi. He started his career with GSL in the mid eighties. During his long career of 29 years, he held various key positions in the functional and operational areas of GSL and has made significant contributions in areas of ship construction, diversification of products as part of General Engineering Services, Corporate Planning, Business Development, Infrastructure Development and Ship Repairs. He played a major role in bringing new technologies to GSL through Transfer of Technologies and MoUs with reputed and established international firms.

11. **Appointment after closure of FY 2020-21 to the date of this Report**. MoD, DDP vide its letter no. 8(32)/2019/D(Coord-DDP) dated 31 May 2021, appointed Smt Nazli Jafri Shayin (DIN 07528552), Joint Secretary, Department of Defence, MoD as Govt. Nominee Director on the Company's Board and her appointment has been made effective from 31 May 2021. Smt Nazli Jafri Shayin is currently holding the post of Joint Secretary, Department of Defence, Ministry of Defence. Smt Shayin is an IA&AS officer of 1999 batch and has done B.A. from Sophia College, Ajmer, M.B.A. from Aligarh Muslim University and M.P.A. from London School of Economics, UK. She has served in various capacities in offices of AGs and C&AG office. In addition, she has served as Executive Director of Tribal Cooperative Marketing Development Federation of India Limited ('TRIFED') and has been on Board of National Scheduled Tribes Finance and Development Corporation and as Director of D/o School Education & Literacy, Govt. of India. She has worked in various departments spanning over 20 years and having a rich and vast experience of working in the fields of Audit, Administration and on State Govt. deputations.

Directors' Shareholding

12. As on 31 Mar 2021, Shri Brajesh Kumar Upadhyay, Director (Operations) held 16 equity shares of the Company having face value of Rs 5/- each. No other Director of the Company held any shares of the Company as on 31 Mar 2021. Shri Shrikrishna J. Kamat, Director (Operations), who retired on 31 Aug 2020, held 88 equity shares of the Company having face value of Rs 5/- each.

Meetings of Board and Attendance

13. The Board of Directors meets at regular intervals to review the Company's operational & financial performance, order book status, formulate strategies for business development, ensure regulatory compliances, approve financial results & budgets and formulate / review internal policies and systems. During FY 2020-21, seven Meetings of the Board of Directors were held viz. on 18 Jun 2020, 17 Aug 2020, 30 Sep 2020, 05 Nov 2020 and 17 Dec 2020, 28 Jan 2021 and 24 Mar 2021. The intervening gap between any two meetings was within the limit prescribed by the Act and DPE Guidelines. Details of attendance of the Directors at the Board Meetings and Annual General Meeting held during FY 2020-21 are furnished below:

Sl. No.	Name of Director	No. of Board Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 30.09.2020
Serving Directors				
1.	Cmde B. B. Nagpal, IN (Retd.), CMD	7	7	Yes
2.	Shri T. N. Sudhakar, Director (Finance)	7	7	Yes
3.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	7	7	Yes
4.	Shri B. K. Upadhyay, Director (Operations) *(Appointed w.e.f. 01.09.2020 AN)*	5	5	Yes

Sl. No.	Name of Director	No. of Board Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 30.09.2020
Ceased as Director				
1.	Shri S. J. Kamat, Director (Operations) *(Ceased as Director w.e.f. 01.09.2020)*	2	2	NA
2.	Late Shri V. Nagaraj, Independent Director *(Ceased as Director w.e.f. 26.09.2020)*	2	2	NA
3.	Smt Richa Misra, Govt. Nominee Director *(Ceased as Director w.e.f. 02.02.2021)*	6	6	Yes

14. Meetings are governed by a structured agenda. Agenda papers along with supporting documents are circulated well in advance to the Board Members to enable them to take informed decisions. The Board Members, in consultation with the Chairman bring up any important issue for consideration of the Board. If necessary, senior management is also called to provide additional inputs to the items being discussed at the Board/Committee meetings. Further, presentations are made during the course of discussion wherever required for the information of the Directors. The Directors are provided with video-conferencing facility to enable them to attend/participate in Board/Committee meetings. In case of exigencies, the meeting(s) is / are convened at shorter notice as provided under the Act.

COMMITTEES OF THE BOARD

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

16. The details of the Committees of the Board are provided herein below:-

AUDIT COMMITTEE

Terms of Reference

17. The terms of reference for the Audit Committee has been approved by the Board considering the requirements under the Act and DPE Guidelines and it inter alia, includes 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) Approval of payment to Statutory Auditors for any other services rendered by them.

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

    (e) 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.

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

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

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

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

(j) To review the functioning of the Whistle Blower Mechanism and to overseas the vigil mechanism on its establishment in the Company.

(k) Review and monitor the auditor's independence and performance, and effectiveness of audit process.

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

(m) Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company.

(n) Approval or any subsequent modification of transactions of the Company with related parties.

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

(p) Evaluation of internal financial controls and risk management systems.

Composition of the Committee and details of Meetings & Attendance

18. The Audit Committee was last reconstituted w.e.f. 01 Sep 2020. During FY 2020-21, only **two** meetings of the Audit Committee were held on 18 Jun 2020 and 17 Aug 2020. The composition of the Audit Committee, including change and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Category	Meetings held during respective tenure of Member	No. of Meetings attended
1.	Late Shri V. Nagaraj, Chairman (Ceased as Director w.e.f. 26.09.2020)	Independent Director	02	02
2.	Smt Richa Misra (Ceased as Director w.e.f. 02.02.2021)	Govt. Nominee Director	02	02
3.	Capt. Jagmohan, IN (Retd.) (Appointed as Member w.e.f. 01.09.2020)	Director (CPP&BD)	-	-
4.	Shri Shrikrishna J. Kamat (Ceased as Director w.e.f. 01.09.2020)	Director (Operations)	02	02

19. CMD, Director (Finance), General Manager (Finance) and Internal Auditor of the Company regularly attend the meetings of the Audit Committee as Invitees. Statutory Auditors are also invited to attend the meeting of the Audit Committee as and when required for replying to any observations raised by the Audit Committee with regard to the Financial Statements and other related matters. The Company Secretary acts as the Secretary to the Audit Committee.

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

21. Due to absence of adequate number of Independent Director(s) on the Company's Board, the provisions of the Act and DPE Guidelines regarding composition of the Audit Committee could not be complied with. As there has been no Independent Director since 26 Sep 2020, the Audit Committee meetings could not be held thereafter and accordingly the requirement of holding minimum number of Audit Committee meetings could not be complied

with. All the proposals/matters of urgent/unavoidable nature, requiring the approval/recommendation/noting of the Audit Committee, were directly taken up/placed before the Board for approval.

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

Terms of Reference

22. N&RHR Committee functions in accordance with the Charter for the said Committee as approved by the Board, which inter alia, includes the following:-

    (a) To decide matters related to modification/revision/introduction of changes in Performance Management System (PMS).

    (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 approve or recommend the same to the Board accordingly as per financial implication involved.

Composition of the Committee and details of Meetings & Attendance

23. The N&RHR Committee was last reconstituted w.e.f. 13 Feb 2020. During FY 2020-21, **one** meeting of the N&RHR Committee was held on 18 Jun 2020. The composition of the N&RHR Committee and attendance of members at the Committee meeting are as under:-

Sl. No.	Name of Member	Category	Meetings held during respective tenure of Member	No. of Meetings attended
1.	Late Shri V. Nagaraj, Chairman (Ceased as Director w.e.f. 26.09.2020)	Independent Director	01	01
2.	Smt Richa Misra (Ceased as Director w.e.f. 02.02.2021)	Govt. Nominee Director	01	01
3.	Shri T.N. Sudhakar	Director (Finance)	01	01

24. Director (Operations) and Director (CPP&BD) are the Permanent Special Invitees to the N&RHR Committee.

25. Due to absence of adequate number of Independent Director(s) on the Company's Board, the provisions of the Act and DPE Guidelines regarding composition of the Committee could not be complied with. As there has been no Independent Director since 26 Sep 2020, the N&RHR Committee meetings could not be held thereafter. All the proposals/matters of urgent/unavoidable nature, requiring the approval/recommendation/noting of the N&RHR Committee, were directly taken up/placed before the Board for approval.

Appointment and Remuneration of Directors

26. GSL being a Central Government Public Sector Enterprise, the appointment of Chairman & Managing Director and Functional Directors of the Company is made by the Government of India, indicating the tenure, remuneration and other terms & conditions of appointment. As per the Articles of Association of the Company, the Directors of your Company are paid such remuneration as the President of India, may determine, from time to time. The pay and allowances of Board level executives are paid in accordance with the terms of appointment & Department of Public Enterprises Guidelines on the above subject; and other benefits and perquisites in accordance with the rules of the Company. Details of remuneration paid to CMD and Functional Directors for the year ended 31 Mar 2021, are given below:

(Rs. in lakh)

Sl. No.	Name of Director	Salary	Perquisites as per IT Rules	Contribution to PF	Total
1.	Cmde B. B. Nagpal, IN (Retd.), CMD	52.90	3.80	3.82	60.52
2.	Shri T.N. Sudhakar, Director (Finance)	47.24	0	3.16	50.40
3.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	43.21	0	3.62	46.83
4.	Shri B. K. Upadhyay, Director (Operations) (From 01.09.2020)	15.42	1.47	1.42	18.31
5.	Shri Shrikrishna J. Kamat, Director (Operations) (Upto 31.08.2020)	54.85*	0	1.61	56.46

** includes terminal benefits*

27. Govt. Nominee Director is appointed by the President of India and he/she is not paid any remuneration or sitting fees.

28. Part-Time Non-Official (Independent) Directors are appointed by the President of India generally for a period of three years. They are not paid any remuneration except the sitting fees for attending meetings of the Board of Directors and Committees thereof. The sitting fees of (i) Rs 20,000/- per meeting of the Board and (ii) Rs 10,000/- per meeting of the Committee/s of the Board are paid to Independent Director, as approved by the Board within the ceiling fixed under the Act and as per the guidelines issued by the Government of India. The sitting fees paid to the Independent Director during the year 2020-21 are as follows:

(Rs. in lakh)

Sl. No.	Name of the Part-Time Non-Official (Independent) Director	Sitting Fees
1.	Late Shri V. Nagaraj (Upto 25.09.2020)	1.20
	Total	**1.20**

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

Evaluation Criteria

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

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

31. SD & CSR Committee has been constituted by the Board of Directors to undertake various projects under Corporate Social Responsibility in terms of provisions of the Act and the DPE guidelines. The Committee oversees the implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies to take the CSR & Sustainability Agenda of the Company forward.

32. The SD & CSR Committee was last reconstituted w.e.f. 13 Feb 2020. During FY 2020-21, **two** meetings of the SD & CSR Committee were held on 17 Jun 2020 and 17 Aug 2020. The composition of the said Committee and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Category	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Late Shri V. Nagaraj, Chairman (Ceased as Director w.e.f. 26.09.2020)	Independent Director	02	02
2.	Shri T.N. Sudhakar	Director (Finance)	02	02
3.	Shri Shrikrishna J. Kamat* (Ceased as Director w.e.f. 01.09.2020)	Director (Operations)	02	02
4.	Capt. Jagmohan, IN (Retd.)	Director (CPP&BD)	02	02

**Shri B. K. Upadhyay has become the member of the Committee on assumption of charge to the post of Director (Operations) w.e.f. 01.09.2020 in place of Shri Shrikrishna J. Kamat.*

33. As there has been no Independent Director on the Company's Board since 26 Sep 2020, the provisions of the Act regarding composition of CSR Committee could not be complied with and meetings of the Committee could not be held thereafter. All the proposals/matters of urgent/unavoidable nature, requiring the recommendation/ noting of the SD & CSR Committee, were directly taken up/placed before the Board for approval.

PROCUREMENT SUB-COMMITTEE (PSC) OF DIRECTORS

34. PSC of Directors approves the proposals for placement of orders for procurement of materials/availing services, which are beyond specified value fixed as per the powers delegated by the Board.

35. The PSC was last reconstituted w.e.f. 13 Feb 2020. During FY 2020-21, **two** meetings of the PSC of Directors were held on 10 Jul 2020 and 17 Aug 2020. The composition of the PSC and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Cmde B. B. Nagpal, IN (Retd.), CMD - Chairman	02	02
2.	Shri T.N. Sudhakar, Director (Finance)	02	02
3.	Shri Shrikrishna J. Kamat, Director (Operations)* (Ceased as Director w.e.f. 01.09.2020)	02	02
4.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	02	02
5.	Late Shri V. Nagaraj, Independent Director (Ceased as Director w.e.f. 26.09.2020)	02	02

**Shri B. K. Upadhyay has become the member of the Committee on assumption of charge to the post of Director (Operations) w.e.f. 01.09.2020 in place of Shri Shrikrishna J. Kamat.*

36. The constitution of the Committee requires one Independent Director. As there has been no Independent Director on the Company's Board since 26 Sep 2020, the Committee meetings could not be conducted and the procurement proposals were put up directly to the Board for approval.

PROJECT REVIEW SUB COMMITTEE (PRSC)

37. PRSC of Directors has been constituted as per the directions of the MoD. The assignment of functions to the 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 of adherence to the contractual provisions and the guidelines of the Procurement Policy of the Company in all major cases of procurement.

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

38. The PRSC was last reconstituted w.e.f. 13 Feb 2020. During FY 2020-21, **one** meeting of the PRSC was held on 17 Jun 2020. The composition of the PRSC and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Late Shri V. Nagaraj, Independent Director – Chairman (Ceased as Director w.e.f. 26.09.2020)	01	01
2.	Shri T.N. Sudhakar, Director (Finance)	01	01
3.	Shri Shrikrishna J. Kamat, Director (Operations)* (Ceased as Director w.e.f. 01.09.2020)	01	01
4.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	01	01

**Shri B. K. Upadhyay has become the member of the Committee on assumption of charge to the post of Director (Operations) w.e.f. 01.09.2020 in place of Shri Shrikrishna J. Kamat.*

39. The constitution of the Committee requires one Independent Director. As there has been no Independent Director on the Company's Board since 26 Sep 2020, the Committee meeting could not be conducted.

SHARE TRANSFER COMMITTEE (STC)

40. The composition of the STC as on 31 Mar 2021 is as follows:

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

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

42. 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.

43. No meeting of STC was held during the year ended 31 Mar 2021.

INVESTMENT COMMITTEE

44. As on 31 Mar 2021, the composition of the Investment Committee of Directors constituted by the Board is as follows:

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

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

MEETINGS OF INDEPENDENT DIRECTORS

46. The Company had only one Independent Director during the period from 01 Apr 2020 to 25 Sep 2020 and no Independent Directors were appointed thereafter. Hence separate meeting of the Independent Directors of the Company could not be held during FY 2020-21.

GENERAL BODY MEETINGS

47. Details of the Annual General Meeting ('AGM') held during the last three years are as follows:

Year	Location	Date and Time
2017-18	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	17th September, 2018 at 1615 hours
2018-19	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	12th September, 2019 at 1615 hours
2019-20	*Deemed Venue:* Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	30th September, 2020 at 1600 hours through Video Conferencing

48. Due to unexpected demise of Shri V. Nagaraj on 25 Sep 2020, the provisions of the Act and DPE Guidelines regarding the presence of Chairman of Audit Committee and N&RHR Committee and at least one Independent Director at AGM, which was held on 30 Sep 2020, could not be complied with.

49. All the resolutions set out in the respective notice of last three AGMs were passed by the shareholders. No special resolutions were proposed in the said AGMs. No resolutions were put through postal ballot.

