Azadi Ka Amrit Mahotsav



GOA SHIPYARD LIMITED

A PREMIER DPSU SHIPYARD

Passion for Excellence

Annual Report 2021-22

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

AUTHENTICATED

(AJAY BHATT Ajay Bhatt
Raksha Rajya Mantri)

(AJAY BHATT)
RAKSHA RAJYA MANTRI

REVIEW OF THE GOVERNMENT ON THE ANNUAL REPORT 2021-22 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 2021-22, the Company achieved Value of Production of Rs. 703.70 crore. The Company has also achieved Profit After Tax (PAT) of Rs. 101.09 crore.

3. During the year 2021-22, GSL has successfully culminated the 05 Coast Guard Offshore Patrol Vessel (CGOPV) project by delivering 4th vessel of the series ('ICGS Sarthak'), 5th vessel of the series ('ICGS Saksham') with more than 70% indigenous contents. The Company undertook refit of 10 vessels of which 4 vessels were the Indian Coast Guard Ships and remaining were commercial vessels. The company has signed contracts with Indian Coast Guard for construction of two Pollution Control Vessels (PCV) and eight Fast Patrol Vessels (FPV) and with Govt. of Goa for supply and commissioning of one 15M Fast Interceptor Boat for Coastal Police. GSL has also signed contract with Sri Lanka Navy for construction of 4000T Floating Dry Dock.

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 CGOPV project with increase in the indigenous content to 72% from 62% for similar project executed previously.

5. GSL has implemented e-procurement system and during the year 2021-22, there was e-procurement for more than 95% of total requirements.

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, establishing of replica of Multi Product Processing Centre, etc. for imparting training to women on Food Processing.

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 also received/ won "Rajbhasha Hindi Implementation Gaurav Samman" by the Parivartan Rajbhasha Academy, New Delhi for the commendable performance of implementation of Official Language amongst Central Government Officers in Goa area and "ASSOCHAM-10th Responsible Organization Excellence Awards 2020-21" under the category of "Un-listed Company with Turnover less than Rs. 1000 Cr".

10. GSL has achieved the 'Very Good' MoU rating for FY 2020-21.

The Government is in agreement with the Report.

AUTHENTICATED

Ajay Bhatt

(AJAY BHATT)
Raksha Rajya Mantri

(AJAY BHATT)
RAKSHA RAJYA MANTRI

About GSL...

Goa Shipyard Limited (GSL) is a Central Public Sector Enterprise under the administrative control of Ministry of Defence. GSL is located at Vasco-da-Gama, Goa on the southern bank of river Zuari. The Shipyard was established by the Portuguese, on 26 November 1957 as 'Estaleiros Navais de Goa'. It started functioning under its own Board of Directors since 26 September 1967. GSL is a Miniratna, Category-I, ISO 9001:2015 (QMS), 14001:2015 (EMS) and 45001:2018 (OHSMS) certified company.

Over the last six decades, GSL has grown exponentially in diverse fronts involving ship design and construction. From humble beginning of building and repairing small barges, it has grown to the present status of a leading shipbuilder in the Indian sub-continent, indigenously designing and building state-of-the-art high technology and sophisticated vessels for Indian Navy, Indian Coast Guard to cater for maritime security requirements of the country and for other customers, including friendly foreign countries.



Our Offerings

GSL is engaged in Shipbuilding, Ship Repair and General Engineering Services for defence and commercial sector. GSL has set up dedicated facilities for construction of GRP boats.

Shipbuilding
• Missile Frigate
• Advanced Offshore Patrol Vessel
• Naval Offshore Patrol Vessel
• Offshore Patrol Vessel
• Pollution Control Vessel
• Fast Patrol Vessel
• Missile Craft
• Sail Training Ship
• Fast Attack Craft
• Hydrographic Survey Vessel
• Torpedo Recovery Vessel

General Engineering Services
• Shore Based Test Facility
• Damage Control Simulator & Training Facility
• Nuclear, Biological & Chemical Training Facility
• Survival at Sea Training Facility
• Fuel Barge
• FRP/GRP Boat
• LPG Cylinder Carrier Vessel
• Tug, Ferry Boat & Fishing Trawler
• Floating Dock

Ship Repairs
• Coast Guard Vessels
• Indian Navy Vessels
• Commercial Vessels
• Sail Training Ships
• Vessels of Fishery Survey of India

GSL built and delivered 227 ships and 157 GRP boats in the last six decades, comprising of sophisticated vessels for varied applications in the defence and commercial sectors with special expertise in building modern Patrol Vessels of Steel, Aluminium and Composite hull structure.



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 IMS POLICY

(ISO 9001 + ISO 14001 + ISO 45001)

- We shall design, build & repair ships and provide services at competitive price, on time, meeting the requirements, for enhanced customer satisfaction.
- Acquire / upgrade skills amongst GSL and contractors employees as per global standards and practices to meet or exceed quality standards.
- We shall practice, attain and maintain high standards of safety, health and environment for all employees including contractor employees.
- Conserve & sustain environment resources and material.
- Comply with statutory requirements
- Achieve continual improvement in all above activities.

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.

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.

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BOARD OF DIRECTORS

(As on 03.09.2022)



Shri Brajesh Kumar Upadhyay
Chairman & Managing Director (From 10.07.2022)
Director (Operations) & Director (Finance) - Addl. Charge



Smt Rolley Mahendra Varma
Govt. Nominee Director
(From 20.04.2022)



Shri Deepak Manohar Patwardhan
Independent Director
(From 31.12.2021)



Shri Hasmukh Hindocha
Independent Director
(From 03.01.2022)



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



Smt Nazli Jafri Shayin
Govt. Nominee Director
(Upto 13.04.2022)



Cmde B. B. Nagpal, NM, IN (Retd.)
Chairman & Managing Director
(Upto 30.04.2022)



Shri T. N. Sudhakar
Director (Finance)
(Upto 31.07.2022)

CORPORATE INFORMATION

(As on 03.09.2022)

Chief Vigilance Officer
Shri Mahesh Chandra,
IRSS(88) CVO, MDL
(Addl. Charge w.e.f. 01.12.2019)

Company Secretary
Smt Chhaya Jain

Statutory Auditors
P G Bhagwat LLP
Chartered Accountants
Belagavi, Karnataka

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

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

Bankers
* State Bank of India
* Canara Bank
* Union Bank of India
* Bank of Maharashtra
* ICICI Bank

Registrar and Share Transfer Agent
Purva Sharegistry (India) Pvt. Ltd.
Unit No. 9, Shiv Shakti Ind. Estt.,
J R Boricha Marg, Lower Parel East,
Mumbai - 400 011

Registered Office
Vasco-da-Gama, Goa

Senior Management
Shri Mahesh G. Malkarnekar,
Chief General Manager (Operations)

Shri Sunil S. Bagi,
Chief General Manager (Finance & IT)

Shri Manoranjan Khuntia,
Chief General Manager (HR & Admin.)

Shri Thomas Verghese,
General Manager (TS)

Shri Clifford A. Pereira,
General Manager (Planning)

Smt Shibi K. Varghese,
General Manager (PCV & R&D)

Shri P. Ravindran,
General Manager (Production)

Cmde. Adikesh Vasudevan (Retd.)
General Manager (Projects)

Shri M. Subramanian,
Addl. General Manager (Commercial)

Shri Dattaprasad Bhat,
Addl. General Manager (QA&R)

Shri Sunil Prasad Yadav,
Addl. General Manager (Vigilance)

Shri Vivek K. Sail,
Addl. General Manager (Outsourcing)

Shri Vijayendra K. Deshpande,
Addl. General Manager (GES)

Shri Anand B. Murshilli,
Addl. General Manager (Internal Audit)

Shri Kishor Manohar Samant,
Addl. General Manager (Legal)

Shri Nagesh D. Pai,
Addl. General Manager (SR)

Maj. H.R. Madhusudhan, (Retd.),
Addl. General Manager (Admin.)

Shri Prakash Laxman Gaude,
Addl. General Manager (SMP)

Dr. Vedpal S. Tari,
Addl. General Manager (Medical)

Shri Vibhu Singh Pratihar,
Dy. Commandant - CISF

Cdr. M. Harikrishnan, (Retd.),
TA to CMD

YEAR IN SNAPSHOT



TEN YEARS AT A GLANCE

(₹ in Lakhs)

Sl. No.	FINANCIAL RESULTS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
		1	2	3	4	5	6	7	8	9	10
A	**OPERATING RESULTS**										
1	Gross Revenue	86,475	97,876	107,176	98,629	145,246	110,236	80,452	68,077	55,252	56,422
2	Value of Production	70,370	82,739	90,294	84,780	134,267	103,020	72,596	56,955	50,890	50,662
3	Revenue from Operations	74,035	86,049	93,127	90,561	137,343	105,545	76,233	57,551	51,163	50,870
4	Operating Profit	1,467	8,181	12,443	12,980	25,151	13,054	6,851	1,525	(2,857)	(2,940)
5	Profit Before Tax and Exceptional Items	13,907	20,007	26,492	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612
6	Exceptional Items	364	2,775	-	-	-	-	-	-	-	-
7	Profit Before Tax	13,543	17,232	26,492	21,047	33,054	17,745	11,069	5,317	(6,279)	2,612
8	Provision for Tax	3,434	4,441	6,714	7,895	11,321	6,005	4,841	(2,507)	(170)	1,062
9	Profit After Tax	10,109	12,791	19,777	13,152	21,733	11,740	6,229	7,824	(6,109)	1,550
10	Gross Margin (EBIDTA)	19,534	25,046	33,034	25,915	37,394	21,619	13,865	6,288	(2,510)	6,853
11	Gross Profit (EBIT)	13,569	17,259	28,281	21,417	33,133	17,924	11,175	5,390	(4,237)	5,036
12	Value Added	31,643	52,064	51,812	42,625	63,734	40,359	31,800	19,825	15,059	19,639
B	**FINANCIAL POSITION**										
1	Equity Share Capital	5,820	5,820	5,820	5,820	5,820	5,820	2,910	2,910	2,910	2,910
2	Reserve & Surplus	109,063	104,048	96,747	85,412	85,090	75,440	65,776	59,011	55,527	61,143
3	Borrowings	-	-	-	-	-	-	-	2,377	2,659	1,728
4	Property, Plant and Equipment (Gross Block)	119,359	113,112	107,536	90,580	88,780	86,741	57,785	15,710	44,184	43,920
5	Property, Plant and Equipment (Net Block)	75,421	74,658	74,265	61,969	64,429	65,650	40,116	6,890	32,428	33,802
6	Capital Work-in-Progress	33,261	28,772	23,680	26,371	17,221	7,403	23,321	14,304	10,423	1,348
7	Capital Employed	114,883	109,868	102,567	91,232	90,910	81,261	68,686	64,298	61,096	65,781
8	Net Worth	114,840	109,826	102,524	91,190	90,867	81,218	68,643	61,921	58,437	64,053
C	**RATIOS & OTHER FINANCIAL INFORMATION**										
1	Profit After Tax: Net Worth	8.80	11.65	19.29	14.42	23.92	14.46	9.07	12.64	(10.45)	2.42
2	Gross Margin (%)	22.59	25.59	30.82	26.28	25.75	19.61	17.23	9.24	(4.54)	12.15
3	Return on Average Net Worth (RONW) (%)	9.00	12.05	20.42	14.45	25.26	15.67	9.54	13.00	(9.97)	2.44
4	Return on Average Capital Employed (ROCE) (%)	12.07	16.25	29.19	23.52	38.49	23.92	16.81	8.60	(6.68)	7.74
5	Face Value per share (Fully paid up) (Rs.)	5.00	5.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00
6	Dividend per share (%)	87	95	110	80	215	70	64	54	-	20
7	Dividend Payout (Rs In lakh)	5,064	5,529	6,402	4,656	12,513	4,074	1,862	1,571	-	582
8	Value Added per employee (Rs In lakh)	24.59	37.48	35.20	26.57	38.79	24.39	19.81	12.64	9.75	12.26
9	Number of Employees (Nos)	1287	1389	1472	1604	1643	1655	1605	1568	1545	1602

CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my singular honour and privilege to welcome you all to the 56th Annual General Meeting of Goa Shipyard Limited (GSL), which turns out to be the third consecutive one in the virtual mode. At the outset, on behalf of the Board of Directors, I thank you for your continued trust, encouragement and unequivocal support to the Company and its Management.

It is a momentous occasion for me to address you all today in capacity as Chairman of this much esteemed organisation. Having been a part of the transformation process of your Company over last three decades in diverse appointments, I intend to leverage my experience to chart a course of sustained growth and profitability. Over the decades, GSL has continuously evolved to stay relevant to changing needs of its customers and the shipbuilding industry. It is really appreciable that your Company is emerging more capable and stronger and is scaling new heights.

The Directors' Report and the Audited Accounts for the Financial Year ended 31 Mar 2022 have been with you and, with your consent, I shall take them as read. I take this opportunity to share the performance highlights of the year 2021-22 and future outlook for the Company.

FINANCIAL PERFORMANCE

I would like to state that your Company posted satisfactory financial results for FY 2021-22 and overall performance of the Yard was positive. Net worth of the Company has reached an all time high of Rs 1,148 Cr and order book stands at 14,815 Cr (approx). Gross Revenue reported at Rs 865 Cr and Revenue from Operations posted at Rs 740 Cr. Profit before Tax clocked a figure of Rs 135 Cr, compared to Rs 172 Cr in the previous year. Profit after Tax for FY 2021-22 registered a figure of Rs 101 Cr as against Rs 128 Cr in FY 2020-21.

The second wave of COVID-19 impacted the construction and design activities of the projects in the initial part of FY 2021-22, which was also reflected in the results of first quarter of FY 2021-22. As the pandemic began to taper off gradually, the Yard activities started rebounding and have picked up desired pace.

It is to mention that the turnover of the Company for FY 2021-22 is seemingly not commensurate with order

book position primarily on account of high value Frigate project being at initial stages of construction and other shipbuilding projects are presently under design stage. The production activities of these projects would pick up pace from FY 2022-23 onwards, which is set to translate into impressive revenue figures.

I am pleased to inform you that the Board has recommended final dividend of Rs 1.10 per equity share of Rs 5.00 each i.e. 22% of the Paid-up Share Capital for FY 2021-22. This is in addition to the interim dividend paid by the Company @ Rs 3.25 per equity share, being 65% of the Paid-up Share Capital. Thus, the total dividend for FY 2021-22 will be Rs 4.35 per equity share being 87% on Paid-up Share Capital.

OPERATIONAL PERFORMANCE

Execution of Shipbuilding projects

I would like to highlight that your Company has yet again proved its operational excellence by delivering last two vessels of five Offshore Patrol Vessel (CGOPV) project to the Indian Coast Guard within the stipulated delivery dates and thus has successfully culminated five CGOPV project amid multiple challenges. With these deliveries, the total count of platforms delivered reached to 227, a remarkable achievement for your Yard.

The construction of two highly technologically advanced Frigates for the Indian Navy is currently under progress. Due to geo political situation, the production pace of the project has been marginally affected. However, the Yard is striving to mitigate the delays and endeavours to achieve the required momentum. The project is well poised to become a hallmark of an import substitute project in Indian Defence Shipbuilding history, besides elevating the Shipyard to be recognised as a major shipbuilder capable of constructing complex weapon intensive platforms.

In addition, the Yard is also executing the contract for construction of two Pollution Control Vessels (PCV) and eight Fast Patrol Vessels (FPV) with complete in-house design for the Indian Coast Guard.

Ship Repair and General Engineering Services

Ship Repair/Refit vertical continued to impress by delivering another year of stellar performance as refit of ten vessels were completed in a time bound manner and thereby contributed healthy revenue.

General Engineering Services division is presently executing the contracts for construction of two 2000 LPG Cylinder Carrier Vessels for Union Territory of Lakshadweep Administration and three 7.5 T Bollard Pull Tugs for Assam Inland Water Transport Development Society. COVID-19 pandemic and its consequential affect on supply chain have adversely affected the procurement and construction schedule of these projects. Your Company has been working incessantly towards absorbing the delays and is resolute to deliver the vessels during this fiscal.

Construction work of Damage Control Simulator Facility at Port Blair for the Indian Navy and one 15M Fast Interceptor Boat for Coastal Police, Govt. of Goa are progressing as per schedule. Another flagship project i.e. patrol boats for the Indian Army is also under progress.

These multiple shipbuilding and refit orders are the true reflection of strong foothold of your Company in defence sector. Your Yard is confident of setting new benchmark of operational performance by achieving all physical milestones in ensuing years and cementing its position as the most preferred shipyard.

MOU PERFORMANCE

Your Company signs Memorandum of Understanding (MoU) with Government of India, Ministry of Defence (MoD) in each financial year, which outlines targets and various performance parameters for the Company. On the basis of actual performance vis-à-vis MoU targets laid down in MoU for FY 2019-20 and 2020-21, your Company achieved 'Excellent' and 'Very Good' rating respectively.

ORDER BOOK POSITION

You would be happy to note that your Company is on the cusp of unprecedented growth with current order book position of Rs 14,815 Cr (approx) involving 13 major vessels and 19 auxiliary crafts/boats, at various stages of implementation. Further, GSL has emerged L1 Shipyard for seven Next Generation Offshore Patrol Vessels for Indian Navy and upon signing of its contract, the order book position shall be over Rs 20,000 Cr. I am pleased to report that this healthy order book position and multiple projects in hand provide clear visibility of growing revenue and profitability in coming years and ensure a bright future for the Yard.

EXPORT

Aligning with the Government's vision of making India as defence manufacturing hub for the world, which not only caters to the domestic needs but also fulfils international requirements, several initiatives have been taken by your Company to increase global footprint by promoting its in-house designed products and devising

strategies to aggressively pursue export opportunities. It is noteworthy to mention that your Company's relentless efforts to expand its presence in international market has translated into conclusion of export contracts for construction of 4000T Floating Dry Dock for Sri Lanka Navy and for supervision for commissioning of Propulsion Plant of 81M OPV for Myanmar Navy. Both the projects are currently under execution. During last year, your Yard also imparted soft skill trainings to Nigerian Navy officials and Sri Lanka Navy personnel.

AATMANIRBHAR BHARAT - INDIGENISATION AND MAKE IN INDIA INITIATIVES

Govt. initiatives like 'Make in India' and 'Aatmanirbhar Bharat' are forging new avenues and nourishing India's overall Defence manufacturing ecosystem. Numerous policy announcements to fulfil the twin objectives of achieving self-reliance and promoting defence exports have offered multiple opportunities to Defence sector. A series of Positive Indigenisation Lists of defence weapons and equipment that will be indigenised progressively over the years have been promulgated by the government from time to time. These indigenisation initiatives reflect the growing confidence of the Government in the capabilities of domestic industry to design, manufacture and supply equipment of international standards to meet the demand of the armed forces.

As a continuous pursuit towards achieving self-reliance, your Company has undertaken import substitution of major equipment/systems for Frigate project, thereby targeting to achieve indigenisation content of 55% approx. Complex process of indigenisation of the equipment/systems is in progress and well on track for timely availability as per the production schedule of the project.

In addition, your Yard is also in the process of indigenisation of Gearbox for FPV platform & Controllable Pitch Propeller with shafting for OPV platform which are part of Second Positive Indigenisation List of 107 items/ equipment notified by DDP, MoD in Mar 2022.

INFRASTRUCTURE MODERNISATION

The ambitious infrastructure augmentation programme caters to the fundamental tenets of our growth strategy. A major infrastructure modernisation plan at GSL aimed at enhancing the capabilities of the Yard to build larger and complex class of vessels for defence forces, commercial applications and exports is being executed in five phases out of which works on Phase 1, 2, 3A and 4 were completed. The work on Phase 3B is in advanced stage of completion. During the year, Block Assembly Workshop, Canteen Building, 2 bays of Blast & Paint cells and MCMV Command, Control and Design Office building as part of Phase 4 were completed. This has improved productivity and capacity to construct upto 14 OPV size vessels simultaneously and also enhanced the facilities for repair & refit of ships.

RESEARCH & DEVELOPMENT

Your Company has been making consistent progress in up-scaling the operations by adapting to latest technologies and incorporating best industrial practices. Thrust on R&D across the Company as well as acquisition of key technologies will continue with roadmaps drawn for future products. Further, the state-of-the-art in-house capability has been optimally utilised for design of various shipbuilding programs including recently concluded five CGOPV project, where the entire design has been developed in-house and appreciated at various forums. I am delighted to inform that R&D team at GSL has taken the arduous task of developing the detailed design of PCV entirely in-house, being first time by any Indian Shipyard and a significant step towards self-reliance. Additionally, the design of FPV is also being developed in-house.

A significant part of the design process of Frigate has been completed. This has provided GSL with invaluable expertise for design of weapon intensive platform and for integration & interfacing of weapons & sensors. This will enable your Company to indigenously design complex and advanced weapon intensive platforms for the future 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 in various defence platforms, the Company has successfully installed prototype Condition Monitoring System for Shipboard equipment (Main Engines) on Coast Guard OPV ICGS Samarth. In addition, GSL has developed an autonomous Fast Interceptor Boat jointly with BEL & Indian Navy. The Boat fitted with AI system was delivered to Indian Navy for operations like way-point navigation and static & dynamic collision avoidance algorithms trained to achieve desired accuracy. The manoeuvrability of the vessel and other systems fitted therein can be controlled remotely. Remote autonomous operations were demonstrated to Hon'ble Raksha Mantri on 28 Apr 2022.

IMPLEMENTATION OF GOVERNMENT PROGRAMS

Implementation of various flagship programs of the Government such as consistent thrust on procurement

from MSEs, foster innovation and IPR culture, promotion of startups, etc. continue to be the focus areas of the Company. During the year, the aggressive measures for enhancing the procurements from MSEs have resulted in achieving 60% of the indigenous procurement (excluding BNE items) from MSE sector, much higher than the revised mandatory target of 25%.

Under Mission Raksha Gyan Shakti (MRGS) initiative of MoD to promote Intellectual Property Rights (IPR) culture and creation of Intellectual Property towards "Self-reliance" in the defence sector, GSL has achieved substantial progress in intellectual property creation and filing of patents. GSL has constituted IPR cell to promote invention, innovation and IPR awareness. The Company has so far filed 62 IPR applications out of which 38 IPRs have been successfully registered. During FY 2021-22, 06 IPRs including first maiden patent on 'A Cable Tray Bending System and method thereof' have been granted to the Company. To inculcate IP culture, GSL is regularly conducting IPR awareness session. Since launch of MRGS, total 700 GSL personnel and 251 vendor representatives attended the IPR awareness session conducted by GSL's IPR cell.

GSL, through DIO - iDEX has engaged two startups for developing RCS reduction technique solution for naval ships. GSL is also in the process of engaging a startup for AI based Condition Monitoring System for Yard Assets.

NATIONAL RECOGNITION / AWARDS

The efforts of the Company in various fields were recognised by the society/authorities in the form of Awards, notable among them being "Rajbhasha Hindi Implementation Gaurav Samman" by The Parivartan Rajbhasha Academy, New Delhi for the commendable performance of implementation of Official Language amongst Central Government Offices in Goa area and "ASSOCHAM - 10th Responsible Organization Excellence Awards 2020-21" under the category of "Un-listed Company with Turnover less than Rs 1000 Cr".

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. Necessary disclosures have been made in this regard in the Corporate Governance Report. As per the Self-evaluation Annual Grading Report on Corporate Governance for the year 2021-22, the Company has achieved "Excellent" grading.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

Your Company is strongly committed for social development of the community in and around Goa and has undertaken various CSR programmes/ initiatives/projects as per the Company's Corporate Social Responsibility Policy and in line with Section 135 & Schedule VII of the Companies Act, 2013 & amendments thereof. I would like to highlight that your Company has spent an amount of Rs 447.33 lakh, higher than the statutorily prescribed, in key sectors like Healthcare, Sanitation, Swachh Bharat, Education and Vocational Skill Development. Your Company has laid major emphasis on COVID-19 related measures and extended support through installation of Automatic Oxygen Generating Plant for South Goa District Hospital, assistance to DRDO COVID Hospital, Lucknow for setting of COVID care facilities and supply of numerous medical equipment to various hospitals in Goa.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

To expand and improve the skills of our employees and achieve our future objectives, your Company has established robust processes that provide inclusive, engaged and diverse work culture. Freedom of associations, collective bargaining, Prevention of Sexual Harassment at Workplace and Whistle Blower Policy are among the key HR practices followed at GSL.

Your Company values the contribution of its Human Resources towards enhancing the organization's growth trajectory. GSL continues to invest towards organising employee engagement initiatives and providing numerous learning opportunities to the employees at all levels. Health and safety of the employees are utmost importance to us and persistent efforts to ensure well being of our workforce through various safety measures and continuous medical care are always being prioritised at GSL.

The Company strives to maintain harmonious and cordial industrial relations with the workforce. The dedicated and resilient workforce of GSL continued to perform their duties to maintain the production momentum despite frequent challenges posed by COVID-19.

ROAD AHEAD - FUTURE OUTLOOK

The government is increasing its focus on modernisation of armed forces with the allocation of Rs 1.52 lakh Cr in Budget 2022-23, up by 12.82% from last year and has set the defence production target at Rs 1.75 lakh

Cr by 2025 (including Rs 35,000 Cr from exports). Underlining the importance of overall maritime security, the Capital Budget of the Indian Navy has been enhanced by 44.53%, with a total allocation of Rs 46,323 Cr in FY 2022-23.

The growing emphasis on modernisation of armed forces to establish military prowess and self-reliance initiatives are bound to accelerate the demand of technologically advanced vessels in coming years. GSL is poised for a great future and all set to harness the emerging opportunities while contributing to the Government's vision for self-reliant and Aatmanirbhar Bharat. With its rich experience and strong execution skills, your Company is geared up for inevitable transition and determined to grasp a larger market share by focusing on upgrading its product portfolio and adapting to technological advancement across all processes.

APPRECIATION

I am privileged to be heading GSL while we are celebrating 75 glorious years of India's Independence and contributing to the development of the Nation by delivering quality and meaningful products from more than six decades. I am confident that GSL will continue to serve the Nation by constructing world-class defence platforms that will strengthen the maritime capabilities of our fleet. As I look ahead, I am more optimistic than ever of the enormous opportunities ahead of us.

As I conclude, I would like to acknowledge the continuing support and guidance of the Ministry of Defence, Central and State Government Authorities, the Indian Navy, the Indian Coast Guard and other esteemed Customers. I am extremely grateful and thankful to our shareholders for their enduring support and trust in GSL. I take this opportunity to acknowledge the efforts of my fellow Board members for their commitment and support in steering the organisation forward. I acknowledge the untiring efforts and immense support put in by all employees of the Company for its continued growth. I am sure that with the continued support and encouragement from all stakeholders, the Company shall achieve new heights in all spheres of its activities.

Jai Hind

Brajesh Kumar Upadhyay
Chairman & Managing Director

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Sixth Annual General Meeting (AGM) of the Members of Goa Shipyard Limited will be held on Thursday, 29th September, 2022 at 1530 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, 2022 together with the Reports of the Board of Directors and the Statutory Auditors thereon and Comments of the Comptroller & Auditor General of India.

2. To confirm the payment of Interim Dividend of Rs 3.25 (i.e. @ 65%) per equity share and to declare Final Dividend of Rs 1.10 (i.e. @ 22%) per equity share of face value Rs 5.00 each for the financial year 2021-22.

3. To fix the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2022-23 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 2022-23 be fixed at Rs 3,00,000/- plus GST and out of pocket expenses at actual plus applicable taxes."

SPECIAL BUSINESS

4. To approve the appointment of Shri Brajesh Kumar Upadhyay, (DIN-08852107) as Chairman & Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 196 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Government of India, Ministry of Defence, letter no. 2/1(1)/2020/D(NS) dated 8th July, 2022, the consent of the members be and is hereby accorded to the appointment of Shri Brajesh Kumar Upadhyay (DIN-08852107) as Chairman & Managing Director of the Company on the terms and conditions as stipulated by the Government of India."

5. To approve the appointment of Smt Rolley Mahendra Varma (DIN-09579478), DDG (Indigenization Division), DDP, MoD, as Government Nominee Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Government of India, Ministry of Defence letter no. 8(32)/2019-D(Coord/DDP) dated 13th April, 2022, the consent of the members be and is hereby accorded to the appointment of Smt Rolley Mahendra Varma (DIN-09579478), DDG, Indigenization Division, Department of Defence Production, Ministry of Defence, as Government Nominee Director of the Company on the terms and conditions as stipulated by the Government of India."

