Goa Shipyard Limited

Annual Report 2016-17



Phase 3A inauguration by PM on 13 Nov 16


Best Performing MoD Shipyard

Celebrating 60 Glorious years 1957 - 2017


Commissioning of ICGS Shaurya on 12 Aug 17


Commissioning of MCGS Valiant on 16 Aug 17

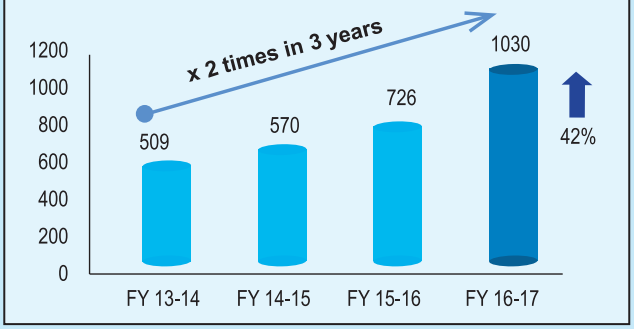


Commissioning of SLOPV on 02 Aug 17

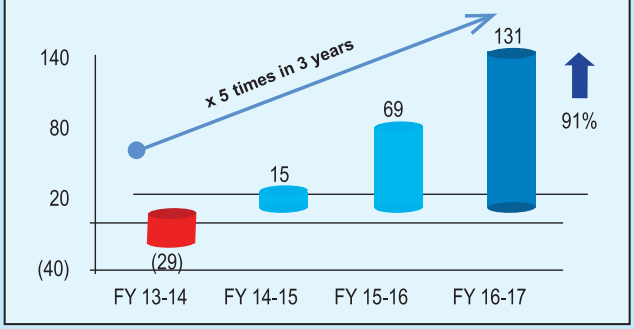
Registered Best Financial Results in history of GSL
Adjudged Best Performing DPSU Shipyard by MoD - May 17

COMPARITIVE FINANCIAL PERFORMANCE FOR LAST FOUR YEARS

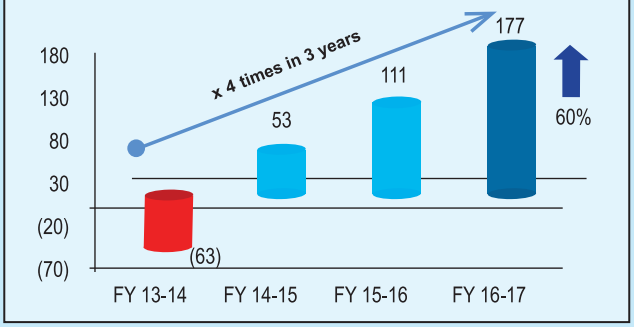
Value of Production (Rs Cr)



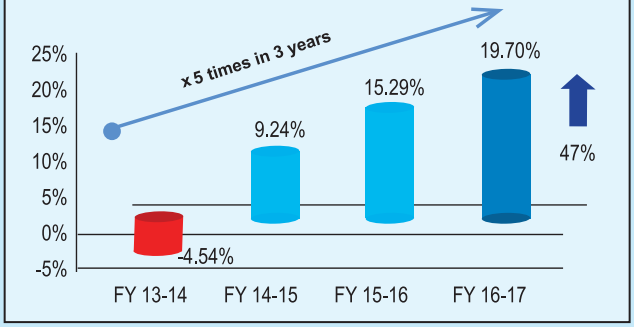
Operating Profit (Rs Cr)



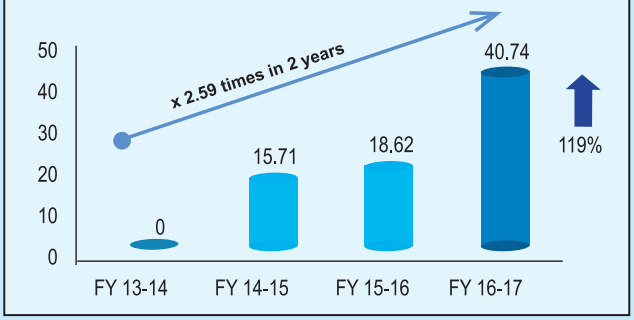
Profit Before Tax (Rs Cr)



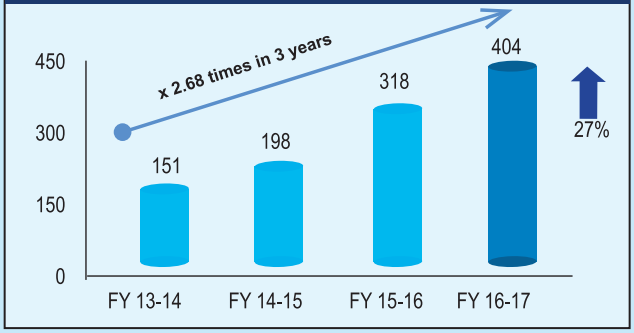
EBIDTA MARGIN (%)



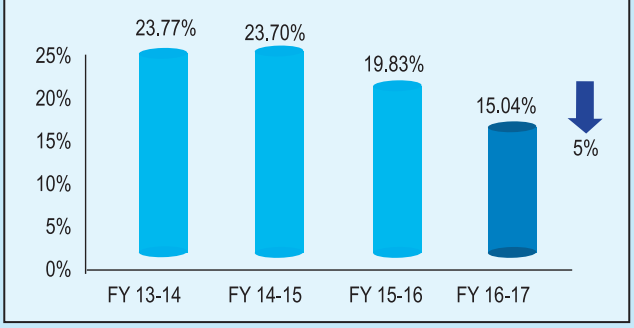
DIVIDEND PAYOUT (Rs Cr)



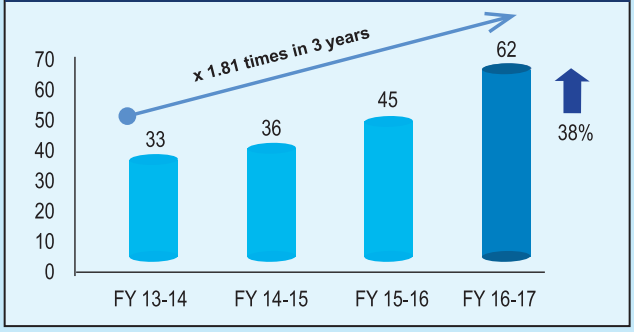
VALUE ADDED (Rs Cr)



LABOUR COST AS % OF VOP



TURNOVER PR EMPLOYEE (Rs Lakhs)



Performance Highlights – FY 16-17

Performance Parameter

- Highest ever **VoP** in history of GSL - ₹ 1030 Cr (42% YoY growth)
- Highest **PBT** in last 06 years - ₹ 177 Cr (Over 91% YoY growth)
- Highest **Value Added Per Employee** in history of GSL - ₹ 25 lacs.
- Highest ever **Exports** of ₹ 400 Crore – over 40% turnover from Exports.
- **Recovery of Old outstanding FD** (₹ 30 Cr) from M/s CCIL, which was pending since 1995.
- **MoU rating** has moved up to **'Excellent'** [from 'Good' (FY 11-12, 12-13, 13-14) and 'Very Good' (FY 14-15) in last 5 years].

Distinguishing Accomplishments

- **Gross tonnage** of 7800 Tonnes delivered in last financial year, highest in history of GSL.
- **Delivered** 01 CGOPV, 01 OPV to Sri Lanka, 01 FPV to Mauritius & 01 - 1000 Ton Fuel Barge to Indian Navy. **Delivery of 04 ships within 16 days** is rare accomplishment in Indian Shipbuilding Industry.
- **Nominated** for weapon intensive **Missile Frigate Project 1135.6.**
- Reduced **'Build Period'** of OPVs from 67 months to 36 months.
- Awarded **'Best Performing Shipyard-2016'** by MoD / Hon'ble RM on **30 May 17**
- Awarded prestigious **SCOPE Award** for 'Turnaround' for FY 14-15 on **11 Apr 2017**

Revolutionizing the Existing Technology :
Our Routine

GSL Contribution to Govt Initiatives

Make in India Initiatives

- GSL is the first DPSU Shipyard to formulate and adopt **Make-in-India Policy (Outsourcing, Long Term Procurement & Vendor Development and Indigenization).**
- Policy aims to increase **Indigenization level** from existing 60% to 70% of the material value in forthcoming Projects.
- First DPSU to adopt **Purchase Preference Policy** to prefer Local Indian Manufacturers, over Foreign Manufacturers, to encourage indigenization.
- Items/ areas identified for Indigenization/ import substitution, hosted on website. Provisions of '**repeat**' orders for items indigenized successfully for Import Substitution adopted.
- '**Make-in-India**' Cell established, with Nodal Officers nominated in respective disciplines.
- Introduction of '**Deemed Registration**' for firm registered with any DPSU.
- Achieved **33% procurement from MSMEs** for FY 2016-17 as against mandatory target of 20%.
- Proactively identified 17 project specific items over and above 358 items reserved for mandatory procurement through MSE vendors.
- **Payment terms** to domestic firms including MSEs relaxed.
- Adopted '**Start-up policy'** with a view to encourage Start–ups by relaxing norms.

MCMV Project & Project 1135.6 for Missile Frigates: True 'Make-in-India' Mega Projects

- Entrusted to construct technology intensive MCMV Project & Advanced Missile Frigates indigenously in India.
- Creation of Infrastructure/ facilities underway to execute these Projects as per timelines.

Skill Development Initiatives

- 10% weightage during recruitment to apprentices trained in shipyards.
- Apprentice intake enhanced by 300% from the year 2015 onwards, taking it to 10% of manpower strength in 2016-17.
- Additional infrastructure created along with new equipment for quality Apprenticeship Training.
- State-of-the-Art '**Centre of Excellence for Welding**' created at a cost of Rs 81 lakhs.
- Vasco ITI adopted for transforming it into a model ITI.
- '**Train the Trainer**' program undertaken for grooming ITI instructors.
- Provided specialized 03 months training in 3G Welding and certification by Indian Registrar of Shipping
- Special course started in FRP for MCMV project in local institutions.

Swachh Bharat Initiatives

- Friday declared as cleanliness day at GSL.
- Adopted 03 Municipal wards in Vasco for Cleanliness activities
- Donated Garbage Disposal Vans & Heavy duty garbage bins to Vasco Municipality.
- Adopted major stretch of a main road in Vasco city for cleanliness.
- Contributed towards '**Safe drinking water and sanitation**' for school children.
- Construction/ renovation of toilets in schools/ ITI as well as construction of public toilets & their maintenance.
- Provided mobile toilets to Murmugao Municipal Council for the use of local populace of Vasco city.
- Part of Department of Defence Production (DDP), which has been selected for Swachh Bharat Special award by Govt of India.

Celebrating 1957 - 2017 60 Glorious Years

BOARD OF DIRECTORS



RAdm Shekhar Mital, NM, IN (Retd)
Chairman & Managing Director



Shri Vijayendra



Smt Kusum Singh
(upto 01.09.2017)



Shri Ashok Nayak
(upto 22.07.2017)



Shri K. Mohandas



Shri S.P. Raikar
Director (Operations)



Shri T.N. Sudhakar
Director (Finance)



Cmde B.B. Nagpal, NM, IN (Retd)
Director (Corporate Planning, Projects & Business Development)

STATUTORY AUDITORS
M/s. Deshpande Pandit & Co.
Chartered Accountants
Belgaum, Karnataka

COST AUDITOR
CMA V.P. Rammohan Menon
Practicing Cost Accountant
Margao, Goa – 403 602.

SHRI R. C. ASUKAR
General Manager (Legal)
& Company Secretary
(Upto 31-12-2016)

SECRETARIAL AUDITOR
Shri Francisco Dias
Practicing Company Secretary
Vasco da Gama, Goa – 403 802.

SHRI S. V. ADHIA
Company Secretary
(From 06-02-2017
to 31-08-2017)

BANKERS
Vasco da Gama, Goa
- State Bank of India
- Canara Bank
- Bank of Maharashtra
- Corporation Bank
- IDBI Bank

REGISTERED OFFICE
Vaddem House, Vasco da Gama, Goa.

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

Celebrating 1957 - 2017 60 Glorious Years

GOA SHIPYARD LIMITED

MISSION

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

CORPORATE QUALITY POLICY

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

CORE VALUES

CUSTOMER SATISFACTION

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

RAdm. Shekhar Mital, IN (Retd.)	.....	Chairman & Managing Director
Shri S. P. Raikar	.....	Director (Operations)
Shri T. N. Sudhakar	.....	Director (Finance)
Cmde. B. B. Nagpal IN (Retd.)	.....	Director (CPP&BD)
Shri B Selva Kumar, IPoS CVO, HAL	.....	Chief Vigilance Officer (Addl. charge w.e.f. 09.05.2015)
Shri S. S. Bhat	.....	Chief General Manager (Technical Services)
Shri S. J. Kamat	.....	Chief General Manager (FPG)
Shri S. Anil Kumar	.....	General Manager (Production)
Shri Mahesh Malkarnekar	.....	General Manager (Design/Engg.)
Shri A. V. Raviprakash	.....	General Manager (Commercial)
Shri John K. James	.....	General Manager (Ship Repairs)
Shri S. S. Bagi	.....	General Manager (Finance)
Shri Anthony N. D'Souza	.....	General Manager (OF/E&P)
Shri R. G. Vaidya	.....	General Manager (HC)
Shri B. K. Upadhyay	.....	General Manager (GES)
Shri Manoranjan Khuntia	.....	General Manager (HR&A)
Shri Allen Peter Caesar	.....	Addl. General Manager (QA & R)
Shri S. V. Adhia	.....	Company Secretary - Member Secretary (upto 31.08.2017)
Shri L. V. Raykar	.....	Addl. General Manager (Outsourcing)
Shri Clifford Pereira	.....	Addl. General Manager (Planning)
Shri J. Jairam	.....	Offg. Chief Vigilance Officer/Addl. General Manager (Vig.)
Shri M. B. Anand	.....	Internal Auditor - Addl. General Manager
Shri K. M. Samant	.....	Addl. General Manager (Legal)
Shri Nagesh D. Pai	.....	HOD (SMP) - Addl. General Manager
Maj. H. R. Madhusudhan (Retd.)	.....	Addl. General Manager (Admin)
Mrs. Chhaya Jain	.....	Company Secretary (from 01.09.2017)
Cdr. Saurabh Jain, IN (Retd.)	.....	TA to CMD - Member Secretary (from 01.09.2017)
Shri Bikram	.....	Dy. Commandant - CISF
Dr. G. V. Prabhu	.....	Advisor (Medical & OHSE) – Special Invitee
Shri B. N. Redkar	.....	Consultant (Production) – Special Invitee



CORPORATE OBJECTIVES

Production & Utilisation of Resources:

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

Social Objectives:

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

Export Promotion & Import Substitution:

10. Earn foreign exchange through shipbuilding and shiprepair.

Employee Relations & Welfare:

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

Raise Productivity by R&D and Quality Control:

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



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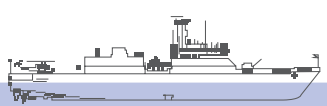
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CHAIRMAN'S ADDRESS AT THE 51ST AGM ON 26TH SEPTEMBER, 2017

Ladies & Gentlemen,

"There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder."- Ronald Reagan, 40th President of the United States.

1. It gives me immense pleasure in welcoming you all to this 51st Annual General Meeting of the Company. I am delighted to present performance of the Company for yet another financial year. This is a direct result of policy initiatives taken in the last two years, which has started yielding excellent results with a promise for more improvements going forward. Despite the numerous challenges, we have achieved the highest ever VoP in the history of GSL and delivered the best operating performance ever. The Annual Report for FY 2016-17, inter alia, containing Audited Financial Statements and Directors' Report was sent to members on 29th August, 2017. I hope you have perused the same.



Industry Scenario

2. Over the last few years, major reforms are unleashing nation's immense potential. Government programmes like Make in India, Startup India and Digital India are being taken up in a mission mode and have the potential to transform India into a manufacturing hub and a developed country. With a sharp focus towards this vision, the Government has unveiled the Defence Procurement Procedure (DPP) 2016, which focuses on institutionalising, streamlining and simplifying defence procurement procedures. Long pending policy changes have also been recently affected by the Government to promote **'Ease of Doing'** business in Defence procurements, which will improve the business environment further.

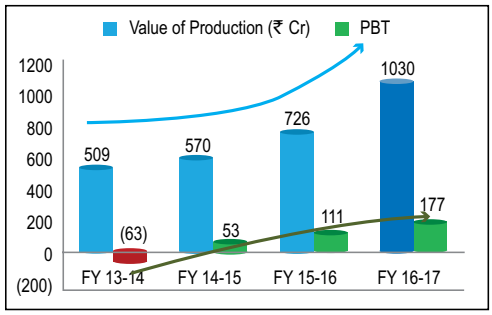
Government programmes like Make in India, Startup India and Digital India are being taken up in a mission mode and have the potential to transform India into a manufacturing hub and a developed country.

3. The Company believes that there are enough opportunities in the shipbuilding and repair sector and accordingly, the Company is continuously optimising its capacity/ resources, augmenting capability, realigning internal policies, fortifying its product offerings and taking them to prospective as well as existing customers. In doing so, the Company has always aligned its goal with the aim of nation building and delivered better and technologically advanced vessels for maritime security of our nation.

Company has always aligned its goal with the aim of nation building and delivered better and technologically advanced vessels for maritime security of our nation.



Financial Performance



4. I would like to take the opportunity to share with you the financial highlights of the year gone by. You would be happy to note that your Company has registered an astounding growth in production, revenues and profits as a result of greater thrust on continuous Innovation, Quality Assurances, and reduction in 'Build Period'.

5. Your Company has successfully maintained the momentum of growth and has achieved an impressive **VoP of ₹ 1030 Crore (highest in the history of GSL)** as against ₹ 726 Crore in the previous year, **an increase of 42% over the previous year.** The Company has achieved **highest ever exports of ₹ 399 Crore, which is almost 40% of VoP.** Further, **Operating Profit has jumped to ₹ 131 Crore as against ₹ 69 Crore in the previous year, a growth of 91% year on year. The Company has achieved PBT of ₹ 177 Crore during FY 2016-17, highest in the last six years**. This has been made possible due to increase in **Value Added per employee from ₹ 19.81 lakh to ₹ 24.39 lakh and Labour Cost as a percentage of VOP coming down to 15.04% from 19.83% recorded in the previous year,** amongst other profit boosting measures.

Company achieved highest VoP in the history of GSL at ₹ 1030 Crore as against ₹ 726 Crore in the previous year, an increase of 42% over the previous year. Achieved PBT of ₹ 177 Crore, highest in the last six years.

6. The overall growth in financial results has been a direct manifestation of unwavering commitment, inexorable pursuit of excellence, close project monitoring and several cost control initiatives. **Gross tonnage of 7800 Tonnes delivered in the last financial year, is highest in the history of GSL, and amongst all other shipyards in India.** The Company has further set an **ambitious target of 12000 Tonnes in the ongoing year** and is relentlessly working on timely execution of concurrent projects like SL OPVs, CG OPVs, NBC Training facility at INS Shivaji, Lonavla, 4 x 1000T Fuel Barges and other General Engineering projects.

Gross tonnage of 7800 Tonnes delivered in the last financial year, is highest in the history of GSL, and amongst all other shipyards in India.

7. GSL's '**focus on execution'** with resultant reduced **'Build Periods'**, 'timely deliveries at **'Fixed Cost',** coupled with Quality construction, nil / limited D448 liabilities and sensitivity towards customer requirements are some of the key differentiators, that make GSL a **'Preferred and Dependable Shipyard'** with its clients. **Continued focus on timely completion of activities has resulted in before time delivery of all projects in last financial year, which has helped the Shipyard in maintaining the unique distinct reputation of 'delivering before time'.**

All projects in last financial year were delivered before contractual delivery schedule, which helped in maintaining Shipyard's unique distinct reputation of 'delivering Projects before time'.



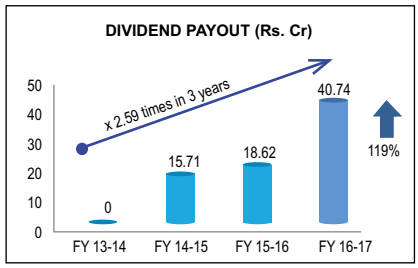
CHAIRMAN'S ADDRESS

Sub-division of Shares, Increase in Authorised Share Capital, Allotment of Bonus Shares and Dividend

8. In order to benefit our shareholders, the Company Sub-divided its Equity Shares in FY 2016-17, by splitting the face value of the shares from ₹ 10/- to ₹ 5/- each, increased its Authorized Share Capital from ₹ 40 Crore to ₹ 60 Crore and allotted Bonus Shares to the existing shareholders in the ratio of 1:1 by capitalizing the General Reserves.

Company allotted Bonus Shares to the existing shareholders in the ratio of 1:1 by capitalizing the General Reserves.