TRAINING OF BOARD MEMBERS

50. The Board has adopted a policy for training of Board members. As per the terms of the said policy, the Board members including Independent Directors are provided with the familiarization programme at the time of their induction to the Board to make them conversant with the business model, current operations, corporate plan and future outlook of the Company. Directors are regularly encouraged and sponsored for attending important training/orientation programmes relating to Board related practices, Corporate Governance, etc. conducted by various institutes of repute. During FY 2020-21, Capt. Jagmohan, IN (Retd.), Director (CPP&BD) and Shri B. K. Upadhyay, Director (Operations) were sponsored for online workshop on 'Board Governance for Chairman, Directors, Independent Directors and KMPs' organized by National Academy of Human Resource Development, New Delhi.

CODE OF BUSINESS CONDUCT AND ETHICS

51. The Board of Directors of your Company has formulated a "Code of Business Conduct and Ethics for Board Members and Senior Management" as per DPE Guidelines. A copy of the same has been circulated to all concerned and posted on the Company's website www.goashipyard.in. All Board members and Senior Management personnel to whom the said Code is applicable have affirmed the compliance with the Code for the year ended 31 Mar 2021. A declaration to this effect by the Chairman & Managing Director is appended to this Report.

DISCLOSURES

52. (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 (except as otherwise stated in this report). No penalties/strictures were imposed on the Company by any Statutory Authority on any matter related to violation of any provisions of the Act/guidelines issued by Government, during the last three years.

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

(d) The Company has complied with the requirements of the DPE Guidelines on Corporate Governance (except as otherwise stated in this report).

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

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

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

(h) As compared to last year, both Administrative Expenses (Other Expenses) and Financial Expense have reduced.

WHISTLE BLOWER POLICY

53. The Company has implemented Whistle Blower Policy in line with DPE Guidelines. The Company has promulgated "Whistle Blower Policy" to establish a mechanism which facilitates its employees to report to the Management on any unethical behaviour, actual or suspected fraud or violation of the Company's Guidelines on Conduct or Ethics. The employees are encouraged to use the whistle blowing mechanism and raise their concerns to the Management and have been given access to the Chairman of the Audit Committee. Whistle blowers are afforded protection against harassment and not subjected to any discriminatory practices. The Whistle Blower Policy is posted on the Company's website www.goashipyard.in. The Company has also a Fraud Prevention Policy in place.

AUDIT QUALIFICATIONS

54. There were no audit qualifications on the Company's Financial Statements for FY 2020-21.

RISK MANAGEMENT

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

SHAREHOLDING PATTERN

56. The shareholding pattern as on 31 Mar 2021 is given below:

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

DEMATERIALISATION OF SHARES AND SHARE TRANSFER SYSTEM

57. The Equity Shares of the Company are admitted in the depository system of NSDL and CDSL for dematerialisation. As on 31 Mar 2021, 6,08,00,764 equity shares of the Company representing 52.23% of the issued, subscribed and paid-up equity share capital of the Company has been dematerialized. The Company has appointed Purva Sharegistry (India) Pvt. Ltd., a SEBI Registered Category I Share Transfer Agent as the Company's Registrar and Share Transfer Agent ('RTA'). The contact details of RTA are as under:-

Purva Sharegistry (India) Pvt. Ltd.
Unit No. 9, Shiv Shakti Ind. Estt.,
J R Boricha Marg, Lower Parel East,
Mumbai - 400 011
Email id: support@purvashare.com
Tel: 022 2301 6761 / 2301 2517/2518

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

59. Section 124 of 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 by the company to the Investor Education and Protection Fund ('IEPF') established by Central Government under Section 125(1) of the Act. Accordingly, during FY 2020-21 an amount of Rs 17,796/- pertaining to unclaimed/unpaid dividend for the FY 2012-13 was transferred to the IEPF. Since no dividend was declared during FY 2013-14, no amount is due for transfer to IEPF by the Company during FY 2021-22.

60. Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, shares in respect of which dividend have not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. There are no shares liable to be transferred to IEPF during FY 2021-22.

61. Further, Section 125 of the Act provides that shareholder whose dividend/shares have been transferred to the IEPF shall be entitled to claim it back from IEPF on complying with the procedures laid down in this behalf.

MEANS OF COMMUNICATION

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

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

ADDITIONAL/GENERAL INFORMATION FOR SHAREHOLDERS

55th Annual General Meeting

Date	:	29th September, 2021
Time	:	1600 hours (IST)
Venue	:	Through Video Conferencing. Registered Office of the Company, Vaddem, Vasco da Gama, Goa - 403 802 will be considered as Deemed Venue.

Yard Location

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

ii) GSL Units II to V
Sancoale Industrial Estate,
Zuarinagar, Goa - 403 726.

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

Registered Office/Address for correspondence

Goa Shipyard Limited,

Registered Office: Vaddem House, Vaddem,
Vasco da Gama,
Goa – 403 802.

Phone: 0832-2512152-56, 2512359 **Fax:** (0832) 2514232

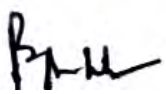
Email: contactus@goashipyard.com

Website: www.goashipyard.in

Declaration

As provided under the Guidelines on Corporate Governance for CPSEs 2010 issued by the Government, it is hereby declared that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of Goa Shipyard Limited for the year ended 31 Mar 2021.

For **Goa Shipyard Limited**



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

Place: Vasco da Gama
Date: 06th August, 2021

Practicing Company Secretary's Certificate on Corporate Governance

To

The Members,

Goa Shipyard Limited

CIN: U63032GA1967GOI000077

Vasco Da Gama, Goa - 403802.

I have examined the compliance of conditions of corporate governance by Goa Shipyard Limited, for the year ended on 31.03.2021, 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:

During the current Audit period, from 1st April, 2020 up to 25th September, 2020 the Company had only one Independent Director on the Board of Directors, and thereafter had no Independent Director on its Board.

As the Company did not have the requisite number of Independent Directors on its Board, the composition of the Board of Directors, the Audit Committee, and the Nomination & Remuneration cum Human Resource Committee were not in compliance with the applicable provisions of the 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

ICSI UDIN: F002225C000554678

Place: Vasco Da Gama, Goa.

Dated: 30th June, 2021

Annexure 'E' to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for FY 2020-21

1. Brief outline on CSR Policy of the Company.

(i) GSL has seamlessly integrated itself with the Goan community over the years and has a vital share in the Goan industrial output. By virtue of CSR activities, GSL has generated employment and business opportunities for the local populace and constantly strives to reach out to the community with active participation towards social development and inclusive growth maintaining the ecological balance by undertaking suitable projects and programmes.

(ii) GSL's CSR & Sustainability Policy is framed with thrust on the above goals to be more specific includes activities such as provision for safe drinking water and sanitation, health, education especially for girls, skill development, women empowerment, basic needs of the under privileged and weaker sections of the society, measures for old and aged women, mainstreaming differently abled, promoting technological startups through incubation centre, development of rural areas, environment sustainability, promote renewable sources of energy, reduction in carbon emissions, promotion of green and energy efficient technologies etc.

(iii) **Major CSR Projects/ Activities undertaken:** During the FY 2020-21, the Company has implemented various activities under its CSR and Sustainability initiatives, aligned with national priority of mitigating the ill-effects caused during COVID-19 pandemic and to contain the spread of the virus, which was also in line with annual CSR theme for FY 2020-21. GSL has undertaken CSR projects in other areas also namely Skill Development, Education, Livelihood and Swachh Bharat. All these projects are aligned with the CSR goals of the Company.

2. Composition of Committee on Sustainable Development & CSR (as on 25.09.2020)*:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri V. Nagaraj (upto 25.09.2020)	Chairman, Independent Director	2	2
2.	Shri T.N. Sudhakar	Member, Director (Finance)	2	2
3.	Capt. Jagmohan (Retd.)	Member, Director (CPP&BD)	2	2
4.	Shri B. K. Upadhyay (Appointed as Member w.e.f. 01.09.2020)	Member, Director (Operations)	--	--
5.	Shri S.J. Kamat (Ceased as Director on retirement w.e.f. 01.09.2020)	Member, Director (Operations)	2	2

**Since there has been no Independent Director on GSL Board from 26 Sep 2020, the meeting(s) of SD & CSR Committee could not be held thereafter.*

3. Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company i.e. www.goashipyard.in.

4. Details of Impact Assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not Applicable for the FY 2020-21**.

5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- **NIL**.

6. Average net profit of the Company as per Section 135(5) **: Rs 26,864.33 lakh**

7. (a) Two percent of average net profit of the Company as per Section 135(5) **: Rs 537.28 lakh**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years **: NIL**

   (c) Amount required to be set off for the financial year, if any **: NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c) **: Rs 537.28 lakh**

8. (a) CSR amount spent or unspent for the FY 2020-21:

Total Amount Spent for the Financial Year (Rs. in lakh)	Amount Unspent (Rs. in lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
581.02	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

(b) Details of CSR amount spent against **ongoing projects** for the FY 2020-21 **: NIL**

(c) Details of CSR amount spent against other than ongoing projects for the FY 2020-21:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	**Measures to contain the spread of COVID-19**								
(a)	Contribution to PM-CARES Fund to fight against COVID-19 pandemic.	Item no. (viii)	-	Pan India		125.00	Yes	-	-
(b)	Advanced Life Support Ambulance (ALS) to Goa Police.	Item no. (i)	Yes	Goa	North Goa	24.29	Yes	-	-
(c)	PPE Kits to ESI Hospital, Margao (1000 nos.) & Sub-District Hospital, Chicalim (200 nos.) Face Masks to ESI Hospital, Margao (6000 nos.) & Local authorities (3000 nos.) Face Shields to ESI Hospital, Margao (1000 nos.) and COVID awareness items to the office of Deputy Collector Office, Canacona.	Item no. (i)	Yes	Goa	South Goa/ North Goa	13.15	Yes	-	-
(d)	High Nasal Cannula Oxygen Delivery System (3 nos.) to Hospicio Hospital, Margao.	Item no. (i)	Yes	Goa	South Goa	11.10	No	Hospicio Hospital, Government of Goa.	-
(e)	Support of Ventilator (1 no.) to INHS, Jeevanti.	Item no. (i)	Yes	Goa	South Goa	3.58	No	INHS, Jeevanti, Vasco	-
(f)	Thermal Scanners (4 nos.), Digital BP Apparatus (2 nos.), Pulse Oximeters (2 nos.) and Portable Touch Free Hand Wash Station ECHS, Polyclinic, Vasco.	Item no. (i)	Yes	Goa	South Goa	0.35	Yes	-	-
2.	**Other Healthcare Support**								
(a)	Implementation of Core Laboratory Management System at Goa Medical College, Bambolim.	Item no. (i)	Yes	Goa	North Goa	34.10	No	Goa Medical College, Government of Goa	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
(b)	05 nos. ECG Machines to Directorate of Health Services, Government of Goa.	Item no. (i)	Yes	Goa	South Goa/ North Goa	15.00	No	Directorate of Health Services, Government of Goa.	-
(c)	Promotion of Healthcare (Dengue testing kits to Sub-District Hospital Chicalim and Gym equipment to Vasco Police Station etc.).	Item no. (i)	Yes	Goa	South Goa/ North Goa	13.27	Yes	-	-
(d)	Facilitating treatment of patients at Goa Medical College (GMC), Bambolim.	Item no. (i)	Yes	Goa	North Goa	10.00	No	Matruchhaya Charitable Trust, Ponda, Goa.	-
3.	**Skill Development Activities**								
(a)	Skilling of Tribal women through establishment of Multiproduct Processing Centre and Training on Food Processing in collaboration with Government of Goa.	Item no. (ii)	Yes	Goa	North Goa	38.00	No	Goa State Biodiversity Board, Government of Goa.	-
(b)	Apprentice Training Programme and Adoption of Government ITI, Vasco.	Item no. (ii)	Yes	Goa	South Goa	42.94	Yes	-	-
4.	**Swachh Bharat Activities/ Healthcare**								
(a)	Waste management project in collaboration with Government of Goa.	Item no. (i) & (iv)	Yes	Goa	South Goa	80.32	No	Goa State Urban Development Agency, Government of Goa.	-
(b)	Repair of drain near KTC Bus Stand, Vasco, Goa.	Item no. (i)	Yes	Goa	South Goa	23.82	Yes	-	-
(c)	Construction of community toilets at New Vaddem, Vasco, Goa.	Item no. (i)	Yes	Goa	South Goa	18.00	Yes	-	-
(d)	Renovation of toilets at Government High School (Main), Vasco, Goa.	Item no. (i)	Yes	Goa	South Goa	10.00	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
(e)	Adoption of road from St. Andrew Circle to Airport Road, Chicalim, Goa and activities under Swachh Bharat Pakhwada.	Item no. (i)	Yes	Goa	South Goa	12.55	Yes	-	-
(f)	Installation of 12 Sanitary Pad Vending Machines and 08 Incinerators in local Schools.	Item no. (i)	Yes	Goa	South Goa	3.55	Yes	-	-
	Other CSR Activities								
5.	Contribution to FITT (Foundation for Innovation & Technology Transfer)-IIT Delhi towards Innovation in Defence Excellence.	Item no. (ix)	No	-	-	50.00	Yes	-	-
6.	Educational aid support (Construction of Shed for morning assembly, computers, water purifiers etc. to educational institutions).	Item no. (ii)	Yes	Goa	South Goa/ North Goa	26.64	Yes	-	-
7.	Life Jackets to Fishermen Community for providing safety to their day to day livelihood.	Item no. (ii)	Yes	Goa	South Goa	1.50	Yes	-	-
8.	Contribution towards Armed Forces Flag Day Fund (AFFDF).	Item no. (vi)	Yes	-	-	1.00	Yes	-	-
Total						**558.16**			

(d) Amount spent in Administrative Overheads : **Rs 22.86 lakh**

(e) Amount spent on Impact Assessment, if applicable : **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs 581.02 lakh.**

(g) Details of excess amount for set off for the FY 2020-21:

Sl. No.	Particular	Amount (Rs in lakh)
(i)	Two percent of average net profit of the Company as per Section 135(5)	**537.28**
(ii)	Total amount spent for the Financial Year	**581.02**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	**43.74**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**43.74**

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

(b) Details of CSR amount spent in the financial year 2020-21 for ongoing projects of the preceding financial year(s): **NIL**

10. Details of creation or acquisition of capital asset through CSR spent in the financial year 2020-21 (asset-wise details):-

Sl. No.	(a)	(b)	(c)	(d)
	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs in lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1.	10.03.2021	80.32	Goa State Urban Development Agency (GSUDA), Government of Goa, 6th floor Shramshakti Bhavan, Patto Plaza, Panaji, Goa.	Construction of shed, installation of Conveyor belt with electrification work. Address: Sada, Vasco da Gama, Goa.
2.	26.03.2021	38.00	Goa State Biodiversity Board (GSBB), Government of Goa, Opposite Seminary Saligao, Bardez, Goa.	Establishment of Multiproduct Processing Centre. Address: B-1, B-2 Electricity quarters, Talemata, Pale, Bicholim, Goa.
3.	04.03.2021	34.10	Goa Medical College (GMC) Bambolim, Government of Goa, Bambolim, Goa.	Implementation of Core Laboratory Management System. Address: Pathology Lab, GMC, Bambolim, Goa.
4.	20.11.2020	25.58	Police Headquarters Panaji, Government of Goa.	Advanced Life Support (ALS) Ambulance with Multipara Monitor, Suction Machine, Oxygen Cylinder, Portable Ventilator & Auto External Defibrillator. Address: Police Headquarter, Panaji, Goa.
5.	29.12.2020	23.82	Mormugao Muncipal Council (MMC), Vasco, Goa.	Repair of Drain. Address: Near KTC Bus Stand, Vasco, Goa.