6. To approve the appointment of Shri Deepak Manohar Patwardhan (DIN-09450572) as Part-time Non-official Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Government of India, Ministry of Defence letter no. 11/(70)/2021/Misc./D(NS) dated 24th December, 2021, the consent of the members be and is hereby accorded to the appointment of Shri Deepak Manohar Patwardhan (DIN-09450572), as Part-time Non-official (Independent) Director of the Company on the terms and conditions as stipulated by the Government of India."

7. To approve the appointment of Shri Hasmukh Hindocha (DIN-09453805) as Part-time Non-official Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Government of India, Ministry of Defence letter no. 11/(70)/2021/ Misc./D(NS) dated 24th December, 2021, the consent of the members be and is hereby accorded to the appointment of Shri Hasmukh Hindocha (DIN-09453805), as Part-time Non-official (Independent) Director of the Company on the terms and conditions as stipulated by the Government of India."

8. To ratify the remuneration payable to the Cost Auditor for the financial year 2022-23 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 GST and out of pocket expenses at actual subject to maximum of Rs 25,000/- plus applicable taxes thereto, payable to CMA Savari Muthu I, Cost Accountant, Panaji, Goa, 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 2022-23 be and is hereby ratified."

9. To increase the borrowing powers of the Company pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules made thereunder, and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any committee thereof) to borrow such sum or sums of money for and on behalf of the Company from time to time as it may deem requisite and proper for the purpose of the business of the Company, from various bank(s), financial institution(s) and/or other lender(s), whether in India or abroad, on such terms and conditions as the Board at its sole discretion may deem fit, notwithstanding that the moneys so borrowed together with moneys already borrowed by the Company (excluding the temporary loans obtained /to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount up to which moneys may be borrowed or raised by the Board shall not exceed the sum of Rs. 8,000 Cr (Rupees Eight Thousand Crore only) at any point of time."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalise the terms and conditions of all such borrowings from time to time as it may deem fit and to sign and execute all such deeds, contracts, instruments, agreements and any other documents as may be required and to do all such acts, deeds, matters, things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred by this resolution to any committee of Directors and/or Directors and/or Officers of the Company."

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

Sd/-
(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 29th July, 2022

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular no. 02/2022 dated 05 May 2022 read with General Circular nos. 14/2020 dated 08 April 2020, 17/2020 dated 13 April 2020, 20/2020 dated 05 May 2020 and all other relevant Circulars issued from time to time (collectively referred to as "MCA Circulars") has allowed the companies to conduct their AGM through VC/OAVM, 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, 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 to 9 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**.

4. Pursuant to Section 113 of the Act, Body Corporate(s) (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.

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

Dispatch of Annual Report through Electronic Mode

6. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report for FY 2021-22 is being sent 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.

7. Members are requested to register their email address with the Company in order to receive copies of the Annual Report for FY 2021-22 and other communications in electronic mode:

   (a) Members holding shares in physical mode and who have not registered/ updated their email 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., postal 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

8. 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://goashipyard.webex.com/ goashipyard/j.php? MTID= m077a 449b b4554 6ab67cd 5187 e899da07

   Meeting No.: 2511 719 9709

   Password: 8FHxc4YQ6WG

   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.

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

10. 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.

11. Members who need assistance in using the VC/OAVM facility 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 2512152-56.

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 address, mobile number at ashoksahoo@goashipyard.com. Questions/ queries, if any may kindly be submitted on or before 27th September, 2022 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. Members, whose names appear in the Register of Members/List of Beneficial Owners as on 23rd September, 2022 (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 Member whose name appears as the first holder in the order of names as per the Register of Members of the Company 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 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 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 those 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. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01 April 2020. Hence, the Company is 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.

For resident Shareholders:

Tax will be deducted @ 10% where a valid Permanent Account Number (PAN) is updated in the Company's record. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. In case of "specified person" under Section 206AB of the Income Tax Act, 1961 (IT Act), tax shall be deducted at twice the rates specified in the relevant provisions of the IT Act.

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 2022-23 does not exceed Rs. 5,000/-. Further, a resident individual shareholder who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form No. 15H (applicable to individuals aged 60 years or more) along with a copy of self attested PAN card to the Company, to avail the benefit of non-deduction of tax at source. 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 rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable to non-resident Shareholders. 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 him;

(b) Form 10F duly filled and signed;

(c) Self attested copy of PAN card;

(d) Self-declaration by the shareholder 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 the shareholder.

Application of beneficial tax treaty rate shall depend upon the completeness of the documents submitted by the non-resident Member 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 Member to file the return of income and claim refund as appropriate, 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 of dividends declared up to FY 2013-14 from time to time to IEPF. Details of dividends so far transferred to IEPF are available on the website of IEPF, which can be accessed through the link: www.iepf.gov.in. Details of unpaid or unclaimed dividend amounts lying with the Company as on 31st March, 2021 are uploaded on the website of the Company www.goashipyard.in and also on the aforesaid website of the IEPF.

24. In terms of the aforesaid provisions, the amount of dividend for FY 2014-15 which remains unpaid/ unclaimed as on 28th October, 2022 will be transferred to IEPF by the Company. Notices to this effect have been sent to the respective Shareholders

to enable them to claim the unpaid dividend amount on or before 15th October, 2022. Shareholders who have still not submitted their claim to the Company for payment of unpaid dividend for the FY 2014-15 and/or any subsequent financial years are requested to submit their claim within the stipulated timeline.

25. 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 not been paid/claimed for seven consecutive years or more shall be transferred by the Company to Demat Account of IEPF Authority. Accordingly, the shares in respect of which dividend have not been paid or claimed for seven consecutive years from FY 2014-15 will be liable to be transferred to IEPF Authority. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares are due to be transferred to IEPF Authority and simultaneously published in newspapers and in Company's website i.e. www.goashipyard.in.

26. Details of shares transferred to Demat Account of IEPF Authority are uploaded on the website of the Company www.goashipyard.in and on the website of the IEPF, which can be accessed through the link: www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back 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.

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 6761/2517/2518/8261/0771

29. Members holding shares in physical form are requested to notify to the Company/RTA quoting their folio number, any change in their residential status, email address, postal address with pin code, 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. 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.

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 Articles 117(1) and 130(a) of the Articles of Association of the Company, the President of India is vested with the power to appoint Chairman & Managing Director of the Company. Accordingly, Government of India, Ministry of Defence, Department of Defence Production vide letter no. 2/1(1)/2020/D(NS) dated 8th July, 2022 has appointed Shri Brajesh Kumar Upadhyay as Chairman & Managing Director of the Company. He assumed the charge of the post w.e.f. 10th July, 2022. The Board noted the appointment of Shri Brajesh Kumar Upadhyay in its 04/2022 meeting held on 29th July, 2022.

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 Shri Brajesh Kumar Upadhyay as Chairman & Managing Director of the Company for approval of the Members.

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

Shri Brajesh Kumar Upadhyay assumed charge of the post of Chairman & Managing Director of Goa Shipyard Limited (GSL) on 10th July, 2022. He holds a B.E. degree in Electrical Engineering and is a Fellow member of Institute of Engineers, Kolkata and Institute of Electronic & Telecommunication Engineers, New Delhi. Prior to assuming the charge of CMD, he was the Director (Operations) of GSL responsible for successful execution of new shipbuilding projects. He joined GSL as Graduate Engineer Trainee in year 1991. During his long career of 30 plus years in GSL, he held various key appointments in the functional and operational areas of the organization and has made significant contributions in nearly all verticals viz. ship construction, diversification, indigenization, corporate planning, business development & strategy, ship repairs, infrastructure development and capacity building etc.

Shri Upadhyay played a major role in bringing new technologies to GSL through Transfer of Technologies and collaborations with reputed and established international firms. He has been pivotal in setting up of the General Engineering Services stream in the shipyard, marking the beginning of the hugely successful diversification era in GSL, which not only contribute sizeable share in GSL's revenue, but also strengthens Govt. initiatives of Indigenization and Self-reliance in Defence. He has also been at the helm in increasing GSL's global outreach and making inroads into untapped global defence market. He had successfully spearheaded the prestigious export projects to friendly countries, which has brought laurels to GSL at international level.

5. The Board recommends the Ordinary Resolution set out in Item No. 4 of the Notice for approval of the Members.

6. None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Brajesh Kumar Upadhyay is in any manner, concerned or interested, financially or otherwise, in the resolution.

Item No. 5

7. In terms of Article 117(1) 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, Government of India, Ministry of Defence, Department of Defence Production vide letter no. 8(32)/2019-D(Coord/DDP) dated 13th April, 2022 has appointed Smt Rolley Mahendra Varma as Government Nominee Director of the Company. The Board at its 02/2022 meeting held on 26th April, 2022 noted the appointment of Smt Rolley Mahendra Varma effective from 20th April, 2022.

8. 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 Rolley Mahendra Varma as Government Nominee Director on the Board of the Company for approval of the Members.

9. The brief profile of Smt Rolley Mahendra Varma is given as under:

Smt Rolley Mahendra Varma is a Science Graduate and holds a Masters in Journalism. She joined IOFS cadre, Ministry of Defence, Ordnance Factory Board in the year 1994. She is currently posted as Head of Indigenisation Division, Department of Defence Production, Ministry of Defence. In addition, she had served in various capacities in the Ministry of Defence, Ordnance Factory Board, Ministry of Information and Broadcasting, Central Vigilance Commission, Niti Aayog and Small Arms Factory, Kanpur. She has a vast and rich experience of over 28 years in wide array of fields like financial matters of employees, vigilance matters, functioning of media units, policy matters related to infrastructure connectivity and mobility, etc.

10. The Board recommends the Ordinary Resolution set out in Item No. 5 of the Notice for approval of the Members.

11. None of the Directors, Key Managerial Personnel of the Company or their relatives except Smt Rolley Mahendra Varma is in any manner, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

12. In terms of Article 117(1) of the Articles of Association of the Company, the President of India is vested with the power to appoint Director on the Board of the Company. Accordingly, Government of India, Ministry of Defence, Department of Defence Production vide letter No. 11/(70)/2021/Misc./D(NS) dated 24th December, 2021 has appointed Shri Deepak Manohar Patwardhan as Part-time Non-official (Independent) Director on the Board of the Company. The Board at its 01/2022 meeting held on 5th February, 2022 noted the appointment of Shri Deepak Manohar Patwardhan effective from 31st December, 2021.

13. Pursuant to the provisions of Section 150(2) and 152(2) of the Companies Act, 2013, the appointment of independent director shall be approved by the company in general meeting. The Board, therefore, proposes the aforesaid appointment of Shri Deepak Manohar Patwardhan as Part-time Non-official (Independent) Director of the Company for approval of the Members.

14. The brief profile of Shri Deepak Manohar Patwardhan is given as under:

    Shri Deepak Manohar Patwardhan is a post graduate in Commerce, LL.B. and G.D.C.&A. He is an advocate in practice having rich experience of 20 years. He is the Founder & Chairman of Ratnagiri Zilla Sahkari Patasanstha Maryadit Ratnagiri and Chairman of Swami Swaroopanand Sahkari Patsanstha Maryadit Ratnagiri Zillah, a cooperative credit society & Ratnagiri Zilla Nagar Vachanalaya, Ratnagiri, a 194 years old library. He is also serving as Director of Ratnagiri District Central Co-operative Bank Ltd. and Maharashtra Rajya Sahkari Patsanstha Federation Ltd.

15. The Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of the Members.

16. None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Deepak Manohar Patwardhan is in any manner, concerned or interested, financially or otherwise, in the resolution.

Item No. 7

17. In terms of Article 117(1) of the Articles of Association of the Company, the President of India is vested with the power to appoint Director on the Board of the Company. Accordingly, Government of India, Ministry of Defence, Department of Defence Production vide letter No. 11/(70)/2021/Misc./D(NS) dated 24th December, 2021 has appointed Shri Hasmukh Hindocha as Part-time Non-official (Independent) Director on the Board of the Company. The Board at its 01/2022 meeting held on 05th February, 2022 noted the appointment of Shri Hasmukh Hindocha effective from 03rd January, 2022.

18. Pursuant to the provisions of Section 150(2) and 152(2) of the Companies Act, 2013, the appointment of independent director shall be approved by the company in general meeting. The Board, therefore, proposes the aforesaid appointment of Shri Hasmukh Hindocha as Part-time Non-official (Independent) Director of the Company for approval of the Members.

19. The brief profile of Shri Hasmukh Hindocha is given as under:

    Shri Hasmukh Hindocha is a Graduate in Commerce and Law and is an advocate in practice since 2004. He is the Director of The Nawanagar Co-op. Bank Ltd., Jamnagar and Gujarat Urban Co-op Banks Federation and a Convener of Branch Development Committee, Rajkot Nagrik Sahakari Bank Ltd, Jamnagar. He served as Chairperson of Municipal Education Board, Jamnagar Municipal Corporation from 2006 to 2012. He is the Trustee of various trusts in Jamnagar, working in the area of education, healthcare and women development.

20. The Board recommends the Ordinary Resolution set out in Item No. 7 of the Notice for approval of the Members.

21. None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Hasmukh Hindocha is in any manner, concerned or interested, financially or otherwise, in the resolution.

Item No. 8

22. The Board has approved the appointment of CMA Savari Muthu I, Cost Accountant, Panaji, Goa as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2022-23 at a remuneration of Rs 1,50,000/-plus GST and out of pocket expenses at actual subject to maximum of Rs 25,000/- plus applicable taxes thereto.

23. 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.

24. Accordingly, the Members are requested to consider and ratify the aforesaid remuneration payable to the Cost Auditor for the financial year 2022-23, by passing the Ordinary Resolution as set out in Item No. 8 of the Notice.

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

Item No. 9

26. The Company is required to make regular arrangements for fund based and non-fund based facilities for working capital requirements and bank guarantees,

from time to time, for supporting its ongoing business operations. In accordance with Section 179 of the Companies Act, 2013 (the Act), the Board of Directors of the Company, from time to time, had approved borrowings including credit facility/ working capital requirements under the overall limits as prescribed under Section 180(1)(c) of the Act and the Company has been judicially utilizing these limits.

27. Recently, the Company has signed contracts for construction and supply of two Pollution Control Vessels and eight Fast Patrol Vessels with the Indian Coast Guard amounting to Rs 1,056.45 Cr and also emerged as L1 bidder for construction and supply of seven Next Generation Offshore Patrol Vessels valuing Rs 5,837 Cr for the Indian Navy.

28. In this context, previous practice of submission of Indemnity Bonds to the Government of India for drawing stage payment/performance guarantee as per contracts was replaced with submission of Bank Guarantees in recent years. This has given phenomenal rise to the Bank Guarantee requirements as they would be required for claiming each of the stage payment and also for the Performance cum Warranty clause compliance. Besides this, the Company also would be in need of opening LCs for procuring materials for ongoing Frigate project.

29. Accordingly, considering the Company's existing and future projects and its financial requirements to support its business operations, the Board of Directors of the Company at its meeting held on 29th July, 2022, proposed to raise the borrowing powers to Rs 8,000 Cr (Rupees Eight Thousand Crore). Since the amount exceeds the aggregate of the paid up capital of the Company and its free reserve i.e. reserves not set apart for any specific purpose (as per the latest annual audited financial statement), the same shall be subject to the approval of the Members of the Company pursuant to Section 180(1)(c) of the Act.

30. The Board accordingly recommends the Special Resolution set out in Item No. 9 of the Notice for approval of the Members.

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

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

Sd/-
(Chhaya Jain)
Company Secretary

Place: Vasco da Gama, Goa
Date: 29th July, 2022

DIRECTORS' REPORT FOR THE YEAR 2021-22

To

The Members,

The Board of Directors is pleased to present the 56th Annual Report on business and operations of the Company, together with the Audited Financial Statements for the year ended 31 Mar 2022.

BUSINESS OVERVIEW

1. Your Company posted yet another year of steady performance by successfully culminating five Offshore Patrol Vessel (OPV) Project regardless to the deleterious effect of second wave of pandemic. FY 2021-22 witnessed the on-time delivery of 4th and 5th OPV to the Indian Coast Guard within the permitted delivery dates as per Government Notification, which demonstrates your Company's unwavering commitment to deliver platforms in a time bound manner. Besides this, during the year under review, your Company signed the contracts for design and construction of two Pollution Control Vessels and eight Fast Patrol Vessels for the Indian Coast Guard, both obtained on competitive bidding. On the export front, the Company has inked the contract with Sri Lanka Navy for construction and delivery of one Floating Dock. With the signing of these multiple contracts, the order book position of the Company has reached greater heights, which has never been seen before. To strengthen further, the Yard is also witnessing increase in refit projects which are carried out concurrently. Keeping pace with the technological advancements in the defence industry, the Company has developed autonomous surface vessel in collaboration with M/s Bharat Electronics Limited, paving way for future products in the niche area of Artificial Intelligence.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

2. **Revenue from Operations.** Despite disruptions in supply chain and production activities during first quarter of FY 2021-22, your Company achieved Operating Revenue of Rs 740 Cr in FY 2021-22 (Rs 860 Cr in FY 2020-21) and Value of Production (VoP) of Rs 704 Cr in FY 2021-22 (Rs 827 Cr in FY 2020-21). The Revenue from Operations from three business divisions during FY 2021-22 and the previous year is given below:-

(₹ in crore)

Particular	2021-22	2020-21
Ship Construction	513.55	677.34
Ship Repairs	38.74	43.04
General Engineering Services	151.41	107.01
Total Value of Production	**703.70**	**827.39**
Other Operating Revenue	**36.65**	33.10
Total	**740.35**	**860.49**

3. **Financial Performance**. The Company achieved Gross Revenue of Rs 865 Cr (Rs 979 Cr in previous year) and reported Profit before Tax (PBT) of Rs 135 Cr in FY 2021-22 (Rs 172 Cr in FY 2020-21). The Financial Performance of the Company for FY 2021-22 vis-à-vis the previous year is summarized below:

(₹ in crore)

Particular	2021-22	2020-21
Gross Revenue	864.75	978.76
Revenue from Operations	740.35	860.49
Earnings before Interest, Taxes & Depreciation	195.35	250.46
Less: Finance Costs	0.26	0.26
Less: Depreciation	56.02	50.13
Profit Before Exceptional Items and Tax	**139.07**	**200.07**
Less: Exceptional Items	3.64	27.75
Profit Before Tax	**135.43**	**172.32**
Less: Tax Expense	34.34	44.41
Profit After Tax	**101.09**	**127.91**
Other Comprehensive Income (net of tax)	(1.47)	0.40
Total Comprehensive Income	99.62	128.31
Profit & Loss Appropriation Account		
Amount available for appropriation (including Opening Balance)	188.80	264.47
Less: Final Dividend paid for the previous year	11.64	11.64
Less: Interim Dividend paid	37.83	43.65
Less: Amount transferred to Reserves	70.00	120.00
Balance	**69.33**	**89.18**

4. **Impact of COVID-19 Pandemic:** COVID-19 pandemic continued to impose various challenges to the Yard due

to emergence of different variants during FY 2021-22. During first quarter of FY 2021-22, the second wave of COVID-19 pandemic led to considerable disruptions in supply chain, non-availability of manpower, lack of services from vendors, outstation & overseas OEMs/ service engineers, thereby upsetting the delivery schedules and timelines of various sequential activities of Ship Construction/ Ship Repairs/General Engineering Services. As per local Government directives on account of COVID-19 pandemic, the production activities of the Company were carried out in a curtailed manner from 07 May 2021 to 03 Jul 2021 for which the amount of exceptional item of expenditure was Rs 3.64 Cr.

MOU RATING

5. Your Company signs Memorandum of Understanding (MoU) with Government of India, Ministry of Defence (MoD) in each financial year, which outlines targets and various performance parameters for the Company. On the basis of actual performance vis-à-vis MoU targets laid down in MoU for FY 2019-20 and 2020-21, your Company achieved 'Excellent' and 'Very Good' rating respectively.

DIVIDEND

6. Your Company has a consistent track record of dividend payments to its members. To continue with the trend, the Board of Directors declared and paid interim dividend for FY 2021-22 @ Rs 3.25 per equity share of Rs 5.00 each, being 65% of the Paid-up Share Capital, which amounted to Rs 37.83 Cr, subject to tax deduction at source.

7. After reviewing the profits for the year and financial position of the Company, and in terms of the Government Guidelines in vogue, the Board of Directors is pleased to recommend final dividend for FY 2021-22 @ Re 1.10 per equity share i.e. 22% of the Paid-up Share Capital, amounting to Rs 12.80 Cr, subject to tax deduction at source. If approved by the Shareholder, the total dividend for FY 2021-22 will be Rs 4.35 per equity share being 87% of the Paid-up Share Capital and total outgo will be Rs 50.63 Cr.

FINANCE

8. **Paid-up Share Capital:** The Paid-up Share Capital of the Company as on 31 Mar 2022 was Rs 58.20 Cr.

9. **General Reserve**: An amount of Rs 70.00 Cr was transferred to General Reserve during FY 2021-22 and thus total General Reserve stood at Rs 1020.87 Cr as on 31 Mar 2022.

10. **Loans, Guarantees or Investment**: Your Company has not given any loans, guarantees or made any investments under Section 186 of the Companies Act, 2013.

11. **Financial Position**: The financial position of the Company as on 31 Mar 2022 and previous year is shown below:-

(₹ in crore)

Particulars	As on 31.03.2022	As on 31.03.2021
Capital Employed	**1,148.83**	1,098.68
Working Capital	**696.12**	575.82
Net Worth	**1,148.40**	1,098.26
Value Added	**316.43**	520.64
Ratios:	**%**	%
Profit before Interest, Exceptional Item and Tax: Capital Employed	**12.13**	18.23
Profit after Tax: Net Worth	8.80	11.65
Value Added: Capital Employed	**27.54**	47.39

12. **Contribution to Exchequer:** The Company's contribution to the Exchequer during FY 2021-22 was Rs 113.11 Cr (Rs 129.42 Cr last year). Details of Company's contribution to the Exchequer is given below:

(₹ in crore)

Particulars	2021-22	2020-21
Dividend	25.28	28.25
Taxes:		
Corporate Income Tax	37.50	43.70
Goods & Services Tax	50.33	57.47
Total	**113.11**	**129.42**

OPERATIONAL PERFORMANCE

Ship Construction

13. **Progress of Advanced Frigates:** The Company is presently executing the contract for construction of two Frigates for the Indian Navy. In line with the planned project schedule, keel of first and second vessels were laid on 29 Jan 2021 and 18 Jun 2021 respectively. Going by the vision of the Government for indigenization in all fields on the philosophy of Make in India, Make-II and AatmaNirbhar Bharat, your Company has successfully implemented the same and is in the process of replacement of major equipment with indigenous substitutes. Arduous task of development of indigenous substitutes is being

OPERATIONAL ACHIEVEMENTS





Commissioning of 4th CGOPV (ICGS Sarthak) on 28 Oct 2021





Commissioning of 5th CGOPV (ICGS Saksham) on 16 Mar 2022



Keel laying of 2nd Frigate on 18 Jun 2021



Steel Plate Cutting of PCV Project on 22 Feb 2022



Contract signing of 4000T Floating Dock for Sri Lanka Navy on 22 Mar 2022



Contract signing of 08 FPVs for ICG on 28 Mar 2022

executed in seamless coordination with the Indian industry and Indian Navy. Despite the challenges posted by COVID-19 pandemic and maiden construction of these types of Frigates in India, your Shipyard has adapted to the advanced design & construction processes within a short time and the construction activities are progressing satisfactorily. The project is well poised to become a hallmark of an import substitute project in Indian Defence Shipbuilding history, besides providing a platform to Shipyard to be recognised as a major shipbuilder capable of constructing complex weapon intensive platforms.

14. **Second series of Coast Guard OPV (CGOPV)**: During the year, your Company achieved a major milestone by successfully culminating the 05 CGOPV project by delivering the following last two vessels of the series, with more than 70% indigenous content, within the permitted timelines:

    (a) 4th vessel of the series ('ICGS Sarthak') was delivered on 30 Sep 2021 followed by commissioning on 28 Oct 2021 by DG K Natarajan, PVSM, PTM, TM the then Director General, Indian Coast Guard.

    (b) 5th vessel of the series ('ICGS Saksham') was delivered on 08 Feb 2022 followed by commissioning on 16 Mar 2022 by Dr. Ajay Kumar, IAS, Defence Secretary.

15. **Pollution Control Vessels (PCVs)**: The contract for design and construction of two PCVs for the Indian Coast Guard was signed on 22 Jun 2021. The complete design of the vessels is being developed in-house. Steel cutting ceremony of PCV Project was held on 22 Feb 2022 at the hands of IG S Paramesh, PTM, TM Commander Coast Guard Region (West).

16. **Fast Patrol Vessels (FPVs)**: The contract for construction of eight FPVs for the Indian Coast Guard was signed on 28 Mar 2022. Design process for the project has commenced which is being entirely developed in-house by your Company.

17. **Export**: In line with Govt. of India thrust on defence exports, your Company has been seeking export opportunities globally. As a result of sustained efforts in this direction, the Company has signed the following export contracts during FY 2021-22:

    (a) **Sri Lanka Floating Dry Dock**: The Company has been awarded a contract for construction of 4000 T Floating Dry Dock for the Sri Lanka Navy which was signed on 22 Mar 2022.

    (b) **Contract with Myanmar Naval Dockyard**: Contract was signed with Myanmar Naval Dockyard on 26 Oct 2021 for supervision for commissioning of Propulsion plant of 81M OPV of Myanmar Navy.

Ship Repairs

18. During the year, Refit Division of Goa Shipyard Limited (GSL) exhibited impressive performance by completing refit of ten vessels, of which four vessels were the Indian Coast Guard Ships and remaining were commercial vessels and thereby contributed healthy revenue. With the persistent focus of the Company in enlarging the refit base, the refit vertical is growing steadily to get a foothold in the refit & repairs of warships and commercial vessels.



ICGS Samudra Prahari underwent refit at GSL

General Engineering Services (GES)

19. GES vertical of the Company handled the construction of multiple projects concurrently during the year, the progress of projects is enumerated below and reported a healthy increase of 41 percent in revenue as compared to the last year:

    (a) River Passenger Ferry (cruise) was handed over to U.P. Rajkiya Nirman Nigam Limited on 27 Oct 2021.

    (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 of first vessel has been completed and is prepared for launching. Hull fabrication and erection of second vessel are in progress. The Company has been working unceasingly towards absorbing the delays in construction schedule caused by COVID-19 pandemic.

    (c) The Company is also constructing three 7.5T Bollard Pull Tugs for Assam Inland Water Transport Development Society (AIWTDS). All three Tugs are being prepared simultaneously for launching.

(d) Construction work of Damage Control Simulator (DCS) Facility at Port Blair for the Indian Navy is progressing as per schedule.

(e) A contract was signed on 21 Dec 2021 with Govt. of Goa for supply and commissioning of one 15M Fast Interceptor Boat for Coastal Police for the purpose of Coastal Surveillance. Preliminary activities are in progress.

(f) The Company continues to execute stern gear supply / service orders for Naval/Coast Guard OPVs constructed at GSL and also providing 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. 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 located at Lonavala.



Keel laying of 2nd 2000 LPG Cylinder Carrier for UTLA on 29 Apr 2022

ORDER BOOK POSITION

20. As on 31 Mar 2022, 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 14,756 Cr which consists of two PCVs and eight FPVs for the Indian Coast Guard, two Frigates & one DCS at Port Blair for the Indian Navy, 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 GES projects. With the signing of contract for construction of Floating Dock for Sri Lanka Navy, the order book position is further consolidated.

FUTURE PROSPECTS

21. Owing to the high value contract for 02 Frigates and backed by strong order book position, the Shipyard is on growth trajectory and expected to record '4x' jump in revenues in the ensuing years. To sustain the charted growth path, the Company continues its thrust for securing more orders in both shipbuilding and refit sections and endeavours to grow in each of its vertical by expanding its product profile, aligning with market requirements. 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, DRDO, Inland Waterways Authority of India, Shipping Corporation of India and commercial clients.