9. Considering the profits for the year and financial position of the Company, the Board of Directors is happy to recommend higher Dividend of 70% on the Paid-up Share Capital of ₹ 58.20 Crore (post allotment of Bonus Shares) for the year 2016-17, as against 64% Dividend paid on the Paid-up Share Capital of ₹ 29.10 Crore in the previous year. This is more than 100% increase.



MOU Rating

10. **The Company was awarded 'Excellent' MoU grading after a gap of five years for FY 2015-16**. The Company expects to receive 'Excellent' rating for its performance during FY 2016-17 also.

The Company was awarded 'Excellent' MoU grading after a gap of five years for FY 2015-16.

Order Book Position

11. As on 31st March, 2017, the net value of outstanding work against orders received for Ship Construction, Ship Repair/ Refit work & General Engineering Services amounted to ₹ 3,298.29 Crore (approx). **This includes orders of about ₹ 666.56 Cr from exports and ₹ 1870 Cr (approx) order for five CGOPV, which became effective in Aug 2016.**

Execution of Shipbuilding & other Projects

12. FY 2016-17 witnessed culmination of several projects, result of your Company's strong focus to deliver high-technology ships in a time bound manner. **We have created history in Indian Shipbuilding industry by delivering two OPVs (5th CGOPV and 1st SLNOPV) in July 17, both ahead of contractual delivery schedule, within a short span of 10 days. Further, commissioning/ delivery of four GSL build Vessels, namely SLN OPV Sayurala, Coast Guard OPV CGS Shaurya, Mauritius Coast Guard FPV MCGS Valiant and 1000T barge for Indian Navy, within span of 16 days is rare distinction for Indian ship building industry.**

Company created history in Indian Shipbuilding industry by delivering two OPVs (5th CGOPV and 1st SLNOPV) in July 17, both ahead of contractual delivery schedule, within a short span of 10 days.



13. Since the **last Annual General Meeting held on 28th September, 2016,** the Company has delivered the following vessels:-

(a) **4th CGOPV, Yard 1221 (CGS Shaunak),** was delivered on 5th February, 2017, **61 days ahead of contractual delivery schedule** and the same was commissioned by Shri Suresh Prabhu, Hon'ble Union Minister for Railways on 21st February, 2017 at GSL.

(b) **5th CGOPV, Yard 1222 (CGS Shaurya),** was delivered on 7th July, 2017, **32 days ahead of delivery schedule including grace period,** and the same was commissioned by Shri Dharmendra Pradhan, Hon'ble Minister of State (Independent Charge) for Petroleum & Natural Gas on 12th August, 2017 at GSL.

(c) **2nd Mauritius FPV, Yard 1232 (MCGS Valiant),** was delivered to Mauritius Coast Guard on 30th April, 2017, **100 days ahead of contractual delivery schedule** and the same was commissioned by Mr. Pravind Kumar Jugnauth, **Hon'ble Prime Minister of Republic of Mauritius** on 16th August 2017 at Port Louis, Mauritius.

(d) **1st Sri Lanka OPV, Yard 1217 (SLNS Sayurala),** was delivered on 22nd July 2017, **86 days ahead of contractual delivery schedule and the same was** ceremoniously commissioned on 2nd August, 2017 at Colombo at the hands of **Mr. Maithripala Sirisena, Hon'ble President of Sri Lanka.**

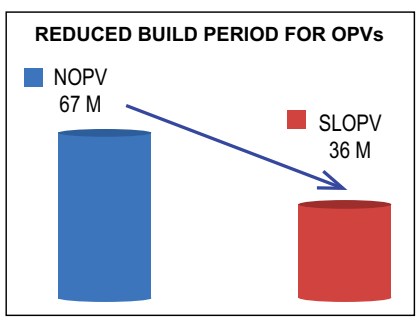
Commissioning/ delivery of four GSL build Vessels (SLN OPV Sayurala, ICG OPV CGS Shaurya, FPV MCGS Valiant and 1000T barge for Indian Navy) within span of 16 days in Aug 17 was rare distinction for Indian ship building industry

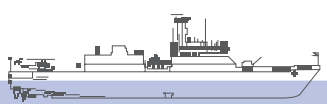
14. Your Company has successfully **launched** the following vessels and the construction activities are progressing well towards timely delivery:-

(a) **6th CGOPV, Yard 1223** was launched on 30th November, 2016 by IG Suresh Kumar Goyal, PTM, TM, DDG(M&M), Indian Coast Guard.

(b) **2nd Sri Lanka OPV, Yard 1229** was launched on 2nd May, 2017.

15. The successful back to back launching/ delivery of numerous vessels demonstrates GSL's competency and capability of handling large and voluminous work involved in execution of large scale concurrent projects in a compressed time frame. It is a direct result of significantly reduced '**build periods'** achieved by GSL presently. **The build period for OPVs, which used to take 5-6**





years till four years back, has been reduced to mere three years. Further, in contrast to the scenario a few years back when GSL used to work on one project at a time, it is now executing three to four major projects concurrently. **This level of execution and delivery track record stands us apart from other shipyards and has propelled us to 'Fastest growing shipyard' in the country with over 70% growth in VoP and over 233% increase in PBT in last two years.** ***This has been recognized in form of RM's Award for 'Best Performing Shipyard' for FY 15-16 endowed on us – highest award for any shipyard in the country.*** **Not resting on these laurels, we are consolidating on our foothold and gearing up for the future projects by augmenting our capacity through phased infrastructure development and imbibing new technologies.**

'Build Period' for OPVs has been reduced from 5-6 years to 03 years, indicative of progressive improvement

'Best Performing Shipyard' of MoD for FY 15-16 endowed on GSL by MoD – highest award for any shipyard in the country.

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

16. SR and GES sections have been consistently contributing about **20% share in the revenue,** which is **highest** amongst DPSU shipyards. A **jump of 13% has been recorded in VoP from SR and GES at ₹ 193 Crore compared to ₹ 171 Crore in previous year.** During the year, the Company has successfully completed the repairs of six vessels which includes Guarantee Refit of NOPVs, Fisheries Research Vessel and Casino Vessel. GSL is presently executing Normal Refit of Sail Training Ship, involving extensive steel renewals and replacement of main engines, entire rigging and both lower and upper wooden decks. Team GES has successfully executed several projects such as delivery of one Glass Reinforced Plastic (GRP) Patrol Boat to Goa Pollution Control Board, one 14m GRP Patrol Boat to Gujarat Maritime Board and three RIBs to Goa Police. The Company has also handed over the 3rd Damage Control Training Facility (DCTF) on 22nd March, 2017, three months ahead of contractual delivery schedule. The execution of four 1000T Fuel Barge Project and Nuclear Biological Chemical Training Facility (NBCTF) are progressing on schedule.

17. In the spirit of Government of India emphasis on 'Make in India', the Shipyard has collaborated with M/s. FHS, Germany for indigenous manufacturing of Heli grids for Vessels constructed at GSL. Heli Grid for first Sri Lankan AOPV was successfully manufactured at Shipyard and installed onboard. Further, Shipyard is making them indigenously for new CGOPV Project.



Future Prospects

18. Your Company is presently executing multiple projects including CGOPV, SLOPV, Fuel Barges, NBCTF and refits. The Company has set target for Value of Production at ₹ 1150 Crore for FY 2017-18, as per the MoU signed with the Government. The Shipyard has been nominated for the Indian Navy Missile Frigate Project 1135.6 and accordingly work has commenced to start production activities of these high end weapon intensive ships by 2020-21. **Entry into shipbuilding of high end missile frigates will change product profile of the company and will catapult it in the frontline along with most advanced ship makers of the world.** The Company is also bidding aggressively to obtain few orders from Ministry of Home Affairs for supply of various boats to Marine Police.

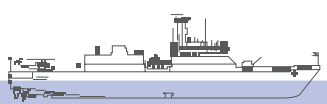
Shipyard nominated for the Indian Navy Missile Frigate Project 1135.6. Work progressing to commence production activities by 2020-21

19. The Company is **well within its reach to achieve over 50% growth in ongoing year too, which can be derived from the fact that ₹ 700 Cr VoP has already been achieved** by the Shipyard in the current financial year till mid September 2017 (≈ 6 months of current FY). However, due to **limited balance order book of ₹ 2600 Cr. as on date, Company is being constrained to slow down its production in balance six months to avoid dip in VoP in Financial Year 2019.** As new Shipbuilding Projects require considerable mobilization time, it is critical to obtain new orders for optimum utilization of capacity and capabilities which will largely otherwise remain idle during next two financial years (FY 2019 and FY 2020), till commencement / pickup of Indian Navy MCMV or 1135.6 Frigate projects, until and unless some other projects for interim period are allotted immediately. This issue is being pursued with the Ministry, Indian Navy and Indian Coast Guard.

The Company is well within its reach to achieve over 50% growth in ongoing year too as ₹ 700 Cr VoP has been achieved in the current financial year till mid Sept 2017

MCMVs and Infrastructure Modernisation

20. The Company has been nominated to build 12 Mine Counter Measure Vessels (MCMVs) for the Indian Navy at a budgetary cost of ₹ 32,600 Crore. The final negotiations with prospective collaborator for providing ToT for construction of MCMVs are in progress. The process for procurement of MCMV Suite as 'Buyer Nominated Equipment' is also being progressed.



21. The Company has achieved steady progress in augmentation / modernisation of infrastructure for MCMV Project. Infrastructure Modernisation Plan is being implemented in four phases of which phase 1, 2 & 3A has since been completed in 2016. **Phase 3A was inaugurated by Hon'ble Prime Minister Shri Narendra Modi on 13th November 2016**. Work on Phase 4 is in progress and expected to be completed by mid 2018. Phase 3B has also commenced and expected to be completed by August, 2020. The Modernisation will equip the yard with most modern and sophisticated infrastructure for advanced warship construction and Glass Reinforced Plastic (GRP) Hull Construction. Shipyard has spent over ₹ 100 Cr annually in the last four years and will continue with major CAPEX program for another three years.



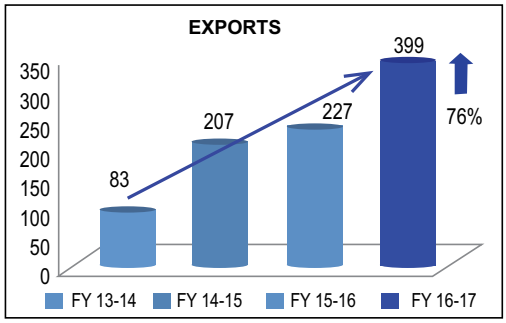
Phase 3A inaugurated by Hon'ble Prime Minister Shri Narendra Modi on 13 Nov 16

Production / Design Improvements

22. The Company continues to lay emphasis on continual transformation to be cost effective and compete with private sector so as to be most competitive. In line with the same, the Company has introduced various innovative measures, new processes/ technology which have made very positive impact on productivity and throughput of the Company. Introduction of F-200 Flanging Machine, Inverter based MIG/MAG Welding Machines and implementation of Modular Construction methodology have not only enhanced productivity but has also saved substantial cost and build time. The Company has upgraded to ISO 9001:2015, Quality Management Standard, valid upto 14th September, 2018.

Export Promotion

23. With the support of MoD / Government of India, the Shipyard has fared exceedingly well in the field of exports. Owing to Shipyard's unique in-house design capabilities and execution skills, it is recognized world-wide as one of the best shipyards in its product range for **'fixed cost'** and **'timely deliveries'.** Export orders of two FPVs for Mauritius have been successfully executed by the Company. It is presently executing export order for Sri Lanka Navy and one out of two Sri Lanka OPVs was delivered on 22nd July, 2017, 86 days ahead of schedule. The second ship is in advanced stage of construction and likely to be delivered by February 2018. Since the Company has potential to undertake further export





orders, it is exploring promotion of its indigenously designed quality products to various friendly foreign nations.

Company achieved highest ever exports of ₹ 399 Crore, almost 40% of VoP.

Implementation of Government Programs

24. GSL has been the flag bearer in implementing various programs launched by Government. Some key initiatives undertaken by the Company are as under:-

Delivered two FPVs to Mauritius and one OPV to Sri Lanka, all before contractual delivery schedule. Second OPV for Sri Lanka likely to be delivered by February 2018.

(a) **Make in India.** A Purchase Preference Policy has been adopted, which provides preference to local vendors over Foreign Manufacturers.

(b) **Swachh Bharat Abhiyan.** Towards widening the ambit of Swachh Bharat Abhiyan, the company undertook multiple cleanliness drives, adopted roads and has institutionalised waste disposal system.

(c) **Skill Development.** Initiatives for Skill Development included adoption of Industrial Training Institute Vasco, collaboration with Society of Industrial & Technical Education Goa for building Centre of Excellence for Welding and organisation of training programmes for ITI Instructors.

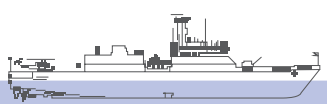
(d) **Increasing Participation of MSMEs.** Several initiatives of the Company to encourage MSMEs resulted in steady increase in procurement from MSE vendors amounting to ₹ 75.02 Crore, during the year 2016-17, which is 33% as against target of 20% set as per MSME procurement guidelines.

Steady increase in procurement from MSE vendors amounting to ₹ 75.02 Crore, during the year 2016-17, which is 33% as against target of 20% set as per MSME procurement guidelines.

(e) **Startup Policy.** The Company adopted Startup Policy by relaxing the criteria of prior experience and turnover.

Research and Development

25. GSL has the distinction of being one of the few Indian Shipyards armed with in-house design capability, which carries out its own Research & Development. Successful delivery of Fast Patrol Vessel for Mauritius and OPVs to Sri Lanka, designed in-house is indicative of strong in-house R&D capabilities of GSL. The Unit has produced some of the **most innovative designs for 29m 50 Knots Interceptor Boat (IB), Anti Submarine Warfare Shallow Water Craft (ASW SWC) and 75m Patrol Vessel.** The Company's indigenously developed designs of Patrol Vessels have



saved the country considerable amount of foreign exchange by avoiding import of ship designs and achievement of self reliance to a large extent.

The well established R&D centre is recognized and registered as in-house R&D unit by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. GSL is the first shipyard to have this unique recognition, valid for 5 years i.e. 31st March, 2021

Visit of Parliamentary Committee

26. Following Parliamentary Committees visited your Company in the last one year for review:-

(a) Parliamentary Committee on Papers Laid on the Table, Rajya Sabha, visited on 9th September, 2017.

(b) Parliamentary Standing Committee on Industry for Procurement Policy for MSMEs and Vendor Development Programme visited on 21st December, 2016.

(c) Departmental-related Parliament Standing Committee on Human Resource Development, Rajya Sabha visited on 5th November, 2016.

Awards during the Year

27. As a recognition of the illustrious work undertaken by your Company, the Company has bagged the following prestigious awards during the year:-

(a) **Raksha Mantri's Award 2015-16 for Best Performing Shipyard, presented by Hon'ble Raksha Mantri in May 17.** Highest award in the country for any shipyard.

(b) **SCOPE Award for Excellence - Turnaround Category for FY 2014-15, presented by Hon'ble President of India in May 17.** Highest award for a loss making unit on turnaround.

(c) Raksha Mantri's Award 2014-15 for Design Effort.

(d) Raksha Mantri's Award 2014-15 for Best Performance in Export.

(e) 'Rajbhasha Kirti Award' for FY 2015-16 by Hon'ble President of India.

(f) National Project Excellence Award 2016 for 105m AOPV for Sri Lanka.

Corporate Governance

28. It is the constant endeavour of your Company to maintain the highest standards of ethics and transparency in all spheres of



business activities. The Company has set itself new mission with the objective of expanding its capacities and becoming globally competitive in its business. The Company has regularly complied with the guidelines on Corporate Governance for CPSEs issued by DPE. As per the Annual Grading Report on Corporate Governance for the year 2016-17, the Company has achieved **"Excellent" grading.**

Corporate Social Responsibility

29. The Company has been contributing immensely towards social development and meaningful quality of life of the community through value creation, promotion of sustained growth of the society and community and environmental sustainability in fulfilment of its role as a Socially Responsible Corporate. Contribution of mobile toilets, garbage disposal van, Watershed Development Project at Adne and Balli Village setting up of Centre of Excellence for training in welding and CSR workshop were some of the key CSR activities undertaken during the year. Continuing its past trend, the Company has spent much higher amount on CSR than as statutory prescribed, which indicates its strong commitment and zeal for social development of the community in and around Goa.

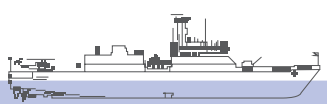
Contribution of mobile toilets, garbage disposal vans, Watershed Development Project at Adne and Balli Village setting up of Centre of Excellence for training in welding and CSR workshop were some of the key CSR activities undertaken during the year.

30. As an environmentally conscious Company, new ornamental fruit bearing trees and saplings were planted in various areas and nearby school premises. A number of measures, aimed at conservation of energy, were undertaken by the Company which included phased replacement of conventional lighting with LED lighting, use of LED lighting onboard ships under construction, installation of occupancy sensors in building and installation of Nature switches for outdoor lighting.

Human Resource, Welfare, Health and Safety

31. The Company continues to give utmost importance to learning and development of its human resources through several in-house and external training programmes towards learning and development of its human resources. The structured induction and on boarding program conducted for the employees were immensely helpful in exposure to the corporate world. The Company has also been carrying out regular Safety Training and Awareness Programmes for its employees and contract workers and evolved stringent regulations for Personal Safety. External Safety Audit has also been carried out to improve the safety culture and also comply with statutory requirements.

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32. A slew of welfare measures were undertaken, towards morale and motivation of workforce, which included reimbursement of Tuition fees for higher studies by employees, sponsorship for M.Tech at DIAT, Pune and Productivity Linked Incentive. Further, awareness program on Sexual Harassment of Women at Workplace and executive programmes through institutes of repute like IIMs etc. are being taken up specifically for women employees. Also, **rain water harvesting system has been provisioned for 12 old & existing buildings at GSL residential colony.**

33. The Company's Medical team is working effectively in its efforts to realize the notion of "Healthy Workplace, Healthy Workforce". The Company is providing free medical benefits through various medical camps viz. Eye check up, Dental, Diabetes, Heart, Ayurveda, Homoeopathy, etc. **As an extended medical service, the Company has opened Family Polyclinic services for the employees and their families. The Consultation services from various specialities have also been made available. The Company has also started its in-house medical laboratory facility to all its beneficiaries.**

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Appreciation

34. The Government policies have been a major enabler in the continued journey for transformational reform at GSL. **I am particularly thankful to Hon'ble Raksha Mantri, Defence Secretary, Secretary (DP), JS(NS), JS(Acq), FA and all other officers of MoD / DP, Acquisition and Finance Wings of MoD,** who play a very proactive and positive role in all our endeavours.

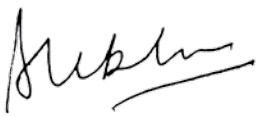
35. I would like to place on record our thanks **and appreciation for assistance, co-operation and guidance received by the Company from various Ministries of the Government of India, IHQ MoD, the Indian Coast Guard, Comptroller & Auditor General of India, Controller of Defence Accounts (Navy), Government of Goa, Mormugao Port Trust and Flag Officer Goa Area & Naval Aviation** and look forward to their continued support in the future. I acknowledge with gratitude the continued **patronage and support received from the Company's clients, OEMs and Vendors.** I also thank the **Classification authorities, Company's Bankers, Insurers and Auditors** for their help and co-operation. I would also like to thank my **Directors on the Board, who play a very major role in steering the Company** to the higher levels. I am thankful for their support,



co-operation and guidance. I **acknowledge the efforts of 'Team GSL', every worker and officer involved passionately in driving GSL's strong growth.** My special thanks to previous Hon'ble Raksha Mantri Shri Manohar Parrikar, who took extra interest in the affairs of the Company and it is due to his insight and professional guidance that Company has not only been able to turnaround from the operational losses registered in the FY 2013 and 2014, but has achieved the distinction of being the **Best PSU Shipyard in country in FY 2015-16** and is poised for very rapid growth going forward.

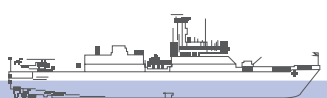
36. Thank you for your kind attention.

Jai Hind



CHAIRMAN

NOTE: This does not purport to be a record of the proceedings of the 51st Annual General Meeting.



NOTICE

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

Day	Tuesday
Date	26th September, 2017
Time	1630 hours
Venue	Registered Office of the Company, Vaddem, Vasco da Gama, Goa,

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including the Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To consider and declare Dividend for the Financial Year 2016-17.
3. To appoint Directors in accordance with Article 117 of the Articles of Association of the Company.
4. To fix the remuneration of Auditors appointed by the Comptroller & Auditor General of India for the Financial Year 2017-18, pursuant to Article 174 of the Articles of Association of the Company by passing, with or without modifications, the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT the remuneration of Auditors appointed by the Comptroller & Auditor General of India for the Financial Year 2017-18 be fixed at ₹ 2,50,000/- plus GST and out of pocket expenses at actual."