Sl. No.	(a)	(b)	(c)	(d)
	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs in lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
6.	17.03.2020	22.00	Kendriya Vidyalaya 2, Vasco, Goa.	Construction of Shed. Address: Kendriya Vidyalaya 2, Vasco, Goa.
7.	05.06.2020	18.00	Mormugao Muncipal Council (MMC), Vasco, Goa.	Construction of Toilets. Address: Near Santoshi Mata Temple, New Vaddem, Vasco, Goa.
8.	01.09.2020	15.00	Directorate of Health Services (DHS), Government of Goa.	5 nos. ECG Machines. Address: CHC Bicholim, PHC Betki, PHC Balli, PHC Candolim and PHC Sanguem, Goa.
9.	22.07.2020	11.10	Hospicio Hospital Margao, Government of Goa.	3 nos. Hi-Flow Nasal Cannulas. Address: Hospicio Hospital, Margao, Goa.
10.	28.12.2020	10.00	Police Station, Vasco, Government of Goa.	Gym Equipment and renovation work. Address: Police Station, Vasco, Goa.
11.	31.07.2020	10.00	Government High School (Main) Vasco, Goa.	Renovation of toilets. Address: Government High School (Main) Vasco, Goa.
12.	09.04.2020	3.58	INHS Jeevanti, Vasco, Goa.	1 no. Ventilator. Address: INHS Jeevanti, Vasco, Goa.
13.	04.03.2021	3.55	Municipal High School, Vasco (1 no. Sanitary Pad Vending Machine and 1 no. Incinerator), Government High School, Vadenagar, Vasco (1 no. Sanitary Pad Vending Machine and 1 no. Incinerator), Government High School (Main), Vasco (1 no. Sanitary Pad Vending Machine and 1 no. Incinerator) Government High School, New Vaddem, Vasco (1 no. Sanitary Pad Vending Machine and 1 no. Incinerator), Government High School, Baina, Vasco (2 nos. Sanitary Pad Vending Machines and 2 nos. Incinerators), KV1, Varunapuri, Mangoor Hill, Vasco (3 nos. Sanitary Pad Vending Machines and 1 no. Incinerator), KV2, Shantinagar, Vasco (3 nos. Sanitary Pad Vending Machines and 1 no. Incinerator).	12 nos. Sanitary Pad Vending Machines and 8 nos. Incinerators. Address: Municipal High School, Vasco, Goa; Government High School, Vadenagar, Vasco, Goa; Government High School (Main), Vasco, Goa; Government High School, New Vaddem, Vasco, Goa; Government High School, Baina, Vasco, Goa; KV1, Varunapuri, Mangoor Hill, Vasco, Goa and KV2, Shantinagar, Vasco, Goa.

Sl. No.	(a)	(b)	(c)	(d)
	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs in lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
14.	21.10.2020	2.73	Prabodhan Education Society, Vidhya Nagar, Alto Porvorim, Bardez, Goa.	4 nos. Computers, 4 nos. UPS & 2 nos. Speakers. Address: Prabodhan Education Society, Vidhya Nagar, Alto Porvorim, Bardez, Goa.
15.	31.03.2021	2.25	Government ITI Bogda, Vasco, Goa.	Renovation of Solar Lab. Address: Government ITI Bogda, Vasco, Goa.
16.	22.02.2021	2.09	Deputy Collector Office Canacona, Government of Goa.	4 nos. Computers, 4 nos. UPS, 2 nos. Mikes, 2 nos. Mike Stands, 2 nos. Printer with Xerox Machines, 1 no. LCD Projector & 1 no. Amplifier. Address: Deputy Collector Office Canacona, Government of Goa.
17.	09.03.2021	1.91	Kendriya Vidyalaya 1 & Kendriya Vidyalaya 2, Vasco.	24 nos. UPS and 2 nos. Water purifiers. Address: Kendriya Vidyalaya 1 & Kendriya Vidyalaya 2, Vasco, Goa.
18.	16.10.2020	0.35	ECHS, Polyclinic, Vasco, Goa.	4 nos. thermal Scanners, 2 nos. Digital BP Apparatus, 2 nos. Pulse Oximeters and 1 no. Portable Touch Free Hand Wash Station. Address: ECHS, Polyclinic, Vasco, Goa.
TOTAL		**304.38**		

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

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

Capt. Jagmohan IN (Retd.)
Director (CPP&BD) &
Member of CSR Committee*
DIN: 08630668

** As per GSL Policy on CSR & Sustainability 2021, the SD&CSR Committee should be headed by Independent Director. In absence of Independent Director on GSL Board, the Report is signed by a member of the Committee.*

Place: Vasco da Gama, Goa
Date: 06th August, 2021

CSR INITIATIVES BY GSL





Provided Advanced Life Support Ambulance to Goa Police



Established Gym at Vasco
Police Station for promoting Fitness



Established Multiproduct Processing
Centre for Skilling of Tribal women



Provided High Nasal Cannula Oxygen
Delivery System to Hospicio Hospital, Margao



Renovated Toilet blocks at Government
High School (Main), Vasco, Goa

Annexure 'F' to Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[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
CIN: U63032GA1967GOI000077
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/ clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, as facilitated by the Company due to the COVID-19 pandemic and subsequent lockdowns, 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 following 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, 2015 (Not applicable to the Company during the audit period);

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period);

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

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

vi) I have relied on the representation made by the Company about systems and mechanisms framed by the Company for compliance with the relevant provisions of the following laws/Acts identified by the Company as being applicable to the Company:

a) The Contract Labour (Regulation & Abolition) Act, 1970.

b) The Environment (Protection) Act, 1986.

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

d) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

In respect of other laws applicable to the Company, I have relied on information / records produced and representation made by the Company during the course of the audit and the reporting is limited to that extent.

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

i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: (Not applicable to the Company during the audit period as the Company is not a Listed Company).

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:

During the current Audit period, from 1st April, 2020 up to 25th September, 2020 the Company had only one Independent Director on the Board of Directors, and thereafter had no Independent Director on its Board.

From 2nd February, 2021 onwards 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 the Board of Directors was not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. In the absence of the requisite number of Independent Directors, the Audit Committee, Nomination & Remuneration cum Human Resource Committee and Committee on Sustainable Development & CSR of the Company were not in compliance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. I was informed that as per the Articles of Association of the Company power to appoint directors (including Government & Independent Directors) and the terms and conditions of such appointments including remuneration and evaluation is vested with the President of India and the filling up of the vacancies of Independent Directors is under process with Administrative Ministry of the Company i.e. Ministry of Defence. It was further informed that the order for appointment of Women Director notified by Administrative Ministry has been amended with appointment of another woman director before implementation of earlier order.

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, except in case of meetings convened at shorter notice, 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 and Committees 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.

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.

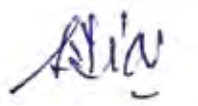
I further report that during the audit period, there were no instances of:

(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
ICSI UDIN: F002225C000553897

Place: Vasco Da Gama, Goa.
Dated: 30th June, 2021

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

'Annexe A' to Secretarial Audit Report for the year ended 31st March, 2021

To,
The Members,
Goa Shipyard Limited
CIN: U63032GA1967GOI000077
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
ICSI UDIN: F002225C000553897

Place: Vasco Da Gama, Goa.
Dated: 30th June, 2021

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, 2021, 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, 2021, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements issued by the Institute of Chartered Accountants of India ('ICAI') together with the Independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 2.47 to the financial statements, which describes the impact on the financial statements of the Company that may result on account of nationwide lockdown declared due to COVID-19 Pandemic.

Our opinion is not modified in respect of this matter.

Information other than Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards and accounting principles generally accepted in India, specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statements of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

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

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

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.42.2 and 2.42.3 to the financial statements;

2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

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

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

For abm & associates LLP
Chartered Accountants
Firm's Registration No. 105016W/W100015

Sd/-

Sagar G Teli
Partner
Membership No. 138620

June 07, 2021
21138620AAAADB6644

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, 2021 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, 2021, 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 No. 105016W/W-100015

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

June 07, 2021
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Annexure 'B' to the Independent Auditor's Report

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

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

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

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

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

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

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

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

vii. a. According to the information and explanation given to us and on the basis of our examination of books of accounts, the Company has generally been regular in depositing undisputed statutory dues, including

Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services 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, following are the dues of Sales tax, Value added tax and Customs duty which have not been deposited as at March 31, 2021 on account of dispute:

Name of the Statute	Nature of dues	Forum where the Dispute is Pending	Period to which amount relates	Amount (Rs.)
Goa Value Added Tax Act	Value Added Tax	Appellate Authority upto Commissioner's Level	F.Y. 2016-17	32,80,213
Central Sales Tax	Central Sales Tax	Appellate Authority upto Commissioner's Level	F.Y. 2016-17	1,70,35,443
Customs Act, 1962	Integrated Goods and Services Tax	Appellate Tribunal	February 2018 to September 2018	5,66,33,727 alongwith Interest as applicable as under Statute

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 No. 105016W/W-100015

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

June 07, 2021
21138620AAAADB6644

Annexure 'C' to the Independent Auditor's Report

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" of 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, 2021 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. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company.)	In the period covered under our audit, no such case of restructuring, waiver of loan or write off of debts/ loans/ interest etc. has taken place.
3.	Whether funds (grants/subsidy etc) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	The Company has received funds from Central Government for Modernisation Project upto March 31, 2021. 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 No. 105016W/W-100015

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

Porvorim

June 07, 2021
21138620AAAADB6644

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 2021.

The preparation of financial statements of Goa Shipyard Limited, Vasco-Da-Gama, Goa for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Goa Shipyard Limited, Vasco-Da-Gama, Goa for the year ended 31 March 2021. 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

Bangalore
Date: 12 August 2021

BALANCE SHEET AS AT 31ST MARCH 2021

	Particulars	Note	As at 31-03-2021	As at 31-03-2020
			(Rupees in lakhs)	(Rupees in lakhs)
I	**ASSETS**			
(1)	**Non-current Assets**			
(a)	Property, Plant and Equipment	2.1	74,569.81	74,197.80
(b)	Intangible Assets	2.1	87.79	66.92
(c)	Capital Work-in-Progress	2.2	28,772.04	23,680.22
(d)	Right-of-use-Assets	2.3	202.87	280.16
(e)	Financial Assets:			
(i)	Long-term Loans and Advances	2.4	399.79	389.25
(ii)	Other Financial Assets	2.5	969.80	2,008.42
(f)	Other Non-current Assets	2.6	852.89	765.93
	Total - Non-current Assets		**105,854.99**	**101,388.70**
(2)	**Current Assets**			
(a)	Inventories	2.7	24,725.48	33,330.72
(b)	Financial Assets:			
(i)	Trade Receivables	2.8	20,184.31	11,846.99
(ii)	Cash and Cash Equivalents	2.9	34,924.89	85,290.70
(iii)	Bank Balances other than Cash and Cash Equivalents	2.10	171,213.62	23,685.00
(iv)	Short-term Loans and Advances	2.11	46,193.24	46,355.81
(v)	Other Financial Assets	2.12	4,875.53	7,396.21
(c)	Current Tax Assets (Net)	2.13	5,005.34	4,193.48
(d)	Other Current Assets	2.14	7,761.50	7,146.05
	Total - Current Assets		**314,883.91**	**219,244.96**
	TOTAL		**420,738.90**	**320,633.66**
II.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Fund**			
(a)	Equity Share Capital	2.15	5,820.19	5,820.19
(b)	Other Equity	2.16	104,048.19	96,746.84
	Total Shareholder's Fund		**109,868.38**	**102,567.03**
(2)	**Share application money pending allotment**		-	-
(3)	**Non-current Liabilities**			
(a)	Financial Liabilities:			
(i)	Lease Liabilities	2.17	139.92	220.42
(ii)	Trade Payables	2.18	-	-
(iii)	Other Financial Liabilities	2.19	368.56	461.58
(b)	Long-term Provisions	2.20	2,704.51	2,703.24
(c)	Deferred Tax Liabilities (Net)	2.21	870.33	519.03
(d)	Other Non-current Liabilities	2.22	48,955.26	49,043.88
	Total - Non-current Liabilities		**53,038.58**	**52,948.15**
(4)	**Current Liabilities**			
(a)	Financial Liabilities:			
(i)	Lease Liabilities	2.23	106.40	108.95
(ii)	Trade and Other Payables	2.24	1,996.08	2,948.97
(iii)	Other Financial Liabilities	2.25	37,263.47	25,016.73
(b)	Other Current Liabilities	2.26	214,394.21	130,953.13
(c)	Short-term Provisions	2.27	4,071.78	6,090.70
	Total - Current Liabilities		**257,831.94**	**165,118.48**
	TOTAL		**420,738.90**	**320,633.66**
	SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.52) 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: 07.06.2021

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 07.06.2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2021

	Particulars	Note	For the year ended 31-03-2021	For the year ended 31-03-2020
			(Rupees in lakhs)	(Rupees in lakhs)
I	**INCOME:**			
	Revenue from Operations:			
	i. Turnover (Value of Production)	2.28	82,738.82	90,294.43
	ii. Other Operating Revenue	2.28	3,310.49	2,832.59
			86,049.31	93,127.02
	Other Income	2.29	**11,826.22**	**14,048.50**
	Total Income		**97,875.53**	**107,175.52**
II	**EXPENSES:**			
	Cost of Materials Consumed	2.30	25,467.24	31,624.28
	Employees Benefit Expenses	2.31	13,820.31	17,623.20
	Sub-Contract		5,207.73	6,858.53
	Direct Expenses		20,760.36	10,609.99
	Finance Costs	2.32	26.17	1,789.57
	Depreciation & Amortisation Expenses	2.1	5,012.65	4,752.93
	Other Expenses	2.33	5,992.95	6,293.82
	Corporate Social Responsibility Expenditure	2.34	581.02	506.00
	Provisions	2.35	999.95	625.43
	Total Expenses		**77,868.38**	**80,683.75**
III	**Profit before Exceptional Item & Tax (I - II)**		**20,007.15**	**26,491.77**
IV	**Exceptional Items**	2.36	**2,774.82**	**-**
V	**Profit before Tax (III - IV)**		**17,232.33**	**26,491.77**
VI	**Tax Expense:**	2.37		
	(i) Current Tax		4,370.00	6,900.00
	(ii) Prior Tax Adjustment		(280.00)	-
	(iii) Deferred Tax		351.30	(185.69)
	Total Tax Expenses		**4,441.30**	**6,714.31**
VII	**Profit for the period (V -VI)**		**12,791.03**	**19,777.46**
VIII	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on employment defined benefit plan		39.50	(409.82)
	B. Items that will be reclassified to profit or loss		-	-
IX	**Other Comprehensive Income for the period**		**39.50**	**(409.82)**
X	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit and Other Comprehensive Income for the period)**		**12,830.53**	**19,367.64**
XI	**Earnings per Equity Share:**	2.38		
	(1) Basic Earnings per Equity Share (Rs.)		10.99	16.99
	(2) Diluted Earnings per Equity Share (Rs.)		10.99	16.99
	SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.52) 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: 07.06.2021