22. Continuing its tryst for competitiveness, the Company has emerged as the L1 Shipyard in the Next Generation Offshore Patrol Vessels tender floated by the Indian Navy out of which seven vessels will be built by GSL and four vessels will be built by the second successful bidder. Contract negotiation is in progress which is expected to be signed in FY 2022-23. This will consolidate Company's domain expertise in Offshore Patrol Vessels, and open future prospects of obtaining more orders for Offshore Patrol Vessels, particularly for defence exports. The entire design is planned to be undertaken through in-house R&D team.

23. The Yard has also submitted techno-commercial offers for various shipbuilding projects and some of the targeted projects include New Generation Fast Patrol Vessels & Offshore Patrol Vessels for Indian Coast Guard, New Generation Corvettes for Indian Navy and New Acoustic Ship for Naval Physical & Oceanographic Laboratory etc. A well-researched strategy has been chalked out considering orders in hand, expertise, sustainability and market demand, to vie for the domestic defence as well as commercial shipbuilding orders.

24. With strong demand visible for our ship repair services, the Company is aggressively bidding for RFPs issued by the Indian Navy, Indian Coast Guard and other customers, for refit and constantly winning contracts for refit of various defence and commercial vessels.

INDIGENISATION AND MAKE IN INDIA INITIATIVES

25. Your Company plays a pivotal role in achieving self-reliance in key areas of shipbuilding technology and continues to support "Aatmanirbhar Bharat Abhiyan" of Govt. of India. GSL has implemented the "Make in India and Indigenisation" policies promulgated by the Govt. of India from time to time. GSL has successfully culminated 05 CGOPV project for Indian Coast Guard wherein indigenisation of major equipment such as Fin Stabilizer, Steering Gear, Gearbox and Water & Weather tight doors have been carried out which helped GSL in increasing the indigenous content to 72% from 62% for similar project executed previously.

26. As part of the Government's efforts to achieve self-reliance in defence production, GSL has developed capabilities for indigenous development of design and construction of Next Generation Corvette, Composite Sonar Dome for Ships, Submarine Damage Control, Fire Fighting & Training Facility and Pontoon Mid-stream Bridging, which form part of 'Positive Indigenisation List' of 108 items notified by Department of Military Affairs, MoD that must be compulsorily procured from indigenous sources.

27. The Frigate project for the Indian Navy is being executed with Russian assistance and major equipment, weapons, sensors & system fit of Russian origin is being replaced with indigenous products/systems which will enable achieving fairly large indigenous component. Out of First Positive Indigenisation List of 351 items/equipment notified by Department of Defence Production (DDP), MoD in Dec 2021, the Company has identified several major equipment of the Frigate project for indigenization in collaboration with Indian vendors. Complex process of indigenisation of these systems is in progress and well on track for timely availability as per the production schedule of the project.

28. In addition to Frigate project, the Company is also indigenously designing and constructing two PCVs and eight FPVs for the Indian Coast Guard and twelve Specialised High Altitude Patrol Boats for the Indian Army. GSL is in the process of indigenisation of Gearbox for FPV platform & Controllable Pitch Propeller with shafting for OPV platform which are part of Second Positive Indigenisation List of 107 items/equipment notified by DDP, MoD in Mar 2022 for compulsory procurement of items from indigenous sources post embargo timelines.

PROCUREMENT

29. **E-procurement**. Your Company continues its efforts in maximising the procurement of materials and services through e-procurement platforms which includes e-tendering, GeM and other online procurement platforms. As a result, during FY 2021-22, more than 95% of total requirements was procured through e-procurement.

30. **Procurement through Government e-Marketplace (GeM)**: GeM is a completely paperless, cashless and system driven e-market place that enables procurement of commonly used goods and services with minimal human interface. Due to meticulous awareness by Govt. of India, lakhs of vendors are registered with GeM portal to facilitate online procurement of services and goods. Your Company has also been registered with GeM portal for procurement of commodities and services required for its business, including capital goods, office equipment etc. GSL has carried out numerous transactions through GeM portal till date and procured materials & services worth Rs 94.18 Cr through GeM during FY 2021-22, substantial increase from last year procurement of Rs 12.78 Cr. Further efforts are being made to improve the procurement through GeM.

31. **Preference to Startups**: Preferences are being given to Startups for procurement of required goods and services. Keeping in view a wider participation by the Startups, your Company has relaxed norms with respect to prior experience and turnover, without compromising technical specification and quality standards.

32. Further, to strengthen the domestic businesses against the financial crunch and to arrest the slowdown in Indian economy resulting post COVID-19 pandemic, in line with Government guidelines, the Company has implemented the following:

    (a) Incorporated submission of 'Bid Security Declaration' in lieu of Bid Security (known as Earnest Money Deposit) by the MSE bidders for all tenders / contracts issued / concluded for the FY 2021-22.

    (b) Reduced the 'Performance Security' from existing 5-10% to 3% of the value of the contract for all existing contracts, except those under dispute.

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs)

33. GSL is complying with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. Thrust on enhancing procurements from MSEs is being continued by your Company and as a result of which, your Company has achieved 60% 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.

34. To enhance transparency, ease of doing business and efficacy of procurement process, 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

35. In line with the Government of India policies, your Company strives to increase its vendor base, especially from MSE and SC/ST sectors by way of conducting special drives including registration of vendors on GeM portal and participating/organizing several meets, webinars and programmes.

36. During the year, the Company organised a Virtual Vendor Development Program on 'Opportunities for MSMEs in Shipbuilding & Defence' in association with Confederation of Indian Industry (CII) and Society of Indian Defence Manufacturers and also organized a Development Program for vendors on 'MSMEs Registration with GSL and in GeM' in association with CII, Goa. In addition, the Company has also participated in the regional National SC-ST Hub Conclave at Kankavali, Sindhudurg organized by National Small Scale Industries to promote entrepreneurship culture amongst SC-ST population.



Participated in MSME Conclave on 26 Feb 2022



Conducted Program on MSME Vendor Registration on GeM portal with CII, Goa on 08 Oct 2021

INTEGRITY PACT

37. In line with the directives of MoD and Central Vigilance Commission, the Company has adopted Integrity Pact for procurement transactions/contracts above Rs 2.00 Cr. 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.

38. In accordance with CVC circular on 'Adoption of Integrity Pact', the Company has two Independent External Monitors (IEMs) i.e. Vice Admiral Ashok Vishwanath Subhedar (Retd.) and Shri Paul Antony, IAS (Retd.) for monitoring implementation of Integrity Pact. During the FY 2021-22, total 45 contracts worth Rs 1,902 Cr (approx.) were covered under Integrity Pact and reviewed by the IEMs and none of the Integrity Pact contracts attracted complaint/ grievance of any nature. Further, no complaints were received by the IEMs from any of the vendors of the Company.

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

39. While Government Companies engaged in producing defence equipment are exempted to furnish the information with regard 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, limited information on Conservation of Energy and Technology Absorption is provided herein below:

Conservation of Energy

40. **Steps taken by the Company to conserve energy**: During FY 2021-22, the Company executed various energy saving projects and took following steps to conserve energy:-

    (a) Conventional Metal Halide Flood lights were replaced with energy efficient LED lights on high mast and also resorted to exclusive use of LED lighting onboard yards under construction.

    (b) Conventional High Bay Fitting lamps were replaced with LED lights in Ship Outfitting Workshop.

    (c) 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 off all lights and fans, air conditioners, other electrical fittings while not in use etc.

41. **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. Additionally, procurement of 200 KW Solar Power plant is in progress.

42. **The capital investment on energy conservation equipment**: During FY 2021-22, the Company invested Rs 72 lakh on energy conservation and renewable source energy equipment.

Research & Development (R&D)/Technology Absorption

43. Research & Development is a major thrust area for the Company and at present, GSL has a well established Research & Development department for carrying out the design and development of various products. R&D in the Company is mainly focused on development of designs of products for immediate as well as future requirement of the Indian Defence Forces (Indian Navy & Coast Guard) and other prospective customers.

44. 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 Company has well established CAD/CAM facility with the latest AVEVA Marine software with advanced features; and recently operationalised FORAN ship design software as second line of CAD/CAM facility for further complementing the capability and reliability of the design and testing facility. 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.

45. During the year, the Company has successfully culminated construction and delivery of 05 CGOPV project, the design of which was fully developed in-house. The designs of vessels developed by the Company indigenously have saved considerable amount of foreign exchange by avoiding import of ship designs and achieving self-reliance in this area to a large extent. Further, design activities for PCV and FPV for Indian Coast Guard are in progress and would result in significant savings in foreign exchange. The PCVs have been designed to be equipped with the latest Pollution Control Systems and this indigenous product has a tremendous potential in domestic as well as export markets, considering emphasis and awareness on environmental/ marine pollution. In addition to the above, the Company has pro-actively taken up the design and development of specialised vessels such as Multipurpose Vessels, High Value Weapon Intensive Vessels, New Generation Offshore Patrol Vessels etc. which can be offered for export to friendly foreign countries.

46. A significant part of the design process of Frigate has been completed. This has provided GSL with invaluable design database related to weapon intensive platform and weapons & sensors. This will equip the Shipyard with capability to indigenously design complex and advanced weapon intensive platforms for the future requirements of the Indian maritime forces and reduce dependence on foreign sources. It will thus provide the Nation with a strategic asset, capable of developing designs of weapon intensive platforms indigenously. This would be a stepping stone for the development of future designs of complex platforms such as New Generation Corvettes, planned for acquisition by the Indian Navy.

47. During the year, the expenditure to the tune of Rs 8.17 Cr was incurred by the Company under the R&D head (both Revenue & Capital Expenditure).

CONTRIBUTION TO DIO/iDEX

48. During FY 2021-22, as per MoD directions, the Company contributed a sum of Rs 5.00 Cr to "Innovations for Defence Excellence" (iDEX), an execution arm of Defence Innovation Organisation, set up by the Government to develop an ecosystem that will foster innovation and technology development in the Aerospace & Defence sector by engaging industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and academia.

INTELLECTUAL PROPERTY RIGHTS (IPR)

49. Your Company has given special focus to spread the awareness about innovation culture and Intellectual Property Rights (IPRs) amongst employees of the Company. GSL imparted training to 71 vendor representatives and filed 03 IPR applications during FY 2021-22. First maiden Patent is granted to the Company in Mar 2022. To boost innovation culture, the Company has framed a policy for submission of innovative scheme.

ARTIFICIAL INTELLIGENCE INITIATIVES

50. In line with MoD's thrust towards adoption and deployment of Artificial Intelligence (AI) technology, the Company is identifying and successfully implementing various AI concepts in GSL products and processes. The latest trend in technological advancement is towards induction of AI in various defence platforms. In line with the above, 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. User impact assessment report recommended that similar system needs to be extended to the entire propulsion system (Gear Box and Stern Gear System). The Indian Navy has nominated ship for implementation of similar AI setup onboard ships.

    (b) **Autonomous Surface Vessel under R&D**. Based on the proposal approved by Indian Navy for developing autonomous surface vessel, the boat constructed by GSL has been made ready for fitment of sensors & autonomous systems. The project has been undertaken in collaboration with M/s Bharat Electronics Limited for the Indian Navy for operations like way-point navigation and static & dynamic collision avoidance algorithms trained to achieve desired accuracy. The manoeuvrability of the vessel and other systems fitted therein can be controlled remotely. The project was successful and the commissioning of the boat was done by Hon'ble Raksha Mantri from New Delhi. The Company is proactively moving towards the niche area of autonomous vehicles development and deliveries.



First ever Autonomous Fast Interceptor Boat launched in collaboration with BEL under AI initiative

    (c) **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

51. Advancement in technology is of utmost importance in any business eco system. Though industries which are already established engage themselves in R&D for developing new products which are restricted as per their portfolio, the terminology of Startups is a new theme in this direction who can independently facilitate in developing new products in any verticals, be it be machinery, equipment, software or any other product. Startup India is a flagship initiative of the Government of India, intended to catalyse startup culture and build a strong and inclusive ecosystem for nurturing innovations and entrepreneurship in the country. Towards this, GSL, through DIO - iDEX has engaged two startups for developing RCS reduction technique solution for naval ships. One startup is developing a software based solution for prediction and reduction of RCS and another startup is developing Radar Absorbing Material. GSL is also in the process of engaging a startup for AI Based Condition Monitoring System for Yard Assets.

QUALITY ASSURANCE AND SAFETY

52. Your Company continues to be proactive in maintaining high standard of product quality and improving production processes through strict quality assurance measures, to ensure product reliability, high efficiency and increased customer satisfaction index. The Company is certified for Integrated Management System on ISO 9001:2015 for Quality Management Systems; ISO 14001:2015 for Environment Management Systems and ISO 45001:2018 for Occupational Health & Safety Management Systems by Indian Register Quality System, Mumbai. The certification is for 'Design, Construction and Repairs of Ships & Crafts and Providing General Engineering Services'. 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. The ISO implementation team coordinates in execution of Risk Management Policy of the Company.

53. Over the years, quality inspection procedure has evolved to suit the latest construction methodology for ships. 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 delivery of the ships. QA team completed the receipt and onboard inspections of 05 CGOPV and GES projects.

54. Your Company upholds safety as an integral part of shipbuilding and ship repair processes. The Yard has implemented Tool box talks, Hazard Identification & Risk Assessment and Aspect Impact evaluation in every section. This identifies the risks in the processes with mitigation plan to bring zero accident, zero rework and brings down environment pollution to the lowest possible levels. A dedicated Safety Cell with qualified and trained personnel in the field of industrial safety is carrying out regular safety audits and inspections.

NATIONAL RECOGNITION / AWARDS

55. The Company bagged the following awards during FY 2021-22:-

    (a) "Rajbhasha Hindi Implementation Gaurav Samman" by The Parivartan Rajbhasha Academy, New Delhi for the commendable performance of implementation of Official Language amongst Central Government Offices in Goa area.

    (b) "ASSOCHAM - 10th Responsible Organization Excellence Awards 2020-21" under the category of "Un-listed Company with Turnover Less than Rs 1,000 Cr".



Rajbhasha Hindi Implementation Gaurav Samman by The Parivartan Rajbhasha Academy, New Delhi



ASSOCHAM - 10th Responsible Organization Excellence Awards 2020-21

HUMAN RESOURCE

Manpower

56. The total manpower strength as on 31 Mar 2022 is 1,287 including 228 executives, 134 supervisors, 820 workmen and 04 tradesman trainees. Additionally, the manpower strength also includes 22 executives, 02 supervisors and 77 workmen on fixed term basis. The total strength includes 29 executive and 116 non-executive women employees.

57. 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 2021 and 01 Jan 2022 is given in **Annexure A**. The particulars of Recruitment of SCs/STs/ OBCs/ PwBDs and women personnel during the calendar year 2021 are given in **Annexure B**.

58. 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

59. Industrial relations continued to be cordial and harmonious during the year. Multi-unions/associations scenario continued in the Company. Overall industrial relations between the Management and Unions/ Associations continued to be peaceful and the Workmen Unions / Associations cooperated with the Management to work towards the common objective of the Company. Grievance Redressal Mechanism is in place in the Company to address employee grievances/ representations.

Development of Human Resources

60. The Company strongly believes that the key to sustainability, competitive edge and growth lies in continuous learning and development of its Human Resource. Your Company has been accentuating on the human resource development for enhancing the efficiencies and upgrading the skill sets of the workforce at all levels through exposure to various Learning & Development programs.

61. **Training Programs**: Considering the COVID-19 pandemic situation, your Company rapidly transitioned from the traditional class-room based training to the online programs and adapted to the new learning & collaboration technology for virtual delivery of various programs. Most of the training programs during the first half of the year were conducted online through various web based platforms. During the year, External and Internal Training & Skill Development Programs on various technical, functional and behavioural areas were conducted covering 567 employees involving 673 mandays. Special focus was given on spreading awareness on Preventive Vigilance in the Company. Six online training programs on Preventive Vigilance were conducted covering 136 employees during FY 2021-22. Programs on ESI/PF, safety in materials handling, environment and health issues were also conducted for the benefit of contractors/contract workmen.

62. **Technical Training Programs** aimed at improving the productivity and ensuring the smooth supply of skill sets for Company's requirements, covering 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.

63. **Training for Frigate Project**: To upgrade the technical knowledge of GSL personnel in connection with construction of Frigates, 16 executives underwent training for installation of shaftings & propellers and for installation of weapon systems. 55 GSL welders and 40 subcontractor welders were trained and qualified for new welding process in line with the requirements of Frigate Project.

64. **Mentorship Development Scheme**: The Company revised its Mentorship Development Scheme incorporating suggestions notified in DPE OM dated 31 Mar 2021 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. 10 mentors were identified for mentoring the newly inducted executives and special orientation program was conducted online for orienting the newly selected mentors for effective mentoring.



Workshop on Strategic Employee Engagement for Building a High Performance Organization with enhanced ownership

65. **Apprentice Training**: GSL is committed to fulfill its obligations under the Apprentice Act, 1961 and strived to induct 11% of its total strength as apprentices during FY 2021-22 as against the statutory requirement of 2.5%. To give a boost to apprenticeship training and enhance opportunity for the students pursuing ITI in ancillary trades, apprenticeship training in a new trade i.e. Diesel Mechanic was started in the Apprentice Training Centre of the Company during FY 2021-22.

Employee Welfare Measures

66. The Company values its human resources the most and 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, etc. every year.

67. 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 any untoward incident of death of employee during service period;

    (e) Medical Assistance Scheme to the retired employees is also 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) Implemented an Innovation Award Scheme with the objective to promote individual/ team innovativeness and encourage & tap creative potential of the employees for betterment of performance;

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

    (k) Implemented a subsidised loan scheme for purchase of electric vehicles by GSL employees.

68. The Company also encourages employees to actively participate in various sports/tournaments. In this regard, an indoor badminton court and outdoor gymnasium have been set up in the residential enclave along with provision for sporting activities in the sports complex.

69. During the year, the Company accorded due care and importance in celebration of all days of National importance. The Company observed Quami Ekta Week/Communal Harmony Week from 19 to 25 Nov 2021, 'Rashtriya Ekta Diwas' on 31 Oct 2021 to commemorate the birth anniversary of Sardar Vallabhbhai Patel and the 'Constitution Day' on 26 Nov 2021.

70. Besides the aforesaid welfare measures, the Company also provides scholarships to the SC/ST/OBC students in Goa every year.

Promoting healthcare amongst Employees

71. The Company continues to provide medical care for its employees and dependents including CISF personnel & contract workers and all round efforts have been put in to maintain the health of employees. Periodic medical examinations including statutory medical examination and preventive health checkups are undertaken regularly for monitoring the health of workers. Time to time awareness on various health issues is being provided through health camps, awareness session, training on first-aid for the benefit of GSL employees. Facility is being provided to all employees for tertiary care in advanced clinical set up in and outside Goa. All the employees and their eligible dependents are also covered under GSL Medical policy.

72. Your Company took various holistic measures to mitigate the spread of COVID-19 pandemic. The Company facilitated lab investigations & organised special in-house screening camps for employees and

their dependents for early detection of COVID-19 cases, tied-up with hospitals for COVID-19 treatment and conducted vaccination drives to administer vaccine to the employees & their dependants through outside & in-house vaccination centres. In addition, your Company has also partnered the efforts of the Nation to contain and control the pandemic through various CSR initiatives.

Women Empowerment

73. At GSL, there is strong focus on empowerment of women employees and providing them with equal opportunity across all levels in the Company. Women employees constituted 11.26 per cent of the Company's workforce as on 31 Mar 2022. Various guidelines promulgated for women workforce for achieving safer working environment are complied with. Your Company actively supported and nominated the women employees for programmes organized by reputed agencies.

74. The Company has created a women cell, which is a dynamic and responsive platform for women employees, which would nurture growth and development amidst them. Like every year, during FY 2021-22, 'International Women's Day' was celebrated with great enthusiasm and fervor by the Company. On this occasion, Women Achievers Awards are conferred on five women employees, recognising their contribution to the growth of the Company.



Women's Day celebration on 08 Mar 2022

Prevention of Sexual Harassment of Women at Workplace

75. In terms of the provisions 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 2021-22, five Internal Committee meetings were conducted. During FY 2021-22, the Company did not receive any complaint on sexual harassment and there was no complaint pending at the end of the year 2021-22. Hence, NIL disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Awareness programmes on Gender Sensitization and Prevention of Sexual Harassment of Women at Workplace were organized during FY 2021-22.



Awareness Programme on Gender Sensitization and Prevention of Sexual Harassment of Women at Workplace on 09 Dec 2021

INDUSTRIAL SECURITY

76. The security of GSL offices, Yard and Unit II have been vested with Central Industrial Security Force (CISF) contingent. DGR registered security agency has been deployed at Unit III, IV & V, which basically are makeshift godowns & warehouses. The GSL Transit Hostel is manned by private security round the clock. 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 with boat operator have been provided to CISF

for round the clock waterfront patrolling duties. Safety audit, awareness programmes, fire safety training, contingency exercise and mock drills are being conducted at regular intervals during the year.

OFFICIAL LANGUAGE IMPLEMENTATION

77. Your Company is committed to adhere to the Official Language Policy of the Government of India and instructions issued by the Department of Official Language, Ministry of Home Affairs (MHA) from time to time and made concerted efforts for promotion and implementation of Official Language. 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 reports. The Parivartan Rajbhasha Academy, New Delhi has awarded "Rajbhasha Hindi Implementation Gaurav Samman" to the Company during Sthapana Neethi Anupalan Workshop for the commendable performance of implementation of Official Language amongst Central Government Offices in Goa.

78. To encourage the employees to do their routine work in Hindi, they were provided training in Functional Hindi Workshop. In line with instruction issued by Dept. of Official Language, MHA, advanced computer training programme in unicode encoding system was organised for employees in different batches. So far, 121 employees were trained in Hindi Parangat Training under Hindi Teaching Scheme and 25 employees are currently undergoing training. The Company successfully completed Hindi typing training on computer under Hindi typing correspondence course organized by Central Hindi Training Institute, MHA.

79. Official Language Implementation Committee under the chairmanship of CMD met regularly to review the progress made in promoting Official Language. Two editions of half yearly in-house Hindi magazine 'Goayard Darshan' were released. Website of the Company has been designed in Hindi & English and content is updated periodically. 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.

80. The Company observed Hindi Week from 14 Sep 2021 to 21 Sep 2021 and as part of celebrations, various competitions and functional workshops on Official Language were organised. On the occasion of Vigilance Awareness Week, National Safety Week, Quami Ekta Week, Energy Conservation Week 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. 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.

IMPLEMENTATION OF RTI ACT, 2005

81. In order to promote transparency and accountability, your Company has implemented the provisions of the Right to Information Act, 2005 (RTI Act) in letter and spirit and instituted an appropriate mechanism to provide information to the citizens under the provisions of this Act. 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 time period. During the year 2021-22, the Company received 100 RTI applications and the information was provided within the statutory time period. 08 RTI applicants preferred appeal before the Appellate Authority under Section 19(1) of the RTI Act and the same were disposed in time bound manner. There were no cases pending as on 31 Mar 2022 before the Central Information Commissioner for the RTI applications filed for the year 2021-22. The particulars as prescribed under Section 4 of the RTI Act have been uploaded on the website of the Company.

VIGILANCE ACTIVITIES

82. Vigilance department aims to enhance the ethical standards of the Company through an effective balance of preventive & detective vigilance measures and by way of systemic improvements. During the year 2021-22, 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 160 participants during FY 2021-22.

83. During FY 2021-22, the Company has implemented nine 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.

84. As per directives of CVC, 'Vigilance Awareness Week

2021' was observed from 26 Oct 2021 to 01 Nov 2021 with theme of "Independent India @ 75: Self Reliance with Integrity". During the week, various activities such as essay writing, elocution, poster making & slogan writing competition were organized 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.



Observation of Vigilance Awareness Week 2021

AZADI KA AMRIT MAHOTSAV

85. To commemorate the 75th anniversary of India's Independence, GSL organised exhibitions of defence products, as part of Azadi Ka Amrit Mahotsav celebrations, from 13 Dec to 17 Dec 2021 across Goa for the students and general public. Further, GSL participated in Goa Liberation Day Celebrations and paraded the Fast Interceptor Boat and Army Boat in Mandovi River as part of a colourful ceremony organised by the Government of Goa on 19 Dec 2021.





'Azadi Ka Amrit Mahotsav' Celebrations from 13 to 17 Dec 2021

SWACHH BHARAT ABHIYAN

86. In line with the Swachh Bharat Mission of Government of India, your Company undertook multiple cleanliness activities during the year. The Company continued the regular cleaning activities of the road adopted from St. Andrew Circle to Airport Road, Dabolim covering distance of 3 kilometers. During FY 2021-22, 'Swachh Bharat Pakhwada' was carried out from 01 Dec to 15 Dec 2021 and various activities such as display of posters, banners & signboards in the public places, cleanliness 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 Azadi Ka Amrit Mahotsav, cleanliness and tree plantation drive were carried out from 25 Oct to 31 Oct 2021.

VISIT OF NATIONAL COMMISSION/ PARLIAMENTARY COMMITTEES

87. National Commission for Scheduled Caste visited the Yard on 10 Apr 2021 and held discussion with the Company's Management on issues, if any faced by scheduled caste employees, recruitment/promotion, grievances, welfare facilities provided etc.

88. Committee on Subordinate Legislation, Rajya Sabha, visited GSL on 29 Oct 2021 and interacted with the Company's Officials on E-Waste Management Rules, 2016 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

89. Parliamentary Committee on Papers laid on the Table, Rajya Sabha visited Goa and held discussion with the Company's Management on 06 Jan 2022.



Committee on Subordinate Legislation, Rajya Sabha visited on 29 Oct 2021



Parliamentary Committee on Papers laid on the table, Rajya Sabha visited on 06 Jan 2022

MANAGEMENT DISCUSSION & ANALYSIS REPORT

90. 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

91. 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 May 2010 along with Certificate on Corporate Governance from the Practicing Company Secretary is placed at **Annexure D** hereto. As per the Self-evaluation Annual Grading Report on Corporate Governance for FY 2021-22, the Company has achieved '**Excellent**' grading.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

92. The Company, as a Socially Responsible Corporate, has been consistently contributing towards the goal of achieving sustainable and equitable development in society through capacity building measures, improved quality of life, empowerment of the marginalised and underprivileged sections / communities. The CSR initiatives of the 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.

93. The CSR & Sustainability Policy of the Company 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.

94. During the year, healthcare continued to remain the core thrust area and the Company whole-heartedly supported Government initiatives in combating COVID-19 and provided special focus on augmenting healthcare infrastructure & facilities. 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 2021-22 are as under:-

(a) **Healthcare: COVID-19 relief measures**. To support the Government in management of COVID-19 pandemic, the Company installed Automatic Oxygen Generating Plant with a financial implication of Rs 100.00 lakh at Government Hospital; financial support to DRDO COVID Hospital for setting up COVID care facilities and provided oxygen concentrators, personal protective items & other medical equipment to Government Hospitals and COVID care Institutions.

(b) **Other Healthcare Support**. The Company contributed towards strengthening the medical infrastructure within the State of Goa by providing Automated Bio Chemistry Analyser, High Frequency X-ray Machine, ECG Machines, Electrosurgical Unit, Hematology Analyser, Dental Diagnostic Equipment, Lab Refrigerators, OT Light, Dengue Kits and Malaria Kits etc. to local hospitals. The Company has provided medical assistance to poor patients at Goa Medical College, Bambolim and training for homecare nursing attendants.

(c) **Sanitation**. In line with 'Swachh Bharat' campaign of the Government of India, the Company undertook the following activities during FY 2021-22:

(i) Constructed/renovated toilet blocks for students at various schools within the state of Goa.

(ii) Sanitary pad vending machines and incinerators were provided to local schools in and around the state of Goa for the benefit of girl students.

(iii) Conducted 50 online awareness sessions on Menstrual Hygiene for girl students.

(iv) Provided garbage bins and garbage collection vehicle for proper disposal of waste and also rendered the provision for safe drinking water facility for students.

(v) Display of banners, outdoor cleanliness campaign, fumigation etc. during Swachh Bharat Pakhwada were also organised.