SPECIAL BUSINESS

5. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the Financial Year 2017-18, pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, by passing, with or without modifications, the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration of ₹ 1.50 lakh towards audit fee and out of pocket expenses at actual (maximum upto ₹ 25000/-) plus applicable taxes payable to the Cost Auditor appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the Financial Year 2017-18 be and is hereby ratified."

By Order of the Board

(S. V. ADHIA)
COMPANY SECRETARY

Vasco da Gama, Goa
29th August, 2017



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

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

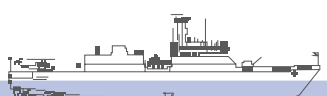
3. The Company has implemented the Electronic Clearing Service (Credit Clearing) System (ECS) introduced by Reserve Bank of India, which provides an option to collect half-yearly/yearly dividend directly through the Bank Account. The ECS system would help the Company to effect quick, hassle free payment of dividend and thus serve the Members in better way. The Members were requested to participate in the Electronic Clearing Service (Credit Clearing) System (ECS) and to fill in and forward to us the Mandate Form attached therewith. The information to be furnished in the Mandate Form for Electronic Clearing Service (Credit Clearing) should be accurate, complete in all respects and duly certified by your bank. Those Members, who have not yet sent the duly filled and signed Mandate Form, are requested to send the same to us at Goa Shipyard Limited, Vasco-da-Gama, Goa – 403802, immediately.

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

5. Members are requested to notify immediately, change in their address and email id, if any, to the Company.

6. The dividend, if declared, will be paid to those members, whose names appear in the Register of Members of the Company as on 26th September, 2017.

7. Pursuant to the provisions of Section 124 of the Companies Act, 2013, as amended, dividend for the Financial Year 2009-10 which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Government. Members who have not yet encashed the Banker's Cheques/ Demand Drafts issued for payment of dividend for the said Financial Year are requested to make their claim to the Company without any delay.



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

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

Item No. 5

2. The Board, on the recommendation of the Audit Committee, has approved the appointment of CMA V P Rammohan Menon as Cost Auditor to conduct the audit of Cost Records of the Company for the Financial Year 2017-18 at a remuneration of ₹ 1.50 lakh towards audit fee and out of pocket expenses at actual (maximum upto ₹ 25000/-) plus applicable taxes payable.

3. In accordance with the provision of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

4. Accordingly, the Board recommends to the Members to ratify the remuneration payable to the Cost Auditor for the Financial Year 2017-18, by passing the proposed resolution set out at Item No. 5 of the Notice as an Ordinary Resolution.

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

By Order of the Board

(S. V. ADHIA)
COMPANY SECRETARY

Vasco da Gama, Goa
29th August, 2017



DIRECTORS' REPORT FOR THE YEAR 2016-17

To
The Shareholders,
Ladies & Gentlemen,

1. The Directors are happy to present the 51st Annual Report and the audited Financial Statement of the Company for the year ended 31st March, 2017. The Company has achieved PBT of ₹ 177.46 Crore during FY 2016-17, highest in last six years. **The Company delivered the following ships, ahead of contractual schedules:-**

(a) Third and Fourth Coast Guard Offshore Patrol Vessels of new 105m AOPV class.

(b) First Fast Patrol Vessel of 50m FPV class to Govt. of Mauritius.

The Company also **launched** the following vessels paving the way for their timely delivery in the ongoing year:

(a) Two Indian Coast Guard Offshore Patrol Vessels,

(b) One Offshore Patrol Vessel for Sri Lanka Navy and

(c) One Fast Patrol Vessel for Mauritius.

PERFORMANCE HIGHLIGHTS

2. **Physical Performance:** During the year 2016-17, the Company has achieved VOP of ₹ 1030.20 Crore (highest in the history of GSL) as against ₹ 725.96 Crore in the previous year, an increase of 41.91% over the previous year. In the last 3 years, the Company has registered over 34.15% cumulative growth in VOP.

3. **Financial Performance:** During the year 2016-17, the Company **earned Operating Profit of ₹ 130.54 Crore as against ₹ 68.51 Crore in the previous year, registering a growth of 90.54% year on year.**

4. **Reasons for Growth in Operational Profit:** Multifold increase in Operational Profit can be ascribed to management's focused attention leading to:-

(a) Higher capacity utilization.

(b) Nearly 4.79% reduction year on year in Salaries and Wages as % of VoP, due to higher productivity.

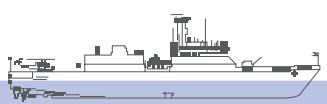
(c) Control on OPEX.

(d) Reduction in 'Build Period' – Launch to Delivery period is reduced from over 2.5 yrs. to less than 1 yr. for OPVs.

(e) Improved recovery of receivables and export receipts.

(f) Reduction reported in expenditure on Business Promotions by 48.92% during the year.

5. **MOU Rating:** The Company was awarded **'Excellent'** grading after gap of 5 years in FY 2015-16. Further, in terms of actual achievements vis-à-vis parameters laid down in the Memorandum of Understanding signed with the Government for the year 2016-17, the Company expects **'Excellent'** rating for its performance during 2016-17.



FINANCIAL RESULTS

6. During the year 2016-17, the Company has earned **Profit before Tax (PBT) of ₹ 177.46 Crore as against PBT of ₹ 110.69 Crore** in the previous year, thereby registering a **growth of 60.32%.**

(₹ in Lakh)

	2016-17	2015-16
Gross Revenue	110237	80451
Revenue from Operations	105545	76233
Earnings before Interest, Taxes & Depreciation	21619	13865
Less: Finance Costs	179	106
Less : Depreciation	3694	2690
Profit Before Tax	17746	11069
Less: Tax Expense	6005	4841
Profit After Tax	11741	6228
Other Comprehensive Income (net of tax)	76	(26)
Total Comprehensive Income	11817	6202
Opening balance in Retained Earnings	1631	1270
Amount available for appropriation	11817	6202
Dividend	1862	1571
Tax on Distributed Profit	379	320
Transfer to General Reserve	10800	3950
Closing Balance in Retained Earnings	407	1631

DIVIDEND

7. After reviewing the profits for the year and financial position of the Company and in terms of the Government Guidelines in vogue, the Board of Directors is pleased to recommend Dividend of ₹ 4074 lakh equal to 70% of the Paid-up Share Capital of ₹ 5820 lakh (post allotment of Bonus Shares in the ratio of 1:1) for the year 2016-17, as against Dividend of ₹ 1862 lakh equal to 64% of the Paid-up Share Capital of ₹ 2910 lakh in the previous year.

FINANCE

Share Capital

Sub-Division of Shares, Increase in Authorised Share Capital and Allotment of Bonus Shares

8. During FY 2016-17, the Company Sub-divided its Equity Shares by splitting the face value of the shares from ₹ 10/- to ₹ 5/- each, increased its Authorized Share Capital from ₹ 40 crore to ₹ 60 crore and allotted fully paid Bonus Shares to the existing shareholders in the ratio of 1:1 by capitalizing the General Reserves.

9. The Paid-up Share Capital (post Sub-division of shares and allotment of Bonus Shares in the ratio of 1:1) of the Company as on 31st March, 2017 was ₹ 5820 lakh. The Company neither had any outstanding loans nor has taken any fresh loan from the Government during the year.

10. The foreign exchange outgo during the year was ₹ 18031 lakh (Previous Year ₹ 38742 lakh) and the earning in foreign exchange was ₹ 39882 lakh (Previous Year ₹ 22736 lakh).



11. The financial position of the Company as on 31st March, 2017 and previous year is shown below:-

(₹ in Lakh)

	As on 31.03.2017	As on 31.03.2016
Capital Employed	73814	45320
Property, Plant & Equipment (Gross Block)	86742	57785
Property, Plant & Equipment (Net Block)	65652	40116
Working Capital	30200	46559
Net Worth	81217	68641
Value Added	40359	31801
Ratios:	%	%
Profit before interest and tax : Capital Employed	24.28	24.66
Profit after tax : Net worth	14.46	9.07
Value added : Capital employed	54.68	70.17

REVENUE FROM OPERATION:

12. The Company has achieved milestone of highest ever Value of Production of ₹ 1,03,020 lakh thereby registering growth of 41.91% over Previous Year. The Revenue from Operation during 2016-17 and the previous year are given below:-

(₹ in Lakh)

	Revenue from Operation		
	2016-17	2015-16	Increase %
Ship Construction	83683	55502	50.77
Ship Repairs	1147	2478	(53.71)
General Engineering	18190	14616	24.45
Total Value of Production	**103020**	**72596**	**41.91**
Other Operating Revenue	2525	3637	(30.57)
Total	**105545**	**76233**	**38.45**

CONTRIBUTION TO EXCHEQUER

13. The Company's contribution to the Central Exchequer during 2016-17 was ₹ 6844 lakh (₹ 5471 lakh last year), which includes ₹ 4900 lakh by way of Corporate Tax (₹ 4000 lakh last year), ₹ 951 lakh towards Dividend (₹ 803 lakh last year), ₹ 379 lakh by way of Tax on Distributed Profit (₹ 320 lakh last year), ₹ 170 lakh by way of Central Sales Tax (₹ 91 lakh last year), ₹ 426 lakh by way of Service Tax (₹ 258 lakh last year), ₹ 18 lakh towards Central Excise duty (₹ 'Nil' last year). The Company's contribution to the State Exchequer during 2016-17 was ₹ 3228 lakh towards VAT (₹ 3064 lakh last year).

SHIP CONSTRUCTION

14. **Delivery of Ships to Coast Guard:**

(a) The 3rd CGOPV, Yard 1219, was delivered on 29 Aug 2016, **70 days ahead of contractual delivery schedule** and the same was commissioned by Hon'ble Home Minister, Shri Rajnath Singh, on 09 Sep 2016 at GSL.

09 Sep 2016



Commissioning of ICGS Sarathi



(b) The 4th CGOPV, Yard 1221, was delivered on 05 Feb 2017, **61 days ahead of contractual delivery schedule** and the same was commissioned by Shri Suresh Prabhu, Hon'ble Union Minister for Railways, on 21 Feb 2017 at GSL.

21 Feb 2017



Commissioning of ICGS Shaunak

15. **Export Orders:**

The Company delivered 1st Fast Patrol Vessel of 50m FPV class to Government of Mauritius on 26 Sep 2016, **45 Days ahead of contractual delivery schedule.** Other vessels are also progressing as per contractual schedule and will be delivered in FY 17-18.



10 Dec 2016



Commissioning of MCGS 'Victory' at Port Louis, Mauritius by Hon'ble PM of Mauritius in presence of Defence Minister Shri Manohar Parrikar

10 Jun 2016



1st Sri Lanka OPV "Sayurala"
Launching by Mrs MAWP Gunawardana, wife of Defence Secretary, Sri Lanka

02 Aug 2017



Ceremoniously commissioned at Colombo by Hon'ble President of Sri Lanka

05 May 2016



12 Aug 2017



5th CGOPV ICGS Shaurya

Launching by Dr. (Smt.) Mridula Sinha, Hon'ble Governor of Goa

Commissioning by Shri Dharmendra Pradhan, Minister of State for Petroleum & Natural Gas

16. **Launching of Ships:**

(a) The 5th 105m CGOPV, Yard 1222, was launched on 05 May 2016 by Dr. (Smt.) Mridula Sinha, Hon'ble Governor of Goa.

(b) The 6th 105m CGOPV, Yard 1223, was launched on 30 Nov 2016 by IG S. K. Goyal, PTM, TM, DDG (M&M).

(c) The 2nd 50m FPV for Mauritius was launched on 02 Feb 2017 by Smt. Ella Mital and Mrs. K. Napaul, the Consul and Head of Consulate of Mauritius at Mumbai.

30 Nov 2016



02 Feb 2017



Launching of 6th CGOPV

Launching of MCGS Valiant

16 Aug 2017





2nd Mauritius FPV "CGS Valiant commissioned by Mr. Pravind Kumar Jugnauth, Hon'ble PM of Mauritius at Port Louis, Mauritius

SHIP REPAIRS

17. During the year, the Company repaired six vessels which include Patrol Vessels, Fisheries Research Vessel and Casino vessel. Due to the fast paced construction programme of new vessels, the availability of space to dock repair vessels was limited. However, with the commissioning of the new jetty and availability of more hard stand area, the situation is likely to improve in the coming year. GSL has signed a high value contract for normal refit of Sail Training Ship, involving replacement of main engines, all rigging, both lower and upper wooden decks, extensive steel renewal and many other jobs. Efforts are on for securing contracts for refits of other vessels from Indian Navy in the coming year.



Sail Training Ship INS Tarangani undergoing Normal Refit at GSL

GENERAL ENGINEERING SERVICES

18. The Company continues to execute stern gear supply orders for Naval/Coast Guard OPVs and supply CPP spares to the Indian Navy and other Shipyards. The Company also continued to provide training on Survival at Sea to ONGC personnel on their training vessel 'Samudra Shiksha'. During the year the Company delivered one Glass Reinforced Plastic (GRP) Patrol Boat to Goa Pollution Control Board, one 14M GRP Patrol Boat to Gujarat Maritime Board and three RIBs to Goa Police. The Company handed over the 3rd Damage Control Training Facility (DCTF) on 22nd March, 2017 three months and 22 days ahead of contractual delivery schedule. The said DCTF was formally commissioned on 27th April, 2017. The execution of 04, 1000T Fuel Barge project and Nuclear Biological Chemical Training Facility (NBCTF) are progressing on schedule.

19. In the spirit of Government of India emphasis on 'Make in India', during the year, the Company in technology collaboration arrangement with M/s FHS, Germany successfully manufactured cost effective Heli Landing Grids and installed onboard 02 Sri Lankan OPVs under construction at GSL. The Company also entered into technology collaboration for indigenous manufacturing of Fin/Roll Stabilizers & Steering Gear System to meet exclusive requirement of Indian Navy & Indian Coast Guard.

20. The Company, in order to expand its range of products, also entered into technology collaboration with a global company specialized in design and construction of submarine, for setting up of a most technologically advanced Submarine Escape Training Tower (SETT) & IPMS Simulators facilities for Indian Navy under Transfer of Technology. All these collaborations / tie ups reflect strong brand image of GSL, which validates that the Company has emerged as a preferred partner for foreign MNCs, to set base in India for taking advantage of 'Make in India' program.

27 Apr 17



Commissioning Ceremony of 3rd Damage Control Training Facility (DCTF)

11 Sep 17



Induction Ceremony of 1000T Fuel Barge, 1st in series of four Vessels

15 Dec 2016



Unslipping of 2nd Sri Lankan OPV at the hands of H. E. (Mrs.) Chitranganee wagiswara, High Commissioner of Sri Lanka Navy

20 Mar 2017



Keel Laying of CGOPV YD 1233 at the Hands of ADG. K Natarajan, Coast Guard Commander (Western Seaboard)

ORDER BOOK POSITION

21. As on 31st March, 2017, the net value of outstanding work against orders received for Ship Construction, Ship Repair/Refit work & General Engineering Services amounted to ₹ 3298.29 Crore (approx). This includes orders of about ₹ 666.56 crore from exports.

CURRENT YEAR PROSPECTS

22. The Company has set target for Value of Production of ₹ 1150 Crore for FY 2017-18, as per the MoU signed with the Government. The Company is focusing on delivery of two CGOPVs, two SL OPVs and 1 MFPV during the year. The Company is also striving hard towards achieving the targets set for **'Excellent'** MoU category. The Company expects to maintain the momentum achieved during last two years and register over 20% growth both in turnover and profits.

PRODUCTION / DESIGN IMPROVEMENTS

23. The Company has introduced various innovative measures, new processes/technology which are having positive impact on productivity and through put of the Company, as enunciated below:

(I) Production

(a) **F-200 Flanging Machine:** The introduction of the F-200 Flanging machine eliminates use of Cu-Ni weld necks, Gun metal collars, Copper flanges, SS flanges. The machine also eliminates TIG welding process which is a cumbersome & expensive procedure.

(b) **Dockings:** Since the commissioning of **Shiplift system** in 2011, the Company has completed docking of 100 ships on the Shiplift in December, 2016. This has enhanced shipbuilding and repair capabilities of the Company and reduced 'build period' of ships considerably.

(c) **Inverter based MIG/MAG Welding Machines:** During FY 2016-17, the Company procured ten Portable lightweight Inverter based Welding Machines and these machines have saved 25 - 30% power compared to conventional Thyristor based Machines.

(d) **Production Methodology:** The Company has implemented Modular Construction methodology. The Modular construction of Wheel House / Bridge and Mast of Yard 1229 saw the transformation over the decades; a shift which brought about substantial reduction of cost and construction time. The use of Modular Construction methodology will result in significant schedule compression with improved safety and reduced site congestion.

(e) The time taken for various equipment installation, inspection, harbour acceptance trials and sea acceptance trials have been significantly reduced thereby leading to early delivery

of ships. The estimated reduction in time taken for various activities is almost 50% as compared to earlier projects.

(f) Basin Trials, Ship builder trials and CST are being completed much in advance as compared to contractual delivery dates. With this, the Company could claim stage payments much in advance.

(g) The reduction achieved in overall time taken for machinery trials, Harbour Acceptance Trials and Sea Acceptance Trials have also contributed to immense cost savings in terms of overhead expenditures like electricity, berthing, yard man days, service engineer charges and fuel consumption, etc.

(h) In spite of delays in supply of various machinery/sub systems like Integrated Bridge System, Communication system, Air Conditioning, Ventilation and Refrigeration systems, the Company could achieve various milestones by working relentlessly, leading to early delivery of ships.

(II) Design / R&D

(a) Research & Development is a major thrust area and at present, GSL has a well established R&D centre which has been recognized and registered as in-house R&D unit by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India. GSL is the first shipyard to have achieved this unique distinction of receiving the recognition, which is valid for 5 years i.e. 31st March, 2021.



CNS Adm Sunil Lanba being apprised on state of art design facility during his visit

(b) The CAD setup in the Company has the latest AVEVA Marine software with advanced features. Design of Fast Patrol Vessels for Mauritius Police Force and the Offshore Patrol Vessels for Sri Lanka Navy were completed in the AVEVA Marine software. The migration of multiple projects from earlier Tribon to AVEVA Marine was executed. For the repeat order for 5 Indian Coast Guard OPVs, the 3D hull structural model and outfitting model is also being developed in AVEVA Marine.

(c) The Company has upgraded its in-house capability for analysis and verification of ship designs, by procuring software for Finite Element Analysis, Computational Fluid Dynamics (CFD) and Shock Analysis.

(d) During the year 2016-17, the 3rd and 4th of the Coast Guard OPVs were delivered, the sea trials of which revalidated over 10% improvement in fuel efficiency. The first of the class Fast Patrol Vessel to Mauritius Police Force, CGS Victory, was also delivered during this period. This vessel recorded a trial speed of 37 knots, against designed speed of 35 knots.

(III) Commercial

(a) **Encouragement of MSE & SC/ST Entrepreneurs to achieve mandatory procurement as per Public Procurement Policy:** The Company identified and exclusively reserved 18 project specific items, apart from the mandatory 358 items as per the MSME Order dated 23rd March, 2012 for procurement from MSEs.

(b) The Company participated in various State and National level Vendor Development Programs organized by NSIC and MSME regional offices to identify potential MSE vendors. As a result there has been a steady increase in procurement from MSE vendors during the year 2016-17 amounting to ₹ 75.02 Crore, i.e. 33%, higher than the target of 20% set as per MSME order.

(c) **Startup Policy:** To promote the Government of India initiative of Startup, the Company unveiled Startup Policy by relaxing the criteria of prior experience and turnover without compromising technical specifications and quality standards. The Company also identified items along with specifications & inspection details for Startups. The response from the Startup entities is awaited.

(d) **Enhancement of Purchase Preference to Encourage Indigenization:** In pursuance of **'Make in India'** initiative of Government of India, the Company has formulated and implemented a **Purchase Preference Policy** to Indian manufacturers. To encourage indigenization, the minimum criterion to avail purchase preference is kept at 40% indigenous content.

(e) **Liberalization of Payment Terms:** The Company instituted liberalized payment terms to provide liquidity of MSE vendors and overcome the financial crunch faced by sub-contractors in turnkey projects.

(f) **Introduction of Deemed Registration:** In order to broaden the Vendor base, the Company has introduced Deemed Registration System. Vendors registered with other DPSUs, IHQ, CGHQ & DQN(A) will be considered for registration on submission of valid Registration Certificate without further evaluation process. These vendors are considered as temporary registered vendors for participating in ongoing limited tender enquiries.

16 Jun 2017



Vendor Development Meet organized for MSEs owned by SC/ST entrepreneurs

MAKE IN INDIA INITIATIVES AT GSL

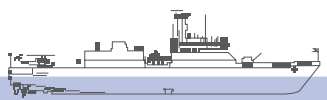
24. In order to provide focus on 'Make in India' program of Government of India, a Policy comprising of three parts, viz. **Outsourcing, Long Term Procurement & Vendor Development and Indigenization** has been adopted. List of Equipment under consideration for indigenizing is posted on the Company's website.