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 07.06.2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	PARTICULARS	For the year ended 31-03-2021		For the year ended 31-03-2020	
		(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**		**17,232.33**		**26,491.77**
	Adjusted for:				
	Profit on Sale of Fixed Assets (Net)	(41.38)		(1.13)	
	Depreciation and Amortisation Expenses	5,335.48		4,752.93	
	Interest Income	(8,781.25)		(12,382.63)	
	Finance Costs	26.17		1,789.57	
	Unwinding of Grant Income	(3,193.09)	(6,654.07)	(2,612.59)	(8,453.85)
B	**Operating Profit/(Loss) before Working Capital Changes**		**10,578.26**		**18,037.92**
	Adjusted for:				
	Inventories	8,605.24		(13,088.62)	
	Trade Receivables	(8,337.32)		746.79	
	Loans and Advances	152.03		(42,597.88)	
	Other Financial Assets	7,891.71		5,172.00	
	Other Current Assets	(615.45)		(2,431.98)	
	Other Non-current Assets	(86.96)		4,075.59	
	Trade and Other Payables	(952.89)		719.35	
	Other Financial Liabilities	12,153.72		(378.31)	
	Other Liabilities	86,545.55		52,682.50	
	Provisions	(1,978.15)	103,377.48	(213.76)	4,685.68
C	**Cash Generated from Operations**		**113,955.74**		**22,723.60**
	Taxes Paid (net of refund)		(4,901.86)		(9,889.34)
D	**Net Cash (used in)/from Operating Activities (I)**		**109,053.88**		**12,834.26**
II	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(5,665.44)		(16,976.07)	
	Sale/Adjustment of Fixed Assets	56.00		1.53	
	Capital Work-in-Progress	(5,091.82)		2,690.39	
	Amount received against ICD	-		-	
	Interest Income received	4,448.84		6,824.39	
	Net Cash (used in)/from Investing Activities (II)		**(6,252.42)**		**(7,459.76)**
III	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Repayment of Lease Liabilities	(83.30)		(69.83)	
	Dividend Paid (including Dividend Distribution Tax)	(5,529.18)		(7,998.86)	
	Interest Paid	(26.17)		(1,789.57)	
	Net Cash (used in)/from Financing Activities (III)		**(5,638.65)**		**(9,858.26)**
IV	**Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)**		**97,162.81**		**(4,483.76)**
V	**Opening Balance of Cash and Cash Equivalents**		**108,975.70**		**113,459.46**
VI	**Closing Balance of Cash and Cash Equivalents**		**206,138.51**		**108,975.70**

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: 07.06.2021

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 07.06.2021

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital

(Rupees in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the reporting period	5820.19	5820.19
Changes in equity share capital during the period	-	-
Balance at the end of the reporting period	5820.19	5820.19

B. Other Equity

Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2019	**42.86**	**70,087.04**	**15,282.36**	**85,412.26**
Transition impact of Ind AS 116- Leases (net of tax)			(34.20)	(34.20)
Restated balance as at 1st April, 2019	**42.86**	**70,087.04**	**15,248.16**	**85,378.06**
Profit for the period			19,777.46	19,777.46
Other comprehensive income/(loss) for the period			(409.82)	(409.82)
Total comprehensive income for the period			**19,367.64**	**19,367.64**
Dividend (including tax on dividend of Rs 1,363.85 lakhs)			(7,998.86)	(7,998.86)
Transfer to General Reserve		13,000.00	(13,000.00)	-
Balance as at 31st March, 2020	**42.86**	**83,087.04**	**13,616.94**	**96,746.84**
Balance as at 1st April, 2020	**42.86**	**83,087.04**	**13,616.94**	**96,746.84**
Profit for the year			12,791.03	12,791.03
Other comprehensive income/(loss) for the period			39.50	39.50
Total comprehensive income for the period			**12,830.53**	**12,830.53**
Dividend			(5,529.18)	(5,529.18)
Transfer to General Reserve		12,000.00	(12,000.00)	-
Balance as at 31st March, 2021	**42.86**	**95,087.04**	**8,918.29**	**104,048.19**

Note:

1. The Company at its Annual General Meeting for the FY 2019-20 held on 30th September 2020 declared a Final Dividend to the Equity Shareholders @20% per share (i.e. Re 1/-) which amounted to Rs 1,164.04 lakhs, which was paid during FY 2020-21.
2. During FY 2020-21, the Company declared and paid Interim Dividend of Rs 4,365.14 lakhs at the rate of Rs 3.75/- per Equity Share.
3. Accordingly, the total Dividend paid during FY 2020-21 amounts to Rs 5,529.18 lakhs.
4. Further to the Interim Dividend paid as mentioned at sl.no.2 above, the Board proposes Final Dividend @ 20% per share to the Equity Shareholders (Previous year 20%), which works out to Rs 1,164.04 lakhs. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2020-21. The total Dividend paid/proposed amounts to Rs 5,529.18 lakhs (including Interim Dividend of Rs 4,365.14 lakhs) for the financial year ended March 31st, 2021.

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: 07.06.2021

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 07.06.2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Vaddem, Vasco Da Gama, Goa.

The Company is principally engaged in building and repairing various types of ships and related General Engineering Services for its customers.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3. CURRENT / NON CURRENT CLASSIFICATION

i. **The assets and liabilities in the Balance Sheet are based on current/non-current classification. An asset is current when it is:**

   a. Expected to be realized or intended to be sold or consumed in normal operating cycle.

   b. Held primarily for the purpose of trading.

   c. Expected to be realized within twelve months after the reporting, or

   d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

ii. All other assets are classified as non-current.

iii. **A liability is current when it is:**

   a. Expected to be settled in normal operating cycle.

   b. Held primarily for the purpose of trading.

   c. Due to be settled within twelve months after the reporting, or

   d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

iv. All other liabilities are classified as non-current.

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

vi. **Operating Cycle:**

   a. In the case of Ship Building and Ship Repair and Refit activities, normal operating cycle is considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle. As the build period of the ships depend upon the size/ technical specification of each individual ship, defining a uniform Operating Cycle is not feasible.

   b. With regard to other business activities, normal operating cycle will be 12 months.

4. USE OF ESTIMATES

The presentation of financial statements of the Company requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in notes.

ESTIMATES AND ASSUMPTIONS ARE REQUIRED IN PARTICULAR FOR:

i. **Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:**

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

ii. **Recognition and measurement of defined benefit obligations:**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. **Recognition of deferred tax assets:**

A deferred tax asset is recognised for all the deductible temporary differences and any unused tax losses is carried forward to the extent it is probable that taxable profit will be available in future against which the deductible temporary timing difference and the unused tax losses can be utilized. The management assumes that future taxable profits will be available while recognising deferred tax assets.

iv. **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in provisions.

v. **Discounting of long-term financial liabilities:**

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. **Determination of element of Lease in any arrangement:**

At the inception of an arrangement, the Company determines whether the arrangement is or contains an element of lease. Accordingly, in the case of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for

the other elements on the basis of their relative fair values. If the Company concludes any arrangement which is a lease and if it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's borrowing rate.

vii. **Revenue Recognition:**

Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue from contracts with customers'. Such estimates are revised periodically.

5. PROPERTY, PLANT AND EQUIPMENT (PPE)

Measurement at recognition:

i. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

ii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed in each financial year and adjusted prospectively, if appropriate.

iii. Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. For this purpose, cost consists of purchase costs and includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition for their intended use. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Freehold land is carried at historical cost.

iv. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Capital Work-in-Progress and Capital Advances:

Cost of Assets not ready for intended use, as on the Balance Sheet date is shown as Capital Work-in- Progress. Advances given towards acquisition of Fixed Assets outstanding at each Balance Sheet date are classified and disclosed as Other Non-Current Assets.

6. DEPRECIATION

i. Depreciation on property, plant and equipment is provided on the straight line method over the useful lives of assets as specified in Schedule II of the Companies Act, 2013.

ii. Property, plant and equipment acquired with financial assistance from Government are stated at cost and are depreciated over the life of the asset and the depreciation thereto is charged every year in the Statement of Profit and Loss. The financial assistance received is treated as government assistance and the amount equivalent to depreciation is credited to Statement of Profit and Loss.

iii. Plant, machinery, equipment and fixtures provided to the Company free of cost under any agreement are valued at market value if such plant, machinery, equipment and fixtures are new, or at the written down

value to the donor, if they are used. The value so determined is taken in the books as the original cost to the Company. Corresponding credit is given to "Capital Reserve Account".

iv. Expenses on administration and supervision in respect of expansion facilities/new projects, which are carried on concurrently with production of the existing Operating Divisions, are charged to the revenue. However, administrative and general overheads which are specifically attributable to the construction of a project or acquisition of fixed assets are charged to respective capital assets and depreciated as per the Companies Act, 2013.

v. Any additions to property, plant and equipment during the year valuing individually Rs 5,000/- or less and purchase of mobile phone for official use is fully depreciated and charged to profit & loss.

vi. Depreciation is calculated on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013 which are as follows:

Asset Description	Life of the asset (in years)
1. Buildings	
-Factory Building	30
-Other Civil Construction	30
2. Plant and Machinery	
-Plant & Machinery-Ship lift	15
-Plant & Machinery-Sub Station	15
-Capital Dredging	15
3. Furniture and Fixtures	10
4. Vehicles	8
5. Office Equipment	5
6. Servers and Networks	6
7. Medical Equipment	10
8. Steam Launches & Boats	15

The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the course of a year. Leasehold assets are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

7. INTANGIBLE ASSETS

Intangible assets acquired separately are measured at cost on initial recognition. Thereafter they are carried at cost less any accumulated amortization and accumulated impairment losses.

Software cost is capitalized where it is expected to provide future enduring economic benefits and amortized on a straight line basis over a period of five years or over a period of their useful life whichever is less. Capitalization costs include license fees and costs of implementation/ system integration services. The costs are capitalized in the year in which the relevant software is implemented for use.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

8. IMPAIRMENT OF ASSETS

The Company reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets not yet available for use are subject to an annual impairment test. Impairment testing of property, plant & equipment and other intangible assets involve the use of estimates in determining the recoverable amount of the Asset which can have a material impact on the respective value and ultimately the amount of any impairment.

9. GOVERNMENT GRANTS

Government grants of revenue nature are recognized as income in Statement of Profit and Loss on a systematic basis over the periods in which the expenses related to costs for which the grants are intended to compensate, are recognized as expenditure.

Government grants related to assets, including non-monetary grants at fair value, are presented in the Balance Sheet by treating the grant as Deferred Income. The grant is treated as Deferred Income and is recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Government assistance relating to the purchase/construction of property, plant and equipment are included in non-current liabilities as Deferred Income and are credited to Statement of Profit and Loss Account on a straight-line basis over the expected lives of the related assets.

10. LEASES

Ind AS 116 introduced a uniform lease accounting model. On applying the model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments. There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing Leases Standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Company adopted the new Standard Ind AS 116 for accounting period beginning on or after April 1, 2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised by way of adjustment to the opening balance of retained earnings with restatement of comparative information.

Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The determination of lease pursuant to Ind AS 17 and Appendix C of Ind AS 17 for determining whether an arrangement contains a Lease is maintained for existing contracts.

As a lessee

Under Ind AS 116, the Company recognizes "right-of-use assets" and lease liabilities for its leases. Leases which were classified as operating leases under Ind AS 17 are now recognized in the Balance Sheet. Non-cancellable period (if only the lessor has a right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease terms begin at the commencement date and include any rent free period.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or modified before April 1, 2019.
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- Leases with a determined lease term of less than 12 months remaining from April 1, 2019 have been treated as short term.
- The definition of a lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019 as per Appendix C of Ind AS 116. On transition, the Company has not reassessed contracts which were not identified as leases under Ind AS 17.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognized on a straight line basis across the life of the lease.

The Company's operating leases mainly relate to real estate assets. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31, 2019, measured under Ind AS 17.

As a lessor

Lease income from operating leases entered into by the Company where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

11. BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs those are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

12. INVENTORIES

Inventories other than work-in-progress arising under construction contract are valued at cost, weighted average cost, net realisable value, lower of cost and net realisable value as the case may be as follows:

i. Raw materials, stores and general spare parts are valued at weighted average cost.

ii. Equipment for specific projects is valued at cost.

iii. Scrap held at the end of each accounting period is valued at net realizable value.

iv. Stores in transit are valued at cost.

v. Obsolete, slow moving and defective inventories not moved for over 3 years are identified at the time of physical verification and wherever necessary, provision is made for such inventories.

vi. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.

13. WORK-IN-PROGRESS

i. Shipbuilding & Other Construction/Repair Contract:

Ships under construction under long term contracts which extend for more than one year, where profit can be reliably measured are valued in the following manner:

At costs incurred up to the reporting date plus profits are recognized under percentage completion method in proportion to the actual costs incurred bear to the estimated total cost to completion as on that date.

Where, however, estimates of total contract costs indicate a loss at the beginning of the contract or during the currency of implementation of the contract, provision is made for the entire loss on the contract, irrespective of the amount of work done, by reducing the value of the work-in-progress immediately in the accounting period in which loss is noticed.

ii. Materials with contractors:

Materials, if any, held by the contractors for processing are treated as part of work-in-progress.

14. FINANCIAL ASSETS

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition. In the case of financial assets not recorded at fair value through profit or loss, they are recognized at transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified using the following measurement categories:

- To be measured subsequently at fair value (either through other comprehensive income or through profit and loss), and;
- To be measured at amortised cost.

i. Trade Receivables

a. Trade receivables are recognized at fair value on initial recognition and subsequently measured at amortised cost using effective interest method, less provision for impairment wherever applicable.

b. Provision for bad and doubtful debts is based on the simplified approach of impairment of trade receivables permitted by Ind AS 109. Financial instruments which requires expected lifetime losses to be recognized are done accordingly and provision is generally made for debts outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realizable based on a case to case review.

c. Full provision is made for all debts considered doubtful of recovery having regard to the following considerations:

- Debts outstanding to be received from the Government / Government Departments / Government Companies are generally not treated as doubtful debts irrespective of the period for which they are outstanding.
- Where debts are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

ii. Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as 'at fair value through profit and loss' (FVTPL) and all changes are recognized in the Statement of Profit and Loss.

All other equity instruments are classified 'at fair value through Other Comprehensive Income' (FVTOCI). Fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Profit or Loss.

iii. Cash and Cash Equivalent

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk to changes in value. Bank overdrafts are shown within borrowings in Current Liabilities in the Balance Sheet.

15. FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as Financial Liabilities at Fair Value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized at fair value on initial recognition and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Gains and Losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the amortisation of effective interest.

16. REVENUE RECOGNITION

The Ministry of Corporate Affairs ("MCA") has notified on 28th March 2018 the Ind AS 115, "Revenue from Contract with Customers". The standard replaces erstwhile revenue recognition standards Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company has adopted Ind AS 115 from April 1, 2018 using the cumulative catch up approach.

i. Ship construction & Repair contracts

Ship Construction Contract are long term construction contract which involve the transfer of property in goods and Ship Repair contracts are generally short duration contract of less than 12 months involving mainly rendering of services and any transfer of goods involved is only secondary. In both categories of the contract the performance obligation are executed over a period of time. Accordingly, the revenue from Ship Construction / Ship Repair Contracts is recognized when (or as) the Company satisfies performance obligations as per the Contract over a period of time.