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

(i) **Adoption of Vasco ITI**. GSL continued to support local Industrial Training Institute (ITI) at Vasco in improving its skill development training facilities. Considering the future employment opportunity in the area of renewable energy, the Company has set up Solar Technician (Electrical) Lab at Government ITI, Vasco.

(ii) **Multiproduct Processing Centre**. In view of the success of GSL CSR flagship "GoVan" project at Pale Panchayat- Sanquelim (North Goa), the Company in collaboration with Goa State Biodiversity Board, Government of Goa has established the replica of 'Multiproduct Processing Centre' at Pontemol, Curchorem (South Goa) for imparting training to women on Food Processing with the objective to enhance the income of women belonging to economically weaker section, through sustainable utilization of Non-Timber Forest Produce.

(iii) Provided lab instruments to Government College, Goa to boost research and development, educational aid support and apprentice training programme.

(e) **Other CSR Activities**. The Company also contributed towards various measures for benefits of Armed Forces Veterans and road safety awareness.

WHISTLE BLOWER POLICY

95. 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

96. As required under Section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the year ended 31 Mar 2022 is placed on the Company's website at www.goashipyard.in under Annual Reports.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

97. 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 this Report. However, your Directors draw attention of the members to Note No. 2.49 to the Financial Statements which sets out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

PARTICULARS OF EMPLOYEES

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

BOARD OF DIRECTORS

99. As on 31 Mar 2022, the Board of Directors of the Company consisted of four Whole-Time Directors including Chairman & Managing Director, one Government Nominee Director and two Part-time Non-official (Independent) Directors.

Changes in Board of Directors

100. The following appointments/cessation on the Board of your Company were effected as per the directives of the President of India:

(a) Smt Nazli Jafri Shayin, Joint Secretary, Department of Defence, MoD was 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 ceased to be the Government Nominee Director w.e.f. 13 Apr 2022.

(b) Shri Deepak Manohar Patwardhan and Shri Hasmukh Hindocha have been appointed as Part-time Non-official (Independent) Directors on the Board of GSL, vide MoD, DDP, letter No. 11/(70)/2021/Misc./D(NS) dated 24 Dec 2021 for a period of three years and their appointment have become effective from 31 Dec 2021 and 03 Jan 2022 respectively.

(c) Smt Rolley Mahendra Varma, DDG, Indigenization Division, DDP, MoD has been appointed as Government Nominee Director on the Company's Board in place of Smt Nazli Jafri Shayin, vide DDP, MoD letter no. 8(32)/2019-D(Coord/DDP) dated 13 Apr 2022. Her appointment has been made effective from 20 Apr 2022.

(d) Cmde Bharat Bhushan Nagpal, NM, IN (Retd.) ceased as Chairman & Managing Director w.e.f. 30 Apr 2022 on attaining the age of superannuation.

(e) Shri Brajesh Kumar Upadhyay, Director (Operations), GSL has been appointed as Chairman & Managing Director of the Company, vide DDP, MoD letter no. 2/1(1)/2020/D(NS) dated 08 Jul 2022 for a period of five years from the date of his assumption of charge of the post, or until further orders, whichever is earlier. Accordingly, Shri Brajesh Kumar Upadhyay has assumed the charge as CMD w.e.f. 10 Jul 2022.

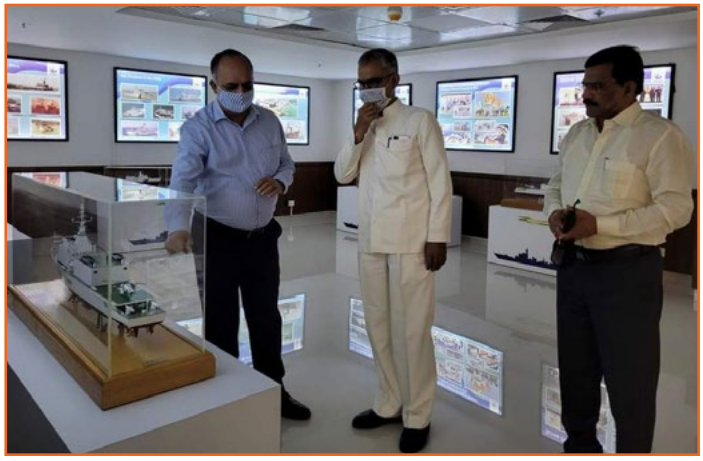
(f) During the interim period, Shri T. N. Sudhakar, Director (Finance) was entrusted with additional charge of CMD, GSL pursuant to DDP, MoD letter no. PC-2/1(2)/2017/D(NS) dated 29 Apr 2022.

101. The Board welcomed the appointment of Shri Brajesh Kumar Upadhyay, Shri Deepak Manohar Patwardhan, Shri Hasmukh Hindocha and Smt. Rolley Mahendra Varma. A brief resume of the newly appointed Directors is placed at **Annexure D** to this Report. The Board placed on record its deep appreciation of the invaluable support, contribution and guidance provided by Cmde Bharat Bhushan Nagpal and Smt Nazli Jafri Shayin during their respective tenure.

Declaration of Independence and Meeting of Independent Directors

102. Independent Directors of the Company have provided declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and they have registered their names in the Independent Directors' Databank.

103. During FY 2021-22, a separate meeting of Independent Directors was held on 05 Feb 2022, which was attended by all the Part-time Non-official (Independent) Directors, viz. Shri Deepak Manohar Patwardhan and Shri Hasmukh Hindocha.



Independent Directors visited GSL
on 12 Jan 2022 for Orientation Programme

Meetings of the Board

104. 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

105. In terms of Ministry of Corporate Affairs Notification No. GSR 463(E) dated 05 Jun 2015, Government Companies are not required to frame a Policy on Directors' appointment and remuneration under Section 178(3) of the Companies Act, 2013. Your Company being a Government Company under administrative control of MoD, 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.

106. 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

107. 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 financial year ended 31 Mar 2022, the applicable accounting standards had been followed along with proper explanations relating to material departures;

(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 the end of the financial year i.e. 31 Mar 2022 and of the profit of the Company for the year ended on 31 Mar 2022;

(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

108. For details regarding functioning of Audit Committee during FY 2021-22, please refer Report on Corporate Governance placed at **Annexure D** to this Report.

RISK MANAGEMENT

109. 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.

110. 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 along with 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

111. Your Company has an Internal Control framework, commensurate with the size, scale and complexity of the Company's operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable

financial and operational information, complying with applicable laws, safeguarding assets from loss, misuse and physical impairment, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company has laid down procedures and policies to guide the operations of the business along with a comprehensive delegation of power for the smooth functioning and decision making. For more details, kindly refer the Management Discussion & Analysis Report placed at **Annexure C** to this Report.

STATUTORY AUDITORS AND THEIR REPORT

112. Pursuant to Section 139(5) of the Companies Act, 2013, Comptroller and Auditor General of India (C&AG) has appointed M/s. P G Bhagwat LLP, Chartered Accountants, Tilakwadi, Belagavi (Firm Registration Number 101118W/W100682) as Statutory Auditors to audit the Financial Statements of the Company for FY 2021-22.

113. Auditors' Report on the Financial Statements of the Company for FY 2021-22 is appended to this Report. There are no audit qualifications or adverse remarks on the Company's Financial Statements. During the year under review, no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

114. The comments of the C&AG under Section 143(6) of the Companies Act, 2013, on the Financial Statements of the Company for FY 2021-22 are placed next to the Statutory Auditors' Report.

COST AUDITORS

115. 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 (Firm Registration Number 000218) were appointed as Cost Auditor for FY 2021-22 for conducting the audit of cost records maintained by the Company.

SECRETARIAL AUDIT

116. Pursuant to Section 204 of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, CS Shweta K Kharangate, Practicing Company Secretary, Vasco da Gama, Goa (PCS Registration No. 8781) was appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report submitted by Secretarial Auditor is annexed to this Report as **Annexure F** and forms part of this Report.

117. The Secretarial Auditor in her Report observed that the Company did not have Independent Directors and Woman Director on its Board during part of FY 2021-22, due to which the requirements of the Companies Act, 2013 and DPE Guidelines on Corporate Governance regarding composition of the Board of Directors, constitution of the Board Committee and conducting of Committee meetings could not be complied with.

118. It is submitted that being a Government Company and as per the Articles of Association of the Company, power to appoint Directors (including Government & Independent Directors) and the terms and conditions of such appointment including remuneration and evaluation is vested with the President of India. Ministry of Defence has appointed one Woman Director w.e.f. 31 May 2021 and also appointed two Independent Directors (out of three vacant post) whose appointments have been made effective from 31 Dec 2021 and 03 Jan 2022 respectively. With these appointments, the provisions of the Companies Act, 2013 w.r.t. composition of Board has been complied with. However, due to one existing vacancy of Independent Director, requirement of DPE Guidelines regarding Board composition is pending compliance. The Company has taken up the matter regarding filling up of this vacancy, with Ministry of Defence. Consequent to the appointment of Woman Director and Independent Directors, the Board Committees have been reconstituted in line with provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

COMPLIANCE OF SECRETARIAL STANDARDS

119. The Company has complied with the applicable secretarial standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India except to the extent disclosed in this Report.

GENERAL

120. 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.

(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

121. The Board of Directors acknowledges with deep sense of appreciation, the invaluable guidance, co-operation and support received by the Company from 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. The Directors also convey their gratitude to all its shareholders and customers, in particular the defence services for the trust and confidence reposed on the Company.

122. The Directors are also thankful for the valuable advices and cooperation 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. The Directors gratefully acknowledge the wholehearted support and cooperation extended by the Company's vendors & subcontractors, Classification Authorities, Rating Agencies, Auditors, Bankers, Insurers and the CISF Contingent.

123. The Directors sincerely appreciate the dedicated services, immense contribution and untiring efforts put in by all employees of the Company for the continued progress and growth of the Company.

For and on behalf of Board of Directors

Sd/-
(Brajesh Kumar Upadhyay)
Chairman & Managing Director
DIN 08852107

Place: Vasco da Gama
Date: 29th July, 2022

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 01.01.2022 AND 01.01.2021

CLASSIFICATION OF POSTS	AS ON 1ST JANUARY 2022							AS ON 1ST JANUARY 2021						
	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'	243$	33	22	58	0	27	11.11%	253$	34	23	58	0	26	10.27%
GROUP 'B'	19	1	2	2	0	3	15.78%	19	0	1	4	0	3	15.78%
GROUP 'C'	865#	39	84	227	12	112	12.94%	940#	45	87	245	13	115	12.23%
GROUP 'D'	189#	14	14	26	8	7	3.70%	203#	17	15	22	11	7	3.44%

*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 2021, 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)	2	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	2	4#	2	2#	1	NIL	7	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 2021-22

INDUSTRY SCENARIO AND DEVELOPMENTS

Global Scenario

1. Year 2021 witnessed the world military expenditure surpassing the two trillion US dollar mark for the first time, reaching $2.113 trillion. Following the trend, the Global spending in 2021 was 0.7 per cent higher than in 2020. Defying the economic effects of the COVID-19 pandemic, a continuous upward trend is seen in world military expenditure since 2015. Though recovery of world economy was stable across the globe in 2021, the ratio of world military spending to world gross domestic product (GDP) was 2.2 per cent, as compared to 2.3 per cent in 2020. Average military spending as a share of government expenditure in 2021 remained the same as in 2020, at 5.9 per cent. The five largest military spenders in 2021 were the United States, China, India, the United Kingdom and Russia, which together accounted for 62 per cent of world military spending. The USA and China alone accounted for 52 per cent.*

   ** As per report by SIPRI*

2. Global Defence Spending has been on a major upswing led by the resurgence of competition amongst leading geopolitical powers to establish supremacy and spearheaded by R&D-led technological evolution. The global warship and naval vessels market reached a value of US$ 60.7 billion in 2021 which is expected to touch US$ 85 billion by 2027, exhibiting a CAGR of 5.96 per cent during 2022-2027.# The increasing geopolitical tensions and maritime disputes between various countries lead to enhanced military spending particularly in naval capabilities. Several countries are upgrading their existing naval fleets or replacing their ageing fleets with newer generation vessels with advanced features. Accelerated pace of recapitalization of ageing equipment has resulted into award of several new defence contracts over the recent years and many others are in the pipeline.

   # As per report by IMARC

3. Technological advancements and evolution on the supply side is further incentivizing the replacement of legacy defence hardware worldwide with next generation equipment marking a quantum leap in performance & capabilities. Consequent upon the new trend seen in the industry, a formidable increase in industrial partnerships between constructors and OEMs have become conspicuous leading to aligning of business portfolios with the emerging requirements and budget priorities across markets ultimately necessitating scale & competitiveness. This shift in strategic focus entails fast track procurement of systems & hardware to maintain numerical superiority besides rapid development and deployment of next generation capabilities.

Indian Scenario

4. India's Defence budget for FY 2022-23 stands at Rs 4.05 lakh crore after excluding the component of the Defence pensions and is primarily focused towards the upkeep and modernization of an operational Armed Forces. The budgetary allocation towards capital outlay which focuses towards the modernization of Armed Forces has been increased by 12.82% to Rs 1.52 lakh crore. In recent times, the Defence budget has also been sensitive to the need for establishing a technological framework for growth of a vibrant indigenous military manufacturing infrastructure. For this self-reliance initiative, 68% of the capital procurement has been proposed to be earmarked from domestic industry, compared to 58% in 2021-22.

5. Over the last five years, India has been ranked among the top importers of defence equipment to gain technological advantages over rival countries. To modernise its armed forces and reduce dependency over external sources for defence procurement, several measures have been taken by the Government to encourage 'Make in India' activities via policy support initiatives.

6. The Government has established two Defence Industrial Corridors in the country, one in Uttar Pradesh and the other in Tamil Nadu, with the goal of attracting Rs 10,000 crore investments in each. To boost the Government's 'self-reliant' India initiative, in June 2021 budgetary funds worth Rs 498.8 crore has been approved for Innovations for Defence Excellence (iDEX), a Defence Innovation Organisation (DIO) for the next five years. In a major reform initiative, Ministry of Defence (MoD) has created seven defence public sector undertakings through restructuring of the Ordnance Factory Board to improve functional autonomy, efficiency, growth potential and innovation in the defence sector. To

address long term technological capability needs of the Armed Forces, the Government has constituted a high level Committee in Oct 2021 for recommending a roadmap to achieve self-reliance and Technical Modernisation of the Armed Forces.

7. In Mar 2022, the Defence Acquisition Council accorded Acceptance of Necessity for an amount of Rs 8,357 crore for Capital Acquisition proposals of Armed Forces. As an impetus to 'Aatmanirbhar Bharat', all of these proposals have been approved under 'Buy (Indian IDDM)' category with focus on indigenous design & development and manufacturing in India. To accelerate the pace of indigenisation, achieve self-reliance in defence and to facilitate Ease of Doing Business for defence industry, iDEX and Make II procedures have been simplified thereby compressing timelines and ensuring early placement of contracts on successful iDEX and Make II vendors. MoD has also issued OM restricting the import of any materials for a value upto Rs 200 crore to give impetus to Indigenization and Indian Industry.

8. In Apr 2022, the Department of Military Affairs, MoD has released Third Positive Indigenisation List of 101 military systems and weapons that will be incrementally banned for import over the next five years and be developed indigenously. The third list of import embargo is preceded by earlier two lists of 101 items promulgated in Aug 2020 and 108 items in May 2021 respectively. Further, Department of Defence Production (DDP), MoD has released two positive indigenisation lists consisting of 351 and 107 items, promulgated in Dec 2021 and Mar 2022 respectively, for compulsory procurement of items from indigenous sources post embargo timelines. These import embargos reflect the growing confidence of the Government in the capabilities of domestic industry to design, manufacture & supply equipment of international standard to meet the demand of armed forces.

9. India's defence manufacturing industry is going through rapid changes and higher demand is expected due to national security concerns. To meet this demand, the domestic share is likely to increase, given the various schemes introduced by the government.

ORGANISATION STRUCTURE

10. Goa Shipyard Limited (GSL) is a defence public sector undertaking under the administrative control of MoD, DDP 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 are also put in place and a liaison office in Karwar, Karnataka has been established to explore ship repair opportunities, as part of diversification.

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 to the maritime security requirements of the country and also for its friendly neighbours. The product range of GSL mainly includes warships for the defence needs such as Frigates, Corvettes, Missile Crafts, Offshore Patrol Vessels, Fast Patrol Vessels, Fast Attack Crafts, Hovercrafts, etc. Support Ships such as Sail Training Ships, Pollution Control Vessels, Cadet Training Ships, Auxiliary Vessels, etc. are also few of the other mainstay products.

12. With intense R&D and public private partnership, the Shipyard has further diversified into design and construction of several platforms associated with maritime industry which includes Glass Reinforced Plastic (GRP) Boats, Tugs, etc. With thrust on developing training facilities for the defence forces, various products have been developed and delivered successfully including Nuclear, Biological & Chemical Training Facility, Damage Control Simulator, Survival at Sea Training Facility, Shore Based Test Facility, etc. Also, Stern Gear and Shafting Equipment, critical systems for shipbuilding, are being manufactured and supplied for shipbuilding projects in the country.

13. Recently, a dedicated facility has been created for construction of FRP hulled vessels for specialised purposes. Also, dedicated infrastructure facilities to build GRP boats at outlying units of GSL are being utilised for construction of various types of boats.

14. 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 also ventured into

hardware demands for catering the inland waterways and commercial ship repair activities.

OUTLOOK

15. The modernisation of Indian Navy is an ongoing process which aims to strengthen India's maritime security. The ongoing modernisation aims to create capabilities for accomplishing a range of missions across the entire spectrum of threats and challenges addressing the rapidly shifting global and regional balances of power. The sizeable budget allocation for the Indian Navy will allow it to modernise its existing ships and submarines and also enhance its fleet size in wake of multiple security developments. Capital budget of the Navy for new platforms and equipment has gone up by nearly 45%, with a total allocation of Rs 46,323 crore for 2022-23. The increase is aimed at acquisition of new platforms, creation of operational and strategic infrastructure, bridging the critical capability gaps and building a credible maritime force for the country.

16. India's proactive approach towards foreign trade and rising agreements with foreign countries for joint defence manufacturing and strengthening defence ties offer huge potential growth opportunities to boost defence manufacturing in India. The government is also inviting foreign players to invest in India and capitalise on the 'Make in India' opportunity.

17. As per published report, Hon'ble Defence Minister has forecasted the growth of Indian defence manufacturing industry from US$ 850 billion currently to US$ 1 trillion in 2022 and US$ 5 trillion by 2047. All the policy initiatives of Govt. of India towards 'Make in India' and 'Aatmanirbhar Bharat' and ongoing territorial disputes with neighbouring countries raise a huge demand for military products which along with the indigenization moves open up a bright outlook for Indian defence manufacturing.

18. With all-time high order book, continued flow of new contracts and multiple projects in pipeline, your Company is confident of a sustainable growth. The Company is in the midst of transition to the league of shipbuilders capable of constructing complex weapon intensive platforms that provides strong structural growth drivers in the ensuing years.

SWOT ANALYSIS

19. 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) Ongoing construction of 02 Frigates will enhance capability and expertise of Shipyard to design and construct highly complex and advanced weapon intensive platforms.

(d) The Company has Enterprise Resource Planning (ERP) system encompassing different phases 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.

(e) The Company has a 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.

(f) 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 have been achieved to protect the IT Infrastructure.

(g) Possession of 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.

(h) 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, showcase the vast expanse of infrastructure of the yard.

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

(j) Consistent track record of successful execution and timely delivery.

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

(l) Cohesive management with better communication network.

(m) Good industrial relations.

(n) Possess sound financials in all parameters.

Weaknesses

(a) Geographical limitation for expansion.

(b) Limited water front and draft.

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

(d) Availability of limited experienced contractors, due to geographical location, 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 products of the Company, due to increasing security needs internationally for surveillance, pollution control, training & rescue 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 and increased focus to reduce defence imports.

(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.

(j) Emerging business prospects in commercial shipbuilding segment and growing demand of unmanned & autonomous vessels.

(k) Ongoing geopolitical situation in IOR may lead to emergency procurements.

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 geopolitical uncertainties in European countries.

20. 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 & capabilities through strategic alliances to address the emerging opportunities and reducing the impact of perceived threats and weaknesses.

RISKS AND CONCERNS

21. 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) Dependence on few customers i.e. maritime defence forces.

(b) Requirement for augmentation of IT infrastructure

including Software/ERP system aligning with advancement in technology.

(c) Uncertainties on the part of suppliers and subcontractors affecting the timely delivery of equipment and completion of job works.

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

(e) Dependence on foreign collaborators for critical data/equipment required for project execution.

(f) Rising inflation impacting the pricing of several core items and materials.

(g) Uncertainties due to surge in pandemic.

MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH

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

A. Infrastructure Modernisation: A major infrastructure modernisation plan at GSL aimed at enhancing the capabilities of the Yard to build larger and complex class of vessels for defence forces, commercial applications and exports is being executed in five phases out of which works on Phase 1, 2, 3A and 4 have been completed. The plan includes creation of dedicated facilities for the construction of high technology GRP hull vessels, new steel fabrication facilities for construction of new technology ships and facility for repair & refit of ships. As part of Phase 4, Command, Control & Design Office comprising of 08-floors has been completed. Handing over of offices to user departments is in progress. Steel Preparation Workshop, Block Assembly Workshop, New Canteen Building, Compressor House, Pipe Pickling Shop, Substation W1, New Entrance Guard House, Flammable Store and Process (Acetylene, O_2 & Co_2) Gas Banks being Part of Phase 3B have been completed. The balance work of Phase 3B comprising of construction of Blasting & Painting cells and New Stores is in advanced stage of completion. The progress of construction works under Phase 3B was hampered due to COVID-19 pandemic, however, concerted efforts are being taken to mitigate the impact. 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.



Inauguration of Block Assembly Workshop on 07 Aug 2021

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

(a) In line with the GoI/ MoD thrust on exports to achieve the targeted 5 billion USD exports by 2025, exports have been a key focus area of your Company and several initiatives have been taken to increase its global footprints by exporting in-house designed products. The Company is marketing vigorously 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.). The Company is fully cognizant of the upcoming international and domestic acquisition programmes and is responding aggressively to secure more orders, thereby continues to hold promise of strong growth.



New Canteen Building inaugurated on 04 Jan 2022

(b) In order to publicize our expertise and improve exposure in the international market and to identify various business opportunities, the Company participated in an Overseas Defence Exhibition viz. 'ARMY-2021' in Moscow, Russia. The Company also participated in Exhibitions held on the sidelines of 'India International Science Festival (IISF-21)' and the 'Goa Martime Conclave' in Goa.

(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. GSL has been tying up with established Indian firms and utilising combined capabilities and synergies for export promotion. GSL is also exploring the possibility of proposing GSL products to defence authorities of potential export countries through MoD via G2G route or under LoC being offered by Indian Government to these countries. As a result of such initiatives and outreach efforts, the Company has successfully concluded the contract for construction of the Floating Dock for Sri Lankan Navy.

(d) In addition to constructing vessels, 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 and such trainings were imparted to Nigerian and Sri Lanka Navy personnel during the year under review.

(e) Case for procurement of two projects from the Company i.e. Landing Ship Tank and Training Ship by Nigerian Government, under Line of Credit is under progress. Approvals from the respective Ministries /Governments/ Departments are awaited and the contracts are likely to be concluded soon.



Participated in ARMY 2021 Exhibition from 22-26 Aug 2021



Cmde Golam Sadeq, Chairman, Bangladesh Inland Water Transport Authority (BIWTA) visited GSL on 26 Oct 2021



Commander-in-Chief Myanmar Navy, Admiral Moe Aung visited GSL on 10 Nov 2021

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 2021-22 are as under:

(a) Implemented/re-designed workflow enabled functional processes such as Online Medical System, Online Quarter Allotment System, Annual Confidential Report Submission System for Workman, Dependent Updation System, Inter Godown Transfer Note System etc.

(b) The process for procurement and implementation of the new ERP System and finalizing its system integrator is under progress.

(c) Installed the Centralized Unified Storage Appliance with 60 TB capacity to maintain the availability of critical data.

(d) Implemented the Network Access Control solutions which support network visibility and access management through policy enforcement on devices and users of network LAN.

(e) Installed the FortiGate UTM appliance along with Log Analyzer at CISF network, LAN for the Gateway level security for Intrusion Prevention System, Web Filtering, Gateway Antivirus and also network logging, analysis & reporting.

(f) Analyses the advisories received from CERT-IN, NCIIPC & CSG-DDP and compare the same with the external connectivity on GSL firewall and appropriate actions are taken accordingly.

(g) IB (MHA) conducted the audit in the month of April 2021 and majority of the findings & observations have been liquidated by the Company and the few remaining are being liquidated.

(h) Online trainings on Cyber Security are being conducted by CERT-India, C-DAC (MeitY) on regular basis for basic awareness to computer users and Cyber threat & mitigation, blockchain to IT personnel.

(i) Prepared and filed IPR document for the unique IT applications developed in-house in GSL.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

23. 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 in place, various policies and procedures for maintaining adequate and effective internal controls. 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.

24. An independent Internal Audit mechanism is in place for conducting extensive audit of various operational & financial matters and for monitoring 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. Audit of other activities are carried out by in-house Internal Audit department. The Internal Control Systems are reviewed periodically by the Audit Committee of Board of Directors. Audit reports are submitted to the Audit Committee, which examines audit observations, provides guidance, suggests corrective measures and issues directives, if required. Due to the pendency of appointment of Independent Directors by the Government on GSL Board, the meetings of Audit Committee could not be held during the first three quarters and therefore, Internal Audit reports were reviewed by the Board directly.

25. 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. 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. During the year internal financial controls were tested and no reportable material weaknesses in the design or operation were observed.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

26. The Performance Highlights of the Company during the year ended 31 Mar 2022 are as follows:

(₹ in crore)

Particulars	2021-22	2020-21
Value of Production	703.70	827.39
Revenue from Operations	740.35	860.49
Gross Revenue	864.75	978.76
Earnings before Interest, Taxes & Depreciation	195.35	250.46
Less: Finance Costs	0.26	0.26
Less: Depreciation	56.02	50.13
Profit before Exceptional Item and Tax	**139.07**	**200.07**
Less: Exceptional Item	3.64	27.75
Profit before Tax	**135.43**	**172.32**
Less: Tax Expense	34.34	44.41
Profit after Tax	**101.09**	**127.91**
Other Comprehensive Income (net of tax)	(1.47)	0.40
Total Comprehensive Income	**99.62**	**128.31**
Net Worth	1,148.40	1,098.26
Inventory	48.12	57.20
Trade Receivables (Net)	189.53	201.84
Earnings Per Share (in Rs)	8.68	10.99
Dividend (%)	87%	95%

SEGMENT-WISE PERFORMANCE

27. In terms of Ministry of Corporate Affairs Notification dated 23 Feb 2018, companies engaged in defence production are exempted 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

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

ENVIRONMENTAL PROTECTION AND CONSERVATION

29. 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 810 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. As a part of celebration of Environment Day on 05 Jun 2021, environment day pledge was administered by CMD followed by tree plantation drive at GSL colony, Transit Hostel & CISF barracks and further cleanliness drive was carried out at Airport Road Chicalim, to create awareness amongst GSL employees and general public regarding 'Protection of Environment' by avoiding use of plastic and encouraging reforestation.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

Annexure 'D' to Directors' Report

CORPORATE GOVERNANCE REPORT FOR FY 2021-22

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. 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 2022, the Board of Directors of the Company consisted of four Whole-Time Directors including Chairman & Managing Director, one Government Nominee Director and two Part-time Non-official (Independent) Directors.

6. Details of the members of the Board during the period from 01 Apr 2021 to 31 Mar 2022 are given below:-

Sl. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of other director ships 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)	08852107	Nil	Nil	Nil

Sl. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of other director ships held	No. of committee membership in other companies	
				As Chairman	As Member
Government Nominee Director:					
5.	Smt Nazli Jafri Shayin, Joint Secretary & Addl FA, Ministry of Defence *(Appointed w.e.f. 31.05.2021)*	07528552	Nil	Nil	Nil
Part-time Non-official (Independent) Director:					
6.	Shri Deepak Manohar Patwardhan, *(Appointed w.e.f. 31.12.2021)*	09450572	Nil	Nil	Nil
7.	Shri Hasmukh Hindocha *(Appointed w.e.f. 03.01.2022)*	09453805	Nil	Nil	Nil

7. There was no representation of Independent Director on the Company's Board from 01 Apr 2021 to 30 Dec 2021. Out of the three sanctioned post of Independent Directors, two posts have been filled by the administrative ministry in end Dec 2021. The Company has been pursuing with its administrative ministry for filling up of one vacant post of Independent Director, which is under consideration.