25. The Company has been making efforts to increase indigenization in key areas of shipbuilding technology. In this regard, significant contribution has been made by way of In-house designs & construction of range of Patrol Vessels and Interceptor craft.

26. Proactive steps are being taken by GSL for involvement of local industries for having maximum indigenous content in projects to meet the objective of self reliance. GSL has also successfully developed feeder industry to cater to projects being constructed at its yard, as part of 'Make in India' Initiatives. GSL with its strenuous efforts to increase the indigenous content in its in-house designed products was first among the shipyards to meet the 'Indigenous Design, Development and Manufacture' (IDDM) requirements of DPP-16.

EXPORT PROMOTION

27. The Company with the support of MoD / Government of India has taken several initiatives for export of its proven designs to international customers and has emerged as largest exporter of ships from India. The Company has a strategic advantage in establishing itself as a major international player in construction of vessels due to proven product range, past track record of timely deliveries and construction of high quality ships with build periods comparable to international shipyards.



21-23 Aug 2017



India Busan Marine Business Summit conducted at GSL

16-18 May 2017



GSL stall at IMDEX ASIA 2017 held at Singapore

28. The Company markets its in-house designed products overseas with the help of Indian Missions abroad, participation in various defence exhibitions, interacting with probable overseas customers, appointing Marketing Representatives, etc. The Company's efforts have borne fruits and today GSL is the **'largest exporter of defence ships'** from the Indian subcontinent and is presently executing export orders of 2 OPVs for Sri Lanka Navy. Export orders of 2 Water jet Fast Attack Craft for Mauritius have been successfully executed by the Company. With available capacity and modernized yard, the Company is well equipped and has potential to undertake further export orders.

ISO 9001: 2015 CERTIFICATION

29. **Your Company has upgraded to ISO 9001:2015, Quality Management Standard.** The Certification is for "Design, Construction and Repairs of Ships and Craft and providing General Engineering Services" in accordance with the requirements of the international standard ISO 9001:2015 by Indian Register of Quality System (IRQS). The present certificate is valid upto 14th September, 2018. The new ISO Standard ISO 9001:2015 was launched in September, 2015 with permitted transition period of three years. However, the Company targeted for upgrade to the new ISO Standard in the financial year 2016-17 and achieved certification in March, 2017, after extensive awareness training of officers and employees, revision of quality procedures, manuals, internal audits and final certifying audit by the certifying agency.

MANPOWER

30. As on 31st March 2017, the Company had on its roll 255 Officers, 07 Management Trainees, 85 Yard supervisors, 42 Technical Supervisors, 75 Ministerial Supervisors, 943 Workmen, 138 ITI Trainees, 26 Diploma Trainees and 84 Workmen/Supervisors on Fixed Term basis, which include 23 Executive and 116 Non-Executive women employees.

05 Jun 2017



Mr. Premhans Jhugroo, Senior Chief Executive & Dr M Rezah Badal Director General PMO, from Govt of Mauritius visited GSL

18 Nov 2016



Hon'ble Shri Anerood Jugnauth, GCSK, KCMG, QC, PM of Mauritius along with delegates visited GSL

15 Sep 2017



VAdm Travis JL Sinniah, Commander of the Sri Lanka Navy during his maiden visit to GSL

31. The position regarding representation of SCs/STs & Women employees in various categories as on 01.01.2016 and 01.01.2017 is given in **Annexure 'A'.** The particulars of Recruitment of SCs / STs and Women personnel during the calendar year 2016 are given in **Annexure 'B'.**

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

Job Rotation and Transfer Policy for Executives

33. The Company has formulated and implemented Job Rotation and Transfer Policy approved by Remuneration and HR Committee with effect from 01.04.2016, keeping in mind the broader requirements of the Organisation and CVC guidelines.

Compulsory Retirement Scheme for Executives and Supervisors

34. In terms of DPE guidelines for periodical review of CPSE employees for ensuring Probity and efficacy in line with the provisions laid down under FR56(j), the Company has formulated Compulsory Retirement Scheme under the Service Rules. The scheme has been implemented with effect from 01.04.2016. Under the scheme, periodical review is conducted of Officers & Supervisors, six months prior to he / she attains the age of 50 / 55 years. A monthly report in this regard is forwarded to MoD.

SKILL DEVELPOMENT

35. Government of India has undertaken a mission to make 500 million youngsters skillful by 2020 under the **'Skill India Mission'.** The Company has been extending full support to the mission. Under the Prime Minister's Vision of a **'Skilled India'**, the Company has been supporting Ministry of Defence initiatives and has undertaken number of actions under Skill Development. The Company has taken various initiatives, such as:

(a) **Adoption of Industrial Training Institute, Vasco** to make it a model Institute.

(b) **Building State-of-the-art Centre of Excellence for Welding** with financial outlay of ₹ 81 lakh in collaboration with Society of Industrial & Technical Education, Goa.

(c) **Organizing Programmes under 'Train the Trainer' series** for ITI Instructors and Group Instructors in Multi Skill aspects.

(d) **CSR activities towards Skill Development of local youth** in 3G Welding and certification by Indian Registrar of Shipping for gainful employment.

(e) **Specialised Training in niche area** - Special course has been started in FRP for MCMV project, which is conducted by the prestigious CIPET (Central Institute of Plastic Engineering and Technology). The beneficiaries include executives of the Company and Instructors from various Degree, Polytechnic and ITI institutions.

36. **Apprentice Training School** - The Company has augmented its Apprentice Training School by creating additional training facility and augmentation of infrastructural facilities for apprentices by purchase of new tools and equipments to meet the need for skilled manpower. The Company has increased the strength of its apprentices to 10% of manpower to meet target of Skill Development and improved its strength to 155 Trade Apprentices in addition to 18 Graduate Engineering Technician Apprentices and 15 Sandwich trainees. A new course has been introduced in FRP and composites trade for upcoming mega MCMV project. A customized syllabus has been designed to meet the requirement of Multi skilling. The Company also supports post Apprenticeship assistance and organized an Alumni meet wherein ex-apprentices were educated on various topics like personality development, welding and production skill, recruitment avenues, etc. Around 100 ex-apprentices of the Company benefited from this program.

WELFARE, HEALTH AND SAFETY

Welfare

37. The Company continues to accord importance to welfare measures of employees. To promote a sense of discipline, an award is being given to employees for 15 years and 25 years of clean record of service. Recreational facilities such as Indoor games, Reading Room with newspapers and magazines are provided to employees during lunch and off duty hours. The Company provides accident cover and comprehensive medical assistance to employees through various Group Insurance Schemes and also contributes towards the Employees' Death Benefit cum Welfare Fund Scheme. Company also provides medical facilities to the retired Officers, Supervisors & Employees through post retirement medical scheme.

Superannuation Scheme for Executives and Non-Unionized Supervisors

38. In terms of DPE guidelines and MoD instructions, the Company has successfully implemented Superannuation Scheme for Executives and Non-Unionised Supervisors with effect from 01.01.2007. In this regard, GSL Superannuation Pension Trust has been constituted and the Life Insurance Corporation of India (LIC) has been appointed as the Insurance Partner for providing Death-cum-Retirement Pension to the aforesaid categories of employees of the Company as described in the Rules of the Scheme. The LIC has settled all Pension claims of the Officers and Supervisors who have retired before 31.03.2016.

39. Incentives for promotion of Family Welfare scheme, higher education and self-development in related skills, etc., are provided on a continuing basis. Scholarship is awarded to the employees' children as an incentive for pursuing higher education. During the year, the Company observed Quami Ekta Week / Communal Harmony week from 19th to 25th November, 2016. The Officers, Supervisors & Employees voluntarily contributed money towards the Communal Harmony Fund and the fund so collected was sent to National Foundation for Communal Harmony, New Delhi.

26 Jan 2017



Republic Day Celebration

04 Mar 2017



Bhoomi Puja for GSL's Guest House

04 - 08 May 2016



Mrs Regina Dourado, part of gold medal winning team in 4 X 400 mtrs relay in 19th Asian Masters Athletics Championship, Singapore



Vinayak Gaonkar stood 3rd in half marathon organised by Rotary Club of Porvorim

30 Jul 2017



Financial assistance to budding Chess player

40. The Company also encourages employees to actively participate in various sports/ tournaments. A lady employee Mrs. Regina Dourado participated in athletic meets held during 19th Asian Masters Athletics Championship held in Singapore from 4th to 8th May, 2016 and won Gold medal in 4 x 400 mtrs. relay race and 7th position in 800 mtrs. race. She also participated in 38th National Masters Athletics Championship, 2017 held in Gachibowli, Hyderabad from 21st to 25th February, 2017 and won Silver medal in 800 mtrs. race.

Health

41. The Company's Medical team is working effectively in its efforts to realize the notion of "Healthy Workplace, Healthy Workforce". Apart from fulfilling the statutory medical obligations, the Company is also providing free medical benefits through various medical camps viz. Eye check up, Dental, Diabetes, Heart, Ayurveda, Homoeopathy, etc. As an extended medical service, the Company has opened Family Polyclinic services for the employees and their families. The Consultation services from various specialties viz. General Medicine, Cardiology, Neurology, Urology, Dermatology, Gynecology, ENT, Ayurveda, Homoeopathy, etc., have also been made available.

42. Further, the Company is providing health awareness to its employees by organizing variety of input sessions / guest lectures on the topics like, Office Ergonomics, Stress at Workplace, Diet and Nutrition, Diabetes Management, Cardio Pulmonary Resuscitation, etc. The Company continues to sensitize the employees on health issues concerning the workforce by observing international events like World Health Day, International Anti Drug Day, World Diabetes Day, World AIDS Day, International Women's Day, to name a few.

27Jul 2017



Formal inauguration of GSL laboratory services



Inauguration of Goa Manipal Hospital OPD Services at GSL Family Polyclinic

22 Jan 2017



"Run For Nation" Mini- Marathon organized by GSL

09 Mar 2017



International Women's Day observed at GSL with theme "Be Bold For Change"

43. The Company is also reaching out to the local community through its various Community outreach programmes under the Corporate Social Responsibility (CSR) initiatives. 'Health' is one of the thrust areas. In order to provide comprehensive medical treatment to the local community, the Company is conducting Weekly Medical Camps with Mobile Medical Van providing free consultation and free medicine. Special camps like Eye Check up and Dental Screening cum treatment camps are also being conducted. Around 1300 people have availed the benefits of the camps in and around the Port town of Vasco da Gama during the fiscal year. The Company will also start its in-house medical laboratory facility to all its beneficiaries.



Eye Checkup camp conducted by GSL

Safety

44. The Company continues to accord utmost importance to Safety while carrying out various jobs inside the yard. GSL has a dedicated Safety Cell with personnel qualified in Safety. The Company has evolved stringent regulations for Personal Safety and use of Personal Protective Equipment (PPE) and compliance to various work permits. The Safety Cell has been carrying out regular inspections for implementation of the Safety regulations and also brought safety awareness inside the yard. Work Permit system for different activities has brought a close control over the critical activities. External Safety Audit has been carried out to improve further the safety culture and also comply with statutory requirements.

45. To improve the Safety standards further, GSL has been carrying out regular Safety Training and Awareness Programmes for its employees and contract workers. Mass awareness programs on work place safety training and fire fighting demonstration were arranged on the occasion of "Safety Month 2017" and also during "Fire Day 2017".

46. The Company has been regularly holding Safety Committee Meetings to work out and implement both Preventive and Corrective Action Plans. The Officers, supervisors and employees are also taking safety precautions/measures and this has resulted in reduction of reportable and non reportable accidents in spite of more number of vessels under construction.

SWACHH BHARAT ABHIYAN

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

02 Oct 2016





Cleanliness drive on occasion of Gandhi Jayanti

(a) Undertaken cleanliness drive in Vasco-da-Gama city on the occasion of 'Gandhi Jayanti' on 02.10.2016. The total amount spent on this activity was ₹ 5.88 lakh.

(b) Adopted the main road leading from Railway Station Circle, Vasco-da-Gama to Dabolim Airport Circle covering a stretch of approx. 06 kms. A budget of ₹ 8.92 lakh has been earmarked towards this project. The cleaning activities along the road has commenced on regular basis with effect from 01.11.2016.

(c) Waste disposal is being undertaken in a planned and systematic manner. The Company has distributed 02 nos. dustbins of two different colours to all residents of GSL Colony to segregate biodegradable and non-biodegradable wastes at the house hold level. The biodegradable waste i.e. the kitchen waste is treated through Vermi Compost unit located in GSL Enclave for preparation of manure and suitably sprayed in the gardens for providing protection as an insecticide supplement and good manure component for healthy growth of the plants. The individual households are being sensitized on the above activities regularly.



Provided 06 Mobile Toilets to MMC as part of CSR activity

VISITS OF PARLIAMENTARY COMMITTEES

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

(a) Departmental-related Parliament Standing Committee on Human Resource Development, Rajya Sabha visited on 05 Nov 2016.

(b) Parliamentary Standing Committee on Industry for Procurement Policy for MSMEs and Vendor Development Programme visited on 21 Dec 2016.

21 Dec 2016



CMD, GSL greeting Leader of Parliamentary Committee for Industry headed by Shri Sharad Yadav, MP (Rajya Sabha)

WHISTLE BLOWER POLICY

49. Whistle Blower Policy was implemented at GSL on 13 Oct 2015, based on guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, vide OM No.18(8)2005 – GM dated 14.05.2010. The Company has promulgated "Whistle Blower Policy" to establish a mechanism for its employees to report to the management on unethical behaviour, actual or suspected fraud or violation of the Company's General Guidelines on conduct or ethics policy. The Company has also a Fraud Prevention Policy in place.

09 Sep 2017



Briefing Parliamentary Committee on 'Paper laid on the table of Rajya Sabha' headed by Dr. C.P. Thakur, MP (Rajya Sabha)

DISCLOSURE UNDER SECTIONS 22 & 28 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

50. During the financial year 2016-17, the Company has not received any complaint on sexual harassment, hence, NIL disclosure under Section 22 and 28 of The Disclosure of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an internal Complaints Committee headed by a lady Officer as its Chairperson for enquiring into complaints of sexual harassment in workplace. The Committee holds its meetings every quarter. Number of awareness programs, trainings have been organised in the year. Apart from regular in-house workshops, two women executives attended external training programme on 18.11.2016 conducted by Labour Law Institute at Mumbai and on 13-14 October, 2016 by ISTM, New Delhi, to gain better exposure in this area.

NATIONAL RECOGNITION / AWARDS

51. GSL has bagged the following awards during the year:-

(a) **Raksha Mantri's Award 2015-16 for Best Performing Shipyard**

(b) Raksha Mantri's Award 2014-15 for Design Effort

(c) Raksha Mantri's Award 2014-15 for Best Performance in Export

(d) SCOPE Award for Excellence - Turnaround Category for FY 2014-15, presented by Hon'ble President of India.

(e) 'Rajbhasha Kirti Award' from Hon'ble President of India for FY 2015-16.

11 Apr 2017



Hon'ble President of India conferred GSL with SCOPE Award for Excellence - Turnaround Category for FY 2014-15

30 May 2017



Raksha Mantri's Award 2015-16 for Best Performing Shipyard.

30 May 2017



RM's Award 2014-15 for
Best Performance in Export



RM's Award 2014-15 for Design Effort-
Own Initiative Projects - Initial Design of
72 M ASW SWC

OFFICIAL LANGUAGE IMPLEMENTATION

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

53. Official Language Implementation Committee under the Chairmanship of CMD, GSL, met regularly and reviewed the progress in implementation of various measures for promoting Hindi. 05 Officers appeared and passed Pragya correspondence course under Hindi Teaching Scheme. The Officers and employees were provided Hindi routine work training in the Functional Hindi workshops. They were also provided Help literature, Standard Dictionaries, Standard Notings and Technical Glossaries for use in their routine work. To encourage the employees reading Hindi books, a separate Hindi library has been established with good number of Hindi Books.

54. Two meetings of Town Official Language Implementation Committee (TOLIC) were held under the Chairmanship of CMD, GSL, which were attended by the Administrative Heads of the member Offices of the Town. During the meeting Special Rajbhasha Shields & Certificates were distributed to Central Government offices, Public Sector Undertakings and Nationalised Banks for excellent performance in implementation of Official Language. With a view to discuss the various issues related to the progress of Official Language in the Member offices of TOLIC, South Goa, two additional meetings of Coordination Committees were held under the Chairmanship of CGM (HR&A), GSL.

55. Under the directives received from Ministry of Home Affairs, Dept. of Official Language, 'Hindi Week' was observed from 14th to 22nd September, 2016 to encourage every individual to do maximum official work in Hindi. All out efforts are being made to promote Official Language in all sections of the Company. Competitions were conducted in Hindi on the occasion of Vigilance Awareness Week, National Safety Week, Quami Ekta Week and Energy Conservation Week.

56. The Company has further popularized Hindi by 'Aaj ka Shabd evum Aaj ka Vichar', containing inspirational thoughts, important events and achievements, retirements, which are displayed in the Saransh Digital Board with Software solution module. Option to answer the question papers of all recruitment and promotional examinations in Hindi was provided by setting the question papers in Hindi and English. With a view to motivate the employees children in learning Hindi under the scheme appreciable amount was distributed to GSL employees children who stood 1st and 2nd in Hindi subject in classes Xth and XIIth. Various incentive schemes are in vogue to motivate

the employees to use Hindi in their office work and Cash prizes were given to the victorious employees on Hindi day valedictory function. The Company is a recipient of many National and Regional Awards including the most recent prestigious 'Rajbhasha Kirti Award' for the year 2015-16 adjudging third place in Region 'C' for PSUs of Government of India for excellent performance of Rajbhasha Hindi.



'Rajbhasha Kirti Award' for the year 2015-16 was presented by the Hon'ble President of India.

57. During the year, a five days Basic Computer Training Programme in Hindi, sponsored by Department of Official Language, Govt. of India, Ministry of Home Affairs was organized in November, 2016 under the auspices of TOLIC South Goa. The Company organized five days Translation Training Programme with the help of Officials deputed from Central Translation Bureau, Ministry of Home Affairs, Govt. of India, in December, 2016 which was attended by 22 staffs/ officers from various Central Govt. Offices located in Goa including GSL. With a view to encourage officers and employees to do their routine work in Hindi in computer an Advanced Computer Training Programme was also organized in March, 2017 for nominated Executives, Supervisors and Ministerial Staffs in four different batches. A Technical Seminar on Official Language at NIO, Dona Paula, Goa, was organised by Department of Official Language, Ministry of Home Affairs, Govt. of India, New Delhi on 20.01.2017. RAdm. Shekhar Mital, NM, IN (Retd) CMD, GSL and Chairman, TOLIC South Goa, was the Chief Guest for the programme.

58. During the induction & Pre-Examination Training, Rajbhasha session was conducted for newly joined officers wherein participants were apprised of Official Language Policy of Government of India and its implementation in the Company. The Company's Annual Report, MOU, Brief, Questionnaire and Presentation of various Parliamentary Committee, Recruitment advertisement and Promotional & Recruitment Question Papers, are prepared in bilingual form. Website of Company has been designed in Hindi and content is updated periodically.

IMPLEMENTATION OF RTI ACT, 2005

59. The Company confers special emphasis on implementation of the RTI Act, 2005 in letter and spirit. The applications received from the citizens of India as well as transfer applications from MOD under section 6(3) of the RTI Act, 2005 were replied within the prescribed statutory requirement. During the year 2016-17, the Company received 73 RTI applications and the information was furnished in time. 17 RTI Applicants preferred an appeal before the Appellate Authority u/s 19(1) of the RTI Act and the same were disposed of accordingly. As on date there are no cases pending before the Central Information Commissioner. The particulars of the organisation functions, powers and duties of the officers, norms, pay scales etc. as prescribed under Section 4 of the Right to Information Act, has been posted on the website of the Company **www.goashipyard.co.in**.

EXPENDITURE ON BUSINESS PROMOTION & FOREIGN TRAVEL

60. Expenditure on business promotion during the year was ₹ 71 lakh. An amount of ₹ 90 lakh was spent on foreign travel by the Company's executives/employees for the purpose of technology transfer, production and export promotion.

VIGILANCE ACTIVITIES

61. **"Public participation in promoting Integrity and eradicating corruption" was the theme during the financial year.** Regular and surprise checks were carried out to prevent lapses, violations, if any, of the laid down procedures and CVC guidelines. All newly joined Management Trainees and

Executives were made aware of vigilance role and its functions in the Company. Training on vigilance matter was given to newly inducted officers, management trainees and ministerial staff/supervisors.