Assets is transferred when (or as) a performance obligation is satisfied over time and revenue is recognized on percentage of completion method, if one of the following criteria is met:

a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

b. The Company's performance creates or enhances an asset (for example, work-in-progress) that the customer controls as the asset is created or enhanced; or

c. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced goods 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 items of 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. 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.

c. Other items of income are accounted as and when the right to receive arises.

v. Others

Credit notes issued to customers are treated as reduction of sales for the year in which they are issued.

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. Such amounts are charged to Profit and Loss Account in the respective financial years.

iv. **Post-retirement Medical Scheme:** The Company's Liability towards defined contribution scheme in respect of Post-Retirement Medical facilities are covered by way of a Group Mediclaim Policy availed for the purpose in the Financial Year and is charged to Statement of Profit and Loss by way of requisite Provision as per the scheme and the annual premium of which is met out of the provision created as above.

B. Defined benefit plans

i. **Gratuity:** Liability for gratuity is determined annually by actuarial valuation as per Ind AS 19 – Employee Benefits, and is being remitted to a separate Trust. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

ii. **Leave encashment:** Liability in respect of earned leave unavailed by the employees as at the end of the year is provided for on the basis of actuarial valuation as per Ind AS 19 – Employee Benefits.

Under Ind AS 19, net interest cost is determined by multiplying the net defined benefit liability and fair value of plan asset by the discount rate specified, both as determined at the start of the annual reporting period, taking into account, any changes in the net defined benefit liability and asset during the period as a result of contribution and benefit payments. Cost on account of this is included as employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Statement of Profit and Loss as past service cost. Re-measurement gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized in the period in which they occur, directly in other comprehensive income.

18. PRIOR PERIOD ADJUSTMENT/ RECLASSIFICATION

Prior period errors and reclassification are corrected retrospectively by restating the comparative amounts for prior periods presented in which the reclassification is required/ error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

19. FOREIGN CURRENCY TRANSACTIONS & DERIVATIVES

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

A. Foreign Currency Transactions:

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date.

The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss respectively).

If the liabilities are on account of procurement of capital assets, the differences due to exchange variation are included in the cost of the respective capital assets.

B. Derivative instruments and hedge accounting:

i. The Company uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The Company designates these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109 - Financial Instruments.

ii. The use of foreign currency derivative contracts is governed by the Company's policies approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

iii. Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income in the cash flow hedge reserve and later reclassified to profit or loss when the hedge item affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as Other Comprehensive Income are transferred to the initial carrying amount of the non-financial asset or liability.

iv. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

20. SEGMENT REPORTING

Ship construction, Ship repairs and General Engineering are considered as Reportable Segments for the purpose of Segment Reporting. For the ongoing projects and completed projects value of production is reported as segment revenue. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Income and expenditure not allocable to segments are included under "Net of un-allocable Income/Expenses". Assets and liabilities of the Company are used jointly by all the segments. Accordingly, there is no segment-wise bifurcation of assets and liabilities.

The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O.802 (E) dated 23rd February, 2018 by amending notification no G.S.R 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 108.

21. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

22. PROVISION FOR WARRANTY

Provision for Warranty related costs are recognised in terms of the Contract after the product is sold or services are rendered to the Customers. Initial recognition is based on the historical experience. The estimate of warranty related cost are revised periodically.

23. EARNINGS PER SHARE

Basic earnings per Share are computed by dividing Profit After Tax by number of paid up Equity Shares at the end of the period. Diluted Earnings per share is computed by dividing Profit After Tax by number of paid up Equity Shares and Equity Shares that could have been issued upon conversion of all dilutive equity shares.

24. INCOME TAX

i. **Current Tax:** Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 as amended from time to time.

ii. **Deferred Tax:** Deferred tax is recognized on timing difference, being difference between taxable income and accounting income for the year, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

iii. Deferred Income Tax is provided in full, using the liabilities method, on temporary difference arising between the tax bases of Assets and Liabilities and their carrying amounts in the financial statement. Further Deferred Income Tax is not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

iv. Deferred Income Tax is determined using tax rates and laws, that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

v. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

25. DIVIDEND TO EQUITY SHAREHOLDERS

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

26. ROUNDING OFF AMOUNTS

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

NOTES ON BALANCE SHEET ITEMS

2.1 PROPERTY, PLANT & EQUIPMENT

(Rupees in lakhs)

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2020	Additions during the Period	Deduc-tions/ adjust-ments	As at 31-03-2021	As at 01-04-2020	Depre-ciation for the period	Deduc-tions/ adjust-ments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
A	**PROPERTY, PLANT & EQUIPMENT**										
	Freehold Land	737.18	-	-	737.18	-	-	-	-	737.18	737.18
	Buildings & Other Civil Constructions	61,289.26	3,605.93	79.66	64,815.53	10,829.53	2,209.29	68.26	12,970.56	51,844.97	50,459.73
	Plant & Machinery	38,938.07	1,532.98	4.10	40,466.95	17,489.01	2,591.08	4.10	20,075.99	20,390.96	21,449.06
	Capital Dredging	1,278.92	-	-	1,278.92	768.95	89.23	-	858.18	420.74	509.97
	Slipways	143.48	-	-	143.48	143.48	-	-	143.48	-	-
	Furniture & Fittings	1,104.35	7.11	4.95	1,106.51	842.38	47.89	2.10	888.17	218.34	261.97
	Office Equipment	833.07	310.94	0.72	1,143.29	289.10	166.24	0.35	454.99	688.30	543.97
	Medical Equipment	20.78	3.83	-	24.61	6.77	2.69	-	9.46	15.15	14.01
	Computers	1,258.86	88.89	-	1,347.75	1,219.14	44.09	-	1,263.23	84.52	39.72
	Server & Network	16.90	-	-	16.90	8.17	2.95	-	11.12	5.78	8.73
	Motor Cars & Vehicles	262.50	-	-	262.50	209.67	9.88	-	219.55	42.95	52.83
	Steam Launches & Boats	799.96	-	-	799.96	788.19	1.68	-	789.87	10.09	11.77
	Total	**106,683.33**	**5,549.68**	**89.43**	**112,143.58**	**32,594.39**	**5,165.02**	**74.81**	**37,684.60**	**74,458.98**	**74,088.94**
B	**R & D ASSETS**										
	R & D Assets	563.49	63.17	-	626.66	454.63	61.20	-	515.83	110.83	108.86
	Total R & D Assets	**563.49**	**63.17**	**-**	**626.66**	**454.63**	**61.20**	**-**	**515.83**	**110.83**	**108.86**
	TOTAL (A+B)	**107,246.82**	**5,612.85**	**89.43**	**112,770.24**	**33,049.02**	**5,226.22**	**74.81**	**38,200.43**	**74,569.81**	**74,197.80**
	Previous Year	90,326.48	16,940.42	20.08	107,246.82	28,408.79	4,659.91	19.68	33,049.02	74,197.80	61,917.69
C	**INTANGIBLE ASSETS**										
	Software & Licence	278.41	52.58	-	330.99	221.70	29.49	-	251.19	79.80	56.71
	TOT Licence	11.10	-	-	11.10	0.89	2.22	-	3.11	7.99	10.21
	Total Intangible Assets	**289.51**	**52.58**	**-**	**342.09**	**222.59**	**31.71**	**-**	**254.30**	**87.79**	**66.92**
	Previous Year	253.86	35.65	-	289.51	202.91	19.68	-	222.59	66.92	50.95
D	**ASSETS FUNDED BY CUSTOMER (INCLUDED IN PPE ABOVE):**										
	Buildings & Other Civil Construction	32,897.15	3,223.14	-	36,120.29	5,963.15	1,158.99	-	7,122.14	28,998.15	26,934.00
	Plant & Machinery	25,136.27	1,367.90	-	26,504.17	10,136.97	1,811.49	-	11,948.46	14,555.71	14,999.30
	Capital Dredging	1,107.13	-	-	1,107.13	687.45	82.29	-	769.74	337.39	419.68
	Furniture & Fittings	110.99	-	-	110.99	16.55	11.10	-	27.65	83.34	94.44
	Office Equipment	477.06	291.07	-	768.13	47.51	129.21	-	176.72	591.41	429.55
	Total	**59,728.60**	**4,882.11**	**-**	**64,610.71**	**16,851.63**	**3,193.08**	**-**	**20,044.71**	**44,566.00**	**42,876.97**
E	**Capital Work-in-Progress**	**23,680.22**	**10,757.25**	**5,665.43**	**28,772.04**	**-**	**-**	**-**	**-**	**28,772.04**	**23,680.22**
	Previous Year	26,370.61	14,285.68	16,976.07	23,680.22	-	-	-	-	23,680.22	26,370.61

2.1.1 Pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013 for computing depreciation.

2.1.2 No borrowings were made during the year to fund any of the Capital expenditure.

2.1.3 Building include Rs 67 lakhs (Original Cost) for Shipyard House of New Delhi being one third share in the property jointly held by Goa Shipyard Limited, Mazagon Dock Shipbuilders Ltd and Garden Reach Shipbuilders & Engineers Ltd.

(Rupees in lakhs)

2.2	CAPITAL WORK-IN-PROGRESS	As at 31-03-2021		As at 31-03-2020	
	Opening Balance	23,680.22		26,370.61	
	Add: Expenditure during the period	10,757.25		14,285.68	
		34,437.47		40,656.29	
	Less: Capitalisation/Adjustments during the period	5,665.43	28,772.04	16,976.07	23,680.22
			28,772.04		**23,680.22**

The Capital Work-in-Progress includes:

GSL Modernisation Programme as approved by the Government of India which is presently in progress, was divided into 4 phases (1 & 2, 3A, 3B & 4) with a total outlay of Rs 1,374 Cr out of which Rs 880 Cr is through Government Assistance and the balance Rs 494 Cr from Internal Resources. As on the Reporting date, phases upto 3A have been completed and Phase 3B and Phase 4 are in progress against which an amount of Rs 285.07 Cr have been spent upto 31.03.2021.

2.3	RIGHT-OF-USE ASSETS	As at 31-03-2021		As at 31-03-2020	
	Opening Balance	280.16		-	
	Add: Addition during the year	0.23		353.50	
		280.39		353.50	
	Less: Amortisation on right-of-use assets during the year	77.52		73.34	
	Net Carrying Amount	**202.87**	**202.87**	**280.16**	**280.16**
			202.87		**280.16**

The Company has adopted Ind AS 116, Accounting for Leases in FY 2019-20 and recognised lease liabilities as per Ind AS 116 which is measured at present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard has been applied since commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly the right-of-use asset of Rs 353.50 lakhs and lease liability of Rs 399.20 lakhs has been recognised. The difference being the cumulative effect thereto on transition has been adjusted in retained earnings (net off taxes is Rs 34.20 lakhs).

2.4	LONG-TERM LOANS AND ADVANCES	As at 31-03-2021		As at 31-03-2020	
	1. Loans to Employees (Secured by way of mortgage / hypothecation or by way of third party guarantee)	132.08		161.63	
	Less: Current maturities of Long Term Advances	20.89	111.19	25.87	135.76
	2. Loans to Employees				
	Unsecured and considered good	284.41		251.88	
	Unsecured and considered doubtful	-		-	
		284.41		251.88	
	Less: Provision for doubtful loans	-		-	
		284.41		251.88	
	Less: Current maturities of Long Term Advances	23.53	260.88	26.10	225.78

(Rupees in lakhs)

2.4	LONG-TERM LOANS AND ADVANCES	As at 31-03-2021		As at 31-03-2020	
	3. Security Deposit & EMD paid				
	Unsecured considered good	27.72		27.71	
	Unsecured considered doubtful	-		-	
		27.72		27.71	
	Less: Provision for doubtful deposit & EMD paid	-	27.72	-	27.71
	4. License and Tech doc fees 1241RE*	1,454.30		1,454.30	
	Less: Amount received included under Advances Received from Customers (contra note no. 2.26)	1,454.30	-	1,454.30	-
			399.79		**389.25**

*License and Tech doc fees 1241RE represents pro-rata unexpired licensed technical document fees paid to USSR for 5 number of Missile Boats for Indian Navy for which the amount has been reimbursed by the Customer.

2.5	OTHERS FINANCIAL ASSETS (Non-Current)	As at 31-03-2021	As at 31-03-2020
	1. Fixed Deposits with Banks Maturity beyond 12 months (contra note no 2.9)	966.00	2,004.62
	2. Other Receivable	3.80	3.80
		969.80	**2,008.42**

2.6	OTHER NON-CURRENT ASSETS (Unsecured)	As at 31-03-2021		As at 31-03-2020	
	1. GST Input Credit & Payments	6675.15		5965.67	
	Less: Current amount reclassified	6675.15	-	5798.43	167.24
	2. Other Deposits		6.70		6.70
	3. Balances with Government Dept. & Tax authorities		-		-
	Unsecured considered good	794.75		555.70	
	Unsecured considered doubtful	-		-	
		794.75		555.70	
	Less: Provision for doubtful deposits	-	794.75	-	555.70
	4. Prepaid Rent	57.06		41.91	
	Less: Amount shown in current maturities	5.62	51.44	5.62	36.29
			852.89		**765.93**

2.7	INVENTORIES (as verified, valued & certified by Management)	As at 31-03-2021		As at 31-03-2020	
	1. Raw Materials, Stores & Spares				
	a) Stores in Hand	5,719.67		7,905.57	
	b) Stock in Transit	-	5,719.67	-	7,905.57
	2. Work-in-Progress	113,659.61		114,425.76	
	Less: Amounts received from Customers (contra note no. 2.26)	94,653.80	19,005.81	89,000.61	25,425.15
			24,725.48		**33,330.72**

(Rupees in lakhs)

2.8	TRADE RECEIVABLES (Current)	As at 31-03-2021		As at 31-03-2020	
	(Unsecured, considered good unless otherwise specified)				
	1. Trade Receivables Due				
	i) Considered good-Due	10,149.91		5,157.39	
	ii) Considered doubtful	1,463.74		1,157.80	
		11,613.65		6,315.19	
	Less: Provision for allowance on expected credit loss	1,463.74		1,157.80	
		10,149.91		5,157.39	
	2. Trade Receivables Not Due				
	i) Considered good-Not Due	10,034.40		6,689.60	
		20,184.31	20,184.31	11,846.99	11,846.99
			20,184.31		**11,846.99**

2.9	CASH AND CASH EQUIVALENTS	As at 31-03-2021		As at 31-03-2020	
	1. Balances with Banks in current accounts		652.79		430.48
	2. Fixed Deposit with Banks	206,440.62		110,539.62	
	Less: Reclassified Maturity period for more than 03 Months but not more than 12 months	171,213.62		23,685.00	
		35,227.00		86,854.62	
	Less: Reclassified Maturity period more than twelve months included in Other Financial Assets (contra note No.2.5)	966.00		2,004.62	
	3. Fixed Deposit with Banks less than three months		34,261.00		84,850.00
	4. In Imprest Account		11.10		10.22
			34,924.89		**85,290.70**

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 1,95,991 in the year 1969-70 in respect of balance with Banco Nacional Ultramarino, Lisbon.