Brief resume of newly appointed Directors

8. **Shri Brajesh Kumar Upadhyay** assumed charge of the post of Chairman & Managing Director of GSL on 10 Jul 2022. He holds a B.E. degree in Electrical Engineering and is a Fellow member of Institute of Engineers, Kolkata and Institute of Electronic & Telecommunication Engineers, New Delhi. Prior to assuming the charge of CMD, he was the Director (Operations) of GSL responsible for successful execution of new shipbuilding projects. He joined GSL as Graduate Engineer Trainee in year 1991. During his long career of 30 plus years in GSL, he held various key appointments in the functional and operational areas of the organization and has made significant contributions in nearly all verticals viz. ship construction, diversification, indigenization, corporate planning, business development & strategy, ship repairs, infrastructure development and capacity building etc.

9. Shri Upadhyay played a major role in bringing new technologies to GSL through Transfer of Technologies and collaborations with reputed and established international firms. He has been pivotal in setting up of the General Engineering Services stream in the shipyard, marking the beginning of the hugely successful diversification era in GSL, which not only contribute sizeable share in GSL's revenue, but also strengthens Govt. initiatives of Indigenization and Self-reliance in Defence. He has also been at the helm in increasing GSL's global outreach and making inroads into untapped global defence market. He had successfully spearheaded the prestigious export projects to friendly countries, which has brought laurels to GSL at international level.

10. **Shri Deepak Manohar Patwardhan** is appointed as Part-time Non-official (Independent) Director with effect from 31 Dec 2021. Shri Patwardhan is a post graduate in Commerce, LL.B. and G.D.C.&A. He is an advocate in practice having rich experience of 20 years. He is the Founder & Chairman of Ratnagiri Zilla Sahkari Patasanstha Maryadit Ratnagiri and the Chairman of Swami Swaroopanand Sahkari Patsanstha Maryadit Ratnagiri Zillah, a cooperative credit society and Ratnagiri Zilla Nagar Vachanalaya, Ratnagiri, a 194 years old library. He is also serving as Director of Ratnagiri District Central Co-operative Bank Ltd. and Maharashtra Rajya Sahkari Patsanstha Federation Ltd.

11. **Shri Hasmukh Hindocha** is appointed as Part-time Non-official (Independent) Director with effect from 03 Jan 2022. Shri Hindocha is a Graduate in Commerce and Law and is an advocate in practice since 2004. He is the Director of The Nawanagar Co-op. Bank Ltd., Jamnagar and Gujarat Urban Co-op Banks Federation and a Convener of Branch Development Committee, Rajkot Nagrik Sahakari Bank Ltd., Jamnagar. He served as Chairperson of Municipal Education Board, Jamnagar Municipal Corporation from 2006 to 2012. He is the Trustee of various trusts in Jamnagar, working in the area of education, healthcare and women development.

12. **Smt Rolley Mahendra Varma** is appointed as Government Nominee Director with effect from 20 Apr 2022. Smt Rolley Mahendra Varma is a Science Graduate and holds a Masters in Journalism. She joined IOFS cadre, MoD, Ordnance Factory Board

in the year 1994. She is currently posted as Head of Indigenisation Division, Department of Defence Production, MoD. In addition, she had served in various capacities in the MoD, Ordnance Factory Board, Ministry of Information and Broadcasting, Central Vigilance Commission, Niti Aayog and Small Arms Factory, Kanpur. She has a vast and rich experience of over 28 years in wide array of fields like vigilance matters, financial matters of employees, functioning of media units, policy matters related to infrastructure connectivity and mobility, etc.

Directors' Shareholding

13. As on 31 Mar 2022, 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 2022.

Meetings of Board and Attendance

14. 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 2021-22, **seven** Meetings of the Board of Directors were held viz. on 17 May 2021, 07 Jun 2021, 06 Aug 2021, 29 Sep 2021, 29 Oct 2021, 17 Dec 2021 and 05 Feb 2022. 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 2021-22 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 29.09.2021
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)	7	7	Yes
5.	Smt Nazli Jafri Shayin, Govt. Nominee Director *(Appointed w.e.f. 31.05.2021)*	6	5	Yes
6.	Shri Deepak Manohar Patwardhan, Independent Director *(Appointed w.e.f. 31.12.2021)*	1	1	NA
7.	Shri Hasmukh Hindocha, Independent Director *(Appointed w.e.f. 03.01.2022)*	1	1	NA

15. 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

16. 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.

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

AUDIT COMMITTEE

Terms of Reference

18. 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) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

    (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 oversee 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

19. Since, there were no representation of Independent Director(s) on the Company's Board from 01 Apr 2021 till end Dec 2021, the Audit Committee could not be reconstituted in terms of the provisions of the Act and DPE Guidelines. Meeting of the Audit Committee could not be held during this period and therefore, business items pertaining to the Audit Committee were directly placed before the Board during this period.

20. Consequent to the appointment of two Independent Directors on GSL Board, the Audit Committee has been reconstituted w.e.f. 13 Jan 2022. During FY 2021-22, only **one** meeting of the Audit Committee was held on 05 Feb 2022. The composition of the Audit Committee and attendance of members at the Committee meeting are as under:-

Sl. No.	Name of Member	Category	No. of Meetings held during respective tenure of Member	No. of Meetings attended
1.	Shri Deepak Manohar Patwardhan	Independent Director	01	01
2.	Shri Hasmukh Hindocha	Independent Director	01	01
3.	Capt. Jagmohan, IN (Retd.)	Director (CPP&BD)	01	01

21. CMD, Director (Finance), Chief 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 with regard to audit of the Financial Statements and other related matters. The Company Secretary acts as Secretary to the Audit Committee.

22. 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.

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

Terms of Reference

23. 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

24. Since, there were no representation of Independent Director(s) on the Company's Board from 01 Apr 2021 till end Dec 2021, the N&RHR Committee could not be reconstituted in terms of the provisions of the Act and DPE Guidelines. Meeting of the N&RHR Committee could not be held during this period and therefore, business items pertaining to the N&RHR Committee were directly placed before the Board.

25. Consequent to the appointment of two Independent Directors on GSL Board, the N&RHR Committee was reconstituted w.e.f. 13 Jan 2022. During FY 2021-22, **two** meetings of the N&RHR Committee were held viz. on 05 Feb 2022 and 15 Mar 2022. The composition of the N&RHR Committee and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Category	No. of Meetings held during respective tenure of Member	No. of Meetings attended
1.	Shri Hasmukh Hindocha	Independent Director	02	02
2.	Shri Deepak Manohar Patwardhan	Independent Director	02	02
3.	Government Nominee Director*	Govt. Nominee Director	--	--
4.	Shri T. N. Sudhakar	Director (Finance)	02	02

* Govt Nominee Director could not attend the meetings on account of her transfer from MoD and pending order for change in Govt. Nominee Director from MoD.

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

Appointment and Remuneration of Directors

27. 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 2022, are given below:

(₹ 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	65.38	4.35	4.16	73.89
2.	Shri T.N. Sudhakar, Director (Finance)	54.82	0	3.44	58.26
3.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	49.19	0	3.95	53.14
4.	Shri B. K. Upadhyay, Director (Operations)	39.27	0.73	3.06	43.06

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

29. 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 Directors during the year 2021-22 are as follows:

(₹ in lakh)

Sl. No.	Name of the Part-time Non-official (Independent) Director	Sitting Fees
1.	Shri Deepak Manohar Patwardhan	0.90
2.	Shri Hasmukh Hindocha	0.70
	Total	**1.60**

30. 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

31. 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)

32. 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.

33. Since, there were no representation of Independent Director(s) on the Company's Board from 01 Apr 2021 till end Dec 2021, the SD & CSR Committee could not be reconstituted in terms of the provisions of the Act and DPE Guidelines. Meeting of the SD & CSR Committee could not be held during this period and therefore, business items pertaining to the SD & CSR Committee were directly placed before the Board.

34. Consequent to the appointment of Independent Director(s) on GSL Board, the SD & CSR Committee was reconstituted w.e.f. 13 Jan 2022. During FY 2021-22, **one** meeting of the SD & CSR Committee was held on 05 Feb 2022. The composition of the said Committee and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	Category	No. of Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Shri Hasmukh Hindocha	Independent Director	01	01
2.	Shri Deepak Manohar Patwardhan	Independent Director	01	01
3.	Director (Finance)	Functional Director	01	01
4.	Director (CPP&BD)	Functional Director	01	01
5.	Director (Operations)	Functional Director	01	01

PROCUREMENT SUB-COMMITTEE (PSC) OF DIRECTORS

35. 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.

36. The constitution of the Committee requires one Independent Director. As there was no Independent Director on the Company's Board from 01 Apr 2021 till end Dec 2021, the Committee meetings could not be conducted and the procurement proposals were directly placed before the Board for approval.

37. Consequent to the appointment of Independent Director(s) on GSL Board, the PSC was reconstituted w.e.f. 13 Jan 2022. During FY 2021-22, **one** meeting of the PSC of Directors was held on 09 Mar 2022. The composition of the PSC and attendance of members at the Committee meetings are as under:-

Sl. No.	Name of Member	No. of Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Cmde B. B. Nagpal, IN (Retd.), CMD - Chairman	01	01
2.	Shri Deepak Manohar Patwardhan	01	01
3.	Shri T.N. Sudhakar, Director (Finance)	01	01
4.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	01	01
5.	Shri B. K. Upadhyay, Director (Operations)	01	01

PROJECT REVIEW SUB COMMITTEE (PRSC)

38. 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.

39. The constitution of the Committee requires one Independent Director. As there was no Independent Director on the Company's Board from 01 Apr 2021 till end Dec 2021, the Committee meeting could not be conducted.

40. Consequent to the appointment of Independent Director(s) on GSL Board, PRSC was reconstituted w.e.f. 13 Jan 2022. During FY 2021-22, one meeting of the PRSC was held on 05 Feb 2022. The composition of the PRSC and attendance of members at the Committee meeting are as under:-

Sl. No.	Name of Member	No. of Meetings held during respective tenure of Member	No. of Meetings Attended
1.	Shri Deepak Manohar Patwardhan	01	01
2.	Shri Hasmukh Hindocha* *(Appointed w.e.f. 07.02.2022)*	NA	NA
3.	Shri T.N. Sudhakar, Director (Finance)	01	01
4.	Capt. Jagmohan, IN (Retd.), Director (CPP&BD)	01	01
5.	Shri B. K. Upadhyay, Director (Operations)* (Member upto 06.02.2022)	01	01

** Shri Hasmukh Hindocha has been appointed as the member of the Committee w.e.f. 07 Feb 2022 in place of Shri B. K. Upadhyay, Director (Operations).*

SHARE TRANSFER COMMITTEE (STC)

41. The composition of the STC as on 31 Mar 2022 is as follows:

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

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

43. 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.

44. No meeting of STC was held during the year ended 31 Mar 2022.

INVESTMENT COMMITTEE

45. As on 31 Mar 2022, 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)

46. 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

47. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on 05 Feb 2022.

GENERAL BODY MEETINGS

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

Year	Location	Date and Time
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
2020-21	*Deemed Venue*: Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	29th September, 2021 at 1600 hours through Video Conferencing

49. Due to the absence of Independent Director(s) on Board of the Company, 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 29 Sep 2021, could not be complied with.

50. 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

51. 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 2021-22, the following online Training Programmes were attended by the Directors of the Company:

(a) Shri B. K. Upadhyay, Director (Operations) attended Programme on Capacity Building for Directors of CPSEs organised by ICAI jointly with DPE on 22 Dec 2021;

(b) Shri Deepak Manohar Patwardhan and Shri Hasmukh Hindocha, Independent Directors attended Orientation Programme for capacity building of newly appointed non-official Directors of CPSEs on 28 Jan 2022 organised by DPE in association with ICAI.

(c) Shri Deepak Manohar Patwardhan attended Two Days Familiarization Program for Independent Directors on 11-12 Feb 2022 organised by Indian Institute of Corporate Affairs.

CODE OF BUSINESS CONDUCT AND ETHICS

52. 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 2022. A declaration to this effect by the Chairman & Managing Director is appended to this Report.

DISCLOSURES

53. (a) There were no cases of related party transactions that may have potential conflict with the interests of the Company at large. Transactions with related parties that were entered into during the financial year were in the ordinary course of business.

(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) During FY 2021-22, percentage of Other Expenses and Financial Expenses to Total Expenses is 9.25% and 0.04% respectively.

WHISTLE BLOWER POLICY

54. 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

55. There were no audit qualifications on the Company's Financial Statements for FY 2021-22.

RISK MANAGEMENT

56. 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

57. The shareholding pattern as on 31 Mar 2022 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

58. The Equity Shares of the Company are admitted in the depository system of NSDL and CDSL for dematerialisation. As on 31 Mar 2022, 6,08,01,844 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

59. 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

60. 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. Since no dividend was declared during FY 2013-14, no amount was due for transfer to IEPF by the Company during FY 2021-22. The amount of dividend for the FY 2014-15 which remains unpaid/ unclaimed as on 28 Oct 2022 will be transferred to IEPF by the Company. Notices to this effect have been sent to the respective shareholders to enable them to claim the amount before the said date.

61. 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 Authority. Accordingly, the shares in respect of which dividend have not been paid or claimed for seven consecutive years from FY 2014-15 will be liable to be transferred to IEPF Authority during FY 2022-23. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares are due to be transferred to the IEPF Authority and simultaneously published in newspapers.

62. 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 Authority on complying with the procedures laid down in this behalf.

MEANS OF COMMUNICATION

63. 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.

64. 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

56th Annual General Meeting

Date : 29th September, 2022

Time : 1530 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,
Vasco da Gama,
Goa - 403 802.

Phone: 0832-2512152-56, 2512359

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 2022.

For Goa Shipyard Limited

Sd/-
(Brajesh Kumar Upadhyay)
Chairman & Managing Director
DIN 08852107

Place: Vasco da Gama
Date: 29th July, 2022

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 31st March, 2022, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by Department of Public Enterprises (DPE).

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, 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, 2021 to 30th December, 2021 the Company had no Independent Director on its Board. Also, from 1st April, 2021 to 30th May, 2021 the Company did not have a Government Director on its Board. As the Company did not have the requisite number of Independent/Government Directors on its Board for the period mentioned above, the composition of the Board of Directors of the Company was not in accordance with Clause 3.1 of DPE Guidelines on Corporate Governance.

Due to the aforesaid vacancies, Audit Committee and Nomination & Remuneration cum Human Resources Committee could not be reconstituted in accordance with the applicable provisions of DPE Guidelines on Corporate Governance and therefore, the meetings of the Board Committees could not be held during the aforesaid period. However, the agendas for such meetings were directly put up to the Board for consideration and approval.

Being a Government Company and as per the Articles of Association of the Company, power to appoint Directors (including Independent and Government Directors) and the terms and conditions of such appointment including remuneration and evaluation is vested with the President of India. Ministry of Defence has appointed one Woman Director w.e.f. 31st May, 2021 and also appointed two Independent Directors (out of three vacant post) whose appointment have been made effective from 31st December, 2021 and 3rd January, 2022 respectively. Consequent to the above appointments, the Board Committees have been reconstituted in line with provisions of DPE Guidelines on Corporate Governance. However, due to one existing vacancy of Independent Director, requirement of DPE Guidelines regarding Board composition is yet to be complied with. The Company has taken up the matter with Ministry of Defence regarding filling up of this vacancy.

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

Sd/-
Shweta K. Kharangate
Company Secretary
FCS No: 8098 / CP No: 8781
UDIN: F008098D000512327

Place: Vasco-da-Gama, Goa
Date: 21st June, 2022

Annexure 'E' to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for FY 2021-22

1. Brief outline on CSR Policy of the Company:

(i) GSL through its CSR & Sustainability initiatives contributes towards social development and meaningful quality of life of the community in which it operates, through value creation, so as to promote sustained growth for the society and community and environmental sustainability in fulfillment of its role as a Socially Responsible Corporate.

(ii) GSL's CSR & Sustainability Policy is framed with thrust on the above goals to be more specific includes activities such as providing safe drinking water & sanitation facilities, 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) The CSR activities in the Company for the FY 2021-22 were undertaken in line with the statutory provisions under the Companies Act, 2013, the guidelines issued by the Department of Public Enterprises for Central PSUs and the CSR Policy of the Company.

2. Composition of Committee on Sustainable Development & CSR: Since, there was no Independent Director on the Board of the Company till end Dec 2021, the SD & CSR Committee was not functional and CSR proposals were directly considered by the Board of Directors. Consequent to the appointment of Independent Directors, the SD & CSR Committee was reconstituted w.e.f. 13 Jan 2022. The composition of the SD & CSR Committee as on 31 Mar 2022 is as follows:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meeting of CSR Committee	
			held during the year	attended during the year
1.	Shri Hasmukh Hindocha	Chairman, Independent Director	1	1
2.	Shri Deepak Manohar Patwardhan	Member, Independent Director	1	1
3.	Shri T. N. Sudhakar	Member, Director (Finance)	1	1
4.	Capt. Jagmohan (Retd.)	Member, Director (CPP&BD)	1	1
5.	Shri B. K. Upadhyay	Member, Director (Operations)	1	1

3. Composition of SD & 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 2021-22.**

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.21,590.33 lakh**

7. (a) Two percent of average net profit of the Company as per Section 135(5): **Rs 431.80 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 431.80 lakh**

8. (a) CSR amount spent or unspent for the FY 2021-22:

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
447.33	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

(b) Details of CSR amount spent against **ongoing projects** for the FY 2021-22: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the FY 2021-22:

(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 on CSR Project/ Activity (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 / Healthcare Activities**								
(a)	Automatic Oxygen Generating Plant for South Goa District (COVID-19) Hospital, Government of Goa.	Item no. (i)	Yes	Goa	South Goa	99.64	Yes	-	-
(b)	01 Fully Automated Biochemistry Analyser and 01 High Frequency X-ray Machine DHS, Government of Goa.	Item no. (i)	Yes	Goa	South Goa	39.59	No	Directorate of Health Services, Government of Goa	CSR00024929
(c)	Support to DRDO COVID Hospital, Lucknow for setting of COVID Care facilities.	Item no. (i)	No	Uttar Pradesh	Lucknow	25.00	Yes	-	-
(d)	Oxygen Concentrators for the use of COVID-19 patients to Government Hospitals and COVID Care Institution.	Item no. (i)	Yes	Goa	North Goa/ South Goa	24.77	Yes	-	-
(e)	Facilitating treatment of patients at Goa Medical College, Bambolim and Training of Homecare Nursing Attendants.	Item no. (i)	Yes	Goa	North Goa	18.40	No	Matru Chhaya Trust	CSR00008186
(f)	03 ECG Machines to DHS, Government of Goa - Primary Health Centre Shiroda, Primary Health Centre, Cansaulim and Primary Health Centre, Siolim.	Item no. (i)	Yes	Goa	North Goa/ South Goa	9.00	No	Directorate of Health Services, Government of Goa.	CSR00024929
(g)	50 Finger Pulse Oximeter, 01 Oxygen Concentrator, 01 3KVA UPS, 01 Electrosurgical Unit and 01 Defibrillator to Naval Hospital (INHS Jeevanti) for management of COVID-19 pandemic.	Item no. (i)	Yes	Goa	North Goa/ South Goa	9.32	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 on CSR Project/ Activity (Rs. in lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
(h)	5,500 Dengue Kits & 500 Malaria Kits, 01 Double Dome OT Light and 02 Laboratory Refrigerators to Sub-district Hospital, Chicalim and 02 Medical Camps for local community.	Item no. (i)	Yes	Goa	South Goa/ North Goa	7.82	Yes	-	-
(i)	Dental diagnostic equipment and Hematology Analyser to ECHS Polyclinic, Vasco.	Item no. (i)	Yes	Goa	South Goa	4.48	Yes	-	-
(j)	03 Oxygen Concentrators, 01 Refrigerator, 01 Washing Machine and 02 ECG Machines to Sub-District Hospital, Chicalim	Item no. (i)	Yes	Goa	South Goa	4.13	Yes	-	-
(k)	PPE items to ESI Hospital Goa and Local Authority.	Item no. (i)	Yes	Goa	South Goa	0.76	Yes	-	-
2.	**Skill Development Activities**								
(a)	Skilling of Women through establishment of Multi-product Processing Centre (MPC) at Pontemol, Curchorem.	Item no. (ii)	Yes	Goa	South Goa	38.50	No	Goa State Biodiversity Board, Government of Goa	CSR00014750
(b)	Apprentice Training Programme.	Item no. (ii)	Yes	Goa	South Goa	31.32	Yes	-	-
(c)	Solar Technician (Electrical) Lab at Government ITI, Vasco.	Item no. (ii)	Yes	Goa	South Goa	22.74	Yes	-	-
(d)	Lab Instruments – one no. each of Vertical Electrophoresis System, Gel Documentation System, Horizontal Electrophoresis System, Sonicator and Microscope to boost research at Government College of Arts, Science & Commerce, Khandola Marcel.	Item no. (ii)	Yes	Goa	North Goa	10.24	Yes	-	-
3.	**Swachh Bharat Activities/ Healthcare**								
(a)	Construction of 16 toilet blocks for girls and 10 toilet blocks & 03 urinals for boys and roofing work at various schools.	Item no. (i)	Yes	Goa	North Goa/ South Goa	51.72	Yes	-	-
(b)	Garbage Collection Vehicle for Village Panchayat Chicolna, Bogmalo.	Item no. (i)	Yes	Goa	South Goa	6.36	Yes	-	-
(c)	Installation of 24 Sanitary Pad Vending Machines and 13 Sanitary Pad Incinerators in Government Schools, College and Hospital.	Item no. (i)	Yes	Goa	North Goa/ South Goa	5.84	Yes	-	-
(d)	250 Garbage Collection Bins to Village Panchayat, Chicalim.	Item no. (i)	Yes	Goa	South Goa	7.06	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 on CSR Project/ Activity (Rs. in lakh)	Mode of implementa-tion Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
(e)	Swachh Bharat Pakhwada - Display of Banners, Fumigation, Swachhta Awareness Campaign, Outdoor Cleanliness Campaign, etc.	Item no. (i)	Yes	Goa	South Goa	1.50	Yes	-	-
(f)	Renovation of 02 girl toilet blocks at Vaddem Nagar Higher Secondary School, Vasco.	Item no. (i)	Yes	Goa	South Goa	0.79	Yes	-	-
(g)	50 Online Awareness Sessions on Menstrual Hygiene in 62 schools/colleges (Beneficiary-2478 students).	Item no. (i)	Yes	Goa	North Goa/ South Goa	0.50	Yes	-	-
4.	**Other CSR Activities**								
(a)	Educational aid support (50 desks cum benches and 03 water purifiers) to Government High School Amona, Bicholim.	Item no. (ii)	Yes	Goa	North Goa	3.49	Yes	-	-
(b)	Measures for the benefit of Armed Forces veterans, war widows and their dependents.	Item no. (vi)	No	Pan India		2.00	Yes	-	-
(c)	Road Safety Awareness Measures in Vasco.	Item no. (ii)	Yes	Goa	South Goa	1.96	Yes	-	-
	Total					**426.93**			

(d) Amount spent in Administrative Overheads : **Rs 20.40 lakh**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **Rs 447.33 lakh**

(g) Details of excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs. in lakh)
(i)	Two percent of average net profit of the Company as per Section 135(5)	**431.80**
(ii)	Total amount spent for the Financial Year	**447.33**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	**15.53**
(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)]	**15.53**

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

   (b) Details of CSR amount spent in the financial year 2021-22 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 2021-22 (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	07.09.2021	99.64	South Goa District (COVID-19) Hospital, Government of Goa, Margao, Goa.	Automatic Oxygen Generating Plant - South Goa District (COVID-19) Hospital Margao, Goa.
2	10.01.2022	12.47	Government Primary School Ghatamorod, Margao, Goa and Keshav Smruti Higher Secondary School, Alto, Dabolim, Goa.	(i) 02 Toilet blocks for girls and 02 Toilet blocks for boys - Government Primary School, Ghatamorod, Margao, Goa (ii) 06 Toilet blocks for girls - Keshav Smruti Higher Secondary School, Alto, Dabolim, Goa.
3	03.01.2022	8.70	Shri Sharada Vidhyalay Government High School, Kumbharjua, Goa and Government Primary School, Gavant Kumbharjua, Goa.	(i) 02 Toilet blocks for girls and 02 Toilet blocks for boys - Shri Sharada Vidhyalay Government High School, Kumbharjua (ii) 03 Urinals - Government Primary School, Gavant Kumbharjua, Goa
4	27.03.2022	9.91	Huthatma Bapu Gawas Memorial Government High School, Chandel Pernem, Goa and Government High School, Ozri, Pernem, Goa.	(i) 01 Toilet block for girls and 01 Toilet block for boys - Huthatma Bapu Gawas Memorial Government High School, Chandel Pernem, Goa. (ii) 01 Toilet block for girls and 01 Toilet block for boys - Government High School, Ozri, Pernem, Goa.
5	31.03.2022	17.24	Government Primary School, Gauthan Piliye, Dharbandora, Goa and Government High School, Menkurem, Bicholim, Goa.	(i) 02 Toilet blocks for girls and 02 Toilet blocks for boys - Government Primary School, Gauthan Piliye, Dharbandora, Goa (ii) 02 Toilet blocks for girls and 02 Toilet blocks for boys – Government High School, Menkurem, Bicholim, 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	26.11.2021	25.67	Directorate of Health Services (DHS), Government of Goa.	One Fully Automated Biochemistry Analyser - Sub-District Hospital, Chicalim, Goa
7	15.02.2022	13.92	Directorate of Health Services (DHS), Government of Goa.	One High Frequency X-ray Machine - South Goa District Hospital, Margao, Goa.
8	30.03.2022	38.50	Goa State Biodiversity Board, Government of Goa, Opposite Seminary Saligao, Bardez Goa.	Multiproduct Processing Centre, Pontemol, Curchorem, Goa.
9	08.05.2021	24.77	Goa Medical College, Bambolim and South Goa District Hospital, Margao Goa.	Oxygen Concentrators to Hospitals - Goa Medical College, Bambolim, Goa and South Goa District Hospital, Margao, Goa
10	01.03.2022	22.74	Government ITI Bogda, Vasco, Goa.	Establishment of Solar Technician (Electrical) Lab - Government ITI Bogda, Vasco, Goa.
11	03.03.2022	10.24	Government College of Arts, Science & Commerce, Khandola Marcel, Goa.	01 no. each of Sonicator, Microscope, Gel Documentation System, Vertical Gel Electrophoresis Unit and Horizontal Gel Electrophoresis Unit - Government College of Arts, Science & Commerce, Khandola, Marcel, Goa.
12	14.01.2022	9.00	Directorate of Health Services (DHS), Government of Goa.	03 ECG Machines - PHC Cansaulim, PHC Shiroda, and PHC Siolim, Goa.
13	30.03.2022	8.25	INHS Jeevanti, Vasco, Goa.	50 Pulse Oximeter, 01 Defibrillator, 01 3KVA UPS and 01 Electrosurgical Unit - INHS Jeevanti, Vasco, Goa.
14	03.09.2021	4.13	Sub-District Hospital, Chicalim, Goa.	03 Oxygen Concentrators, 02 ECG Machines, 01 Refrigerator and 01 Washing Machine - Sub-District Hospital, Chicalim, Goa.
15	31.03.2022	7.82	Sub-District Hospital, Chicalim, Goa.	02 Laboratory Refrigerators and 01 OT Light - Sub-District Hospital, Chicalim, Goa.
16	14.03.2022	6.36	Village Panchayat Chicolna, Bogmalo, Goa.	Garbage Collection Vehicle - Village Panchayat Chicolna, Bogmalo, Goa.
17	24.01.2022	7.06	Village Panchayat Chicalim, Goa.	250 Garbage Collection Bins - Village Panchayat Chicalim, Goa.
18	21.02.2022	3.49	Government High School Amona, Bicholim, Goa.	50 Desk cum Benches and 03 Water Purifiers - Government High School Amona, Bicholim, Goa.
19	15.05.2021	1.07	INHS Jeevanti, Vasco, Goa.	01 Oxygen Concentrator - INHS Jeevanti, Vasco, Goa.
20	17.02.2022	4.48	ECHS Polyclinic, Vasco Goa.	01 Autoclave, 01 UV Cabinet, 01 Extraction Forceps, 02 Plasma and Airotor Hand piece/ Air Driven Hand piece, 01 Composite Instrument, 01 Elevators for Extraction, 20 Diagnostic Sets/ Dental Examination, 01 Patient Hospital Bed, 01 Medical Centrifuge and 01 Hematology Analyser - ECHS Polyclinic, 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)
21	29.03.2022	5.58	(a) Government High School (i) Balli (ii) Padi (iii) Morpirla (iv) Chandel, Pernem (v) Bicholim (vi) Navelim, Bicholim; (b) Lt. J.J. Rane Government High School, Kudchire; (c) Government College of Arts, Science & Commerce, Khandola; (d) Government Middle School (i) Cortalim (ii) Curpawado (iii) Dabolim (iv) Jetty; and (e) Sub-District Hospital, Chicalim, Goa.	Installation of 24 Sanitary Pad Vending Machines and 13 Sanitary Pad Incinerators – (i) 02 Sanitary Pad Vending Machines and 01 Incinerator, Government High School, Balli, (ii) 01 Sanitary Pad Vending Machine & 01 Incinerator, Government High School Padi, (iii) 01 Sanitary Pad Vending Machine & 01 Incinerator, Government High School, Morpirla (iv) 01 Sanitary Pad Vending Machine & 01 Incinerator, Government High School, Chandel, Pernem, (v) 01 Sanitary Pad Vending Machine & 01 Incinerator, Lt. J.J. Rane Government High School, Kudchire, (vi) 01 Sanitary Pad Vending Machine & 01 Incinerator, Government High School, Bicholim, (vii) 01 Sanitary Pad Vending Machine & 01 Incinerator, Government High School, Navelim, Bicholim, (viii) 10 Sanitary Pad Vending Machines & 04 Incinerators, Government College of Arts, Science & Commerce, Khandola, (ix) 01 Sanitary Pad Vending Machine, Government Middle School, Cortalim, (x) 01 Sanitary Pad Vending Machine, Government Middle School, Curpawado, (xi) 01 Sanitary Pad Vending Machine, Government Middle School, Dabolim, (xii) 01 Sanitary Pad Vending Machine, Government Middle School, Jetty and (xiii) 02 Sanitary Pad Vending Machines & 02 Incinerators, Sub-District Hospital, Chicalim, Goa.