62. As per directives of Central Vigilance Commission (CVC), Vigilance Awareness Week from 31st October to 5th November, 2016 was observed in the Company. The week started with CMD administering the vigilance pledge to Directors and Senior Executives at GSL. During the week, outdoor elocution competition for university students was organised. In addition to this in-house competitions like Poster competition, Slogan competition, Essay competition in Hindi or English for GSL employees, Apprentices and GSL CISF unit and also essay competition for Secondary and Higher Secondary students were organised in GSL campus. Sensitization program was conducted for recently posted CISF personnel to promote their involvement in eradicating corruption. Poster and Banners were displayed at prominent places of GSL corporate office and GSL auxiliary units.

AUDIT COMMITTEE

63. As on 31.03.2017, the Audit Committee of Board of Directors was constituted pursuant to Section 177 of the Companies Act, 2013 as follows:

1.	Shri K. Mohandas	Chairman	} Independent Directors
2.	Shri Ashok Nayak	Member	
3.	Shri S. P. Raikar, D(O), GSL	Member	Functional Director

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT

64. The Company has implemented the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005-GM dated 14.05.2010. The Management Discussion & Analysis Report and Corporate Governance Report along with Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as required under the said Guidelines, are placed at **Annexures 'C' and 'D'** hereto, respectively. As per the Self-evaluation Annual Grading Report on Corporate Governance for the year 2016-17, the Company has achieved **"Excellent" grading.**

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

65. The information on Conservation of Energy and Technology Absorption is provided in the Management Discussion & Analysis Report placed at **Annexure 'C'** hereto.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

66. The Company has been contributing immensely towards social development and meaningful quality of life of the community through value creation, promotion of sustained growth of the society and community and environmental sustainability in fulfillment of its role as a Socially Responsible Corporate and in compliance with the provisions of Companies (CSR Policy) Rules 2014, Schedule VII of the Companies Act, 2013 and the Guidelines on Corporate Social Responsibility issued by DPE.

13 Feb 2017



CSR workshop organized by DPE for all the PSUs at Goa

04-06 May 2017



GSL participation at CSR Fair in collaboration with DPE

The Company has framed **CSR & Sustainability Policy**, which can be accessed on Company's **website www.goashipyard.co.in**. The Annual Report on CSR activities carried out during the financial year is placed at **Annexure 'E'.**

RISK MANGEMENT

67. The Company has well articulated **'Risk Management Policy'** with an objective to help the management to make informed decision which will:

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

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

(c) Protect and enhance stakeholders value,

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

(e) Promote qualitative and consultative risk taking.

68. 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. For further details please refer to the Management Discussion & Analysis Report placed at **Annexure 'C**' hereto.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

69. During the year, the Company has **not** entered into any contract/arrangement/transaction with the related parties.

EXTRACT OF ANNUAL RETURN

70. The extract of the Annual Return for the Financial Year ended on 31.03.2017 **in Form No. MGT-9** pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is placed at **Annexure 'F'**.

MEETINGS OF THE BOARD

71. During the year, eight meetings of the Board of Directors were held. For further details please refer to Report on Corporate Governance **(Annexure 'D')**.

SECRETARIAL AUDIT

72. Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report given by Secretarial Auditor, Shri Francisco Dias, Practicing Company Secretary, is placed at **Annexure 'G'.** The Report does not contain any observation or qualification requiring explanations or comments from the Board under Section 134(3) of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) That such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended 31st March, 2017;



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

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

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

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

DIRECTORS

74. During the FY 2016-17, the appointments and cessation of Directors on the Board of the Company were as follows:

(a) Smt. Kusum Singh, JS(P&C), MOD, DDP, was appointed as Govt. (Nominee) Director with effect from 02.06.2016.

(b) Cmde. B. B. Nagpal (Retd.) was appointed as Director (CPP&BD), GSL, for a period of five years from the date of his assumption of charge of the post or till the date of his superannuation or until further orders, whichever is the earliest. Cmde. Nagpal (Retd.) joined the Company on 01.08.2016 (AN).

(c) Shri Vijayendra joined as Joint Secretary, NS Division, in place of Shri Bharat Khera w.e.f. 04.08.2016. Accordingly, Shri Vijayendra was appointed as a Director and Shri Bharat Khera ceased to be a Director of the Company w.e.f. 04.08.2016.

75. The Board welcomed the appointments of Directors, Smt. Kusum Singh, JS(P&C), MOD, Cmde. B. B. Nagpal (Retd.), Director (CPP&BD) and Shri Vijayendra, JS(NS), MOD and placed on record its appreciation of the valuable services rendered by Director, Shri Bharat Khera, JS(NS).

76. The Part-time Non-Official (Independent) Directors have given to the Company Declaration of Independence stating that they have complied with all the criteria of independence as provided under sub section (6) of Section 149 of the Companies Act, 2013.

77. In terms of appointment letter No.2(10)/2013/D(NS-I) dated 23.07.2014 issued by the Govt. of India, Ministry of Defence, Department of Defence Production, New Delhi, Shri Ashok Nayak ceased to be a Part-time Non-Official Director on completion of his three years term of appointment w.e.f. 22.07.2017. The Board placed on record its appreciation of the valuable services rendered by Shri Ashok Nayak during his tenure as a Director of the Company.

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



(a) Shri Vijayendra,

(b) Smt. Kusum Singh,

(c) Shri K. Mohandas.

AUDITORS

79. The Comptroller & Auditor General of India (C&AG) appointed M/s. Deshpande Pandit & Co. (SR1514), Chartered Accountants, Belgaum, Karnataka, as Auditors of the Company for FY 2016-17. The Directors recommend to the members of the Company to consider fixation of the remuneration of ₹ 2,50,000/- plus GST and out of pocket expenses at actual for Auditors of the Company appointed by the C&AG for FY 2017-18.

80. The Comments of the C&AG u/s 143(6) of the Companies Act, 2013, on the Accounts of the Company for FY 2016-17 will be placed on receipt as **Annexure 'H'** hereto.

ACKNOWLEDGEMENT

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

82. The Directors also wish to record their appreciation for the dedication and sincere efforts put in by the employees of the Company to achieve its goal.

For and on behalf of Board of Directors

[RAdm. Shekhar Mital, NM, IN (Retd.)]
Chairman & Managing Director

Place: Vasco-da-Gama, Goa.
Date: 2nd September, 2017.





ANNEXURE `A'

TO DIRECTORS' REPORT

STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED CASTES/SCHEDULED TRIBES AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.01.2017 AND 01.01.2016

CLASSIFICATION OF POSTS	AS ON 1ST JANUARY 2017					AS ON 1ST JANUARY 2016				
	TOTAL STRENGTH	No. OF SCHED-ULED CASTES	No. OF SCHED-ULED TRIBES	WOMEN EMPLOYEES*		TOTAL STRENGTH	No. OF SCHED-ULED CASTES	No. OF SCHED-ULED TRIBES	WOMEN EMPLOYEES*	
				No.	%				No.	%
Permanent										
Group 'A'	251 $	28	17	21	8.36%	243 $	25	15	21	8.64%
Group 'B'	10	2	2	1	10%	6	1	1	NIL	NIL
Group 'C'	1088 #	59	61	109	10.01%	1076 #	65	54	91	8.45%
Group 'D'	230 #	27	12	9	3.91%	243 #	32	12	10	4.11%

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

$ includes MTs.

includes Fixed Term Employees, ITI and Diploma Trainees.

ANNEXURE `B'

TO DIRECTORS' REPORT

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE DURING THE CALENDAR YEAR 2016, THE NUMBER FILLED BY MEMBERS OF SCs & STs AND WOMEN PERSONNEL, REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION

CLASSIFICATION OF POSTS	TOTAL No. OF VACANCIES FILLED DURING THE YEAR	SCHEDULED CASTES		SCHEDULED TRIBES		WOMEN PERSONNEL VACANCIES FILLED *	REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLED	VACANCIES RESERVED	VACANCIES FILLED		
Permanent							
Group 'A' (including MTs)	26	3	5#	1	2#	2	No candidates have been found suitable to fill up the reserved vacancies. However, all out efforts are being made to fill up these vacancies by respective categories.
Group 'B'	NIL	NIL	NIL	NIL	NIL	NIL	
Group 'C' (including Fixed Term employees, ITI and Diploma Trainees)	117	2	2	15	8	27	
Group 'D' (including Fixed Term employees)	8	NIL	NIL	1	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 2016-17

Industry structure and developments, strengths, weaknesses, opportunities and threats, major initiatives undertaken and planned to ensure sustained performance and growth:

1. The Indian Shipbuilding and Ship Repair industry primarily comprises firms that develop, build and repair - ships, underwater equipment and naval architectures for the shipping industry, fishing industry, naval defence and extraction of ocean resources. The Indian Shipbuilding industry is of strategic importance to the Indian economy and plays an important role in employment generation, development of manufacturing and related industries and national security. The Indian Shipbuilding Industry consists of public & private sector yards.

2. The Government of India has set ambitious plans for the Shipbuilding and Ship Repair Industry in the country. The Government is considering various options to boost the shipbuilding sector, including lower bank interest rates, infrastructure status to shipyards, a separate shipbuilding development fund, and a special subsidy for shipbuilders sourcing raw materials/ancillaries locally. The Government's strong focus on the shipbuilding sector and its initiatives in coastal shipping and inland waterways, among others, could give a new impetus to Indian shipbuilding. The Government is likely to come out with a new Shipbuilding, Ship Breaking and Ship Repair Policy with an aim to double the size of the industry by 2022.

3. Your Company is predominantly in the defence shipbuilding segment and has gained sufficient expertise in medium size ships required by Indian Navy and Indian Coast Guard in particular and generally enjoys excellent reputation for ships that it has built. GSL is operating in a highly competitive environment across all its product segments. The private shipbuilding players are tough competitors for orders from Defence sectors where the Company has predominant business. Despite competition from International and Indian Shipyards in Public and Private sector, the Company continues to make efforts and has been successful in securing shipbuilding/ship repair orders at domestic and international level and maintaining the growth momentum.

SWOT Analysis

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

Strengths

(a) Ability to design sophisticated vessels in-house. The designs of Advanced Offshore Patrol Vessels, Fast Patrol Vessels, etc. were made in-house.

(b) Highly Skilled work force and strong management with ability to absorb and adopt improvements/new technologies.

(c) Fully computerized network encompassing the entire gamut of operations. This is enabling us to monitor production activities closely and process other activities faster. Successful implementation of e-procurement system.



(d) Expertise in construction of shipbuilding, ship repair and manufacture of stern gear system.

(e) Sophisticated CAD/CAM facility supported by Aveva Marine software, knit seamlessly with BaaN ERP and Primavera software.

(f) Modern machineries like CNC plasma cutting machines, 3-D pipe bending machines, Pipe flanging machine, Ceramic back-up welding machines, Inverter based MIG welding machines etc., for expeditious construction of vessels.

(g) Shiplift and Transfer System capable of docking vessels upto 6000 tonnes with two land berths of 120 Mts. (L) x 25 Mts. (W) and 250 Mts. long jetty for berthing of vessels and repair work.

(h) Quality conscious, ISO 9001:2015 Company.

(i) Cohesive management with better communication network.

(j) Good industrial relations.

(k) Financially sound Company.

Weaknesses

(a) Uneven play with Private sector due to large restrictions being subjected to Article 12 of Constitution and limited autonomy being a Govt. Company.

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

(c) Limited water front & water depth.

(d) Inadequate industrial and local vendor base.

Opportunities

(a) Growing maritime defence needs of the country.

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

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

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

(e) Ship-repair opportunities due to high cost of replacement tonnage.

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

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

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

Threats

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

(b) Increased production capacity of existing private shipbuilders.

(c) Competition from small scale ship builders and repairers.



(d) Availability of limited experienced outsourcing parties to meet huge demand.

(e) Uncertain and unexpected amendments in statutes.

5. The SWOT analysis brings out the huge opportunities available for building defence and commercial vessels. Therefore, strategies are being focused on exploiting these opportunities based on our strength, minimizing the impact of weaknesses. GSL continues to consolidate its strengths and focusing on to reduce the impact of its weaknesses. The strengths of infrastructure, design and manufacturing facilities are leveraged to have strategic alliances to address the emerging opportunities and reducing the impact of perceived threats.

Major Initiatives Undertaken and Planned to Ensure Sustained Performance and Growth

6. Your Company has undertaken various initiatives to ensure sustained growth in the coming years. The various initiatives taken are in the areas of:

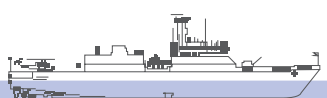
Technology Absorption - Research & Development and Technology Absorption, Adaptation & Innovation

7. With persistent efforts made in Research & Development on vessel platforms, your Company has been recognized for **In-house R&D unit** by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research. R&D activities at GSL were commenced in small way with the design of 35 knots, 50 M Fast Patrol Vessels (FPVs) in the year 1998-99 and presently it has a full fledged set up and is developing regularly newer platforms for Indian Navy & Indian Coast Guard. Platforms developed so far include 105 M. Advanced Offshore Patrol Vessels (AOPVs), 90 M Offshore Patrol Vessels (OPVs) and 105 M Naval Offshore Patrol Vessels (NOPVs). All the designs have been proven in Sea trials and further validated during operations in service with Indian Navy & Indian Coast Guard. The latest version of 50 meter Fast Patrol Vessels with higher speed and complement and features were also delivered to Mauritius Police Force during the year. Further to above the Latest of the Offshore Patrol Vessel design for the Sri Lankan Navy has been readied for Sea Trials.

8. The Company has successfully developed the design for 29 mtr. 50 Knots Interceptor Boat (IB), the Anti Submarine Warfare Shallow Water Craft (ASW SWC) and 75 Mtr. Patrol Vessel. Design of 29 Mtr. 50 Knots Interceptor Boat won Raksha Mantri's award for the in-house Design Efforts. The Company also won Raksha Mantri's Award 2014-15 for Design Effort - Own Initiative Projects - Initial Design of 72 M ASW–SWC. The Company's indigenously developed designs of Patrol Vessels have saved the country considerable amount of foreign exchange by avoiding import of ship designs and achievement of self reliance to a large extent.

9. During the year, the expenditure incurred by the Company on Research and Development is ₹ 968 lakh (both Revenue & Capital Expenditure).

10. The Company has been nominated for the construction of the latest follow-on vessel of 1135.6 Project with Russian Design. This project will further enhance company's ability for Weapon and Sensor integration and Gas Turbine Propulsion System.



Infrastructure Modernisation

11. The Company has achieved steady progress in augmentation / modernisation of infrastructure for MCMV Project. The Modernization package includes a Shiplift System of 6000 ton capacity, fully serviced repair berths, modern outfit shops, GRP facility, dedicated jetties and quays with sophisticated handling facilities. These are planned in Phases 1 to 4. Phases 1 & 2 have already been completed and commissioned, which include 02 open berths, Transfer area, jetty, Shiplift and Transfer system and Augmentation of Electrical Services. All activities under Phase 3A of Modernisation plan, which includes Outfit workshops, Ship Assembly Workshops, open construction berths, outfit jetty and steel stockyard, are completed and facilities are fully functional.

12. The Company has commenced the final phases, viz. Phase 3B & 4 of the Infrastructure augmentation plan for MCMV Project. The site preparation activities like demolition of NC Bay 1 & 2 and construction of GRP deck has been completed. The contract for construction works Phase 3B and Phase 4 has been awarded and the contractor has commenced the piling activities at site and design/ drawing works. The facilities under Phases 3B and 4 mainly include advance infrastructure for construction of MCMVs, to equip the yard with most modern and sophisticated infrastructure for Advanced Warship construction and Glass Reinforced Plastic (GRP) Hull construction.

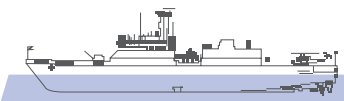
13. On completion of ongoing Modernisation Plan, the Company will have the capability to build high technology Glass Reinforced Plastic (GRP) hull Mine Counter Measure Vessels (MCMVs) indigenously with help of foreign technology provider. In addition this will also enhance the rate of production and shipbuilding capacity of the yard to three fold.

Information Technology (IT) System Initiatives

14. **Workflow Application.** As reported last year, GSL operations have been enabled with implementation of Intranet / Workflow / Manpower Resources Applications for Financial / Admin approvals. Increased speed, substantial transparency and effortless traceability have been brought into the approval process. The software provides 100% paperless office environment. During the year, ESI/PF clearance module has been developed newly.

15. **IT Infrastructure Upgradation.** The Company has specialized software for Project Planning, Ship designing & modeling and for Attendance Recording System, which have all been integrated with ERP for ease of operations across applications. It has also a groupware system for external/ internal communication, Antivirus for healthy computing, patch management, domain controller for better authentication and secured sharing. The Company has replaced its rack mounted & desk Mounted servers with the best of the technology like Blade Server to achieve better efficiency and reduced carbon emissions. GSL has also implemented Virtualization for instant provisioning, Automated Backup and Retrieval system for better business continuity. To secure GSL's premises as well as GSL's data, concrete steps have been taken at both the levels. Physical security has been upgraded by deploying CCTV monitoring; Biometrics based Door Access Control Systems at critical places, fumigation of DC's etc. Data Security has been further enhanced by using Desktop encryption technologies, controlled usage of USB devices etc.

16. **e-Recruitment Portal.** All the recruitment processes are now online thus saving time and efforts and reducing the recruitment process time substantially. Information on the various vacancies which are being filled is available on the portal for public awareness.



17. **Information Systems Security Manual.** Information Systems Security Manual has been updated with new measures, which describe the security measures required to be followed to protect Company's information assets. This includes all computer systems, media of any kind and information stored on them belonging to the company. IT Security Manual for CAD/CAM Section, SCADA systems updated and released. Regular advisories on ransomware, malware shared with all GSL users. IT Security Organization with defined Roles & Responsibilities has been formed and attached with Security Organization at Department of Defence Production.

18. **Automated Backup System & Disaster Recovery.** Automated backup system has been implemented to reduce the risks of data loss. The data generated is replicated on a day to day basis to a disaster recovery site at Sancoale Unit-II (distant site) on a scheduled basis for data security. This is done through fiber base data leased line connectivity.

19. **Separation of Internet from existing ERP LAN through Citrix Virtualization.** The access of internet on the desktops which are on business LAN has been separated through Citrix Virtualization Software there by reducing the threat of infection, injection, leakage and remote monitoring of data over desktops. It has helped better utilization of GSL IT devices / Infrastructure & filtered access of web surfing. Further separation between internet & intranet applications is being done by getting separate LAN erected for internet. Separate PC for accessing would be given for internet users.

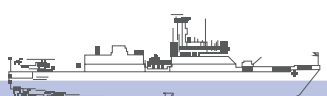
20. **Virtualization of Servers.** Server virtualization has been implemented, which has helped in Zero downtime maintenance, moving applications without service interruption, instant provisioning, Pooling hardware resource, Capacity utilization of Hardware and Dynamic resource sharing.

21. **Auditing of IT Systems.** Information Technology Systems & Infrastructure are audited by different authorities for better ascertainment of risk exposure and in carrying out any rectification on day to day basis. The auditing includes Vulnerability Assessment and Penetration Testing (VAPT) by Cert-In empanelled auditors, Cyber Security Audit by CSG-DDP, System Audit through Internal empanelled Auditors, Physical security audit by Intelligence Bureau (IB). The new IT Standing Order has been compiled and promulgated.

22. **Selection of New ERP System.** The Company has also initiated process of evaluation for a New ERP Solution which will encompass all the functions of the company on a single platform with flexibility for integration. A high level committee has been constituted which had various rounds of meetings on the subject. The committee also has interacted with three service providers on the subject matter. Further, the committee has framed the scope of work, technical specifications and monitoring the implementation processes for issuing EOI/Tender. GSL is in the final stage of discussions as far as ERP selection is concerned and the RFP will be issued shortly.

23. **Enhancements.** The following system enhancements were also done in GSL:

(a) **Movement Tracking System (Gate Pass).** An improved Movement Tracking System has been developed in-house and installed whereby, the data can be retrieved automatically once the visitor name or company name is entered, and issuing authority will have the facility to edit and update. This has reduced the time period for issuing the Gate passes with optimized size and more informatics with excellent search engine. The system has been further strengthened with capturing of visitor's face and getting it inscribed on the Gate Pass too.



(b) **Demurrage Control & Management System (DCMS).** Demurrage Control & Management system was implemented for import / export section of Commercial Department. DCMS system enhanced with a new search engine facilities where user can track the consignment status. Also the system provides MIS report for Demurrage charges.

(c) **Tracking of EMD / SD / PBG and NSIC Document Details.** Workflow for tracking the Bank Guarantee (PBG/EMD) submitted at the tendering stage till Invoice Processing stage is implemented. Necessary controls have been put for a return of PBG of non short-listed Vendors only after a fresh SD is submitted. Analytical Reports like Tender Wise / Department Wise expired Bank guarantee is prepared and tracked by various User Depts. (PBG/EMD) received are also auto-mailed to Finance.

(d) **Performance Appraisal System for GSL Top Management.** A new system for Performance Appraisal System for GMs & above has been developed, tested & deployed from this financial year onwards.