2.10	OTHER BANK BALANCES	As at 31-03-2021	As at 31-03-2020
	Fixed Deposits with Banks more than 03 months but not more than 12 months	171,213.62	23,685.00
		171,213.62	**23,685.00**

2.11	SHORT-TERM LOANS AND ADVANCES	As at 31-03-2021		As at 31-03-2020	
	1. Loans to Employees - Current Maturity of Long Term Advances (Secured by way of mortgage/hypothecation or by way of third party guarantee)		20.89		25.87
	2. Current maturity of Loans to Employees (Unsecured)		23.53		26.10
	3. EMD paid (Unsecured and considered good)		2.11		2.11
	4. Advance to Suppliers				
	Secured considered good (against Bank Guarantees)	49,475.28		49,510.73	
	Unsecured considered good	5,763.09		1,738.53	
	Unsecured considered doubtful	399.60		398.27	
		55,637.97		51,647.53	
	Less: (i) Advance paid for Project Documentation reduced from Other Liabilities (as per contra note no. 2.25)	9,091.66		4,947.53	
	(ii) Provision for doubtful advances	399.60		398.27	
		46,146.71	46,146.71	46,301.73	46,301.73
			46,193.24		**46,355.81**

(Rupees in lakhs)

2.12	OTHERS FINANCIAL ASSETS (Current)	As at 31-03-2021	As at 31-03-2020
	1. Interest accrued but not due	4,332.41	5,558.24
	2. Income accrued but not due	305.55	1,133.85
	3. Receivable from Navy (1241RE)	237.57	704.12
		4,875.53	**7,396.21**

2.13	CURRENT TAX ASSETS (Net)	As at 31-03-2021		As at 31-03-2020	
	Opening Balance	4,193.48		1,204.13	
	Add: Taxes paid (net of refunds)	4,901.86		9,889.35	
	Add: Tax relating to prior years	280.00		-	
		9,375.34		11,093.48	
	Less: Current tax expense for the year	4,370.00	5,005.34	6,900.00	4,193.48
			5,005.34		**4,193.48**

2.14	OTHER CURRENT ASSETS (Considered good)	As at 31-03-2021	As at 31-03-2020
	1. GST Input Credit & Payments	6,675.15	5,798.43
	2. Prepaid Expenses	1,080.73	1,342.00
	3. Prepaid Rent	5.62	5.62
		7,761.50	**7,146.05**

2.15	EQUITY SHARE CAPITAL	As at 31-03-2021		As at 31-03-2020	
	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 (Rs. in lakhs)**	**Number of Shares (in lakhs)**	**Amount (Rs. in lakhs)**
	At the beginning of the year	1,164.04	5,820.19	1,164.04	5,820.19
	Balance at the end of the period	**1,164.04**	**5,820.19**	**1,164.04**	**5,820.19**
	During the FY 2016-17, the Company in compliance of the guidelines issued by DIPAM 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.				
	4. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company				
	Name of the Shareholder and Number of Shares	**Percentage of Share holding**	**Amount (Rs. in lakhs)**	**Percentage of Share holding**	**Amount (Rs. in lakhs)**
	President of India 5,94,66,780 Equity Shares of Rs 5/- each	51.09%	2,973.34	51.09%	2,973.34
	Mazagon Dock Shipbuilders Ltd. 5,49,57,600 Equity Shares of Rs 5/- each	47.21%	2,747.88	47.21%	2,747.88
	The Company has only one class of share referred to as Equity Shares having a face value of Rs 5/- each.				

(Rupees in lakhs)

2.16	OTHER EQUITY	As at 31-03-2021		As at 31-03-2020	
	1. Capital Reserve:				
	Balance as per last Balance Sheet		42.86		42.86
	2. General Reserve:				
	Balance as per last Balance Sheet	83,087.04		70,087.04	
	Add: Movement during the year	12,000.00	95,087.04	13,000.00	83,087.04
	3. Retained Earnings:				
	Opening Balance	13,616.94		15,282.36	
	Transition impact on Ind AS 116 Lease (net of tax)	-		(34.20)	
	Net Profit/(Loss) after Tax transferred from Statement of Profit & Loss	12,791.03		19,777.46	
	Other Comprehensive Income/(Loss) for the period	39.50		(409.82)	
		26,447.47		34,615.80	
	Less Appropriations:				
	Transfer to General Reserve	12,000.00		13,000.00	
	Dividend Payment on Equity Shares	5,529.18		6,635.01	
	Dividend Distribution Tax on Dividend	-		1,363.85	
		17,529.18		20,998.86	
	Closing Balance		8,918.29		13,616.94
	Total Reserve & Surplus		**104,048.19**		**96,746.84**

4. The Company at its Annual General Meeting for the FY 2019-20 held on 30th September 2020 declared a Final Dividend to the Equity Shareholders @ 20% per share (i.e. Re 1/-) amounting to Rs 1,164.04 lakhs which was paid during FY 2020-21.
5. During FY 2020-21, the Company declared and paid Interim Dividend of Rs 4,365.14 lakhs at the rate of Rs 3.75/- per equity share.
6. Accordingly the total Dividend paid during FY 2020-21 amounts to Rs 5,529.18 lakhs.
7. Further to the Interim Dividend paid as mentioned at sl.no.5 above, the Board proposes Final Dividend @ 20% per share to the Equity Shareholders (Previous year 20%), which works out to Rs 1,164.04 lakhs. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2020-21. The total Dividend for the financial year ended March 31st, 2021 paid/proposed amounts to Rs 5,529.18 lakhs (including Interim Dividend of Rs 4,365.14 lakhs).

2.17	LEASE LIABILITY (Non-Current)	As at 31-03-2021		As at 31-03-2020	
	Opening Balance	329.37		-	
	Initial Recognition of Lease Liabilities as per Ind AS 116	-		399.20	
	Add: During the year	0.50		-	
	Add: Interest Expenses	25.74		30.42	
		355.61		429.62	
	Less: Repayment of Lease Liabilities	109.29		100.25	
		246.32		329.37	
	Less: Amount shown in current maturities of long term Lease Liabilities (contra note no. 2.23)	106.40	139.92	108.95	220.42
			139.92		**220.42**

(Rupees in lakhs)

2.18	TRADE PAYABLE (Non-Current)	As at 31-03-2021		As at 31-03-2020	
	Deferred payment liability to foreign supplier against supply of materials				
	Deferred Liabilities (from foreign suppliers against supply of material)*	1,308.46		1,322.81	
	Less: Amount shown in current maturities of Long Term Debts	237.57	1,070.89	237.57	1,085.24
	Amount receivable from Navy/Indian Govt. towards deferred debts	1,308.46		1,322.81	
	Less: Amount shown in current maturities of Long Term Debts	237.57	1,070.89	237.57	1,085.24
			-		-

*Denotes the balance amount (at Fair Value) of deferred payment liability payable over 45 years without interest, in equal annual instalment of Rs 130 lakhs. The loan is equated to units of Special Drawings Rights (SDR) as per Inter Governmental Agreement between Govt. of India and Russia. The loan amount has been revalued at the present rate of SDR (announced by RBI), w.e.f. 16.11.2016 which is Rs 91.0858 for 1 SDR (Previous year Rs 91.0858 for 1 SDR).

2.19	OTHER FINANCIAL LIABILITIES	As at 31-03-2021		As at 31-03-2020	
	1. Security Deposit & Earnest Money Deposit	1.80		1.80	
	Less: Payable within 12 months (contra note no. 2.25)	-	1.80	-	1.80
	2. Creditors for capital goods - Foreign supplier deferred credit	4.13		4.18	
	Less: Amount shown in current maturities of Long Term Debts (contra note no. 2.25)	0.75	3.38	0.75	3.43
	3. Differential Interest Liability (Exim Bank)	385.95		654.87	
	Less: Amount shown in current maturities of Long Term Debts (contra note no. 2.25)	22.57	363.38	198.52	456.35
			368.56		**461.58**

2.20	LONG-TERM PROVISIONS	As at 31-03-2021		As at 31-03-2020	
	1. Provision for Leave Salary Encashment	3,541.25		3,490.98	
	Less: Payable within 12 months (contra note no. 2.27)	836.74	2,704.51	787.74	2,703.24
	2. Other Provisions		-		-
			2,704.51		**2,703.24**

2.21	DEFERRED TAX (Net)	As at 31-03-2021		As at 31-03-2020	
	1. Deferred Tax Assets				
	Provisions:				
	Provision for Doubtful Debts	368.39		291.40	
	Provision for Non-Recoverable Advances	100.57		100.24	
	Provision for Guarantee Repairs	406.53		748.52	
	Provision for Leave Encashment (Section 43B)	891.26		878.61	
	Provision for Lease Liability	10.94	1,777.69	12.39	2,031.16
	2. Deferred Tax Liabilities				
	Depreciation		2,648.02		2,550.19
	Deferred Tax Liabilities/(Assets)(Net)		**870.33**		**519.03**

i. Deferred tax is recognized subject to the consideration of prudence on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

ii. Deferred tax assets are recognized only if there is reasonable certainty that there will be sufficient taxable income in the future from which these deferred tax assets can be realized.

(Rupees in lakhs)

2.22	GOVERNMENT ASSISTANCE FOR INFRASTRUCTURE AUGMENTATION	As at 31-03-2021		As at 31-03-2020	
	Balance at the beginning of the year	49,043.88		51,656.47	
	Add: Amount received during the period	3,104.47		-	
		52,148.35		51,656.47	
	Less: Proportionate amount of deferred revenue credited to P&L Statement	3,193.09	48,955.26	2,612.59	49,043.88
			48,955.26		**49,043.88**

2.23	LEASE LIABILITY (Current)	As at 31-03-2021	As at 31-03-2020
	Lease liability payable within 12 months (contra note no. 2.17)	106.40	108.95
		106.40	**108.95**

2.24	TRADE & OTHER PAYABLES	As at 31-03-2021		As at 31-03-2020	
	1. MSME Vendors		548.93		103.63
	2. Other Vendors		1,447.15		2,845.34
	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	-
			1,996.08		**2,948.97**

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, 2021 is Rs 548.93 lakhs (previous year ended 31st March 2020 is Rs 103.63 lakhs) as shown below:

	Vendor Name	(Rupees in lakhs)	(Rupees in lakhs)
	Aspolite Engineers (India) Pvt. Ltd.	12.25	-
	Ashirwad Printing Press	0.04	-
	Atlantic Water Proofing Co. (Goa)	0.05	-
	Aquarius Shipyard Pvt. Ltd.	-	47.16
	AMICAS Structural & Fibre Glass	98.82	-
	Amogh Gases Private Limited	2.87	-
	Bandekar Speciality Valve Corpn	1.17	-
	Corrosion Control & Insulation	5.28	7.88
	Chandra Fabricators	3.19	-
	Deepak Engineers & Contractors	7.52	2.36
	Digitech Electronic Systems Pvt. Ltd.	2.80	-
	Electro Controls	1.22	-
	Geeta Engg. Works Pvt. Ltd.	4.73	-

	Vendor Name	(Rupees in lakhs)	(Rupees in lakhs)
	Gosalia Rubber Industries	0.27	-
	Govardhan Das P.A. (Calcutta)	0.17	-
	Govind Poy Oxygen Ltd.	0.32	-
	Geo Constructions	0.08	-
	Global Insulation and Marine Suppliers	2.30	-
	General Enterprise	0.31	-
	Infoplus Technologies Private Ltd.	0.50	-
	Jaya Marine Services	1.01	-
	Krishna Allied Industries Pvt. Ltd.	152.86	-
	Marine Electrical Agencies	1.85	4.91
	Mohanlal & Co.	0.05	-
	Murali Builders	3.70	-
	Mahalsa Services	26.46	-
	Marine Tech	6.78	-
	Nisan Scientific Process Equipment	-	0.17
	Narang & Associates	14.87	3.07
	Navkar Textiles	0.21	-
	Om Sai Engineering	1.37	-
	Orbit TechSol (W) Pvt. Ltd.	15.33	-
	Pip Industries Pvt. Ltd.	-	6.50
	Pro Biz (India) Pvt. Ltd.	0.09	-
	Rolex Engineering & Trading Co.	0.65	-
	Rai Marine Services	2.29	-
	SHM Shipcare	2.13	-
	Sushma & Co. (Electricals)	21.41	-
	Sargam Metals Pvt. Ltd.	3.23	-
	Stauff India Pvt. Ltd.	0.95	-
	Surya Enterprises	0.21	-
	Sadhav Offshore Engg Co	44.09	-
	Sea Blue Shipyard Ltd.	3.09	-
	Shantadurga Art Printers	0.32	-
	Samarth Engineers and Contractors	4.07	-
	Semaphore Technologies Pvt. Ltd.	1.93	-
	Shri Sai Samarth Technical Services	13.68	-
	Super Elmech Engineers Pvt. Ltd.	7.75	-
	Shailesh Trading Corporation	4.67	-
	Universal Marine Works	-	10.47
	Vanson Engineering Pvt. Ltd.	0.19	-
	V.B.S. Engineering	4.76	-
	Vinaya Corporation	0.63	21.11
	Western Interior Designers & Marine	2.26	-
	Wariox International	0.14	-

	Vendor Name	(Rupees in lakhs)	(Rupees in lakhs)
	Yeoman Marine Services Pvt. Ltd	20.46	-
	Zuari Engineering Services	0.40	-
	Zeal Marketing Pvt. Ltd	39.69	-
	Zen Technologies Limited	1.46	-
		548.93	**103.63**

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, 2021 has been paid between 1st April, 2021 to 15th May, 2021.

(Rupees in lakhs)

2.25	OTHER FINANCIAL LIABILITIES (Current)	As at 31-03-2021		As at 31-03-2020	
	1. Unclaimed Dividend		5.63		7.61
	2. Earnest Money Deposit		389.97		473.29
	3. Retention Money received		2,501.40		2,566.57
	4. Liability for Liquidity Damages deducted from parties		586.33		1,184.72
	5. Creditors for capital goods - Foreign supplier deferred credit (contra note no. 2.19)		0.75		0.75
	6. Differential Interest Liability for Exim Bank (contra note no. 2.19)		22.57		198.52
	7. Liability for Purchases	5,206.23		5,998.12	
	Less: Shoft Liability Deposit with High Court	1,026.17	4,180.06	1,026.17	4,971.95
	8. Creditors for Other Expenses		1,238.96		763.18
	9. Liability for Wages and related Liabilities		2,791.18		3,106.67
	10. Interest & Expenses on Arbitration Award		5,596.24		5,596.24
	11. Liability for Project Documentation	27,072.75		8,460.09	
	Less: Advance paid (contra note no. 2.11)	9,091.66	17,981.09	4,947.53	3,512.56
	12. Other Liabilities		1,969.29		2,634.67
			37,263.47		**25,016.73**

2.26	OTHER CURRENT LIABILITIES	As at 31-03-2021		As at 31-03-2020	
	1. Advances Received from Customers *	308,162.55		20,922.04	
	Less: (i) Amount received towards License and Tech doc fees 1241 RE (contra note no. 2.4)	1,454.30		1,454.30	
	(ii) Deduction towards work executed, included in Work-in-Progress (contra note no. 2.7)	94,653.80	212,054.45	89,000.61	130,467.13
	2. Statutory Dues		2,339.76		486.00
			214,394.21		**130,953.13**

*Advance from Customers includes an amount of Rs 1,454.30 lakhs being the pro-rata unexpired licensed technical document fees paid to Russia (erstwhile USSR) for 5 numbers of Missile Boats for Indian Navy, which has been reimbursed by the Customer. The corresponding amount has been reflected in Note no. 2.4.