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.**

Sd/-
(Brajesh Kumar Upadhyay)
Chairman & Managing Director
DIN: 08852107

Sd/-
(Hasmukh Hindocha)
Chairman of SD & CSR Committee
DIN: 09453805

Place: Vasco da Gama, Goa
Date: 29th July, 2022

CSR INITIATIVES BY GSL





Installed Automatic Oxygen Plant at South Goa District Hospital, Margao



Provided Sanitary Pad Vending Machines and Incinerators for encouraging menstrual hygiene



Provided ECG Machines, Dengue & Malaria Kits to Sub-District Hospital, Chicalim





Established Multiproduct Processing Centre at Pontemol, Curchorem, Goa



Training of Nursing Attendants in collaboration with Matru Chhaya Trust



Established Solar Technician (Electrical) Lab at Government ITI, Vasco

Annexure 'F' to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022, 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'):-

   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 Factories Act, 1948

b. The Payment of Wages Act, 1936 and other Labour laws

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

d. Employees' State Insurance Act, 1948

e. Employees' Provident Fund and Miscellaneous Provisions Act, 1952

f. Payment of Gratuity Act, 1972

g. The Environment Protection Act, 1986

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

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

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. The 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 subject to the following observations:

During the current audit period, from 1st April, 2021 to 30th December, 2021 the Company had no Independent Director on its Board. Also, from 1st April, 2021 to 30th May, 2021 the Company did not have a Woman/ Government Director on its Board. As the Company did not have the requisite number of Independent Directors and a Woman Director on its Board for the period mentioned above, the composition of the Board of Directors was not in compliance with the provisions of Section 149 of the Companies Act, 2013 & rules made thereunder and Clause 3.1 of DPE Guidelines on Corporate Governance.

Due to the aforesaid vacancies of Independent Director, Audit Committee, Nomination & Remuneration cum Human Resources Committee and Committee on Sustainable Development & CSR could not be reconstituted in accordance with the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance and therefore, meetings of the Board Committees could not be held during the aforesaid period. However, the agendas for such meetings were directly put up to the Board for consideration and approval.

Being a Government Company and as per the Articles of Association of the Company, power to appoint Directors (including Government & Independent Directors) and the terms and conditions of such appointment including remuneration and evaluation is vested with the President of India. Ministry of Defence has appointed one Woman Director w.e.f. 31st May, 2021 and also appointed two Independent Directors (out of three vacant post) whose appointment have been made effective from 31st December, 2021 and 3rd January, 2022 respectively. With these appointments, the provisions of the Companies Act, 2013 w.r.t. composition of Board has been complied with. However, due to one existing vacancy of Independent Director, requirement of DPE Guidelines regarding Board composition is yet to be complied with. I was informed that the Company has taken up the matter with Ministry of Defence regarding filling up of this vacancy.

Consequent to the appointment of Woman Director and Independent Directors, the aforesaid Committees have been reconstituted in line with provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

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

I further report that as per the information and explanations provided by the Company:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Sd/-

Shweta K. Kharangate

Company Secretary

FCS No: 8098 / CP No: 8781

UDIN: F008098D000512217

Place: Vasco-da-Gama, Goa

Date: 21st June, 2022

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

'ANNEXURE A'

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.

Sd/-

Shweta K. Kharangate

Company Secretary

FCS No: 8098 / CP No: 8781

UDIN: F008098D000512217

Place: Vasco-da-Gama, Goa

Date: 21st June, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Goa Shipyard Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Goa Shipyard Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.48 to the Financial Statements, which described the impact on the Financial Statements of the Company that may result on account of guideline issued by State Government due to COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Other Matter

1. The comparative financial information of the Company for the year ended 31 March 2021 prepared in accordance with Indian Accounting Standards (Ind AS) included in these Financial Statements have been audited by the predecessor auditor. The predecessor auditor has expressed an unmodified opinion on the comparative financial information.

Our opinion is not qualified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Draft Board of Director's report along with its annexures subject to Board's approval 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 available other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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, the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) The Company falls within the ambit of definition of Government Company under Section 2(45) of the Act. Accordingly, 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 B".

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 05, 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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 2.45 to the Financial Statements.

(ii) The Company has made a requisite provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2022.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts to the Financial Statements, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (v)(a) and (v)(b) above contain any material misstatement.

(v) The interim dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023, therefore reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

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 P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number:101118W/W100682

Sd/-
Shrinivas G. Deshpande
Partner
Membership Number: 234875
UDIN: 22234875AJURIQ7299

Vasco da Gama, Goa
May 28, 2022

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative detail and situation of Property, Plant & Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant & Equipment are physically verified by the Management according to a phased program to cover all the items of the property, plant & equipment, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2.1 on Property, Plant & Equipment to the financial statements, are held in the name of the Company.

In respect of immovable properties that have been taken on lease and disclosed in Note 2.2 on "Right of use Assets" to the financial statements, the lease agreements are in the name of Company, except for following cases:

i. Land at Sada, Vasco, Goa, having land area 10,775 Sq. Mtrs comprising of Company Godown, for which Company is yet to execute the lease deed. The Company took possession of land in September 1981, on the basis of Memorandum No. RB/CTN-2/107/72/625 dated August 19, 1981, executed with the Government.

ii. Building at Mormugao port authority, Sada, Goa, for which lease agreement is expired in the month of February 2022 and new lease agreement is yet to be executed. Company continues to occupy the Building as per the letter of intent from the lessor dated April 08, 2022 to extend the lease period for further 5 years with effect from March 2022.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.

ii. (a) The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) According to the information and explanations provided to us, the company has a non fund based working capital limits in excess of five crore rupees as at March 31, 2022, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company have represented to us that, there have been no quarterly returns or statements are mandated to be filed with their banks or financial institutions and hence no returns or statements have been filed with their banks or financial institutions.

iii. (a) The Company has not made any investments in, stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties except secured and unsecured loan given to employees.

The aggregate amount of such loan to employees during the year and balances thereof as at balance sheet date are as under –

Particulars	Loans (Amount in Lakhs)
Aggregate amount provided during the year	
- Employees (Secured and Unsecured)	9.40
Balance outstanding as at balance sheet date in respect of above cases	
- Employees	110.95

(b) In terms of the information and explanations given to us and the books of account and records examined by us the terms and conditions of the loan to employees given during the year are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loan to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the deduction towards principal and interest is regularly done by the Company from the salary to employees.

(d) In respect of the aforesaid loan to employees, there is no amount which is overdue for more than ninety days.

(e) In respect of the loan to employees which has fallen due during the year, no renewal or extension were granted, or no fresh loans granted to settle the overdues of existing loan given to the employees.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company and hence not commented upon.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company and hence not commented upon.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Goa Value Added Tax Act, 2005 & Central Sales Tax, 1956	Value Added Tax & Central Sales Tax	203.15	Financial year 2016-17	Appellate Authority up to Commissioner's level
Customs Act, 1962	Integrated Goods and Services Tax	813.84 (along with interest as applicable under statue)	February 2018 to September 2018	Appellate Tribunal
Goa Value Added Tax Act, 2005 & Central Sales Tax, 1956	Value Added Tax & Central Sales Tax	33.96	Financial year 2017-18	Additional Commissioner of Commercial Tax
Finance Act, 1994	Service Tax	60.81	October 2015 to June 2017	Joint Commissioner, GST (Appeals)

viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.

ix.(a) As the Company does not have any loans or other borrowings from any lender as at the balance sheet date, the provisions of Clause 3(ix) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not availed any term loan.

(d) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not raised any funds on short term basis.

(e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.

(f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x) (b) of the Order are not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.

(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. Company had no requisite number of Independent Directors on the Board of Directors till Jan 03, 2022 and hence, the Audit Committee (Section 177 of the Act) of the Company were not in compliance with applicable provisions of the Companies Act, 2013 till Jan 03, 2022. As per the information and explanation by the management the Company has entered into transactions with related parties in compliance of Section 188 of the Act and transactions were approved by board of directors in absence of audit committee till Jan 03, 2022. The details of related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv.(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected

with him. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

xvii. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.

xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx.(a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

Sd/-
Shrinivas G. Deshpande
Partner
Membership Number: 234875
UDIN: 22234875AJURIQ7299

Vasco da Gama, Goa
May 28, 2022

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to the Financial Statements of Goa Shipyard Limited ("the Company") as of March 31, 2022 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A company's internal financial controls with reference to the Financial Statements 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 controls with reference to the Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Financial Statements, 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 with reference to the Financial Statements to future periods are subject to the risk that the internal

financial controls with reference to the Financial Statements 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, the Company has, in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

Sd/-
Shrinivas G. Deshpande
Partner
Membership Number: 234875
UDIN: 22234875AJURIQ7299

Vasco da Gama, Goa
May 28, 2022

Annexure C to the Independent Auditor's Report

Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Goa Shipyard limited of even date.

Directions indicating the areas to be examined by the Statutory auditors during the course of audit of Annual Accounts of Goa Shipyard Limited for the financial year ended March 31, 2022 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

Sr No	Areas Examined	Observations / Findings
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.	According to the information and explanation given to us and based on the records of the Company examined by us, 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).	According to the information and explanations given to us and based on the records of the Company examined by us, there were no case of restructuring, waiver of loan or write off of debts/ loans/ interest etc. in the period covered under our audit.
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.	According to the information and explanation given to us and based on the records, the Company has received the last installment of Rs. 19,000 Lakhs during the year out of the total sanctioned government assistance of Rs. 88,000 Lakhs from central government for modernization project. Based on our examinations, these funds have been properly accounted and utilized as per its terms and conditions of sanction. No deviation in this case has been noticed by us.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W/W100682

Sd/-
Shrinivas G. Deshpande
Partner
Membership Number: 234875
UDIN: 22234875AJURIQ7299

Vasco da Gama, Goa
May 28, 2022

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 2022.

The Preparation of financial statements of **Goa Shipyard Limited, Vasco-Da-Gama, Goa** for the year ended 31 March 2022 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 28 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Goa Shipyard Limited, Vasco-Da-Gama, Goa** for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Santosh Kumar, IA&AS)
Pr. Director of Commercial Audit
& Ex-Officio Member, Audit Board, Bangalore

Bangalore
Date: 25 July 2022.

BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in Lakhs)

	Particulars	Note	As at 31-03-2022	As at 31-03-2021
I	**ASSETS**			
(1)	**Non-current Assets**			
(a)	Property, Plant and Equipment	2.1	75,328.50	74,569.81
(b)	Intangible Assets	2.1	92.62	87.79
(c)	Right-of-use-Assets	2.2	529.33	202.87
(d)	Capital Work-in-Progress	2.3	33,261.16	28,772.04
(e)	Financial Assets:			
	(i) Loans	2.4	95.05	160.21
	(ii) Other Financial Assets	2.5	3,340.09	1,004.21
(f)	Other Non-Current Assets	2.6	319.75	314.83
	Total Non-current Assets		**112,966.50**	**105,111.76**
(2)	**Current Assets**			
(a)	Inventories	2.7	4,811.99	5,719.67
(b)	Financial Assets:			
	(i) Trade Receivables	2.8	18,953.08	20,184.32
	(ii) Cash and Cash Equivalents	2.9	12,391.48	15,135.89
	(iii) Bank Balances other than Cash and Cash Equivalents	2.10	244,397.00	191,002.62
	(iv) Loans	2.11	46.59	50.19
	(v) Other Financial Assets	2.12	5,810.87	5,563.65
(c)	Contract Assets	2.13	9,173.82	19,005.81
(d)	Current Tax Assets (Net)	2.14	6,636.61	5,005.34
(e)	Other Current Assets	2.15	60,735.59	51,904.45
	Total Current Assets		**362,957.03**	**313,571.94**
	TOTAL		**475,923.53**	**418,683.70**
II.	**EQUITY AND LIABILITIES**			
(1)	**EQUITY**			
(a)	Equity Share Capital	2.16	5,820.19	5,820.19
(b)	Other Equity	2.17	109,063.03	104,048.19
	Total Equity		**114,883.22**	**109,868.38**
(2)	**Non-current Liabilities**			
(a)	Financial Liabilities:			
	(i) Lease Liabilities	2.18	461.13	131.48
	(ii) Trade Payables	2.19	-	-
	(iii) Other Financial Liabilities	2.20	67.38	163.60
(b)	Provisions	2.21	2,001.02	2,704.51
(c)	Deferred Tax Liabilities (Net)	2.22	663.65	870.33
(d)	Other Non-current Liabilities	2.23	64,502.27	48,955.26
	Total Non-current Liabilities		**67,695.45**	**52,825.18**
(3)	**Current Liabilities**			
(a)	Financial Liabilities:			
	(i) Lease Liabilities	2.24	74.66	82.13
	(ii) Trade Payables	2.25		
	a. total outstanding dues of micro enterprises and small enterprises; and		333.60	548.96
	b. total outstanding dues of creditors other than micro enterprises and small enterprises		27,235.51	29,904.23
	(iii) Other Financial Liabilities	2.26	7,700.03	8,759.65
(b)	Contract Liabilities	2.27	235,323.38	194,548.97
(c)	Other Current Liabilities	2.28	17,776.69	17,914.42
(d)	Provisions	2.29	4,900.99	4,231.78
	Total Current Liabilities		**293,344.86**	**255,990.14**
	TOTAL		**475,923.53**	**418,683.70**

SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.55) FORM PART OF ACCOUNTS

As per Our Report of Even Date Attached
For P G BHAGWAT LLP
Chartered Accountants
(FRN 101118W/W100682)

Sd/-
Shrinivas G Deshpande
Partner
M.No. 234875
UDIN: 22234875AJURIQ7299

Place: Vasco da Gama, Goa
Date: 28-05-2022

For and on behalf of the Board of Directors
GOA SHIPYARD LIMITED

Sd/-
T N Sudhakar
CMD (Addl Charge), Director (Finance) & CFO
DIN Number: 07419878

Sd/-
Chhaya Jain
Company Secretary

Sd/-
Capt. Jagmohan,IN (Retd.)
Director (CPP & BD)
DIN Number: 08630668

Place: Vasco da Gama, Goa
Date: 28-05-2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2022

(₹ in Lakhs)

	Particulars	Note	For the year ended 31-03-2022	For the year ended 31-03-2021
I	**INCOME:**			
	Revenue from Operations:			
	i Turnover (Value of Production)	2.30	70,369.72	82,738.82
	ii Other Operating Revenue	2.30	3,665.64	3,310.49
			74,035.36	86,049.31
	Other Income	2.31	12,439.65	11,826.22
	Total Income		**86,475.01**	**97,875.53**
II	**EXPENSES:**			
	Cost of Materials Consumed	2.32	28,562.83	22,220.05
	Cost of Base and Depot Spares	2.33	2,527.63	3,247.19
	Employees Benefit Expenses	2.34	14,130.57	13,820.31
	Sub-contract Expenses		7,636.02	5,207.73
	Direct Expenses		5,307.46	20,760.36
	Finance Cost	2.35	25.52	26.17
	Depreciation & Amortisation Expenses	2.1	5,601.80	5,012.65
	Other Expenses	2.36	6,709.21	5,992.95
	Corporate Social Responsibility Expenditure	2.37	447.33	581.02
	Provisions	2.38	1,619.64	999.95
	Total Expenses		**72,568.01**	**77,868.38**
III	**Profit before Exceptional Item & Tax (I - II)**		**13,907.00**	**20,007.15**
IV	**Exceptional Items**	2.39	**363.64**	**2,774.82**
V	**Profit before Tax (III - IV)**		**13,543.36**	**17,232.33**
VI	**Tax Expense:**	2.40		
	(i) Current Tax		3,750.00	4,370.00
	(ii) Taxes pertaining to earlier years		(109.15)	(280.00)
	(iii) Deferred Tax		(206.68)	351.30
	Total Tax Expenses		**3,434.17**	**4,441.30**
VII	**Profit for the year (V - VI)**		**10,109.19**	**12,791.03**
VIII	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	Actuarial gain/(loss) on employment defined benefit plan		(147.19)	39.50
	B. Items that will be reclassified to profit or loss		-	-
IX	**Other Comprehensive Income for the year**		**(147.19)**	**39.50**
X	**Total Comprehensive Income for the year (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**9,962.00**	**12,830.53**
XI	**Earnings per Equity Share:**	2.41		
	(1) Basic Earnings per Equity Share (Rs.)		8.68	10.99
	(2) Diluted Earnings per Equity Share (Rs.)		8.68	10.99

SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.55) FORM PART OF ACCOUNTS

As per Our Report of Even Date Attached
For P G BHAGWAT LLP
Chartered Accountants
(FRN 101118W/W100682)

Sd/-
Shrinivas G Deshpande
Partner
M.No. 234875
UDIN: 22234875AJURIQ7299

Place: Vasco da Gama, Goa
Date: 28-05-2022

For and on behalf of the Board of Directors
GOA SHIPYARD LIMITED

Sd/-
T N Sudhakar
CMD (Addl Charge), Director (Finance) & CFO
DIN Number: 07419878

Sd/-
Chhaya Jain
Company Secretary

Sd/-
Capt. Jagmohan, IN (Retd.)
Director (CPP & BD)
DIN Number: 08630668

Place: Vasco da Gama, Goa
Date: 28-05-2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

	Particulars	For the year ended 31-03-2022		For the year ended 31-03-2021	
I	**CASH FLOW FROM OPERATING ACTIVITIES:**				
A	**Net Profit before tax as per Statement of Profit & Loss**		**13,543.36**		**17,232.33**
	Adjusted for:				
	Profit on Sale of Fixed Assets (Net)	(37.79)		(41.38)	
	Depreciation and Amortisation Expenses	5,601.80		5,335.48	
	Interest Income	(11,886.85)		(8,781.25)	
	Finance Costs	25.52		26.17	
	Unwinding of Grant Income	(3,452.99)	(9,750.31)	(3,193.09)	(6,654.07)
B	**Operating Profit before Working Capital Changes**		**3,793.05**		**10,578.26**
	Adjusted for:				
	Inventories	907.68		2,185.90	
	Trade Receivables	1,231.24		(8,337.33)	
	Loans	68.76		(3.66)	
	Other Financial Assets	2,524.52		7,695.81	
	Other Current Assets	1,000.85		7,960.63	
	Other Non Current Assets	(4.92)		124.76	
	Trade Payables	(2,884.08)		12,651.15	
	Other Financial Liabilities	1,185.15		(2,574.99)	
	Other Liabilities	59,636.68		84,614.73	
	Provisions	(181.47)	63,484.41	(1,978.15)	102,338.85
C	**Cash Generated from Operations**		**67,277.46**		**112,917.11**
	Taxes Paid (net of refund)		(5,272.12)		(4,901.86)
D	**Net Cash (used in)/from Operating Activities (I)**		**62,005.34**		**108,015.25**
II	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Property, Plant and Equipment	(6,286.99)		(5,665.44)	
	Sale of Property, Plant and Equipment	46.58		56.00	
	Capital Work-in-Progress	(4,489.12)		(5,091.82)	
	Redemption/(Investment) of Fixed Deposits having original maturity more than 3 months	(53,394.38)		(83,967.62)	
	Redemption/(Investment) of Fixed Deposits having remaining maturity more than 12 months	(2,335.37)		1,038.62	
	Interest Income Received	6,779.23		4,448.85	
	Net Cash (used in)/from Investing Activities (II)		**(59,680.05)**		**(89,181.41)**
III	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Repayment of Lease Liabilities	(97.02)		(83.30)	
	Dividend Paid	(4,947.16)		(5,529.18)	
	Interest Paid	(25.52)		(26.17)	
	Net Cash (used in)/from Financing Activities (III)		**(5,069.70)**		**(5,638.65)**
IV	**Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III)**		**(2,744.41)**		**13,195.19**
V	**Opening Balance of Cash and Cash Equivalents**		**15,135.89**		**1,940.70**
VI	**Closing Balance of Cash and Cash Equivalents**		**12,391.48**		**15,135.89**
VII	**Components of Cash and Cash Equivalents**				
	Balances with Banks				
	1. Balances with Banks in current accounts		1,086.08		652.79
	2. Fixed Deposit with Banks		11,293.00		14,472.00
	3. In Imprest Account		12.40		11.10
	Total		**12,391.48**		**15,135.89**

As per Our Report of Even Date Attached
For P G BHAGWAT LLP
Chartered Accountants
(FRN 101118W/W100682)

Sd/-
Shrinivas G Deshpande
Partner
M.No. 234875
UDIN: 22234875AJURIQ7299

Place: Vasco da Gama, Goa
Date: 28-05-2022

For and on behalf of the Board of Directors
GOA SHIPYARD LIMITED

Sd/-
T N Sudhakar
CMD (Addl Charge), Director (Finance) & CFO
DIN Number: 07419878

Sd/-
Chhaya Jain
Company Secretary

Sd/-
Capt. Jagmohan, IN (Retd.)
Director (CPP & BD)
DIN Number: 08630668

Place: Vasco da Gama, Goa
Date: 28-05-2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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, 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**
Balance as at 1st April, 2021	42.86	95,087.04	8,918.29	104,048.19
Profit for the year			10,109.19	10,109.19
Other comprehensive income/(loss) for the period			(147.19)	(147.19)
Total comprehensive income for the period			**9,962.00**	**9,962.00**
Dividend			(4,947.16)	(4,947.16)
Transfer to General Reserve		7,000.00	(7,000.00)	-
Balance as at 31st March, 2022	**42.86**	**1,02,087.04**	**6,933.13**	**1,09,063.03**

Note:

1. The Company at its Annual General Meeting for the FY 2020-21 held on 29th September, 2021 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 2021-22.
2. During FY 2021-22, the Company declared and paid Interim Dividend of Rs 3,783.12 lakhs at the rate of Rs 3.25/- per Equity Share.
3. Accordingly, the total Dividend paid during FY 2021-22 amounts to Rs 4,947.16 lakhs.
4. Further to the Interim Dividend paid as mentioned at sl. no. 2 above, the Board proposes Final Dividend @ 22% per share to the Equity Shareholders (previous year 20%), which works out to Rs 1,280.44 lakhs. This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2021-22. The total Dividend for the financial year ended March 31, 2022 paid/proposed amounts to Rs 5,063.56 lakhs (including Interim Dividend of Rs 3,783.12 lakhs).

As per Our Report of Even Date Attached
For P G BHAGWAT LLP
Chartered Accountants
(FRN 101118W/W100682)

Sd/-
Shrinivas G Deshpande
Partner
M.No. 234875
UDIN: 22234875AJURIQ7299

Place: Vasco da Gama, Goa
Date: 28-05-2022

For and on behalf of the Board of Directors
GOA SHIPYARD LIMITED

Sd/-
T N Sudhakar
CMD (Addl Charge), Director (Finance) & CFO
DIN Number: 07419878

Sd/-
Chhaya Jain
Company Secretary

Sd/-
Capt. Jagmohan, IN (Retd.)
Director (CPP & BD)
DIN Number: 08630668

Place: Vasco da Gama, Goa
Date: 28-05-2022

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). The financial statement have been prepared on historical cost basis except for certain financial assets and liabilities which have been measured at fair value.

3. CURRENT / NON CURRENT CLASSIFICATION

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

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

   b. Held primarily for the purpose of trading.

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

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

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

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

   a. Expected to be settled in normal operating cycle.

   b. Held primarily for the purpose of trading.

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

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

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

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

vi. **Operating Cycle:**

   a. In the case of Ship Building and Ship Repair and Refit activities, normal operating cycle is considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle. As the build period of the ships depend upon the size/technical specification of each individual ship, defining 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 5000/- or less and purchase of mobile phone for official use is fully depreciated and charged to Statement of 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
-Slipways	15
3. Furniture and Fixtures	10
4. Vehicles	8
5. Office Equipment	5
6. Servers and Networks	6
7. Medical Equipment	10-15
8. Steam Launches & Boats	15
9. Computers	3
10. Electrical Installation & Equipments	10

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 NON FINANCIAL 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. CONTRACT ASSETS & LIABILITIES

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.

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.

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 good and/or services rendered is transferred over time to the customer, revenue is recognized over time (i.e. under the percentage of completion method).

For the application of the over the time method (PoC method), the measure of the progress of the

completion of performance obligations is based on inputs method (i.e. cost incurred).

Fixed Price Contract:

Revenues from construction contracts with customers are recognized over the time using input method i.e. by comparing the actual costs incurred to the total estimated costs anticipated for the entire contract. Such estimates are revised periodically.

Contract with Uncertain/Negative Results:

When it is probable that total contract costs will exceed total contract revenue, the entire expected loss is recognized as an expense immediately. When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable. Recognition of the profit element is postponed.

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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

v. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

25. DIVIDEND TO EQUITY SHAREHOLDERS

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

26. ROUNDING OFF AMOUNTS

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III of the Companies Act, unless otherwise stated.