24. **System Training.** The Company has been giving ERP System and e-procurement periodical training to the regular users and new comers.

25. **Participation in GOI Digital initiatives.** Senior executives from GSL IT Department participated in SMART INDIA HACKATHON 2017 a Ministry of HRD initiative to have Pan India participation of budding Software Professionals to showcase their talent & initiative in building innovative solutions to the problems faced by different Govt. departments & organizations. 5 Teams out of 66 teams working on Dept. of Defence Production were mentored, judged and finally selected. Seminars on IT Security, Cashless economy, Digital India Mission of GOI, New age IT Products were attended and information shared down the line with other GSL employees.

Marketing & Business Development

26. GSL is in forefront in exporting the Naval vessels and GRP Interceptor Boats to friendly countries, and at present about 35% of the present turnover is from exports. **GSL is presently the largest exporter of warships from the country.** The Company has kept the complete range of Patrol vessels as thrust area for business in near future in addition to Mine Counter Measure Vessels (MCMVs) for which GSL is nominated by Govt. of India. Several customers have shown keen interest in the Company's in-house designed and well proven Patrol Vessels, some of which have sailed all over the world during their overseas deployment by the Indian Navy and Coast Guard. The Company has been making efforts to export its various proven products, specially the in-house designed range of Patrol Vessels along with their weaponised versions as per customer requirements and the varied range of GRP boats and Training Simulators.

Quality Assurance and Quality Management

27. The Company continues to accord the utmost importance to Quality Assurance activities, reflecting its strong commitment to Product quality and customer satisfaction. The yard has a well experienced QA inspection team, which is continuously trained in adopting updated inspection methodologies and best practices. A vibrant culture of self-inspection and root cause analysis to identify appropriate corrective & preventive measures for achieving continual improvement, has led to cost reduction and reduced build periods for our ships. Quality Management with the help of



ISO 9001:2015 has led to coordinated efforts of ERP, Risk management and upgrading of technical competence by external expertise and internal expertise by sharing of 'lessons learnt' on GSL knowledge portal.

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

Customer Satisfaction Index

29. Composite Customer satisfaction report derived from reports of all GSL customers was adjudged by IRQS.

Specific Measures with regard to Risk Management, Cost Reduction, Indigenisation, etc.

Risk Management

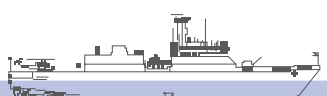
30. M/s Deloitte Touche Tohmatsu India LLP., Mumbai, was appointed for developing & implementing Enterprise wide Integrated Risk Management Policy and has been promulgated as **"Risk Management Policy"**. The Key Risks identified as Board Reportable Risks alongwith Mitigation Plans are monitored on a ongoing basis. The Risk Management Steering Committee (RMSC) is the apex committee in the Risk Management Governance structure comprising of key decision makers within the organization. RMSC is entrusted with the responsibility of implementing the Risk Management framework across the organization, apprise Board of Directors about various Risk Management initiatives and ensure adequate reporting of the same to various stake holders on a regular basis.

Cost Reduction

31. The Company has taken various measures for cost reduction in production and other related areas, viz., in the areas of inventory control, labour productivity, outsourcing, energy conservation, support services. Similarly, adopting method of placing repeat orders for the subsequent similar projects has resulted in reduction in order processing cost and procurement cost of items/equipment.

Reduction in Production Costs

32. As a part of various cost saving measures, the Company is in the process of ensuring that all sub-contractors use only energy efficient inverter based welding rectifiers. More outsourcing is done in non-core activities like dry surveys, fitment of manholes, ladders, doors, windows, minor seatings, etc. Semi-automatic welding machines are in use for better productivity. Stud-welding machines have been introduced for alignment of hull-block joints, which has resulted in reduction in cost and time. Laser based alignment tools are used for shafting jobs which has improved productivity and accuracy. With the help of higher capacity cranes on the berth, the erection of super structure is done in bigger blocks (compared to panels earlier), which saves cost & time. The company is in the process of installing Solar Panels on the roof tops of the company buildings for generating power in line with the policy of the government.



Reduction in Cost of Indirect Manpower/Overheads

33. The Company has resorted to Annual Rate Contracts (ARC) covering a majority of general stock items, welfare items, yard consumables, computer, stationeries, industrial gases, safety items and various services obviating the need of repeated tendering thereby reducing the procurement cost, lead time and inventory. Annual Maintenance Contracts have been in operation covering maintenance of computers and peripherals, servers & work stations, Aveva Marine Software and Primavera software, rewinding of motors, calibration of various measuring instruments, yard fire fighting system, cranes, office equipment, lifting appliances, etc. The company has disposed various scrap material worth ₹ 2.23 Crore during the financial year resulting in availability of storage space for materials of multiples projects being built concurrently in GSL which in turn avoided incurring expenditure in hiring additional godown services outside GSL. This has also created space for ship-building, which is so crucial when modernization is in progress.

Vendor Development and Procurement from Micro & Small Enterprises (MSE)

34. GSL has taken following action for vendor development and promotion of MSEs:

(a) Active participation in Vendor Development outreach programs at Regional & National level organized by MSME, NSIC, DICCI, Financial Institutions etc.

(b) Providing Technical Support and Services in terms of technical data & drawing to encourage vendors for development of item/s. Knowledge sharing sessions involving classification societies (IRS/ABS /LRS) to create awareness of Shipbuilding Industry Standards.

(c) The Company organized an Interactive Meet between the Korean & Indian Vendors for promoting indigenization for MCMV project.

Up-Gradation of Vendor Registration Portal

35. GSL has introduced 24x7 on-line vendor registration portal which enables bidders to enroll & complete the registration process with a view to identify and enlist suitable vendors, based on capacity & capability including financial soundness and expand vendor base dynamically for meeting the objective of creating healthy competition. Online Vendor Registration System is upgraded to provide for Vendor Grievance Redressal and facilitate identification & classification of MSEs, MSEs owned by SC/ST entrepreneurs and Medium & Large vendors. Direct registration of vendors registered with DGQA / IHQ(N) /CGHQ / DPSUs to further expand vendor base. Renewal is carried out on self-certification by vendors.

Association with NSIC

36. GSL is the first DPSU to have collaborative arrangement with NSIC for enhanced procurement from MSEs under "NSIC Consortia–Tender Marketing Scheme", as acknowledged by NSIC vide letter dtd. 8th Dec. 2016. The advantages are:

(a) Single point responsibility by NSIC to quote on behalf of MSEs to spur the growth in participation.

(b) To enhance procurement from MSEs including MSEs owned by SC/ST entrepreneurs.



Incentives to Encourage MSEs

37. GSL has introduced a Policy of Incentives as provided under MSME Order 2012 by Govt. of India to MSEs. In addition, the Company has proactively instituted liberalized payment terms and advances to MSEs for providing liquidity.

Provision for Mandatory Procurement from MSEs

38. GSL has proactively identified and reserved 18 project specific items required for shipbuilding for exclusive procurement from MSEs apart from the mandatory 358 items as per the MSME Order dated 23rd March, 2012. The Company has achieved 32.92% of the total domestic annual procurement from MSEs during financial year 2016-17, exceeding the mandatory target of 20% as per PPP 2012. The target set for procurement from MSEs for FY 2017-18 is ₹ 100 Cr.

Internal Control System and their Adequacy

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

40. The implementation of ERP System has helped to strengthen the Internal Control Systems with its in-built checks and balances at various levels of operations. The Internal Control systems are reviewed by the Audit Committee. The adequacy of internal control procedures is reviewed and reported by the Statutory Auditors in their Audit Report. The Company, being a Government Company, is subject to Government audit also.

Financial/Operational Performance Strategy & Objectives

41. The main objectives of the financing strategy of the Company are as follows:

(a) To make available funds by effective cash flow management.

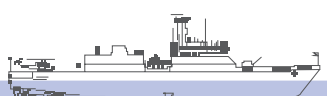
(b) To maintain the highest credit rating to be able to raise funds at most economical rates.

(c) To comply with the expectations of the various stakeholders.

(d) To effectively do tax planning thereby improving the post tax yield to the shareholders.

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

42. The Company continues to accord the highest priority to each of the objectives listed. During the year, the funding of incremental working capital requirement and the additional capital expenditure was met entirely from the Company's own resources without resorting to any external borrowing, besides improving the earnings on deployment of short term surplus funds.



Development of Human Resources

43. GSL believes that Learning & Development is a continuous process and is an important pillar on which the organization's current performance and future growth depends. The employees are the Company's most valuable resources and the Company has been able to create a favourable work environment that encourages innovation and meritocracy.

44. GSL provides a learning environment in the organization which not only has improved the culture but has also increased motivation and feeling of belongingness in the Company. The value addition to human resources is a continuing process and in-house and external training programmes were organized towards achieving the objective. During the year, 797 personnel were trained and various In-house and external training programs were conducted for Officers, Supervisors and Employees. Some of the key programs held during the year included ISO-9001:2015 requirements for Internal Audits, Project Management, Management Development Program, Program on GST, Reservation Policy to SC / ST / OBCs, Contract Law, Arbitration & Companies Act, FEMA, RTI Act, 2005, Pre-examination Training to Supervisors/Staff, Leading Happy Retired Life, Hindi workshop, Statutory Requirements of ESI, PF, Supervisory Development Program, Polymer Composites/FRP-Design, 3G Welding, IT and Technical skill related programs, Supply Chain Management, Cyber security etc.

45. The Company has a Structured Induction and on boarding program to facilitate the introduction of the employees to the corporate world smoothly. The company has also unique Mentorship development program wherein every new inductee is handholded by a senior. This unique pairing helps the new inductee to groom and understand culture of GSL smoothly. The Company strongly believes in continuous growth of its young executives and sponsors them for higher education such as DIAT courses.

46. Transfer of learning is given utmost importance in the organization. For any training to be successful, cannot alone be determined by how much the participant has enjoyed it but how much is she/he able to extend it to the peers and its application to the job the employee performs. Participant attending external training are given a platform to share their views on the training attended by them in a program design by us called the professional discourse program. The participant is allowed to express his views, learning through the session moderated by a senior executive. These sessions attended by cross functional employees which facilitates exchange of learning. These sessions are attended by Directors and many a times the views so exchanged are implemented in the processes.

47. Contract / outsourced labours form an integral part of working team. Hence addressing their issues also becomes of prime importance. In continuous endeavors, GSL contract labours are made aware of statutory compliances and various working conditions through Specialised workshop for contract labours on statutory compliances, role of principal employer, role of the contractor, safety aspects etc.

48. GSL also organized unique Two day residential Training Programme **"LEAD"-Leadership Exploration and Development for Mid Level Executives.** The program highlighted that Leadership & Learning are indispensible to each other and one has to continually keep learning, practicing to evolve as new age leader. This program was widely appreciated by all the participants and received positive feedback.



Two day Training Programme on "Leadership Exploration And Development" (LEAD) for Mid Level Executives on 25th & 26th Feb 2017



Skill Development

49. Government of India has undertaken a mission to make 500 million youngsters skilful by 2020 under the **'Skill India Mission'**. The company has been extending full support to the mission. Under the Prime Minister's Vision of a Skill India, the Company has been supporting Ministry of Defence initiatives and has undertaken number of actions under Skill Development. Various initiatives taken towards skilling youth are as under:

(a) **Adoption of Industrial Training Institute, Vasco** - The Company has adopted the local Industrial Training Institute (ITI) at Vasco to make it a model Industrial Training Institute in the state of Goa. The following activities have been taken up /organised:

(i) Trainings for students as well as Instructors on Safety and Soft skills. Week long 'On-the-job trainings' and practical shop floor training at company's yard for students under the guidance of experienced Officers in various departments to make them familiar and absorb the technical aspects and practical knowledge.

(ii) Purchased and donated books to ITI to help students in their academics, spare equipment and augmented the training facility of ITI by purchase of tools and machinery.

(iii) The Company in collaboration with State Directorate of Craftsman and Training (SDCT) organized "Apprenticeship Bharti Mela" on 30.8.2016, wherein 107 students were selected by the Company for different trades such as Welder, COPA, Fitter, Structural fitter and Electrician from different Government ITIs were issued the apprenticeship offers by the hands of Chief Minister, Government of Goa and other dignitaries.

(iv) Alumni meet and Vendor meet for the students of ITI to educate them on important employment related aspects.

(b) **Centre of Excellence** - The Company in collaboration with Society of Industrial & Technical Education, Goa (SITEG) is building state-of-the-art Centre of Excellence for Welding with financial outlay of ₹ 81 lakhs, which is expected to be operational very soon with an aim to train about 100 students per year.

(c) **Train the Trainer Program** - The Company believes that the Instructors are the backbone of the Institution and in an effort to keep them well trained and updated, has organised number of training programmes under 'Train the Trainer' series for ITI Instructors and Group Instructors. So far around 100 Instructors have been trained in Multi-Skill aspects.

(d) **CSR Activities towards Skill Development** - Under its CSR initiative, the Company provided specialized 3 months training in 3G Welding and certification by Indian Registrar of Shipping. Around 100 local youth have benefited from the program and are gainfully employed. 20% CSR funds is allocated for Skill Development projects every year.

(e) **Specialised Training in Niche Area - FRP for MCMV Project -** Special course has been started in FRP wherein 50 persons would undergo training every year. Training capsule designed and conducted by the prestigious CIPET (Central Institute of Plastic Engineering and Technology) and the beneficiaries include executives of the Company and Instructors from various Degree, Polytechnic and ITI institutions.

Industrial Relations

50. Industrial relations were cordial and harmonious and the yard continued to work peacefully throughout the year. Multi-unions/associations scenario continued in the Company. Participative fora are working effectively in the Company. Shop Council Policy has been revised and new Committee has been formed and the meetings are being conducted on regular interval. Four monthly meetings with Employees' Unions & Associations were conducted under the Chairmanship of Director (Operations).

Sustainable Development: Environmental aspects and Abatement of Pollution

51. The Company continues to show its commitment for improvement in all aspects of the environment and pays special emphasis for plantation and preservation of trees. New ornamental, fruit bearing trees & various types of saplings were planted in various areas and nearby school premises during the year.

Conservation of Energy

52. The Company continues its drive to conserve energy. During the year 2016-17, the Company executed various energy saving projects and took following steps to conserve energy:

(a) Conducted Energy Audit.

(b) Replacement of 70 W HPSV periphery light with 30 W LED light.

(c) Use of LED lighting for lighting onboard ships under construction.

(d) Installation of occupancy sensors in building.

(e) Replacement of 40 W T12 tubes with LED tubes.

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

(g) Observation of Energy conservation month.

(h) Installation of Nature switches (Switch working on sunlight) for outdoor lighting.



ANNEXURE `D' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR FY 2016-17

1. The Report on Corporate Governance along with a Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as per the Guidelines on Corporate Governance for CPSEs 2010 issued by the Government vide DPE's OM No.18(8)/2005-GM dated 14.05.2010, is given below:

PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition of Board of Directors

4. The Board of Directors of the Company as on 31.03.2017 consisted of 08 members, viz., 04 Whole-time Directors, including the Chairman & Managing Director, 02 Part-time Official (Government) Directors and 02 Part-time Non-Official (Independent) Directors, as follows:-

Whole time Directors

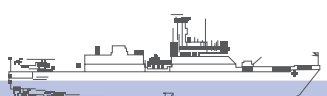
1.	RAdm. Shekhar Mital, NM, IN (Retd.), Chairman & Managing Director
2.	Shri Shrihari Pai Raikar, Director (Operations)
3.	Shri T. N. Sudhakar, Director (Finance)
4.	Cmde. Bharat Bhushan Nagpal, NM, IN (Retd.), Director (Corporate Planning, Projects & Business Development)

Part-time Official (Government) Directors

5.	Shri Vijayendra , Jt. Secretary (Naval Supplies), Ministry of Defence
6.	Smt. Kusum Singh, Jt. Secretary (P&C), Ministry of Defence

Part-time Non-Official (Independent) Directors

7.	Shri Ashok Nayak
8.	Shri K. Mohandas



5. Government of India appointed Smt. Kusum Singh, JS(P&C), MOD, DDP, as Government (Nominee) Director on the Board of GSL vide MOD's OM dated 02.06.2016. Smt. Kusum Singh is M.A. (Economics), IRPS – 1984 Batch and is presently holding the post of Joint Secretary (Personnel & Coordination)/(ES) in Ministry of Defence, Dept. of Defence Production, New Delhi. She has held various postings with Ministry of Railways, CRIS (Centre for Railway Information Systems), etc. Smt. Kusum Singh does not hold any shares in GSL.

6. Shri Vijayendra was appointed as a Director of the Company consequent to his joining as Joint Secretary, NS Division, Ministry of Defence, w.e.f. 04.08.2016. Shri Vijayendra does not hold any shares in GSL.

7. Government of India also appointed Cmde. B. B. Nagpal (Retd.) to the post of Director (Corporate Planning, Project & Business Development), GSL, for a period of five years from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders whichever is earliest. Cmde. B.B. Nagpal (Retd.) has assumed the charge of the post of Director (CPP&BD) in GSL on 01.08.2016 (AN). He is B. Tech (Hons.) Graduate in Mechanical Engineering from National Institute of Technology, Kurukshetra and completed DIIT (PG Diploma) in Naval Construction from Indian Institute of Technology, New Delhi in 1986 and Masters in Naval Architecture from the Naval War College, St. Petersburg (Russia) in 1993.

8. Cmde. B. B. Nagpal (Retd.) has served with distinction in diverse fields of warships design, quality control, training, repair and overseeing. He held appointments at Naval Dockyard, Mumbai, Naval Construction Wing IIT Delhi, Warship Overseeing Team (Kolkata) and Mumbai and Directorate of Naval Design, Delhi in various capacities. As Principal Director Naval Design since Dec. 2010, he was looking after the design and production of Kolkata and Visakhapatnam Class Destroyers, Kamorta class ASW corvettes and the specialist groups in Directorate of Naval Design. He was awarded Nausena Medal by President of India in 2013 for his distinguished services and devotion to duty in the Indian Navy. Cmde. B. B. Nagpal (Retd.) does not hold any shares in GSL.

9. One post of Part-time Non-Official (Independent) Director is vacant since 26.10.2015. The Govt. is in the process of filling up the said post.

Meetings of Board and Attendance

10. During the financial year ended 31st March, 2017, eight Meetings of the Board of Directors were held i.e. on 20.05.2016, 28.07.2016, 28.09.2016 23.11.2016, 02.12.2016, 06.02.2017, 24.02.2017 and 30.03.2017. The quorum was present at all the meetings. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other directorships held by them during 2016-17, etc. are furnished below:



Sr. No.	Directors	Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 28.09.2016	No. of other directorships held
1.	RAdm. Shekhar Mital (Retd.), CMD	08	08	Yes	01
2.	Shri Shrihari Pai Raikar	08	08	Yes	Nil
3.	Shri T.N. Sudhakar	08	08	Yes	Nil
4.	Cmde. Bharat Bhushan Nagpal (Retd.) (From 01.08.2016)	06	06	Yes	Nil
5.	Shri Bharat Khera (From 03.03.2016 to 04.08.2016)	02	01	NA	01
6	Shri Vijayendra (From 04.08.2016)	06	04	Yes	01
7.	Smt. Kusum Singh (From 02.06.2016)	07	03	No	Nil
8.	Shri Ashok Nayak	08	07	Yes	01
9.	Shri K. Mohandas	08	08	Yes	05

Code of Business Conduct and Ethics

11. The Code of Business Conduct & Ethics for all Board members and Senior Management of the Company has been posted on the Company's Website **www.goashipyard.co.in.** All Board members and Senior Management personnel have affirmed the compliance with the Code of Business Conduct and Ethics. A declaration to this effect by the Chairman & Managing Director is appended to this Report.

AUDIT COMMITTEE

Terms of Reference of Audit Committee

12. The terms of reference of the Audit Committee as per the revised "Audit Committee Charter" approved by the Board at its meeting held on 30.07.2014, inter alia, include the following:-

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

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

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

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

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

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



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

(h) Reviewing Management discussion and analysis of financial condition and results of operations.

Composition of Audit Committee

13. As on 31.03.2017, the "Audit Committee" of Directors of the Company, constituted pursuant to provisions of Section 177 of the Companies Act, 2013, consisted of two independent Directors and one Functional Director as follows:

1.	Shri K. Mohandas	Chairman	} Independent Directors
2.	Shri Ashok Nayak	Member	
3.	Shri S. P. Raikar, D(O), GSL	Member	Functional Director

Meetings of Audit Committee and Attendance

14. During the year ended 31.03.2017, the Audit Committee met four times, i.e. on 20.05.2016, 28.07.2016, 23.11.2016 and 24.02.2017. The quorum was present at all the meetings. The Chairman & Managing Director, the Director (Finance), Internal Auditor, General Manager (Finance) and the Statutory Auditors of the Company, attend the meetings of the Audit Committee as Invitees. The Company Secretary acts as the Secretary to Audit Committee. The Minutes of the meetings of the Audit Committee are placed before the Board in their subsequent meetings for information. The attendance of Chairman and the Members of the Audit Committee in these meetings was as follows:

Sr. No.	Name of Director	Meetings held during respective tenure of Director	No. of Meetings attended
1.	Shri K. Mohandas	04	04
2.	Shri Ashok Nayak	04	03
3.	Shri S.P. Raikar, D(O), GSL	04	04

15. Shri K. Mohandas, Part-time Non-Official (Independent) Director, Chairman of the Audit Committee, attended the 50th Annual General Meeting of the Company held on 28th September, 2016.