(Rupees in lakhs)

2.27	SHORT-TERM PROVISIONS	As at 31-03-2021		As at 31-03-2020	
	1. Provision for Leave Salary Encashment		836.74		787.74
	2. Provision for Gratuity		292.20		991.50
	3. Provision for Superannuation Fund		519.05		500.05
	4. Provision for PRMS		808.53		837.30
	5. Provision for Guarantee and Warranty				
	Opening Balance	2,974.11		2,885.19	
	Less: (i) Utilised - Material	1.49		8.77	
	(ii) Utilised-Sub Contract and Direct Expenses	426.06		232.52	
	(iii) Provisions written back	1,623.97		38.50	
		922.59		2,605.40	
	Add: Additional Provision (Refer Note - 2.35)	692.67	1,615.26	368.71	2,974.11
			4,071.78		**6,090.70**

NOTES ON STATEMENT OF PROFIT & LOSS

2.28	REVENUE FROM OPERATIONS	For the year ended 31st March 2021		For the year ended 31st March 2020	
	I. Turnover (Value of Production)				
	(a) Contract Revenue				
	i) Ship Construction		64,159.27		77,660.13
	ii) General Engineering		1,562.67		793.86
	(b) Sale of Products				
	i) B & D Spares		3,610.00		1,099.36
	(c) Sale of Services				
	i) Ship Repairs		4,304.26		2,902.10
	ii) General Engineering		9,102.62		7,838.98
	Total (I)		**82,738.82**		**90,294.43**
	Notes on Contract revenue recognition with respect to ongoing projects/vessels in WIP:				
	Amount recognized as Revenue in Statement of Profit & Loss		61,995.12		71,991.70
	Aggregate amount incurred less loss charged to P&L (Cumulative)		113,659.61		114,425.76
	Advance payment received (Cumulative)		289,202.77		201,546.21
	Remaining Contract to be executed		1,197,713.04		1,248,181.04
	II. Other Operating Revenue				
	1. Sale of Stores & Scrap		109.44		220.00
	2. Settlement of Insurance Claim		7.96		-
	3. Deferred revenue on Depreciation on Customer Funded Assets		3,193.09		2,612.59
	Total (II)		**3,310.49**		**2,832.59**
	Total Revenue from Operation (I+II)		**86,049.31**		**93,127.02**

Note: (i) The Company is engaged in the production of defence equipment and is exempted from Segment Reporting vide notification S.O.802 (E) dated 23rd February, 2018 by amending notification no G.S.R 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 115.

(ii) The Company has delivered two Offshore Patrol Vessels (OPV) during FY 2020-21. The total sale value of the OPVs are Rs 68,120 lakhs out of which amount of Rs 9,331 lakhs is recognised in the contract revenue for the year ended 31st March, 2021. Balance amount of contract revenue pertains to accretion to Work-in-Progress inventory.

(Rupees in lakhs)

2.29	OTHER INCOME	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	1. Interest				
	a) On Deposits with Banks	8,618.39		12,322.30	
	b) On Loan to Employees	8.15		10.20	
	c) Other Interest	154.71	8,781.25	50.13	12,382.63
	2. Profit on sale of fixed assets (Net)		41.38		1.13
	3. Liabilities/Provisions no longer required written back		1,751.89		817.85
	4. Miscellaneous Income		1,251.70		846.89
			11,826.22		**14,048.50**

2.30	MATERIAL CONSUMPTION	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	1. Cost of Materials consumed:				
	Opening Stock of Raw materials, Stores and Spares		7,905.57		7,909.69
	Add: Purchases (Gross)		23,884.96		32,390.00
			31,790.53		40,299.69
	Less: Closing Stock-Stores in Hand		5,719.67		7,905.57
	Value of Raw Materials consumed:		26,070.86		32,394.12
	Less: Cost of Materials issued to Completed Vessels	176.20	176.20	291.59	291.59
	Value of Raw Materials consumed (Gross):		25,894.66		32,102.53
	Less: Materials issued for Guarantee Repair	1.49		8.77	
	Stores & Spares consumption included in Repairs & Maintenance	425.93	427.42	469.48	478.25
	Cost of Materials Consumed (Net)		**25,467.24**		**31,624.28**
	2. Break up of Net Consumption				
	i. Imported	8,676.24		16,770.30	
	ii. Indigenous	16,791.00	25,467.24	14,853.98	31,624.28
	Total Consumption		**25,467.24**		**31,624.28**
	3. Consumption consists of:				
	i. Iron & Steel	2,796.48		362.01	
	ii. Non-ferrous Metals & Alloys	214.33		322.58	
	iii. Machinery & Equipment fitting on ships etc.	22,445.40		30,919.01	
	iv. Others	11.03		20.68	
			25,467.24		**31,624.28**

(Rupees in lakhs)

2.31	EMPLOYEE BENEFITS EXPENSES	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	1. Salaries, Wages, Allowances and Bonus	11,811.85	13,242.64
	2. Leave Encashment	808.70	778.59
	3. Contribution to Provident Fund	1,005.18	1,011.58
	4. Contribution to Employees State Insurance Scheme	6.62	11.06
	5. Contribution to Deposit Linked Insurance Scheme	12.65	13.48
	6. Contribution to Gratuity Fund	331.71	581.69
	7. Contribution to Superannuation Fund	542.90	527.61
	8. Contribution to PRMS	268.50	263.28
	9. Staff Welfare Expenses	1,484.19	1,193.27
		16,272.30	**17,623.20**
	Less: Employee Benefits Expensess during Lockdown (April 01, 2020 to May 25, 2020) shown as Exceptional Item	2,451.99	-
		13,820.31	**17,623.20**

1. Actuarial valuation of liability towards Gratuity - Note No. 2.31 above refers.

Defined Benefit Plans Gratuity - as per actuarial valuation on March 31, 2021

i) Assumptions as at	Valuation Date 31st March 2021	Valuation Date 31st March 2020
Mortality	**IALM (2012-14) Ult**	**IALM (2006-08) Ult**
Discount Rate	6.32%	6.80%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	10.11	9.87
Retirement Age	60 Years	60 Years
Employee Attrition Rate (All Ages)	5.00%	5.00%
ii) Changes in Present Value of Obligations		
Present Value of Obligation at beginning of period	7,845.77	8,254.97
Interest Cost	481.20	546.49
Current Service Cost	327.26	534.07
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Benefits Paid	(1,538.70)	(1,878.35)
Actuarial (Gain)/Loss on Obligations	90.18	388.59
Present Value of Obligation as at the end of the year	7,205.71	7,845.77
iii) Interest Expenses		
Interest Cost	481.20	546.49
iv) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	6,854.27	7,288.28
Interest Income	448.87	509.34
v) Net Liability		
PVO at beginning of period	7,845.77	8,254.97
Fair Value of the Asset at beginning report	6,854.27	7,288.28
Net Liability	991.50	966.69

(Rupees in lakhs)

vi) Net Interest		
Interest Expenses	481.20	546.49
Interest Income	448.87	509.34
Net Interest	32.33	37.15
vii) Actual Return on Plan Assets	578.55	488.12
Less: Interest income included above	448.87	509.34
Return on plan assets excluding interest income	129.68	(21.22)
viii) Actuarial (Gain)/Loss on obligation		
Due to Demographic Assumption*	-	-
Due to Financial Assumption	130.07	184.17
Due to Experience	(39.89)	204.42
Total Actuarial (Gain)/Loss	90.18	388.59
*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	6,854.27	7,288.28
Adjustment to opening Fair Value of Plan Asset	12.91	(17.60)
Return on Plan Assets excl. Interest Income	129.68	(21.22)
Interest Income	448.87	509.34
Contribution by Employer	1,006.47	973.82
Contribution by Employee	-	-
Benefits Paid	(1,538.70)	(1,878.35)
Fair Value of Plan Assets at end	6,913.50	6,854.27
x) Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past Service Cost - non vested benefits	-	-
Recognised Past Service Cost - vested benefits	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
xi) Amount recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of period	7,205.71	7,845.77
Fair Value of Plan Assets at end of period	6,913.50	6,854.27
Funded Status	(292.21)	(991.50)
Net Assets/(Liability) recognized in the Balance Sheet	(292.21)	(991.50)
xii) Expenses recognized in Statement of Profit & Loss		
Current Service Cost	327.26	534.07
Interest Cost	32.32	37.15
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Expenses Recognized in the Statement of Profit & Loss	359.58	571.22

(Rupees in lakhs)

xiii)Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period		90.18		388.59
Asset limit effect		-		-
Return on Plan Assets excluding net interest		(129.68)		21.22
Unrecognized Actuarial (Gains)/Losses from previous period		-		-
Total Actuarial (Gain)/Loss recognised in OCI		(39.50)		409.81
xiv) Movements in the liability recognised in Balance Sheet				
Opening Net Liability		991.50		966.69
Adjustment to opening Fair Value of Plan Asset		(12.91)		17.60
Expenses as above		359.58		571.22
Contribution paid		(1,006.47)		(973.82)
Other Compreneshive Income (OCI)		(39.50)		409.81
Closing Net liability		292.20		991.50
xv) Schedule III of the Companies Act, 2013				
Current Liability		292.20		991.50
Non-Current Liability		6,913.52		6,854.27
xvi) Projected Service Cost 31st March, 2022/Cost 31st March, 2021		306.49		327.26
xvii) Asset Information	**Total Amount**	**Target allocation (%)**	**Total Amount**	**Target allocation (%)**
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund (Trustees of the Scheme)	6,913.52	100.00	6,854.27	100.00
Debt Security-Government Bond	-	-	-	-
Equity Securities-Corporate Debt securities	-	-	-	-
Total Itemized Assets	6,913.52	100.00	6,854.27	100.00
xviii) Sensitivity Analysis	**01-04-2020 to 31-03-2021**			
Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	6,941.82	7,499.28	7,439.91	6,977.76

2. Actuarial valuation of liability towards Leave Encashment - Note No. 2.31 above refers.
Defined benefit Plans Leave Encashment as per actuarial valuation on March 31, 2021

i) Assumptions as at	**Valuation Date 31st March 2021**	**Valuation Date 31st March 2020**
Mortality	**IALM (2012-14) Ult**	**IALM (2006-08) Ult**
Discount Rate	6.32%	6.80%
Rate of Increase in Compensation Levels	4.00%	4.00%
Rate of Return on Plan Assets	-	-
Expected Average remaining working lives of employees (years)	10.11	9.56
Retirement Age	60 Years	60 Years
Employee Attrition Rate (All Ages)	5.00%	5.00%
ii) Changes in Present Value of Obligations		
Present Value of Obligation at beginning of period	3,490.99	3,518.28
Interest Cost	220.55	241.99
Past Service Cost - (non vested benefits)	627.72	419.35

(Rupees in lakhs)

Past Service Cost - (vested benefits)	-	-
Benefits Paid	(495.54)	(557.60)
Actuarial(Gain)/Loss on Obligations	(302.46)	(131.03)
Present Value of Obligation as at the end of the year	3,541.26	3,490.99
iii) Interest Expenses		
Interest Cost	220.55	241.99
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	3,490.99	3,518.28
Fair Value of the Asset at beginning of report	-	-
Net Liability	3,490.99	3,518.28
vi) Net Interest		
Interest Expenses	220.55	241.99
Interest Income	-	-
Net Interest	220.55	241.99
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	75.02	91.24
Due to Experience	(377.48)	(222.28)
Total Actuarial (Gain)/Loss	(302.46)	(131.04)
*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	495.54	557.60
Contribution by Employee	-	-
Benefits Paid	(495.54)	(557.60)
Fair Value of Plan Assets at end	-	-
x) Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-

(Rupees in lakhs)

Average remaining future service till vesting of the benefit	-		-	
Recognised Past Service Cost - non vested benefits	-		-	
Recognised Past Service Cost - vested benefits	-		-	
Unrecognised Past Service Cost - non vested benefits	-		-	
xi) Amount to be recognized in the Balance Sheet and Statement of Profit and Loss				
PVO at end of period	3,541.26		3,490.99	
Fair Value of Plan Assets at end of period	-		-	
Funded Status	(3,541.26)		(3,490.99)	
Net Assets/(Liability) recognized in the Balance Sheet	(3,541.26)		(3,490.99)	
xii) Expenses recognized in Statement of Profit & Loss				
Current Service Cost	627.72		419.35	
Interest Cost	220.55		241.99	
Past Service Cost - (non vested benefits)	-		-	
Past Service Cost - (vested benefits)	-		-	
Curtailment effect	-		-	
Settlement Cost / (Credit)	-		-	
Actuarial (Gain)/Loss recognized in the year	(302.46)		(131.04)	
Expenses recognized in the Statement of Profit & Loss	545.81		530.30	
xiii) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	-		-	
Asset limit effect	-		-	
Return on Plan Assets excluding net interest	-		-	
Unrecognized Actuarial (Gains)/Losses from previous period	-		-	
Total Actuarial (Gain)/Loss recognised in OCI	-		-	
xiv) Movements in the liability recognised in Balance Sheet				
Opening Net Liability	3,490.98		3,518.28	
Adjustment to opening Fair Value of plan assets	-		-	
Expenses as above	545.81		530.30	
Contribution paid	(495.54)		(557.60)	
Other Comprenehsive Income (OCI)	-		-	
Closing Net liability	3,541.25		3,490.98	
xv) Schedule III of the Companies Act, 2013				
Current Liability	836.74		787.74	
Non Current Liability	2,704.51		2,703.24	
xvi) Projected Service Cost 31st March, 2022/Cost 31st March, 2021	616.06		627.72	
xvii) Asset Information	Not Applicable as the plan is unfunded			
xviii) Sensitivity Analysis	**01-04-2020 to 31-03-2021**			

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	3,389.80	3,713.11	3,709.77	3,390.30

(Rupees in lakhs)

2.32	FINANCE COSTS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	1. Interest Expenses on Bank LAD	0.42	1,759.14
	2. Interest on Lease Liabilities	25.74	30.42
	3. Others	0.01	0.01
		26.17	**1,789.57**

2.33	OTHER EXPENSES	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	1. Power, Fuel and Electricity		459.72		435.42
	2. Rent		42.16		13.25
	3. Rates and Taxes		21.70		16.23
	4. Water Expenses		51.54		53.39
	5. Insurance		160.58		74.20
	6. Repairs and Maintenance:				
	i) Factory Buildings & Site	297.30		330.61	
	ii) Plant and Machinery	375.89		423.83	
	iii) Others	623.58		894.30	
		1,296.77	1,296.77	1,648.74	1,648.74
	7. Loose Tools Consumed		-		0.21
	8. Printing and Stationery		6.84		13.78
	9. Postage, Telegrams and Telephone		48.99		53.85
	10. Travelling Expenses	110.20		261.60	
	Less: Amount included under				
	-Training Expenses	-		14.59	
	- Recruitment Expenses	0.43		1.19	
	- Direct Expenses	-	109.77	-	245.82
	11. Recruitment Expenses	1.40		8.55	
	Less: Advertisement expenses for recruitment included under the Head "Advertisement"	0.97	0.43	7.36	1.19
	12. Advertisement				
	- Recruitment	0.97		7.36	
	- Staff & Establishment	-		5.89	
	- Tenders	14.48		17.71	
	- Publicity	19.63	35.08	35.06	66.02
	13. Business Promotion Expenses		136.36		147.42
	14. Export Promotion Expenses		12.67		158.90
	15. Contribution to DIO-iDEX		500.00		500.00
	16. Bank Charges		11.22		45.56
	17. Auditors Remuneration				
	- Statutory Audit Fees	3.00		3.00	
	- Auditor fees for other services	2.50		1.50	
	- Tax Audit Fees	0.50		0.50	
	- GST & VAT Audit Fees	-		0.50	
	- Audit Expenses	1.90	7.90	2.45	7.95
	18. Other Audit Fees				
	- Cost Audit Fees	1.50		1.50	