NOTES ON BALANCE SHEET ITEMS

NOTE 2.1: PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2021	Additions during the period	Deductions/ adjustments	As at 31-03-2022	As at 01-04-2021	Depreciation for the period	Deductions/ adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
A	**PROPERTY, PLANT & EQUIPMENT**										
	Freehold Land	737.18	-	-	737.18	-	-	-	-	737.18	737.18
	Buildings & Other Civil Constructions	64,815.53	4,874.51	24.12	69,665.92	12,970.56	2,345.38	15.40	15,300.54	54,365.38	51,844.97
	Plant & Machinery	40,466.95	574.80	15.34	41,026.41	20,075.99	2,643.37	15.34	22,704.02	18,322.39	20,390.96
	Capital Dredging	1,278.92	-	-	1,278.92	858.18	89.23	-	947.41	331.51	420.74
	Slipways	143.48	-	-	143.48	143.48	-	-	143.48	-	-
	Furniture & Fixtures	1,106.51	15.24	-	1,121.75	888.17	45.26	-	933.43	188.32	218.34
	Office Equipment	1,143.29	21.60	0.46	1,164.43	454.99	191.79	0.39	646.39	518.04	688.30
	Medical Equipment	24.61	4.80	-	29.41	9.46	1.90	-	11.36	18.05	15.15
	Electrical Installation & Equipments	-	690.17	-	690.17	-	44.36	-	44.36	645.81	-
	Computers	1,347.75	0.71	-	1,348.46	1,263.23	40.00	-	1,303.23	45.23	84.52
	Server & Network	16.90	63.51	-	80.41	11.12	12.03	-	23.15	57.26	5.78
	Motor Cars & Vehicles	262.50	2.82	-	265.32	219.55	9.40	-	228.95	36.37	42.95
	Steam Launches & Boats	799.96	-	-	799.96	789.87	1.68	-	791.55	8.41	10.09
	Total	**1,12,143.58**	**6,248.16**	**39.92**	**1,18,351.82**	**37,684.60**	**5,424.40**	**31.13**	**43,077.87**	**75,273.95**	**74,458.98**
B	**R & D ASSETS**										
	R & D Assets	552.02	-	-	552.02	505.04	42.19	-	547.23	4.79	46.98
	R & D Assets (from 2019-20)	74.64	-	-	74.64	10.79	14.09	-	24.88	49.76	63.85
	Total R&D Assets	**626.66**	**-**	**-**	**626.66**	**515.83**	**56.28**	**-**	**572.11**	**54.55**	**110.83**
	TOTAL (A+B)	**1,12,770.24**	**6,248.16**	**39.92**	**1,18,978.48**	**38,200.43**	**5,480.68**	**31.13**	**43,649.98**	**75,328.50**	**74,569.81**
	Previous Year	1,07,246.82	5,612.85	89.43	1,12,770.24	33,049.02	5,226.22	74.81	38,200.43	74,569.81	74,197.80
C	**INTANGIBLE ASSETS**										
	Software & Licence	330.99	38.83	-	369.82	251.19	31.78	-	282.97	86.85	79.80
	TOT Licence	11.10	-	-	11.10	3.11	2.22	-	5.33	5.77	7.99
	Total Intangible Assets	**342.09**	**38.83**	**-**	**380.92**	**254.30**	**34.00**	**-**	**288.30**	**92.62**	**87.79**
	Previous Year	289.51	52.58	-	342.09	222.59	31.71	-	254.30	87.79	66.92

(₹ in Lakhs)

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2021	Additions during the period	Deductions/ adjustments	As at 31-03-2022	As at 01-04-2021	Depreciation for the period	Deductions/ adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
D	**ASSETS FUNDED BY CUSTOMER (INCLUDED IN PPE ABOVE)**										
	Buildings & Other Civil Construction	36,120.29	4,795.96	-	40,916.25	7,122.14	1,289.29	-	8,411.43	32,504.82	28,998.15
	Plant & Machinery	26,504.17	427.21	-	26,931.38	11,948.46	1,872.33	-	13,820.79	13,110.59	14,555.71
	Capital Dredging	1,107.13	-	-	1,107.13	769.74	82.29	-	852.03	255.10	337.39
	Furniture & Fixtures	110.99	-	-	110.99	27.65	11.10	-	38.75	72.24	83.34
	Office Equipment	768.13	-	-	768.13	176.72	153.63	-	330.35	437.78	591.41
	Electrical Installation & Equipments	-	690.17	-	690.17	-	44.36	-	44.36	645.81	-
	TOTAL	**64,610.71**	**5,913.34**	**-**	**70,524.05**	**20,044.71**	**3,453.00**	**-**	**23,497.71**	**47,026.34**	**44,566.00**

NOTE 2.2: ROU ASSETS

	Land	162.10	-	-	162.10	23.91	11.96	-	35.87	126.23	138.19
	Building	191.63	413.57	-	605.20	126.95	75.15	-	202.10	403.10	64.68
	Total ROU Assets	**353.73**	**413.57**	**-**	**767.30**	**150.86**	**87.11**	**-**	**237.97**	**529.33**	**202.87**
	Previous Year	353.50	0.24	-	353.74	73.34	77.52	-	150.86	202.88	280.16

a Building of property, plant and equipment includes 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.

b Lease agreements have not been executed in cases of right of use of asset as follows:

i. Land at Sada, Vasco, Goa, having land area 10,775 Sq. Mtrs., for which Company continues to occupy the land and is paying rent according to the terms and communication at 2004. The lease period is assumed to be 40 years from 2004.

ii. Building lease from Mormugao Port Trust, Goa, has got expired on February 2022. Further the lease period has been considered for 5 years as per their letter of intent dated 08 April 2022 with effect from March 2022.

c Refer note 2.47 for disclosure on IND AS 116 Leases.

(₹ in Lakhs)

NOTE 2.3: CAPITAL WORK-IN-PROGRESS	As at 31-03-2022		As at 31-03-2021	
Opening Balance	28,772.04		23,680.22	
Add: Expenditure during the period	11,006.04		10,757.25	
Less: Amount reclassified to inventory	229.93		-	
	39,548.15		34,437.47	
Less: Capitalisation during the period	6,286.99	33,261.16	5,665.43	28,772.04
		33,261.16		**28,772.04**

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 332.27 Cr have been spent upto 31.03.2022.

Ageing for Capital work-in-progress

Periods	As at 31-03-2022	As at 31-03-2021
Less than 1 year	10,632.79	9,042.88
1-2 years	8,812.54	9,188.46
2-3 years	7,531.31	6,021.44
More than 3 years	6,284.52	4,519.26
Total	**33,261.16**	**28,772.04**
Capital Work-in-Progress to be completed in		
Less than 1 year	33,261.16	**6,289.45**
1-2 years	-	22,482.59
2-3 years	-	-
More than 3 years	-	-
Total	**33,261.16**	**28,772.04**

NOTE 2.4: LOANS (NON CURRENT)	As at 31-03-2022		As at 31-03-2021	
1. Loans to Employees (Secured by way of hypothecation)	103.74		132.08	
Less: Current maturities of loan to employees	22.18	81.56	26.66	105.42
2. Loans to Employees				
Unsecured and considered good	37.90		78.32	
Less: Current maturities of loan to employees	24.41	13.49	23.53	54.79
3. License and Tech doc fees 1241RE*	1,454.30		1,454.30	
Less: Amount received included under Advances received from Customers (Contra Note no 2.28)	1,454.30	-	1,454.30	-
		95.05		**160.21**
Less: Allowances for bad and doubtful loans		-		-
		95.05		**160.21**

*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.

Loans receivables considered good - secured	81.56	105.42
Loans receivables considered good - unsecured	13.49	54.79
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	-	-
	95.05	**160.21**
Less: Allowances for bad and doubtful loans	-	-
Loans receivables (non-current)	**95.05**	**160.21**

(₹ in Lakhs)

NOTE 2.5: OTHERS FINANCIAL ASSETS (NON-CURRENT)	As at 31-03-2022	As at 31-03-2021
1. Fixed Deposit with remaining maturity more than 12 months	3,301.37	966.00
2. Security Deposit and Earnest Money Deposit paid	27.81	27.72
3. Other Receivables	10.91	10.49
	3,340.09	**1,004.21**

NOTE 2.6: OTHER NON-CURRENT ASSETS	As at 31-03-2022		As at 31-03-2021	
1. GST Input Credit & Payments	4,449.14		4,652.68	
Less: Current amount re-classfied (Contra Note 2.15)	4,449.14	-	4,652.68	-
2. Balances with Government Dept. & Tax authorities		319.75		314.83
3. Prepaid Rent	37.54		57.06	
Less: Lease liability towards prepaid rent adjusted (Contra Note 2.18)	27.09		32.71	
	10.45		24.35	
Less: Amount shown in current maturities	10.45	-	24.35	-
		319.75		**314.83**

NOTE 2.7: INVENTORIES (as verified, valued & certified by Management)	As at 31-03-2022		As at 31-03-2021	
Raw Materials, Stores & Spares				
a) Stores in Hand	4,811.99		5,719.67	
b) Stock in Transit	-	4,811.99	-	5,719.67
		4,811.99		**5,719.67**

NOTE 2.8: TRADE RECEIVABLES (CURRENT)	As at 31-03-2022		As at 31-03-2021	
(Unsecured, considered good unless otherwise specified)				
1. Trade Receivables	1,999.63		1,390.24	
2. Trade Receivables from related parties (refer note 2.49(b)(3))				
i. Trade Receivables from related parties - Due	5,455.86		10,223.42	
ii. Trade Receivables from related parties - Not Due	13,320.12	20,775.61	10,034.40	21,648.06
Less: Provision for loss allowance		1,822.53		1,463.74
		18,953.08		**20,184.32**
Trade receivables considered good - secured		-		-
Trade receivables considered good - unsecured		18,953.08		20,184.32
Trade receivables which have significant increase in credit risk		1,822.53		1,463.74
Trade receivables - Credit impaired		-		-
Total		**20,775.61**		**21,648.06**
Less: Provision for loss allowance		1,822.53		1,463.74
Trade receivables		**18,953.08**		**20,184.32**

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Outstanding for following periods from due date of payment	Undisputed trade receivables – considered good	Undisputed trade receivables – significant increase in credit risk	Undisputed trade receivables – credit impaired	Disputed trade receivable
Not due	13,320.12	-	-	-
Less than 6 months	4,273.73	-	-	-
6 months - 1 year	959.32	-	-	-
1-2 years	152.58	62.89	-	-
2-3 years	234.40	92.83	-	-
More than 3 years	12.93	1,666.81	-	-
Total	**18,953.08**	**1,822.53**	**-**	**-**

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment	Undisputed trade receivables – considered good	Undisputed trade receivables – significant increase in credit risk	Undisputed trade receivables – credit impaired	Disputed trade receivable
Not due	10,034.40	-	-	-
Less than 6 months	8,375.48	-	-	-
6 months - 1 year	426.19	-	-	-
1-2 years	958.79	49.47	-	-
2-3 years	362.82	0.63	-	-
More than 3 years	26.64	1,413.64	-	-
Total	**20,184.32**	**1,463.74**	**-**	**-**

NOTE 2.9: CASH AND CASH EQUIVALENTS	As at 31-03-2022	As at 31-03-2021
1. Balances with Banks in current accounts	1,086.08	652.79
2. Fixed Deposits with original maturity less than 3 months	11,293.00	14,472.00
3. In Imprest Account	12.40	11.10
	12,391.48	**15,135.89**

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.

NOTE 2.10: OTHER BANK BALANCES	As at 31-03-2022	As at 31-03-2021
Fixed Deposit with remaining maturity less than 12 Months	2,44,397.00	191,002.62
	2,44,397.00	**191,002.62**

NOTE 2.11: LOANS (CURRENT)	As at 31-03-2022	As at 31-03-2021
1. Loans to Employees (Secured by way of hypothecation)	22.18	26.66
2. Loans to Employees (Unsecured)	24.41	23.53
	46.59	**50.19**
Less: Allowances for bad and doubtful loans	-	-
	46.59	**50.19**
Loans receivables considered good - secured	22.18	26.66
Loans receivables considered good - unsecured	24.41	23.53
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	-	-
	46.59	**50.19**
Less: Allowances for bad and doubtful loans	-	-
Loans receivables (Current)	**46.59**	**50.19**

(₹ in Lakhs)

NOTE 2.12: OTHERS FINANCIAL ASSETS (CURRENT)	As at 31-03-2022	As at 31-03-2021
1. Interest accrued but not due	5,107.62	4,332.40
2. Income accrued but not due	328.17	305.55
3. Receivable from Navy (1241RE)	40.47	237.57
4. Earnest money deposit paid	2.11	2.11
5. Other Receivables	332.50	686.02
	5,810.87	**5,563.65**

NOTE 2.13: CONTRACT ASSETS	As at 31-03-2022		As at 31-03-2021	
Unbilled revenue	12,090.02		63,208.58	
Less: Amounts received from Customers (Contra Note 2.28)	2,916.20		44,202.77	
Contract asset relating to ship construction, repairs, general engineering service contracts		**9,173.82**		**19,005.81**
Loss allowance		-		-
Total Contract Assets		**9,173.82**		**19,005.81**

NOTE 2.14: CURRENT TAX ASSETS (NET)	As at 31-03-2022		As at 31-03-2021	
Opening Balance	5,005.34		4,193.48	
Add: Advance taxes paid and tax deducted at sources (net of refunds)	5,272.12		4,901.86	
Add: Taxes pertaining to earlier years	109.15		280.00	
	10,386.61		9,375.34	
Less: Current tax expense for the year	3,750.00		4,370.00	
		6,636.61		**5,005.34**
Advance tax and tax deducted at sources (Net of provision of taxes)		**6,636.61**		**5,005.34**

NOTE 2.15: OTHER CURRENT ASSETS	As at 31-03-2022		As at 31-03-2021	
1. GST Input Credit & Payments (Contra Note 2.6)		4,449.14		4,652.68
2. Prepaid Expenses		1,164.49		1,080.72
3. Prepaid Rent		10.45		24.35
4. Advance to Suppliers				
Secured considered good (against Bank Guarantees)	54,342.13		44,527.75	
Unsecured considered good	769.38		1,618.95	
Unsecured considered doubtful	395.86		399.60	
	55,507.37		46,546.30	
Less: Provision for doubtful advances	395.86		399.60	
	55,111.51	55,111.51	46,146.70	46,146.70
		60,735.59		**51,904.45**

NOTE 2.16: EQUITY SHARE CAPITAL	As at 31-03-2022	As at 31-03-2021
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:

(₹ in Lakhs)

Particulars	Number of Shares (in Lakhs)	Amount (₹ in Lakhs)	Number of Shares (in Lakhs)	Amount (₹ in Lakhs)
At the beginning of the year	1,164.04	5,820.19	1,164.04	5,820.19
Conversion on account of Share Split	-	-	-	-
Bonus Issue during 2016-17 in the ratio of 1:1	-	-	-	-
Balance at the end of the period	1,164.04	5,820.19	1,164.04	5,820.19

During the FY 2016-17, the Company in compliance of the guidelines issued by DIPAM have splitted the face value of Shares from Rs 10/- per Share to two Shares of Rs 5/- each and has also issued Bonus Shares in the ratio of 1:1.

4. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the company

Name of the Shareholder and Number of Shares	Percentage of Share holding	Amount (₹ in Lakhs)	Percentage of Share holding	Amount (₹ in Lakhs)
President of India 5,94,66,780 Equity Shares of Rs 5/- each	51.09%	2,973.34	51.09%	2,973.34
Mazagon Dock Shipbuilders Ltd. 5,49,57,600 Equity Shares of Rs 5/- each	47.21%	2,747.88	47.21%	2,747.88

The Company has only one class of share referred to as Equity Shares having a face value of Rs 5/- each.

NOTE 2.17: OTHER EQUITY	As at 31-03-2022		As at 31-03-2021	
1. Capital Reserve:				
Balance as per last Balance Sheet		42.86		42.86
2. General Reserve:				
Opening balance	95,087.04		83,087.04	
Add: Movement during the year	7,000.00	1,02,087.04	12,000.00	95,087.04
3. Retained Earnings:				
Opening Balance	8,918.29		13,616.94	
Profit for the year	10,109.19		12,791.03	
Other Comprehensive Income/(Loss) for the period	(147.19)		39.50	
	18,880.29		26,447.47	
Less Appropriations:				
Transfer to General Reserve	7,000.00		12,000.00	
Dividend paid during the year	4,947.16		5,529.18	
	11,947.16		17,529.18	
Closing Balance		6,933.13		8,918.29
Total Reserve & Surplus		**1,09,063.03**		**1,04,048.19**

4. The Company at its Annual General Meeting for the FY 2020-21 held on 29th September 2021 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 2021-22.

5. During FY 2021-22, the Company declared and paid Interim Dividend of Rs 3,783.12 lakhs at the rate of Rs 3.25/- per equity share.

6. Accordingly, the total Dividend paid during FY 2021-22 amounts to Rs 4,947.16 lakhs.

7. Further to the Interim Dividend paid as mentioned at sl.no. 5 above, the Board proposes Final Dividend @22% per share to the Equity Shareholders (previous year 20%), which works out to Rs 1280.44 lakhs.This will be paid after approval by the Shareholders in the Annual General Meeting for FY 2021-22. The total dividend for the financial year ended March 31, 2022 paid/proposed amounts to Rs 5,063.56 lakhs (including Interim Dividend of Rs 3,783.12 lakhs).

(₹ in Lakhs)

NOTE 2.18: LEASE LIABILITY (NON-CURRENT)	As at 31-03-2022		As at 31-03-2021	
Opening Balance	246.32		329.37	
Add: Lease liabilities created during the year	415.50		0.50	
Add: Interest Expenses on lease liabilities	23.99		25.74	
	685.81		355.61	
Less: Repayment of Lease Liabilities	122.93		109.29	
	562.88		246.32	
Less: Lease rent paid in advance (Contra-Note 2.6.3)	27.09		32.71	
Less: Amount shown in current maturities of Lease Liabilities (Contra-Note 2.24)	74.66	461.13	82.13	131.48
		461.13		**131.48**

NOTE 2.19: TRADE PAYABLE (NON-CURRENT)	As at 31-03-2022		As at 31-03-2021	
Deferred payment liability to foreign supplier against supply of materials				
Deferred Liabilities (from foreign suppliers against supply of material)*	1,511.72		1,308.46	
Less: Amount shown in current maturities	278.04	1,233.68	237.57	1,070.89
Amount receivable from Navy/Indian Govt towards deferred debts	1,511.72		1,308.46	
Less: Amount shown in current maturities	278.04	1,233.68	237.57	1,070.89
		-		-

*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. 31.03.2022 which is Rs 106.6013 for 1 SDR (previous year Rs 91.0858 for 1 SDR).

NOTE 2.20: OTHER FINANCIAL LIABILITIES (NON-CURRENT)	As at 31-03-2022		As at 31-03-2021	
1. Creditors for capital goods - Foreign supplier deferred credit	4.77		4.13	
Less: Amount shown in current maturities (as per Contra Note 2.26)	0.88	3.89	0.75	3.38
2. Differential Interest Liability (Exim Bank)	206.02		385.95	
Less: Amount shown in current maturities (as per Contra Note 2.26)	142.53	63.49	225.73	160.22
		67.38		**163.60**

NOTE 2.21: LONG-TERM PROVISIONS	As at 31-03-2022		As at 31-03-2021	
Provision for Leave Encashment	2,703.21		3,541.25	
Less: Current portion of leave encashment (as per Contra Note 2.29)	702.19	2,001.02	836.74	2,704.51
		2,001.02		**2,704.51**

(₹ in Lakhs)

NOTE 2.22: DEFERRED TAX (Net)	As at 31-03-2022		As at 31-03-2021	
1. Deferred Tax Assets				
Provisions:				
Provision for Doubtful Debts	458.69		368.39	
Provision for Non-Recoverable Advances	99.63		100.57	
Provision for Guarantee Repairs	447.72		406.53	
Provision for Liquidated Damages	127.20		-	
Provision for Leave Encashment	680.34		891.26	
Provision for Contribution to PRMS	154.35		-	
Provision for PLI/PRP	46.56		-	
Provision for Lease Liability	8.44	2,022.93	10.94	1,777.69
2. Deferred Tax Liabilities				
Depreciation		2,686.58		2,648.02
Deferred Tax Liabilities/(Assets)(Net)		**663.65**		**870.33**

i. Deferred tax is recognized subject to the consideration of prudence on timing differences between the taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period(s).

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.

NOTE 2.23: GOVERNMENT ASSISTANCE FOR INFRASTRUCTURE AUGMENTATION	As at 31-03-2022		As at 31-03-2021	
Balance at the beginning of the year	48,955.26		49,043.88	
Add: Amount received during the period	19,000.00		3,104.47	
	67,955.26		52,148.35	
Less: Proportionate amount of deferred revenue credited to Statement of Profit and Loss	3,452.99	64,502.27	3,193.09	48,955.26
		64,502.27		**48,955.26**

Rs 880 Cr was sanctioned by Govt of India towards augmentation of infrastruture for modernisation programme. During FY 2021-22, balance and final instalment of Rs 190.00 Cr was received on 23.09.2021. Aganist sanctioned and released amount of Rs 880 Cr, fixed assets amounting to Rs 705.24 Cr is capitalised as on 31.03.2022 and the balance amount of Rs 174.76 Cr shall be capitalised during FY 2022-23.

NOTE 2.24: LEASE LIABILITY (CURRENT)	As at 31-03-2022	As at 31-03-2021
Current maturities of lease liabilities (Contra-Note 2.18)	74.66	82.13
	74.66	**82.13**

NOTE 2.25: TRADE PAYABLES	As at 31-03-2022		As at 31-03-2021	
1. Trade Payables				
a. total outstanding dues of micro enterprises and small enterprises; and		333.60		548.96
b. total outstanding dues of creditors other than micro enterprises and small enterprises		27,235.51		29,904.23
2. Deferred Payment Liability against supply of materials payable within 12 months	278.04		237.57	
Less: Amount receivable from Navy/Indian Govt towards deferred debts	278.04	-	237.57	-
		27,569.11		**30,453.19**

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, 2022 has been paid between 1st April, 2022 to 15th May, 2022.

(₹ in Lakhs)

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Outstanding for following periods from due date of payment	Undisputed dues		Disputed Dues	
	MSME	Others	MSME	Others
Less than 1 year	333.60	12,247.79	-	-
1-2 years	-	13,298.93	-	-
2-3 years	-	455.87	-	-
More than 3 years	-	1,232.92	-	-
Total	**333.60**	**27,235.51**	**-**	**-**

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment	Undisputed dues		Disputed Dues	
	MSME	Others	MSME	Others
Less than 1 year	548.96	26,218.95	-	-
1-2 years	-	1,158.46	-	-
2-3 years	-	440.44	-	-
More than 3 years	-	2,086.38	-	-
Total	**548.96**	**29,904.23**	**-**	**-**

NOTE 2.26: OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31-03-2022		As at 31-03-2021	
1. Unclaimed Dividend		6.33		5.63
2. Earnest Money Deposit payable		334.07		391.77
3. Creditors for capital goods - Foreign supplier deferred credit (as per Contra 2.20)		0.88		0.75
4. Differential Interest Liability for Exim Bank (as per Contra 2.20)		142.53		225.73
5. Other Liabilities	1,026.17		1,026.17	
Less: Payable to Shoft Shipyard Deposited with High Court	1,026.17	-	1,026.17	-
6. Interest & Expenses on Arbitration Award on Shoft Shipyard		5,596.24		5,596.24
7. Liability for Wages and related Liabilities		1,619.98		2,539.53
		7,700.03		**8,759.65**

Note: Interest and Expenses on Arbitration Award of M/s Shoft Shipyard Private Limited was deposited by way of Bank Guarantee as directed by the Hon'ble High Court of Bombay at Goa, Panjim which is shown under "Guarantee and Counter Guarantees" at note no. 2.45.1(b).

NOTE 2.27: CONTRACT LIABILITY	As at 31-03-2022		As at 31-03-2021	
Advance received towards Ongoing Contracts (as per Contra 2.28)	3,24,959.92		2,45,000.00	
Less: Unbilled revenue	89,636.54		50,451.03	
Contract liabilities relating to ship construction, repairs, general engineering service		**2,35,323.38**		**1,94,548.97**
Loss allowance		-		-
Total Contract Liabilities		**2,35,323.38**		**1,94,548.97**

(₹ in Lakhs)

NOTE 2.28: OTHER CURRENT LIABILITIES	As at 31-03-2022		As at 31-03-2021	
1. Advances Received from Customers*	3,46,653.94		3,08,162.55	
Less: (i) Amount received towards License & Tech doc fees 1241RE (as per Contra 2.4)	1,454.30		1,454.30	
(ii) Amount received towards Ongoing Contract Assets (as per Contra 2.13)	2,916.20		44,202.77	
(iii) Amount received towards Ongoing Contract Liabilities (as per Contra 2.27)	3,24,959.92	17,323.52	2,45,000.00	17,505.48
2. Statutory Dues payable		453.17		408.94
		17,776.69		**17,914.42**

*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.

NOTE 2.29: SHORT-TERM PROVISIONS	As at 31-03-2022		As at 31-03-2021	
1. Provision for Liquidated Damages		505.39		-
2. Provision for Leave Encashment		702.19		836.74
3. Provision for Gratuity		462.91		292.20
4. Provision for Superannuation Fund		473.71		519.05
5. Provision for PRMS		977.87		968.53
6. Provision for Guarantee and Warranty				
Opening Balance	1,615.26		2,974.11	
Less: (i) Utilised - Material	33.52		1.49	
(ii) Utilised-Sub Cont and Direct Expenses	558.28		426.06	
(iii) Provisions written back	-		1,623.97	
	1,023.46		922.59	
Add: Additional Provision (Refer Note - 2.38)	755.46	1,778.92	692.67	1,615.26
		4,900.99		**4,231.78**

NOTES ON STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

NOTE 2.30: REVENUE FROM OPERATIONS	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I. Turnover (Value of Production)		
(a) Contract Revenue		
i) Ship Construction	48,590.16	64,159.27
ii) General Engineering	8,708.95	1,562.67
(b) Sale of Products		
i) B & D Spares	2,765.23	3,610.00
(c) Sale of Services		
i) Ship Repairs	3,874.11	4,304.26
ii) General Engineering	6,431.27	9,102.62
Total (I)	**70,369.72**	**82,738.82**

Disclosure as per Ind AS 115: Geographical revenue is allocated based on the location of the customers.

Information regarding geographical revenue is as follows:

Geography	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
Europe		
France	-	32.87
Asia Pacific		
India	70,259.49	82,705.95
Others	110.24	-
Total	**70,369.73**	**82,738.82**
Customer		
Government	66,282.27	75,071.95
Non-Government	3,977.22	7,634.00
Export	110.24	32.87
Total	**70,369.73**	**82,738.82**
Notes on Contract revenue recognition with respect to ongoing projects/vessels in WIP:		
Amount recognized as Revenue in Statement of Profit & Loss	49,549.39	61,995.12
Aggregate amount incurred less loss charged to Statement of Profit & Loss (Cumulative)	1,01,726.56	1,13,659.61
Advance payment received (Cumulative)	3,27,876.12	2,89,202.77
Remaining Contract to be executed	12,56,429.99	11,97,713.04
II. Other Operating Revenue		
1. Sale of Stores & Scrap	195.52	109.44
2. Settlement of Insurance Claim	17.13	7.96
3. Deferred revenue on Depreciation on Customer Funded Assets	3,452.99	3,193.09
Total (II)	**3,665.64**	**3,310.49**
Total Revenue from Operations (I+II)	**74,035.36**	**86,049.31**

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.