NOMINATION & REMUNERATION CUM HR COMMITTEE

Terms of Reference of Nomination & Remuneration cum HR Committee of Directors

16. In terms of the provisions of the Companies Act, 2013 and the DPE guidelines on Corporate Governance, the "Remuneration & HR Committee of Directors" was renamed as "Nomination & Remuneration cum HR Committee" by the Board at its meeting held on 28.09.2016. The Nomination & Remuneration cum HR Committee of Directors acts in accordance with the Charter for the said Committee as revised by the Board at its meeting held on 13.11.2015. The Chairman of the Nomination & Remuneration cum HR Committee of Directors is an Independent Director.

Composition of Nomination & Remuneration cum HR Committee of Directors

17. The composition of Nomination & Remuneration cum HR Committee of Directors of the Company reconstituted by the Board on 28.09.2016 is as follows:



1.	Shri Ashok Nayak	Chairman	Independent Director
2.	Shri K. Mohandas	Member	Independent Director
3.	Shri Vijayendra, JS (NS)	Member	Govt. Nominee Director
4.	Director (CPP & BD)	Member	Functional Director
5.	Director (Operations)	Permanent Special Invitee	Functional Director
6.	Director (Finance)	Permanent Special Invitee	Functional Director

Meetings of Nomination & Remuneration cum HR Committee of Directors and Attendance

18. During the year ended 31.03.2017, five meetings of the Nomination & Remuneration cum HR Committee of Directors were held i.e. on 20.05.2016, 28.07.2016, 28.09.2016, 22.11.2016 and 24.02.2017. The quorum was present at all the meetings. The Minutes of the meetings of Nomination & Remuneration cum HR Committee are placed before the Board in their subsequent meetings for information. The attendance of Chairman and Members of the Nomination & Remuneration cum HR Committee in these meetings was as follows:

Sr. No.	Name of Director/Members	Meetings held during respective tenure of Director	No. of Meetings Attended
1.	Shri Ashok Nayak – Chairman	05	04
2.	Shri Vijayendra, JS(NS) - Member (From 28.09.2016 PM)	02	Nil
3.	Shri K. Mohandas - Member	05	05
4.	Cmde B.B. Nagpal, (Retd.) D(CPP&BD) - Member (From 01.08.2016)	03	03
5.	Shri Shrihari Pai Raikar, D(O) (Member upto 28.09.2016 AM and Permanent Special Invitee from 28.09.2016 PM)	05	05
6.	Shri T.N. Sudhakar (Member upto 28.09.2016 AM and Permanent Special Invitee from 28.09.2016 PM)	05	05

OTHER BOARD SUB-COMMITTEES

PROCUREMENT SUB-COMMITTEE (PSC) OF DIRECTORS

Terms of Reference and Composition of Procurement Sub-Committee (PSC) of Directors

19. The Procurement Sub-Committee (PSC) of Directors approves the proposals for placement of orders for procurement of materials, equipment, tools, stores & spares, imports, works, sub-contracts, facility hire, Capital Expenditure, etc., of specified value as per the powers delegated by the Board. As on 31.03.2017, the composition of the Procurement Sub-Committee (PSC) of Directors constituted by the Board was as follows:

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

Meetings of Procurement Sub-Committee (PSC) of Directors and Attendance

20. During the year ended 31.03.2017, four meetings of the Procurement Sub-Committee of Directors were held i.e. on 22.11.2016, 22.12.2016, 24.02.2017 and 30.03.2017. The quorum was present at all the meetings. The Minutes of the meetings of the said Committee are placed before the Board in the subsequent meetings for information. The attendance of Chairman and the Members of the Committee in the meetings was as follows:

Sr. No.	Name of Director/Members	Meetings held during respective tenure of Director	No. of Meetings Attended
1.	RAdm. Shekhar Mital (Retd.), CMD - Chairman	04	04
2.	Shri Shrihari Pai Raikar, D(O) - Member	04	04
3.	Shri T.N. Sudhakar, D(F) - Member	04	04
4.	Cmde.B. B. Nagpal (Retd.), D(CPP&BD) - Member (From 01.08.2016)	04	04
5.	Shri Ashok Nayak, Independent Director - Member	04	04

COMMITTEE ON SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

Terms of Reference and Composition of Committee on Sustainable Development & Corporate Social Responsibility

21. The Committee on Sustainable Development & Corporate Social Responsibility was constituted by the Board of Directors to undertake various projects under Corporate Social Responsibility in terms of provisions of the Companies Act, 2013 and the guidelines issued by DPE. As on 31.03.2017, the composition of the said Committee was as follows:

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

Meetings of Committee on Sustainable Development & Corporate Social Responsibility and Attendance

22. During the year ended 31.03.2017, three meetings of the Committee on Sustainable Development & Corporate Social Responsibility were held, i.e. on 20.05.2016, 28.09.2016 and 22.11.2016. The quorum was present at all the meetings. The Minutes of the meetings of the said Committee are placed before the Board in their subsequent meetings for information. The attendance of Chairman and Members of the Committee in the meetings was as follows:



Sr. No.	Name of Director/Members	Meetings held during respective tenure of Director	No. of Meetings Attended
1.	Shri Ashok Nayak – Chairman	03	03
2.	Shri K. Mohandas – Member	03	03
3.	Shri S. P. Raikar, D(Operations) - Member	03	03
4.	Shri T.N. Sudhakar, D(Finance) – Member	03	03
5.	Cmde. B. B. Nagpal (Retd.), D(CCP & BD) – Member (From 01.08.2016)	02	02

PROJECT REVIEW SUB COMMITTEE (PRSC)

Terms of Reference and Composition of Project Review Sub Committee of Directors

23. The Project Review Sub Committee (PRSC) of Directors was constituted as per the directions of the MOD. As on 31.03.2017, the composition of the said Committee was as follows:

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

24. The assignment of PRSC includes the following:-

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

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

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

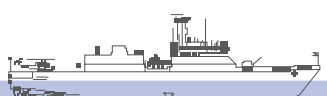
(d) Submit its report to the CMD at least on a quarterly basis.

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

Meetings of Project Review Sub Committee of Directors and Attendance

25. During the year ended 31.03.2017, four meetings of the "Project Review Sub Committee (PRSC) of Directors" were held i.e. on 19.05.2016, 28.09.2016, 22.11.2016 and 24.02.2017. The quorum was present at all the meetings. Minutes of the meetings of the Project Review Sub Committee (PRSC) are placed before the Board of Directors in their subsequent meetings for information. The Chairman of the Project Review Sub Committee of Directors is an Independent Director. The attendance of Chairman and Members of the Committee in the meetings was as follows:

Sr. No.	Name of Director/Members	Meetings held during respective tenure of Director	No. of Meetings Attended
1.	Shri Ashok Nayak - Chairman	04	04
2.	Shri Shrihari Pai Raikar, D(O) - Member	04	04
3.	Shri T.N. Sudhakar, D(F) – Member	04	04
4.	Cmde B.B. Nagpal (Retd.), D(CPP&BD) – Member (From 01.08.2016)	03	03



INVESTMENT COMMITTEE

Terms of Reference and Composition of Investment Committee

26. As on 31.03.2017, the composition of the Investment Committee of Directors constituted by the Board was as follows:

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

27. The Investment Committee is empowered, inter alia, to make investment of short term surplus funds of the Company as per DPE guidelines and Board directives, to avail funded and non funded facilities from the Bankers, 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 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.

REMUNERATION OF DIRECTORS

28. GSL being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors of the Company is decided by the Government of India. Non-Official Part-time (Independent) Directors are paid only sitting fees for attending meetings of the Board of Directors and Committees thereof. The Independent Directors are paid sitting fees of ₹ 15,000/- per meeting of the Board or Committee thereof attended by them. In case more than one meeting of the Board or Committee thereof is held on the same day, the sitting fees payable are ₹ 15,000/- for the first meeting and ₹ 10,000/- for every additional meeting on the same day attended by the Independent Director. The Company does not pay any commission to its Directors. Part-time Government Directors are not paid sitting fees or any other remuneration. Details of remuneration paid to the Whole time Directors for the year ended 31st March, 2017, are given below:

(₹ in lakh)

Name of Director	Salary (₹)	Perquisites as per IT Rules (₹)	Contribution to PF (₹)	Total (₹)
RAdm. Shekhar Mital (Retd.), CMD	42.55 *	2.83	2.62	48.00
Shri Shrihari Pai Raikar, D(O)	31.00 *	0.00	2.17	33.17
Shri T.N. Sudhkar, D(F) (Retd.)	25.80	0.00	2.02	27.82
Cmde. B.B. Nagpal (Retd.), D(CPP & BD) (From 01.08.2016)	15.48	0.00	1.39	16.87

* includes arrears for FY 2015-16

DIRECTORS' SHAREHOLDING

29. Except Shri Shrihari Pai Raikar, Director (Operations), none of the Directors of the Company held any shares of the Company as on 31.03.2017.



GENERAL BODY MEETINGS

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

Year	Location	Date and Time
2013-14	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	25th September, 2014 at 1600 hours
2014-15	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	28th September, 2015 at 1600 hours
2015-16	Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa.	28th September, 2016 at 1615 hours

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

DISCLOSURES

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

(b) There were no cases of non-compliance of applicable laws by the Company and no penalties/strictures were imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government, during the last three years.

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

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

(e) The Company has complied with 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.

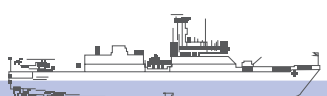
(g) The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were NIL.

(h) Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase are given below:

Administrative (Other Expenses) decreased by 17.35% and financial expenses increased by 68.87% as compared to last year due to increase in business activities and exchange fluctuations on forward contracts.

MEANS OF COMMUNICATION

33. The annual financial results of the Company are posted on the Company's Website **www.goashipyard.co.in** in English and Hindi. A press release is generally issued in the newspapers after conclusion of the Annual General Meeting.



AUDIT QUALIFICATIONS

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

SHARE TRANSFER SYSTEM

35. Shares sent for transfer are registered within the stipulated period. Shares under objection are returned within the stipulated period, seeking suitable rectification. The Share Transfers are approved within the specified period by approving authority.

SHAREHOLDING PATTERN

36. The shareholding pattern as on 31st March, 2017 is given below:

Sr. No.	Category of Shareholder	No. of Shares held	Amount of Shares held (₹)	% 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%

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

37. Under Section 124 of the Companies Act, 2013 (the Act), Companies are required to transfer to the Investor Education and Protection Fund (the Fund) established by the Government under Section 125(1) of the Act, the money transferred by the companies to the Unpaid Dividend Account and which remain unclaimed/unpaid for a period of seven years. During the year 2016-17, the Company transferred to the Fund an amount of ₹ 19,198/- Unclaimed/Unpaid Dividend for the Year 2008-09. The amount of Unclaimed Dividend for the Year 2009-10 which remains unclaimed as on 20.09.2017 has to be transferred to the Fund by the Company. Notices to this effect have been sent to the respective shareholders to enable them to claim the amount before the said date.

ADDITIONAL/GENERAL INFORMATION FOR SHAREHOLDERS

51st Annual General Meeting

Date : 26th September, 2017.
Time : 1630 hours
Venue : Registered Office of the Company, Vaddem, Vasco-da-Gama, Goa – 403 802.

Yard Location

i) Vaddem,
Vasco-da-Gama, Goa - 403 802.
ii) GSL Units II, III & IV,
Sancoale Industrial Estate,
Zuarinagar, Goa - 403 726.



Registered Office/Address for correspondence

Goa Shipyard Limited,
Registered Office: Vaddem House, Vaddem,
Vasco-da-Gama,
Goa – 403 802.
Phone: 0832-2512152-56 **Fax:** 0832-2514232
Email: contactus@goashipyard.com
Website: http://www.goashipyard.co.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 31st March, 2017.

For Goa Shipyard Limited

Vasco-da-Gama, Goa.
11th August, 2017

[RAdm. Shekhar Mital, NM, IN (Retd.)]
Chairman & Managing Director

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To

The Members
Goa Shipyard Limited

I have examined the compliance of conditions of corporate governance by Goa Shipyard Limited, for the year ended on 31.03.2017, as stipulated in the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Government.

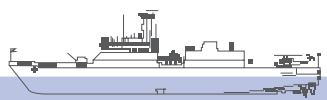
The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression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

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the aforesaid Guidelines on Corporate Governance.

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

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

Place : Vasco Da Gama. Goa.
Date : 15th May, 2017



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES 2016-17

1. A brief outline of GSL Corporate Social Responsibilities Policy

(a) GSL has been a vital part of the Goan industrial landscape, integrating seamlessly into the community, besides generating employment and business opportunities for the local populace. It constantly strives to foray beyond the scope of its business activities reaching out to Community with active participation in the social development of the local population. The Company has always been conscious of its Corporate Social Responsibility (CSR) commitments and over the years it has shaped a range of broad objectives in the social domain encompassing a charter of activities to foster sustainable community development.

(b) The CSR Policy is applicable to the entire range of CSR and Sustainability initiatives taken up by GSL, with thrust on inclusive growth and development, safe drinking water and sanitation, health, education, basic needs of the under privileged and weaker/BPL sections of the society, old and aged senior citizen, physically challenged, environment sustainability, promote renewable sources of energy, watershed management, reduction of carbon emissions, promotion of green and energy efficient technologies, etc.

(c) In alignment with **Vision** of the Company and **Swachh Bharat Campaign** of the Government of India, the Company through its CSR and Sustainability Policy initiatives, intends to contribute towards social development and meaningful quality of life of the community in which it operates through value creation, promoting inclusive growth of the society & community and environmental sustainability in fulfillment of its role as a Socially Responsible Corporate.

(d) In order to strengthen the CSR initiative, a baseline survey and need assessment in the State of Goa was conducted by Tata Institute of Social Sciences in consultation with various stakeholders and Government agencies. Accordingly, projects have been identified with Long and Medium Term perspectives, for implementation under CSR which include medical and healthcare, education, skill development, community development, environment related activities, etc.



Watershed Development Project at Adne and Balli Village.



Best vegetable growing Institution Award to Agriculture Co-operative Project in FY 2016-17.



Construction of Road behind KTC Bus stand, Vasco for local populace.



100 nos. parking signboard to Traffic Police Cell, Vasco.

(e) The Company is currently implementing five major projects under CSR and Sustainability activities in the State of Goa. These include Agri Co-operative Project in Canacona Taluka, Dairy Co-operative Project in Pernem Taluka, Skill Development Project in Mormugao Taluka, Watershed Project in Bali and Adne village and Mobile Medical Project in Quepem Taluka. All these projects are aimed at increasing livelihood opportunities in the region, nurturing agriculture and allied activities, enhancing entrepreneurship skills, empowering community, imparting employability skill, health awareness and sustainable development, etc.

(f) Towards Special CSR activities, under Swachh Bharat Abhiyan, GSL has adopted road from St. Andrew Circle, Vasco to Airport Junction, Dabolim for regular cleaning activity and handed over 6 Mobile Toilets to MMC, Vasco. GSL has also organised special cleaning drive on the occasion of Gandhi Jayanti on 2nd October, 2016 where various parts of Vasco City were cleaned with combine efforts of GSL team. The yard has also undertaken Skill Development Programme in collaboration with CII, Goa to identify skill sets needed by GSL and its vendors & adopted Vasco ITI to make it a model ITI, facilitated poor patients in getting Medical Assistance at Goa Medical College (GMC) Bambolim in collaboration with Matruchhaya Rugna Seva Kendra. GSL has promoted education through educational aid support i.e. Construction of Labs, providing school Uniforms to students and provision of safe drinking water for school children etc. Apart from this, GSL has also supported societal activities such as construction of road, footpaths and bus shed for local populace.

(g) The projects are implemented through specialized agencies / NGOs empanelled by National CSR Hub (NCSRH). Besides, GSL CSR Cell and the Project teams have been assigned the responsibility for co-ordination, monitoring and timely execution of the projects. Each project team comprises of one Executive, one Supervisor and one employee of the Company.

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

2. Composition of the CSR Committee

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

Tier – I: Board Level Committee

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

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

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

3. The Average net profit of the company for last three financial years (FY 13-14, FY 14-15 and FY 15-16) : ₹ 3359 lacs

4. The Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) : ₹ 67.19 lacs

5. Details of CSR spent during the financial year :

   (a) Total amount to be spent for the financial year : ₹ 67.19 lacs

   (b) Amount unspent, if any. : Nil

   (c) Amount spent during the financial year : ₹ 346.07 lacs as per details placed below:

CORPORATE SOCIAL RESPONSIBILITY

(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR Project or activities identified**	**Sector in which the Project is covered**	**Implementing Agency**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken**	**Amount outlay (budget) project or programmes wise (₹ in lacs)**	**Amount spent on the projects or programmes (₹ in lacs)**	**Cumulative expenditure upto to the reporting period. (₹ in lacs)**	**Amount spent: Direct or through implementing agency**
PROJECT MODE								
1.	Agri Co-operative Project	Agri	TISS, NCSR Hub Mumbai	Canacona Taluka, Goa	13.00	-	103.81	Through implementing agency
2.	Dairy Co-operative Project	Dairy	TISS, NCSR Hub Mumbai	Pernem Taluka, Goa	20.20	-	107.11	
3.	Watershed Management Project	Rain Water Harvesting	Mineral Foundation of Goa	Adne and Bali, Goa	29.00	10.15	78.61	
4.	Mobile Medical Project	Health	Voluntary Health Association of Goa	Quepem Taluka, Goa	23.50	23.32	191.32	
5.	3G Welding Training & Construction of Centre of Excellence at ISBT, Bogda	Skill Development	Society for Industrial and Technical Education of Goa	Bogda, Vasco, Goa	86.30	49.80	108.84	
NON-PROJECT MODE								
1.	Swachh Bharat activities: (Procurement of Mobile toilets, Adoption of Road and Cleanliness drive)	Health/ Sanitation	GSL	Vasco, Morumugao, Goa	69.60	34.74	Not applicable being a yearly activity separately carried out	Direct
2.	Other Activities: Educational aid to schools, Construction of Road Behind KTC Bus stand, Skill Develop. Prog. with CII, Construction of Bus Shed, Facilitating patients at GMC, Adoption of Vasco ITI, Construction of footpaths, Electrical Wiring at Old Age home, Medical support in Vasco city, provision of safe drinking water for school children, Road safety measures etc.	Education/ Health/ Social	GSL	Vasco, Morumugao, Goa	456.51	228.06	Not applicable being a yearly activity separately carried out	Direct
	TOTAL				**698.11**	**346.07**		



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

(Due to unexpected losses of ₹ 62.79 Crore in FY 2013-14, the average profit of last 3 years has come down. However, in view of old commitments made for CSR, the company has continued with committed CSR programmes and has spent higher amount.)

RESPONSIBILITY STATEMENT

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

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

[RAdm. Shekhar Mital, NM, IN (Retd.)]
Chairman & Managing Director

(Ashok Nayak)
Chairman, Committee on SD & CSR

Place: Vasco-da-Gama, Goa.
Date: 21st July, 2017.

ANNEXURE `F' TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U63032GA1967GOI000077
(ii)	Registration Date	29.09.1967
(iii)	Name of the Company	Goa Shipyard Limited
(iv)	Category/sub-category of the Company	Public Company/Govt. Company
(v)	Address of the Registered Office and Contact details	Vaddem House, Vaddem, Vasco-da-Gama, Goa – 403802 Tel: (0832) 2512152 to 2512156 2512359 (24 hours)
(vi)	Whether listed Company	No
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product / service *	% of total turnover of the company
1.	Ship Construction	301/3011 – Building of ships and floating structures	81%
2.	Ship Repairs & General Engineering Services	301/3315 – Repair of transport equipment, except motor vehicles	19%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not Applicable.