(Rupees in lakhs)

2.33	OTHER EXPENSES	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	- Fees for Secretarial Audit	0.70		0.72	
	- Audit Expenses	0.50		0.50	
	- Fees for Certification	1.04		1.95	
	- Internal Audit fees	4.47	8.21	7.20	11.87
	19. CISF and Security Expenses		1,449.22		1,367.46
	20. Legal Charges		10.82		53.23
	21. Professional and Consultant Fees		73.13		133.04
	22. Vehicle Hire charges		124.52		203.17
	23. Books & Periodicals		9.88		6.70
	24. Donation		50.76		-
	25. Foreign Exchange Variation		4.44		(456.44)
	26. Training Expenses	11.67		16.33	
	Add: Travelling expenses for training	-	11.67	14.59	30.92
	27. Directors Sitting Fees & Expenses		1.43		7.83
	28. LD/FE Variation Deducted by Customer		6.05		59.46
	29. R & D Expenditure		932.77		721.82
	30. Stores Clearing and Handling Charges		182.79		381.77
	31. Interest on Arbitration Award		-		-
	32. Exchange Fluctuation gain on Forward Contract		(13.25)		(35.64)
	33. Miscellaneous Expenses		238.78		326.70
			5,992.95		**6,293.82**

2.34	CORPORATE SOCIAL RESPONSIBILITY	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	(a) Gross amount required to be spent by the Company during the period		537.29		478.98
	(b) Amount spent during the period		581.02		506.00
	(i) On construction or acquisition of Assets - In Cash	270.98		305.70	
	- Liability accounted	34.91	305.89	37.54	343.24
	(ii) On purposes other than (i) above - In Cash	269.82		158.24	
	- Liability accounted	5.31	275.13	4.52	162.76
			581.02		**506.00**

2.35	PROVISIONS MADE	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	1. Guarantee Repairs	692.67	368.71
	2. Bad and Doubtful Debts	307.28	256.72
		999.95	**625.43**

2.36	EXCEPTIONAL ITEMS	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	1. Employees Benefit Expenses	2451.99	-
	2. Depreciation & Amortisation Expenses	322.83	-
		2774.82	**-**

The COVID-19 restrictions and lockdown has disrupted the operational activities of the Company. The Company could not fully functionally operate its assets on account of absenteeism and other factors during lockdown period. The Company has identified such costs and grouped it under a separate heading “Exceptional items”.

(Rupees in lakhs)

2.37	INCOME TAX:	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	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	4,370.00	6,900.00
	Adjustment in respect of previous year	(280.00)	-
	Deferred Tax:		
	In respect of Current period	351.30	(185.69)
	Income Tax expenses recognised in the Statement of Profit & Loss	**4,441.30**	**6,714.31**
	B. Reconciliation of Tax expenses and the accounting profit for the year is as under:		
	Profit before Tax	17,232.33	26,491.77
	Income Tax computed @ 25.168%	4,337.03	6,667.45
	Tax effect on non deductible expenses	272.07	253.19
	Effect of income which is taxed at special rates	-	(0.28)
	Reversal of excess DTA and DTL due to change in tax rate (@ 34.944 % to @ 25.168%)*	-	(200.37)
	Others	109.63	(58.61)
	Additional Provision	2.57	52.93
	Total	**4,721.30**	**6,714.31**
	Adjustments in respect of current income tax of previous year	(280.00)	-
	Tax expense as per Statement of Profit and Loss	**4,441.30**	**6,714.31**

*The Company elected to exercise the option under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September 2019, which provided domestic companies an option to pay Income Tax at lower rate of 22% (effective tax rate 25.17%) effectively from 1st April, 2019 (Assessment Year 2020-21), subject to certain condition. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31st March 2020 and re-measured its deferred tax liability on the basis of the rates prescribed in the said section. The Company recognised an amount of Rs 200.37 lakhs towards reversal of deferred tax liability during the year ended 31st March 2020 on account of the re-measurement.

2.38	EARNINGS PER SHARE	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	Profit for the period (PAT)	12,791.03	19,777.46
	Earnings per share Basic (in Rs.)	10.99	16.99
	Earnings per share Diluted (in Rs.)	10.99	16.99

Share having nominal Value of Rs 5/- each (Previous year Rs 5/- each)

ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

2.39 Normal Operating Cycle

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.

2.40 Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under Section 129 of the Companies Act, 2013 has not been disclosed in the financial statements:

i) Value of import on CIF basis

ii) Expenditure on foreign currency

iii) Earning in foreign currency

2.41 Business Segment Reporting

i) The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O.802 (E) dated 23rd February, 2018 by amending notification no. G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on Operating Segment under Ind AS 108.

ii) For management purpose, the Company is organised into three major segments - Shipbuilding (NC), Ship Repairs (SR) and General Engineering Services (GES).

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

2.42 Contingent Liabilities and Commitments

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:

2.42.1 Amounts for which Company may be contingently liable:

(Rupees in lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
a) Estimated amount of contracts remaining to be executed on capital account	12,172.09	22,915.22
b) Position of non-fund based limits utilized for:		
(i) Letters of Credit	422.13	1,373.38
(ii) Guarantees and Counter Guarantees	10,048.65	10,153.82
c) Indemnity Bonds issued by the Company to Customers for various contracts	590,787.28	681,090.15

2.42.2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:

(Rupees in lakhs)

Sl. No	Particulars	FY 2020-21				FY 2019-20			
		Carrying amount as at 01.04.2020	Amount reduced through settlement/ provision during the period	Additions made during the period	Amount as at 31.03.2021	Carrying amount as at 01.04.2019	Amount reduced through settlement/ provision during the period	Additions made during the period	Amount as at 31.03.2020
(i)	Damages claimed by dismissed employee in Civil Suit filed in Vasco Court.	840.00	-	-	840.00	840.00	-	-	840.00
(ii)	Bhatia Engineering in arbitration on account of non supply of Items and recovery of LD.	308.36	-	94.35	402.71	-	-	308.36	308.36
(iii)	System Security in arbitration for non compliance of Statutory Payments	23.77	-	7.27	31.04	-	-	23.77	23.77
(iv)	JMC: Contract value enhancement and migration from VAT to GST	774.00	-	-	774.00	-	-	774.00	774.00
	Total	**1,946.13**	**-**	**101.62**	**2,047.75**	**840.00**	**-**	**1,106.13**	**1,946.13**

2.42.3 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

(i)	The Customs Authority has passed an order dated 01.11.2018 resulting in demand of Rs 771.38 lakhs including interest in respect of short payment of IGST on import of material during the period of February 2018-September 2018. The Company has filed an appeal before CESTAT against the order of the Deputy Commissioner on 14.12.2020.
(ii)	The Commercial Tax Authorities, Goa under Goa VAT Act & Central Sales Tax Act, have passed an order dated 14.02.2020 resulting in demand of Rs 203.15 lakhs for FY 2016-17 in respect of disallowances of Input Tax Credit. The Company has filed an appeal on 28.05.2020 before Additional Commissioner of Commercial Tax against the order of the assessing officer.

2.43 PROVISIONS

(Rupees in lakhs)

Sl. No.	Provision towards	Carrying amount as at 01.04.2020	Additional provisions made during the period	Amount used during the period	Unused amount reversed	Amount as at 31.03.2021	Brief description of nature and obligation	Indications of uncertainities about the outflow	Amount expected reimbursement, if any
1	Taxation	35,347.91	4,370.00	8,900.00	-	30,817.91	Provision for Income Tax of various Assessment Years	Any excess / short provided would be adjusted on completion of assessment	Nil
2	Leave Encashment	3,490.98	808.70	758.43	-	3,541.25	Provision for encashable earned leave as per actuarial valuation	Nil	Nil
3	Gratuity	991.50	292.21	991.51	-	292.20	Provision for Gratuity as per actuarial valuation	Nil	Nil
4	Superannuation	500.05	542.90	523.90	-	519.05	Provision for Superannuation Scheme	Nil	Nil
5	Guarantee Repairs	2,974.11	692.67	427.55	1,623.97	1,615.26	Provision for Guarantee Repairs	Nil	Nil
6	PRMS Provisions	837.30	268.50	297.27	-	808.53	Provision for Post retirement Medical Scheme	Nil	Nil
	Total 1 to 6	**44,141.85**	**6,974.98**	**11,898.66**	**1,623.97**	**37,594.20**			

2.44 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 2,172.26 lakhs and in addition, an amount of Rs 353.46 lakhs was reimbursed by GSL to sub-vendors towards CVD and SAD totalling Rs 2,525.72 lakhs. So far GSL has received an amount of Rs 2,366.13 lakhs towards the above and the balance amount is expected to be received in FY 2021-22.

2.45 (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.

2.46 The Company has adopted Ind AS 116, Accounting for Leases in FY 2019-20 and applied the Standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

	Category of Right to Use (Rs in lakhs)			
	Land	**Building**	**Others**	**Total**
Opening Balance April 01, 2020	150.06	130.10	-	**280.16**
Additions	0.09	0.14	-	**0.23**
Deletions	-	-	-	**-**
Depreciation	11.96	65.56	-	**77.52**
Balance as on March 31, 2021	138.19	64.68	-	**202.87**

Lease contract entered by Company pertains for land & buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract. The Company does not face any significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was below 12 months Rs 42.16 lakhs for the year ended March 31, 2021 (Previous year Rs 13.25 lakhs) which is shown as Rent under the head other Expenses.

2.47 COVID-19 Risk: The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. Ministry of Defence, vide letter no. 4(4)(d) (Acq)/20 dated 16.06.2020 have extended the contractual delivery dates of the projects under execution in the Company for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. With regard to accounting of revenue expenses, the Company has worked out the impact on lockdown due to COVID-19 pandemic at Rs 2,774.82 lakhs and disclosed separately in the Note 2.36 "Exceptional items".

Anticipated Future Impact: The Company's revenue is mainly from Defence Services. Hence, impact on the future business in the long term is not anticipated currently. However, the size of Defence budget and the risk of economic recession consequent to the lockdown and other restrictive measures on account of the pandemic may have an impact on the future operations of the Company.

2.48 Related Party Disclosure

(a) Name of related party and description of relations

(i) The Company is controlled by President of India (GoI) having ownership interest of 51.09%.

(ii) Mazagon Dock Shipbuilders Ltd (MDL) having ownership interest of 47.21%.

(iii) Key Managerial Personnel:

Cmde. B.B. Nagpal, NM, IN (Retd.)	Chairman & Managing Director
Shri Sudhakar T.N.	Director (Finance) & CFO
Capt. Jagmohan	Director (CPP&BD)
Shri B. K. Upadhyay	Director (Operations)
Smt Chhaya Jain	Company Secretary

(b)(1) Nature of Transaction: Remuneration to Key Managerial Personnel

(Rupees in lakhs)

Particulars	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	Short term benefits	Post & long term employment benefits	Short term benefits	Post & long term employment benefits
Chairman & Managing Director	56.70	10.33	47.17	9.72
Director (Finance)	47.24	8.56	45.22	7.84
Ex Director (Operations) (Up to 31.08.2020)*	54.85	4.60	38.85	8.20
Director (CPP&BD)	43.21	9.81	8.97	2.52
Director (Operations) (From 01.09.2020)	16.89	4.30	-	-
Company Secretary	22.25	4.47	18.94	4.25

* Includes terminal benefits

(b)(2) Sitting fees to Independent Directors

Particulars	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
	Board meetings	Committee meetings	Board meetings	Committee meetings
Shri V. Nagaraj (Upto 25.09.2020)	0.40	0.80	1.50	0.40
Shri K. Mohandas (Upto 06.01.2020)	-	-	2.65	0.40

(b)(3) Transaction with Other Related Parties

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Ministry of Defence (GoI)		
Revenue	74,920.28	85,135.95
Outstanding Balance arising from sales/purchase and services		
(a) Amount Receivable	20,085.20	11,485.11
(b) Amount Payable	-	-
Mazagon Dock Shipbuilders Ltd		
Sale of Goods	-	-
Purchase of Goods	-	9.83
Rent Expenses	10.05	10.05
Outstanding Balance arising from sales/purchase and services		
(a) Amount Receivable	12.93	12.93
(b) Amount Payable	2.66	4.17
Other Tansactions		
Dividend paid to shareholder who are related to Company	5,435.16	6,522.20

Note: The transactions are conducted in the ordinary course of the Company's business.

2.49 Capital Management

The Company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.

The Company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The net debt includes, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Rupees in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Trade Payables	1,996.08	2,948.97
Other Payables	252,272.56	156,760.81
Net Debt	**254,268.64**	**159,709.78**
Equity Share Capital	5,820.19	5,820.19
Other equity	104,048.19	96,746.84
Total Equity	**109,868.38**	**102,567.03**
Gearing Ratio	**2.31**	**1.56**

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2021 and 31 March 2020.

2.50 Financial Risk Management

The Company's financial liabilities comprise of trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is mainly exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity period of 12 to 24 months to hedge against its foreign currency exposures relating to the recognized underlying liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company is mainly exposed to changes in USD & EURO.

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 are 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 31-03-2021	As at 31-03-2020
Balance at the beginning of the year	1,157.80	1,001.39
Loss allowance measured at lifetime expected credit losses	305.94	156.41
Balance at the end of the year	**1,463.74**	**1,157.80**

3) Liquidity Risk

Liquidity risk is the risk when the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

2.51 Financial Instruments

Category wise classification of financial instruments:

(Rupees in lakhs)

Particulars	Refer Note	As at 31-03-2021	As at 31-03-2020
Financial Assets measured at amortised cost			
(i) Trade Receivables	2.8	20,184.31	11,846.99
(ii) Cash and Cash Equivalents	2.9	34,924.89	85,290.70
(iii) Bank Balances other than (ii) above	2.10	171,213.62	23,685.00
(iv) Loans	2.4 & 2.11	46,593.03	46,745.06
(v) Other Financial Assets	2.5 & 2.12	5,845.33	9,404.63
Total Financial Assets		**278,761.18**	**176,972.38**
Financial liabilities measured at amortised cost			
(i) Lease Liabilities	2.17 & 2.23	246.32	329.37
(ii) Trade Payables	2.18 & 2.24	1,996.08	2,948.97
(iii) Other Financial Liabilities	2.19 & 2.25	37,632.03	25,478.31
Total Financial Liabilities		**39,874.43**	**28,756.65**

2.52 In the preparation of Ind AS Financial Statements, figures for the previous year have been regrouped/reclassified, wherever considered necessary to conform to current year presentation. Figures are suitably rounded off to Rupees in lakh with two decimal (except Earnings Per Share and Face Value of Share) in accordance with the provisions of clause 4(i)(b) of General Instructions of Schedule III of the Companies Act, 2013.

As per Our Report of Even Date Attached
For ABM & Associates LLP
Chartered Accountants
(FRN 105016W/W-100015)

Sd/-
Sagar Teli
Partner
M.No. 138620

Place: Porvorim, Goa
Date: 07.06.2021

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

Sd/-
Chhaya Jain
Company Secretary

Sd/-
T N Sudhakar
Director (Finance) & CFO

Place: Vasco da Gama, Goa
Date: 07.06.2021

PRODUCT PROFILE

















GOA SHIPYARD LIMITED

Unmatchable track record of execution and delivery

GOA SHIPYARD LIMITED

CIN: U63032GA1967GOI000077

PASSION FOR EXCELLENCE

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