(₹ in Lakhs)

NOTE 2.31: OTHER INCOME	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
1. Interest				
a) On Deposits with Banks	11,849.27		8,618.39	
b) On Loan to Employees	7.99		8.15	
c) Other Interest	29.59	11,886.85	154.71	8,781.25
2. Profit on sale of fixed assets (Net)		37.79		41.38
3. Liabilities/Provisions no longer required written back		88.42		1,751.89
4. Miscellaneous Income		426.59		1,251.70
		12,439.65		**11,826.22**

NOTE 2.32: MATERIAL CONSUMPTION	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
1. Cost of Materials consumed:				
Opening Stock of Raw Materials, Stores and Spares		5,719.67		7,905.57
Add: Purchases (Gross)		28,166.25		20,637.77
		33,885.92		28,543.34
Less: Closing Stock - Stores in Hand		4,811.99		5,719.67
Value of Raw Materials consumed:		29,073.93		22,823.67
Less: Cost of Materials issued to Completed Vessels	261.58	261.58	176.20	176.20
Value of Raw Materials consumed (Gross):		28,812.35		22,647.47
Less: Materials issued for Guarantee Repair	33.52		1.49	
Stores & Spares consumption included in Repairs & Maintenance	216.00	249.52	425.93	427.42
Cost of Materials Consumed (Net)		**28,562.83**		**22,220.05**
2. Break up of Net Consumption				
i. Imported	1,617.36		5,897.21	
ii. Indigenous	26,945.47	28,562.83	16,322.84	22,220.05
Total Consumption		**28,562.83**		**22,220.05**
3. Consumption consists of:				
i. Iron & Steel	2,229.98		2,796.48	
ii. Non-ferrous Metals & Alloys	192.42		214.33	
iii. Machinery & Equipment fitting on ships etc.	26,112.03		19,198.21	
iv. Others	28.40		11.03	
		28,562.83		**22,220.05**

NOTE 2.33: COST OF BASE AND DEPOT SPARES	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
1. Cost of Base and Depot Spares				
Opening Stock		-		-
Add: Purchases		2,527.63		3,247.19
		2,527.63		3,247.19
Less: Closing Stock-Stores in Hand		-		-
Cost of Base and Depot Spares		**2,527.63**		**3,247.19**

(₹ in Lakhs)

	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
2. Break up Cost				
i. Imported	1,031.45		2,779.03	
ii.Indigenous	1,496.18	2,527.63	468.16	3,247.19
Cost of Base and Depot Spares		**2,527.63**		**3,247.19**

NOTE 2.34: EMPLOYEE BENEFITS EXPENSES

	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
1. Salaries, Wages, Allowances and Bonus	10,910.21	11,811.85
2. Leave Encashment	1.25	808.70
3. Contribution to Provident Fund	970.53	1,005.18
4. Contribution to Employees State Insurance Scheme	6.99	6.62
5. Contribution to Deposit Linked Insurance Scheme	11.92	12.65
6. Contribution to Gratuity Fund	315.72	331.71
7. Contribution to Superannuation Fund	479.78	542.90
8. Contribution to PRMS	248.06	268.50
9. Staff Welfare Expenses	1,549.75	1,484.19
	14,494.21	**16,272.30**
Less: Employee Benefits Expenses during COVID-19 restriction shown as Exceptional Item	363.64	2,451.99
	14,130.57	**13,820.31**

The Employee Benefit Expense amounting to Rs 1,851.92 lakhs has been transferred towards R & D Expenses, Project Direct Expenses, Capital Work-in-Progress and CSR Expenditure.

1. Actuarial valuation of liability towards Gratuity - Note No. 2.34 above refers.

Defined Benefit Plans Gratuity - as per actuarial valuation on March 31, 2022

i. Assumptions as at	Valuation Date 31st March 2022	Valuation Date 31st March 2021
Mortality	**IALM (2012-14) Ult**	**IALM (2012-14) Ult**
Discount Rate	7.10%	6.32%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service	10.39	10.11
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	7,205.71	7,845.77
Interest Cost	400.70	481.20
Current Service Cost	306.49	327.26
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Benefits Paid	(1,730.98)	(1,538.70)
Actuarial (Gain)/Loss on obligations	194.18	90.18
Present Value of Obligation as at the end of the year	6,376.10	7,205.71

(₹ in Lakhs)

	Valuation Date 31st March 2022	Valuation Date 31st March 2021
iii. Interest Expenses		
Interest Cost	400.70	481.20
iv. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	6,913.52	6,854.27
Interest Income	391.47	448.87
v. Net Liability		
PVO at beginning of period	7,205.71	7,845.77
Fair Value of the Asset at beginning report	6,913.52	6,854.27
Net Liability	292.19	991.50
vi. Net Interest		
Interest Expenses	400.70	481.20
Interest Income	391.47	448.87
Net Interest	9.23	32.33
vii. Actual Return on Plan Assets	438.46	578.55
Less: Interest Income included above	391.47	448.87
Return on Plan Assets excluding interest income	46.99	129.68
viii. Actuarial (Gain)/Loss on obligation		
Due to Demographic Assumption*	-	-
Due to Financial Assumption	(207.71)	130.07
Due to Experience	401.89	(39.89)
Total Actuarial (Gain)/Loss	194.18	90.18
*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	6,913.52	6,854.27
Adjustment to opening Fair Value of Plan Asset	-	12.91
Return on Plan Assets excl. interest income	46.99	129.68
Interest Income	391.47	448.87
Contribution by Employer	292.21	1,006.47
Contribution by Employee	-	-
Benefits Paid	(1,730.98)	(1,538.70)
Fair Value of Plan Assets at end	5,913.21	6,913.50
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	-	-

(₹ in Lakhs)

	Valuation Date 31st March 2022		Valuation Date 31st March 2021	
xi. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss				
PVO at end of period	6,376.10		7,205.71	
Fair Value of Plan Assets at end of period	5,913.21		6,913.50	
Funded Status	(462.89)		(292.21)	
Net Assets/(Liability) recognized in the Balance Sheet	(462.89)		(292.21)	
xii. Expenses recognized in Statement of Profit & Loss				
Current Service Cost	306.49		327.26	
Interest Cost	9.23		32.32	
Past Service Cost - (non vested benefits)	-		-	
Past Service Cost - (vested benefits)	-		-	
Expenses recognized in the Statement of Profit & Loss	315.72		359.58	
xiii. Other Comprehensive Income (OCI)				
Actuarial Gain / Loss recognized for the period	194.19		90.18	
Asset limit effect	-		-	
Return on Plan Assets excluding net interest	(46.99)		(129.68)	
Unrecognized Actuarial (Gains)/Losses from previous period	-		-	
Total Actuarial (Gain) / Loss recognised in OCI	147.20		(39.50)	
xiv. Movements in the liability recognised in Balance Sheet				
Opening Net Liability	292.20		991.50	
Adjustment to opening Fair Value of Plan Asset	-		(12.91)	
Expenses as above	315.72		359.58	
Contribution paid	(292.21)		(1,006.47)	
Other Compreneshive Income (OCI)	147.20		(39.50)	
Closing Net Liability	462.91		292.20	
xv. Schedule III of the Companies Act, 2013				
Current Liability	462.91		292.20	
Non Current Liability	5,913.14		6,913.52	
xvi. Projected Service Cost 31st March 2022/Cost 31st March 2021	250.18		306.49	
xvii. Asset Information	**Total Amount**	**Target allocation (%)**	**Total Amount**	**Target allocation (%)**
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund (Trustees of the Scheme)	5,913.14	100.00	6,913.52	100.00
Debt Security - Government Bond	-	-	-	-
Equity Securities - Corporate Debt Securities	-	-	-	-
Total Itemized Assets	**5,913.14**	**100.00**	**6,913.52**	**100.00**
xviii. Sensitivity Analysis	**01-04-2021 to 31-03-2022**			
Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	**6134.27**	**6645.79**	**6570.33**	**6185.57**

(₹ in Lakhs)

xix. Expected Payout	01-04-2021 to 31-03-2022	01-04-2020 to 31-03-2021
Year	Payout	Payout
Expected Outgo First	1,105.05	1,244.60
Expected Outgo Second	1,384.13	1,562.19
Expected Outgo Third	1,100.23	1,263.52
Expected Outgo Fourth	854.88	963.01
Expected Outgo Fifth	703.55	778.40
Expected Outgo Six to Ten Years	1,789.25	1,890.31
xx. Weighted average remaining duration of Defined Benefit Obligation	4.56	4.24

2. Actuarial valuation of liability towards Leave Encashment - Note No. 2.34 above refers.

Defined Benefit Plans Leave Encashment as per actuarial valuation on March 31, 2022

i. Assumptions as at	Valuation Date 31st March 2022	Valuation Date 31st March 2021
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult
Discount Rate	7.10%	6.32%
Rate of Increase in Compensation Levels	4.00%	4.00%
Rate of Return on Plan Assets	-	-
Expected Average remaining working lives of employees (years)	10.30	10.11
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	3,541.26	3,490.99
Interest Cost	206.73	220.55
Past Service Cost - (non vested benefits)	616.06	627.72
Past Service Cost - (vested benefits)	-	-
Benefits Paid	(540.89)	(495.54)
Actuarial (Gain)/Loss on Obligations	(1,119.94)	(302.46)
Present Value of Obligation as at the end of the year	2,703.22	3,541.26
iii. Interest Expenses		
Interest Cost	206.73	220.55
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	3,541.26	3,490.99
Fair Value of the Asset at beginning of report	-	-
Net Liability	3,541.26	3,490.99
vi. Net Interest		
Interest Expenses	206.73	220.55
Interest Income	-	-
Net Interest	206.73	220.55

(₹ in Lakhs)

	Valuation Date 31st March 2022	Valuation Date 31st March 2021
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	(101.82)	75.02
Due to Experience	(1,018.12)	(377.48)
Total Actuarial (Gain)/Loss	(1,119.94)	(302.46)
*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	540.89	495.54
Contribution by Employee	-	-
Benefits Paid	(540.89)	(495.54)
Fair Value of Plan Assets at end	-	-
x. Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past Service Cost - non vested benefits	-	-
Recognised Past Service Cost - vested benefits	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
xi. Amount to be recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of period	2,703.22	3,541.26
Fair Value of Plan Assets at end of period	-	-
Funded Status	(2,703.22)	(3,541.26)
Net Assets/(Liability) recognized in the Balance Sheet	(2,703.22)	(3,541.26)
xii. Expenses recognized in Statement of Profit & Loss		
Current Service Cost	616.06	627.72
Interest Cost	206.73	220.55
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Curtailment effect	-	-
Settlement Cost/(Credit)	-	-
Actuarial (Gain)/Loss recognized in the year	(1,119.94)	(302.46)
Expenses recognized in the Statement of Profit & Loss	(297.15)	545.81

(₹ in Lakhs)

	Valuation Date 31st March 2022	Valuation Date 31st March 2021
xiii. Other Comprehensive Income (OCI)		
Actuarial Gain/Loss recognized for the period	-	-
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/ Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognised in OCI	-	-
xiv. Movements in the Liability recognised in Balance Sheet		
Opening Net liability	3,541.25	3,490.98
Adjustment to opening Fair value of plan assets	-	-
Expenses as above	(297.15)	545.81
Contribution paid	(540.89)	(495.54)
Other Comprenehsive Income (OCI)	-	-
Closing Net Liability	2,703.21	3,541.25
xv. Schedule III of the Companies Act, 2013		
Current Liability	702.19	836.74
Non Current Liability	2,001.02	2,704.51
xvi. Projected Service Cost 31st March 2022/Cost 31st March 2021	618.96	616.06
xvii. Asset Information	Not Applicable as the plan is unfunded	
xviii. Sensitivity Analysis	**01-04-2021 to 31-03-2022**	

Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
	PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
PVO	**2586.40**	**2835.66**	**2833.89**	**2586.19**

xix. Expected Payout	**01-04-2021 to 31-03-2022**	**01-04-2020 to 31-03-2021**
Year	**Payout**	**Payout**
Expected Outgo First	702.19	836.74
Expected Outgo Second	730.70	890.71
Expected Outgo Third	586.45	780.44
Expected Outgo Fourth	569.90	645.92
Expected Outgo Fifth	535.98	607.30
Expected Outgo Six to Ten Years	2,163.93	2,290.51
xx. Weighted average remaining duration of Defined Benefit Obligation	5.31	5.07

NOTE 2.35: FINANCE COST	**For the Year Ended 31st March, 2022**	**For the Year Ended 31st March, 2021**
1. Interest Expenses	0.01	0.42
2. Interest on Lease Liabilities	23.99	25.74
3. Others	1.52	0.01
	25.52	**26.17**

(₹ in Lakhs)

2.36 OTHER EXPENSES	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
1. Power, Fuel and Electricity		640.73		459.72
2. Rent		4.87		42.16
3. Rates and Taxes		35.76		21.70
4. Water Expenses		137.88		51.54
5. Insurance		167.16		160.58
6. Repairs and Maintenance:				
i) Factory Buildings & Site	137.58		297.30	
ii) Plant and Machinery	439.23		375.89	
iii) Others	1,136.54		623.58	
	1,713.35	1,713.35	1,296.77	1,296.77
7. Printing and Stationery		18.53		6.84
8. Postage, Telegrams and Telephone		51.31		48.99
9. Travelling Expenses	152.01		110.20	
Less: Amount included under				
- Training Expenses	0.88		-	
- Recruitment Expenses	0.83	150.30	0.43	109.77
10. Recruitment Expenses	14.52		1.40	
Less: Advertisement expenses for recruitment included under the Head "Advertisement"	13.69	0.83	0.97	0.43
11. Advertisement				
- Recruitment	13.69		0.97	
- Staff & Establishment	1.65		-	
- Tenders	31.08		14.48	
- Publicity	20.48	66.90	19.63	35.08
12. Business Promotion Expenses		141.47		136.36
13. Export Promotion Expenses		-		12.67
14. Contribution to DIO-iDEX		500.00		500.00
15. Bank Charges		43.54		11.22
16. Auditors Remuneration				
- Statutory Audit Fees	3.00		3.00	
- Auditor fees for other services	3.25		2.50	
- Tax Audit Fees	1.00		0.50	
- Audit Expenses	2.85	10.10	1.90	7.90
17. Other Audit Fees				
- Cost Audit Fees	1.50		1.50	
- Fees for Secretarial Audit	0.75		0.70	
- Audit Expenses	0.50		0.50	
- Fees for Certification	0.98		1.04	
- Internal Audit Fees	5.04	8.77	4.47	8.21
18. CISF and Security Expenses		1,503.05		1,449.22
19. Stock Adjustments		(1.29)		-
20. Legal Charges		42.54		10.82

(₹ in Lakhs)

	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
21. Professional and Consultant Fees		125.56		73.13
22. Vehicle Hire charges		141.11		124.52
23. Books & Periodicals		14.72		9.88
24. Donation		-		50.76
25. Foreign Exchange Variation		3.49		4.44
26. Training Expenses	12.47		11.67	
Add: Travelling Expenses for training	0.88	13.35	-	11.67
27. Directors Sitting Fees & Expenses		2.03		1.43
28. LD/FE Variation Deducted by Customer		0.29		6.05
29. R & D Expenditure		817.31		932.77
30. Stores Clearing and Handling Charges		90.79		182.79
31. Exchange Fluctuation Gain on Forward Contract		-		(13.25)
32. Miscellaneous Expenses		264.76		238.78
		6,709.21		**5,992.95**

NOTE 2.37: CORPORATE SOCIAL RESPONSIBILITY	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
(a) Gross Amount required to be spent by the Company during the period		431.81		537.29
(b) Amount spent during the period		447.33		581.02
(i) On construction or acquisition of Assets - Amount paid	307.06		270.98	
- Contractual liability	34.19	341.25	34.91	305.89
(ii) On purposes other than (i) above - Amount paid	98.96		269.82	
- Contractual liability	7.12	106.08	5.31	275.13
		447.33		**581.02**

The Contractual liability mentioned above has been paid post March 31, 2022 before the date of reporting of financial statement.

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

Description of CSR activities	Relevant clause of schedule VII to the Companies Act, 2013	For the Year Ended 31st March, 2022	For the Year ended 31st March, 2021
Eradicating hunger, poverty and malnutrition, ["promoting health care including preventinve health care"] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Clause (i)	316.69	273.08
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Clause (ii)	108.24	109.08
Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows].	Clause (vi)	2.00	1.00

(₹ in Lakhs)

Description of CSR activities	Relevant clause of schedule VII to the Companies Act, 2013	For the Year Ended 31st March, 2022	For the Year ended 31st March, 2021
Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.	Clause (viii)	0.00	125.00
Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.	Clause (ix-a)	0.00	50.00
Amount spent in Administration Overheads.		20.40	22.86
Total		**447.33**	**581.02**

NOTE 2.38: PROVISIONS MADE	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
1. Guarantee Repairs	755.46	692.67
2. Bad and Doubtful Debts	358.79	307.28
3. Liquidated Damages	505.39	-
	1,619.64	**999.95**

NOTE 2.39: EXCEPTIONAL ITEMS	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
1. Employees Benefit Expenses	363.64	2,451.99
2. Depreciation & Amortisation Expenses	-	322.83
	363.64	**2,774.82**

As per local Government directives on account of COVID-19 pandemic, the production activities of the Company were carried out in curtailed manner from 07-05-2021 to 03-07-2021. With regard to accounting of revenue expenses, the Company has worked out the amount of exceptional item of expenditure of Rs 363.64 lakhs towards the impact of COVID-19 pandemic and disclosed accordingly.

NOTE 2.40: INCOME TAX	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
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	3,750.00	4,370.00
Taxes pertaining to earlier year	(109.15)	(280.00)
Deferred Tax:		
In respect of current period	(206.68)	351.30
Income Tax expenses recognised in the Statement of Profit & Loss	3,434.17	4,441.30

(₹ in Lakhs)

	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
B. Reconciliation of Tax expenses and the accounting profit for the year is as under:		
Profit before Tax	13,543.36	17,232.33
Income Tax computed @ 25.168%	3,408.59	4,337.03
Tax effect on non deductible expenses	238.42	272.07
Effect of income which is taxed at special rates	-	-
Others	(111.18)	109.63
Additional Provision	7.49	2.57
Total	**3,543.32**	**4,721.30**
Adjustments in respect of current income tax of previous year	(109.15)	(280.00)
Tax expense as per Statement of Profit and Loss	**3,434.17**	**4,441.30**

NOTE 2.41: EARNINGS PER SHARE	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
Profit for the period (PAT)	10,109.19	12,791.03
Earnings per share Basic (in Rs.)	8.68	10.99
Earnings per share Diluted (in Rs.)	8.68	10.99
Share having nominal value of Rs 5/- each (previous year Rs 5/- each)		

ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

NOTE 2.42: 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.

NOTE 2.43

Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the financial statements:

i) Value of import on CIF basis

ii) Expenditure on foreign currency

iii) Earning in foreign currency

NOTE 2.44: 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.

NOTE 2.45: 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:

(₹ in Lakhs)

NOTE 2.45.1: Amounts for which Company may be contingently liable:

Particulars	For the Year Ended 31st March,2022	For the Year Ended 31st March, 2021
a) (i) Estimated amount of contracts remaining to be executed on capital commitments.	2,078.13	12,172.09
(ii) Estimated amount of contracts remaining to be executed apart from capital commitments.	479,530.08	333,984.51
b) Position of non-fund based limits utilized for:		
(i) Letters of Credit	630.52	422.13
(ii) Guarantees and counter guarantees	28,285.98	10,048.65
c) Indemnity Bonds issued by the Company to Customers for various contracts	562,547.28	592,660.28

Note: The item "Guarantee and Counter Guarantees" at note no. 2.45.1(b)(ii) above includes an amount of Rs 56.91 Cr representing interest portion of the arbitration award deposited in the form of Bank Guarantee, as directed by the Hon'ble High Court of Bombay at Goa, Panjim in the arbitration case with M/s Shoft Shipyard Private Limited.

NOTE 2.45.2: Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:

Sl. No	Particulars	FY 2021-22				FY 2020-21			
		Carrying amount as at 01.04.2021	Utilise during the year	Additions during the year	Amount as at 31.03.2022	Carrying amount as at 01.04.2020	Utilise during the year	Additions during the year	Amount as at 31.03.2021
(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.	402.71	-	123.23	525.94	308.36	-	94.35	402.71
(iii)	System Security in arbitration for non compliance of Statutory Payments.	31.04	-	9.49	40.53	23.77	-	7.27	31.04
(iv)	JMC: Contract value enhancement and migration from VAT to GST.	774.00	-		774.00	774.00		-	774.00
(v)	Back Wages order by Labour Court in connection with dismissed employee.	-	-	70.92	70.92	-	-	-	-
	Total	**2,047.75**	**-**	**203.64**	**2,251.39**	**1,946.13**	**-**	**101.62**	**2,047.75**

NOTE 2.45.3: 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 856.32 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 against the said order after depositing of Rs 42.48 lakhs being 7.5% of the disputed amount.

(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.

(iii) The Joint Commissioner GST, Goa have passed an order dated 21.10.2021 resulting in demand for Rs 65.73 lakhs in respect of non-payment of service tax on Liquidated Damages deducted from the suppliers during Oct, 2015 to Jun, 2017 and recovery of Cenvat Credit amounting to Rs 25.90 lakhs availed on input services which are not in relation to the taxable output services. The Company has filed an appeal on 25.12.2021 before The Joint Commissioner, GST (Appeals), under Section 75 of Finance Act, 1944 against the said order after depositing of Rs 4.92 lakhs being 7.5% of the disputed amount and reversal of disputed Cenvat Credits for Rs 25.90 lakhs.

(iv) The Commercial Tax Authorities, Goa under Goa VAT Act & Central Sales Tax Act, have passed an order dated 12.08.2021 resulting in demand of Rs 33.96 lakhs for FY 2017-18 in respect of disallowances of Input Tax Credit. The Company has filed an appeal on 14.10.2021 before Additional Commissioner of Commercial Tax against the order of the assessing officer.

NOTE 2.46:

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 2,441.06 lakhs towards the above and the balance amount is expected to be received in FY 2022-23.

NOTE 2.47:

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 period ended March 31, 2022 are as follows:

	Category of Right to Use (₹ in Lakhs)			
	Land	**Building**	**Others**	**Total**
Opening Balance April 01 2021	138.19	64.68	-	202.87
Additions	-	413.58	-	413.58
Deletions	-	-	-	-
Depreciation	11.96	75.15	-	87.11
Balance as on March 31, 2022	**126.23**	**403.11**	**-**	**529.34**

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 4.87 lakhs for the year ended March 31, 2022 (previous year Rs 42.16 lakhs) which is shown as Rent under the head Other Expenses.

NOTE 2.48: 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 and vide letter no 4(4) (d) (Acq)/20 dated 02.09.2021 have extended the contractual delivery dates of the projects under execution in the Company for a period of 2.5 months i.e. 15th April 2021 to 30th June 2021 due to Force Majeure respectively. 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 operational activities in curtailed manner due to COVID-19 pandemic at Rs 363.64 lakhs and disclosed separately in the Note 2.39 "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.

NOTE 2.49: 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	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

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2022		For the Year ended 31st March, 2021	
	Short term benefits	Post & long term employment benefits	Short term benefits	Post & long term employment benefits
Chairman & Managing Director	69.72	11.71	56.82	10.33
Director (Finance)	54.82	9.70	47.36	8.56
Ex Director (Operations) up to 31.08.2020*	-	-	54.85	4.60
Director (CPP&BD)	49.92	8.57	44.81	4.30
Director (Operations) from 01.09.2020	39.27	11.12	17.98	9.81
Company Secretary	23.32	5.06	22.31	4.47

*includes terminal benefits

(b) (2) Sitting fees to Independent Directors

Particulars	For the Year ended 31st March, 2022		For the Year ended 31st March, 2021	
	Board meetings	Committee meetings	Board meetings	Committee meetings
Shri V. Nagaraj (upto 26.09.2020)	-	-	0.40	0.80
Shri Deepak Manohar Patwardhan (from 31.12.2021)	0.20	0.70	-	-
Shri Hasmukhbhai Ishwarlal Hindocha (from 03.01.2022)	0.20	0.50	-	-

(b)(3) Transaction with Other Related Parties

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Ministry of Defence (GOI)		
Revenue	78,701.12	77,310.13
Outstanding Balance arising from sales /purchase and services		
Trade Receivable	18,731.60	20,244.89
Mazagon Dock Shipbuilders Ltd (MDL)		
Sale of Goods	26.65	-
Rent Expenses	9.49	10.05
Outstanding Balance arising from sales /purchase and services		
(a) Trade Receivable	44.38	12.93
(b) Amount Payable	0.81	2.66
Other Tansactions		
Dividend paid to shareholder who are related to Company	4,863.04	5,435.16

Note: The transactions are conducted in the ordinary course of the Company's business.

NOTE 2.50: CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.

The Company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The net debt includes interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at 31-03-2022	As at 31-03-2021
Trade Payables	27,569.11	30,453.19
Other Payables	26,079.89	27,051.28
Less: Cash and Cash Equivalents	12,391.48	15,135.89
Net Debt	**41,257.52**	**42,368.58**
Equity Share Capital	5,820.19	5,820.19
Other Equity	109,063.03	104,048.19
Total Equity	**114,883.22**	**109,868.38**
Gearing Ratio	**0.36**	**0.39**

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2022 and 31 March 2021.

NOTE 2.51: 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 and loans.

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 debt except lease laibilities.

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 which is minimal.

2) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables. The Company mainly has transactions with government agencies and are considered to have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties Credit risk arising from derivative financial instruments and other balances with banks 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.

Trade Receivable

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Trade Receivable. The Company evaluates the concentration of risk with respect to trade receivables as low, as its major customers are Coast Guard, Indian Navy and Army under Ministry of Defence.

(₹ in Lakhs)

Movement in expected credit loss allowance on trade receivables	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the year	1,463.74	1,157.80
Loss allowance measured at lifetime expected credit losses	358.79	305.94
Balance at the end of the year	**1822.53**	**1,463.74**

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 if needed to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below summarises the maturity profile of the Company's financial liabilities on contractual undiscounted payments.

(₹ in Lakhs)

Particulars: Year Ended 31.03.2022	Lease liabilities	Other financial liabilities	Trade payables
On Demand	-	5,930.30	1,058.74
Less than 3 months	12.44	-	5,769.60
3 to 12 months	62.22	1,763.66	13,235.83
1 to 5 years	344.61	72.09	7,504.94
> 5 years	116.52	1.34	-
Total	**535.79**	**7,767.39**	**27,569.11**

Particulars: Year Ended 31.03.2021	Lease liabilities	Other financial liabilities	Trade payables
On Demand	-	5,988.01	1,595.24
Less than 3 months	16.80	-	3,096.79
3 to 12 months	77.73	2,766.30	11,396.45
1 to 5 years	12.43	168.94	14,364.71
> 5 years	106.65	-	-
Total	**213.61**	**8,923.25**	**30,453.19**

NOTE 2.52: FINANCIAL INSTRUMENTS

A. Category wise classification of financial instruments:

	Refer Note	As at 31-03-2022	As at 31-03-2021
(i) Trade receivables	2.8	18,953.08	20,184.32
(ii) Cash and cash equivalents	2.9	12,391.48	15,135.89
(iii) Bank balances other than (ii) above	2.10	244,397.00	191,002.62
(iv) Loans	2.4 & 2.11	141.64	210.40
(v) Other financial assets	2.5 & 2.12	9,150.96	6,567.86
Total Financial Assets		**285,034.16**	**233,101.09**
Financial liabilities measured at amortised cost			
(i) Lease liabilities	2.17 & 2.23	535.79	213.61
(ii) Trade payables	2.18 & 2.24	27,569.11	30,453.19
(iii) Other financial liabilities	2.19 & 2.25	7,767.41	8,923.25
Total Financial Liabilities		**35,872.31**	**39,590.05**

NOTE 2.53: ADDITIONAL REGULATORY INFORMATION

(₹ in Lakhs)

Particulars	Numerator	Denominator	As at 31-03-2022	As at 31-03-2021
1. Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.24	1.22
2. Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	NA	NA
3. Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	NA	NA
4. Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	9.00%	12.04%
5. Trade receivables turnover ratio (in times)	Sales made during the year	Average trade receivables	10.43	10.91
6. Trade payables turnover ratio (in times)	Cost of purchase and other expenses	Average trade payables	133.89	173.58
7. Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.16	1.54
8. Net profit ratio (in %)	Profit for the year	Revenue from operations	13.65	14.86
9. Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	12.00	18.06
10. Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	5.05	5.38
11. Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	12.37	10.47

(i) The Company being not having any debts, Debt-Equity ratio (in times) and Debt Service Coverage ratio (in times) is not applicable.

(ii) Due to completion of 5 CGOPV project, revenue recognised in the current year is lower than compare to last year. This impacted decrease in Return on capital employed.

NOTE 2.54:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.

NOTE 2.55:

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 P G BHAGWAT LLP
Chartered Accountants
(FRN 101118W/W100682)

Sd/-
Shrinivas G Deshpande
Partner
M.No. 234875
UDIN: 22234875AJURIQ7299

Place: Vasco da Gama, Goa
Date: 28-05-2022

For and on behalf of the Board of Directors
GOA SHIPYARD LIMITED

Sd/-
T N Sudhakar
CMD (Addl Charge), Director (Finance) & CFO
DIN Number: 07419878

Sd/-
Chhaya Jain
Company Secretary

Sd/-
Capt. Jagmohan, IN (Retd.)
Director (CPP & BD)
DIN Number: 08630668

Place: Vasco da Gama, Goa
Date: 28-05-2022

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GOA SHIPYARD LIMITED

CIN: U63032GA1967GOI000077

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