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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares of ₹ 10 each held at the beginning of the year				No. of Shares of ₹ 5 each held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies corp.	0	0	0	0	0	0	0	0	0
e) Banks /FI	0	0	0	0	0	0	0	0	0
f) Any other...	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):-	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other ..	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	0	0	0	0	0	0	0	0	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks /FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	14866695	14866695	51.09%	0	59466780	59466780	51.09%	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) Govt. Company (MDL)	0	13739400	13739400	47.21%	0	54957600	54957600	47.21%	0
Sub-Total (B)(1):-	0	28606095	28606095	98.30%	0	114424380	114424380	98.30%	0
2. Non-Instititutions									
a) Bodies Corp.									
i) Indian	0	340672	340672	1.17%	0	1362688	1362688	1.17%	0
ii) Overseas	0	1102	1102	0.004%	0	4408	4408	0.004%	0

EXTRACT OF ANNUAL RETURN

Category of Shareholders	No. of Shares of ₹ 10 each held at the beginning of the year				No. of Shares of ₹ 5 each held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	96481	96481	0.332%	0	142924	142924	0.123%	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	243000	243000	0.209%	0
c) Others (specify) Mormugao Port Trust	0	56587	56587	0.194%	0	226348	226348	0.194%	0
Sub-Total (B) (2):-	0	494842	494842	1.70%	0	1979368	1979368	1.70%	0
Total Public Shareholding (B) = (B) (1) + (B)(2)	0	29100937	29100937	100.00%	0	116403748	116403748	100.00%	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**0**	**29100937**	**29100937**	**100.00%**	**0**	**116403748**	**116403748**	**100.00%**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	N.A.	0	0	0	0	0	0	0
2	N.A.	0	0	0	0	0	0	0
3	N.A.	0	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

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



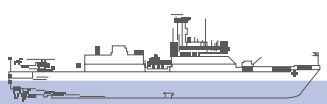
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sl No.	Name of Shareholder	Shareholding at the Beginning of the year as on 01.04.2016		Increase in share holding during the year on 30.03.2017		Cumulative Shareholding at the end of the year (as on 31.03.2017)	
	(For Each of the Top 10 Shareholders)	No. of shares of ₹ 10 each	% of total shares of the company	on Sub-division of Shares from ₹ 10 each to ₹ 5 each	on Allotment of fully paid Bonus Shares of ₹ 5 each in the ratio of 1:1	No. of shares of ₹ 5 each (Col. 5 + 6)	% of total shares of the company
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1	President of India	14866695	51.09%	29733390	29733390	59466780	51.09%
2	Mazagon Dock Shipbuilders Ltd.	13739400	47.21%	27478800	27478800	54957600	47.21%
3	Dempo Brothers Ltd.	103905	0.36%	207810	207810	415620	0.36%
4	V. M. Salgaocar & Brother Ltd.	101250	0.35%	202500	202500	405000	0.35%
5	Sesa Goa Ltd. (Name changed to Vedanta Limited)	62707	0.22%	125414	125414	250828	0.22%
6	Mormugao Port Trust	56587	0.19%	113174	113174	226348	0.19%
7	Gangadhar Narsingdas Agrawal	48825	0.17%	97650	97650	195300	0.17%
8	Damodar Mangalji & Co. Ltd.	22500	0.08%	45000	45000	90000	0.08%
9	S. Kantilal & Co. Ltd.	22500	0.08%	45000	45000	90000	0.08%
10	Shantilal Khushaldas & Brothers Pvt. Ltd.	22500	0.08%	45000	45000	90000	0.08%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of the Director and KMP	Shareholding at the Beginning of the year as on 01.04.2016		Increase in share holding during the year on 30.03.2017		Cumulative Shareholding at the end of the year (as on 31.03.2017)	
	For Each of the Directors and KMP	No. of shares of ₹ 10 each	% of total shares of the company	on Sub-division of Shares from ₹ 10 each to ₹ 5 each	on Allotment of fully paid Bonus Shares of ₹ 5 each in the ratio of 1:1	No. of shares of ₹ 5 each (Col. 5 + 6)	% of total shares of the company
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1	Shrihari Pai Raikar, D(O)	10	0.00%	20	20	40	0.00%
2	R. C. Asukar, CS & GM(L) (Upto 31.12.2016)	225	0.0008%	450	450	900	0.0008%
3	S.V. Adhia, CS (From 06.02.2017)	225	0.0008%	450	450	900	0.0008%

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



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ In Lakh)

Sl No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total amount
		RAdm. Shekhar Mital (Retd.)	Shri Shrihari Pai Raikar	Shri T.N. Sudhakar	Cmde. B. B. Nagpal (Retd.)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	42.55 *	31.00 *	25.80	15.48	114.83
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2.83	0	0	0	2.83
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others specify....	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	45.38	31.00	25.80	15.48	117.66
	Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of Companies Act, 2013.				

* includes arrears for FY 2015-16



B. Remuneration to other directors:

(₹ in Lakh)

Sl No.	Particulars of remuneration	Name of Director		Total amount
		Shri Ashok Nayak	Shri K. Mohandas	
1.	**Independent directors**			
	• Fee for attending board / committee meetings	2.90	2.40	5.30
	• Commission	0	0	0
	• Others, please specify	0	0	0
	Total (1)	2.90	2.40	5.30
2.	**Other Non-Executive Directors**			
	• Fee for attending board / committee meetings	0	0	0
	• Commission	0	0	0
	• Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B) = (1+2)	2.90	2.40	5.30
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Being a Govt. Company, exempted from Section 197 of Companies Act, 2013.		

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		R. C. Asukar, CS & GM(L) (Upto 31.12.2016)	S.V. Adhia, CS (From 06.02.2017)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	51.12 *	5.43 **	56.55
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- others specify....	0	0	0
5.	Others please specify	0	0	0
	Total	51.12	5.43	56.55

* Includes arrears for FY 2015-16 and payment of Gratuity and Leave encashment.

** Includes arrears for FY 2015-16.

VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES:

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



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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, minutes books, forms and returns filed and other records maintained by Goa Shipyard Limited for the financial year ended on 31st March, 2017 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 Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Not applicable to the Company during the audit period);

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;

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

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

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Not applicable to the Company during the audit period);



SECRETARIAL AUDIT REPORT

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

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

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

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) Factories Act, 1948

iii) Payment of Wages Act, 1936 and other labour laws

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

v) Employees' State Insurance Act, 1948

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

vii) Payment of Gratuity Act, 1972

viii) Industrial Dispute Act, 1947

ix) Environment Protection Act, 1986 and other environmental laws

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

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

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and one Woman Director as on 31st March, 2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors recorded during the period under review.



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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period, the Company has sub-divided its equity shares of nominal value of ₹ 10/- each into 2 equity shares of ₹ 5/- each fully paid up and further increased its Authorised Share Capital from ₹ 40 Crore to ₹ 60 Crore by creation of 4 Crore equity shares of ₹ 5/- each. I further report that the Alteration in the share capital of the Company that took place during the year under review was carried out in compliance with the provisions of the Act.

During the year Company has issued and allotted 5,82,01,874 fully paid bonus shares of ₹ 5/- each to the existing shareholders in proportion of one bonus share for every one existing fully paid equity share held. I further report that the Company has complied with the provisions of the Act while issuing and allotting the same.

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

(i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity, apart from the issue of bonus shares mentioned above.

(ii) Redemption/ buy back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Merger/ amalgamation/ reconstruction etc.

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

Place : Vasco Da Gama.
Dated : 15th May, 2017

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

SECRETARIAL AUDIT REPORT

'Annexe A'

To,

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

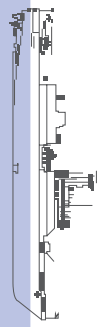
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Vasco Da Gama.
Dated : 15th May, 2017.





GOA SHIPYARD LIMITED
TEN YEARS AT A GLANCE

(Rupees in Lakhs except per share data, number of employees and ratios)

Sl	RESULTS FOR THE FINANCIAL YEAR	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
		1	2	3	4	5	6	7	8	9	10
A	**INCOME STATEMENT**										
1	Gross Revenue	110,237	80,451	68,077	55,252	56,422	72,288	102,739	95,478	58,712	40,094
2	Value of Production	103,020	72,596	56,955	50,890	50,662	67,643	99,032	86,648	50,801	31,721
3	Revenue from Operations	105,545	76,233	57,551	51,163	50,870	68,162	99,102	86,733	50,950	31,967
4	Material Cost	51,121	31,404	30,045	30,401	29,794	36,218	54,317	48,213	27,546	16,629
5	Operating Profit	13,054	6,851	1,525	(2,857)	(2,940)	8,629	22,842	11,022	4,849	2,738
6	Finance Costs	179	106	73	2,042	2,424	1,706	531	1,108	1,065	642
7	Depreciation	3,694	2,690	898	1,727	1,817	1,628	851	470	429	406
8	Profit Before Tax and Exceptional Items	17,746	11,069	5,317	(6,279)	2,612	12,603	26,479	19,723	12,592	10,693
9	Provision forTax	6,005	4,841	(2,507)	(170)	1,062	4,327	8,866	6,651	4,396	3,696
10	Profit after Tax	11,741	6,228	7,824	(6,109)	1,550	8,276	17,613	13,072	8,196	6,997
11	Gross Margin (EBIDTA)	21,619	13,865	6,288	(2,510)	6,853	15,937	27,861	21,301	14,086	11,741
12	Gross Profit (EBIT)	17,925	11,175	5,390	(4,237)	5,036	14,309	27,010	20,831	13,657	11,335
13	Value Added	40,359	31,801	19,825	15,059	19,639	27,523	40,615	33,701	19,725	14,717
B	**BALANCE SHEET**										
1	Equity Share Capital	5,820	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910
2	Reserve & Surplus	75,440	65,774	59,011	55,527	61,143	60,273	54,001	40,528	30,511	24,256
3	Borrowings	-	-	2,377	2,659	1,728	1,129	1,175	1,220	1,265	1,310
4	Property, Plant and Equipment (Gross Block)	86,742	57,785	15,710	44,184	43,920	42,057	41,648	11,908	10,935	10,148
5	Property, Plant and Equipment (Net Block)	65,652	40,116	6,890	32,428	33,802	33,741	34,940	5,963	5,439	4,997
6	Capital Work in Progress	7,403	23,321	14,304	10,423	1,348	7,242	1,088	15,739	6,865	3,699
7	Capital Employed	73,814	45,320	49,994	50,673	57,225	52,492	52,256	28,919	32,324	30,643
8	Net Worth	81,217	68,641	61,921	58,437	64,053	63,184	56,911	43,438	33,421	27,166
C	**RATIOS & OTHER FINANCIAL INDICATORS**										
1	Profit after tax : Net Worth	14.46	9.07	12.64	(10.45)	2.42	13.10	30.95	30.09	24.52	25.76
2	EBDITA Margin (%)	19.61	17.23	9.24	(4.54)	12.15	22.05	27.12	22.31	23.99	29.28
3	Return on Average Net Worth (RONW) (%)	23.68	16.96	8.84	(10.25)	4.11	20.99	52.77	51.32	41.57	43.87
4	Return on Average Capital Employed (ROCE) (%)	29.79	23.23	10.56	(11.64)	4.76	24.06	65.24	64.41	40.00	40.19
5	Earning Per Share (EPS) (₹)*	10.09	5.35	26.89	(20.99)	5.33	28.44	60.53	44.92	28.16	24.04
6	Dividend per share (%)*	70	64	54	-	20	59	122	90	57	50
7	Dividend Payout*	4,074	1,862	1,571	-	582	1,717	3,550	2,620	1,659	1,455
	OTHER INFORMATION										
1	**Number of employees**	1,655	1,605	1,568	1,545	1,602	1,604	1,667	1,701	1,620	1,621
2	**Value Added per employee (₹ In lakh)**	24.39	19.81	12.64	9.75	12.26	17.16	24.36	19.81	12.18	9.08

* Bonus Share in the ratio of 1:1 issued during FY 2016-17

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Goa Shipyard Limited

In light of Comptroller & Auditor General of India observation, Our Report dated 22nd July, 2017 has been revised to bring serial no. 1 of "Annexure C" in line with that of what is stated in "Annexure A" and to include reasons for write-off of Trade receivables as mentioned in serial no. 2 of "Annexure C" under Section 143(5) of Companies Act 2013.

Report on Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Goa Shipyard Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by 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 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening Balance Sheet as at 1st April, 2015 included in the Ind AS Financial Statements, are based on the statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 3rd August, 2015 and 23rd August, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), we give in the "Annexure A" a statement on the matters specified in paragraphs 3, 4 and 5 of the Order.

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

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

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



INDEPENDENT AUDITOR'S REPORT

d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. Since the Company is a Central Public Sector Undertaking, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting

g. The compliance to directions issued by Comptroller and Auditor General of India U/s 143(5) have been reported in "Annexure C".

For **Deshpande Pandit & Co**
Chartered Accountants

Signature
R G Pandit
Partner
Membership Number - 021842
Firm registration number – 000717S

Place - Belgaum
Date - 03.08.2017



Annexure A to the Auditors' Report of even date to the members of Goa Shipyard Limited, on the Ind AS financial statements for the year ended 31 March 2017.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i). (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per explanation and information given to us verification has been carried out in respect of the fixed assets at reasonable intervals.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

(ii). In our opinion and according to the information and explanations given to us, the stock of stores, spare parts and raw materials have been physically verified during the year at reasonable intervals and discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii). According to the information and explanation given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause iii(a), iii(b), iii(c) of the order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) Since the company has not accepted any deposits from the public, the provisions of clause 3(v) of the Companies (Auditors' Report) Order, 2016 are not applicable to the company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. There were no arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.



(b) There are no dues of Income Tax/Sales Tax/Wealth Tax/Service Tax/ Customs duty /Excise duty/cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a financial institution, bank or debenture holders.

(ix) The company has not raised any money by way of Initial Public offer and neither has taken any Term Loans from the banks. Hence the provisions of clause 3(ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **Deshpande Pandit & Co**
Chartered Accountants

Signature
R G Pandit
Partner
Membership Number - 021842
Firm registration number – 000717S

Place - Belgaum
Date - 03.08.2017



Annexure "B" to the Independent Auditors' Report of even date of Goa Shipyard Limited

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

We have audited the Internal Financial Controls over Financial Reporting of Goa Shipyard Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the Ind AS 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deshpande Pandit & Co**
Chartered Accountants

Signature
R G Pandit
Partner
Membership Number - 021842
Firm registration number – 000717S

Place - Belgaum
Date - 03.08.2017



Annexure "C" to the Independent Auditors' Report of even date of Goa Shipyard Limited

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 2016-17 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

Sl. No.	Areas Examined	Observation/Finding
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2	Whether there are any cases of waiver /write off of debts /loans/interest etc., if yes, the reasons there for and the amount involved.	During the year the Company has reversed Receivable amounting to ₹ 264 lakhs due from M/s Cochin Shipyard Ltd on account of disallowance of FE Variation. Further Receivable amounting to ₹146 lakhs from Coast Guard, GRSE and MDL have been written off during the year on account of disallowances by customers due to defects/ineligibility.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	In our opinion and according to information provided by the Company all the records with regard to inventories lying with third parties and Assets funded by Customer are maintained. There are no assets have been received as gift(s) from Government or other authorities.

For **Deshpande Pandit & Co**
Chartered Accountants

Signature
R G Pandit
Partner
Membership Number - 021842
Firm registration number – 000717S

Place - Belgaum
Date - 03.08.2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/S. GOA SHIPYARD LIMITED, GOA FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of **M/s. Goa Shipyard Limited, Goa** for the year ended 31 March 2017 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 accrdance with the standards on auditing prescribed under secion 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 July 2017 and revised report dated 03 August 2017.

I, on behalf of Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **M/s. Goa Shipyard Limited, Goa** for the year ended 31 March 2017. 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. In view of the revisions made in Annexure 'C' of the Independent Auditor's Report, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

Prachi Pandey
24.8.2017

(Prachi Pandey, IA & AS)
Pr. Director of Commercial Audit and Ex-Officio Member, Audit Board, Bangalore

Place: Banglore
Date: 24 August, 2017



SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

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

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

3 CURRENT / NON CURRENT CLASSIFICATION

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

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve month after the reporting, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve month after the reporting period.

All other assets are classified as non-current.

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

1. Expected to be settled in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Due to be settled within twelve month after the reporting, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve month after the reporting period.

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

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

v. **Operating Cycle:**

a) In case of Ship Building and Ship Repair and Refit activities, normal operating cycle is



considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle. As the build period of the ships depend upon the size/technical specification of each individual ships, defining an uniform Operating Cycle is not feasible.

b) In case of other business activities normal operating cycle will be 12 months.

4 USE OF ESTIMATES

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

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

ESTIMATES AND ASSUMPTIONS ARE REQUIRED IN PARTICULAR FOR

i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

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

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

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

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

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

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



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

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

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

At the inception of an arrangement, the Company determines whether the arrangement is or contains an element of lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease and it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

vii) **Revenue Recognition:**

Determination of estimated cost to complete the contract is required for computing revenue as per Ind - AS 11 on 'Construction Contracts'. The estimates are revised periodically.

5 PROPERTY, PLANT AND EQUIPMENT (PPE)

Measurement at recognition

a) 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.

b) 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.

c) Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. For this purpose, cost consists of purchase costs and includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition for their intended use. Freehold land is carried at historical cost.

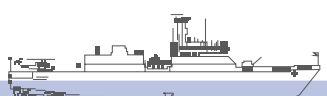
Capital Work in Progress and Capital advances:

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

6 DEPRECIATION

a) 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.

b) Property, plant and equipment acquired with financial assistance from Indian Navy/ Government are stated at cost and is depreciated over the life of the asset and the financial assistance received is treated as government assistance.



c) 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".

d) 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.

e) Any additions to Property, Plant and Equipment during the year valuing ₹ 5000/- or less have been fully depreciated and charged to profit & loss.

7 INTANGIBLE ASSETS

Intangible assets acquired separately are measured at cost on initial recognition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

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

8 IMPAIRMENT OF ASSETS

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

9 GOVERNMENT GRANTS

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

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by treating the grant as deferred income. The grant is treated as deferred income is recognised in profit or 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 profit and loss on a straight-line basis over the expected lives of the related assets and presented under the head other income.

10 LEASES

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

11 BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs those are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

12 INVENTORIES

Inventories other than work in progress arising under construction contract are valued at the lower of cost and net realisable value. The cost is determined as under:

a) Raw materials, Stores and general Spare parts are valued at weighted average cost.

b) Equipment for specific projects is valued at cost.

c) Scrap held at the end of each accounting period is valued at net realizable value.

d) Stores in transit is valued at cost.

e) Obsolete, slow moving and defective inventories not moved for over 3 years are identified at the time of physical verification and wherever necessary, provision is made for such inventories.

13 WORK-IN-PROGRESS

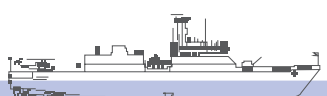
a) **Shipbuilding Contract:** Ships under construction under long term contracts which extend for more than one year, where Profit can be reliably measured are valued in the following manner:

At costs incurred up to the reporting date plus profits recognized under percentage completion method in the proportion to the actual costs incurred bear to the estimated total cost to completion as on that date.

b) **"Other" Contracts:**

i) **Short production cycle items:**

Work done against short term contracts which may extend upto 12 months or against orders for Repair Services, is valued at cost or realizable value, whichever is lower. Profit, if any, is reckoned in the year in which the sale takes place.



ii) **Loss on the contract:**

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.

iii) **Materials with contractors:**

Materials, if any, held by the contractors for processing are treated as part of work-in-progress.

14 FINANCIAL ASSETS

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified using the following measurement categories:

- To be measured subsequently at fair value (either through other comprehensive income or through profit and loss), and;
- To be measured at amortised cost

a. **Trade Receivables**

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

ii) Provision for bad and doubtful debts is based on the simplified approach of impairment of trade receivables permitted by Ind AS 109 Financial instruments which requires expected lifetime losses to be recognized and accordingly provision is generally made for debts outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realizable based on a case to case review.

iii) Full provision is made for all debts considered doubtful of recovery having regard to the following considerations:

a) Time barred debts from the Government / Government Departments / Government Companies are generally not treated as doubtful debts.

b) Where debts are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

b. **Investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as 'at fair value through profit and loss' (FVTPL) and all changes are recognized in the Statement of Profit & Loss.

All other equity instruments are classified 'at fair value through Other Comprehensive Income' (FVTOCI). Fair value changes on the instrument, excluding dividends, are recognised in the



other comprehensive income. There is no recycling of the amounts from Other Comprehensive Income to Profit or Loss.

c. **Cash and Cash Equivalent**

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three month or less that are readily convertible to known amount of cash and which are subject to an insignificant risk to changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

15 FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and 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 profit or loss when the liabilities are derecognised as well as through the amortisation of effective interest.

16 REVENUE RECOGNITION

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A. **Revenue from Operation**

a. Sales and services are reflected in the accounts of the year in which the deliveries are made to the customer and includes adjustments made towards price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

b. Where the contract prices are not finalized, sales are accounted for on the basis of provisional prices.

c. Additional revenue, in respect of contracts completed in earlier years, is accounted for as Sales for the year in which such revenue materializes.

d. Revenue from sale of traded goods (Spares) is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

e. **Revenue from Shipbuilding activity**

I) **Fixed Price Contracts:**

i) When the outcome of a construction contract can be estimated reliably, revenue from projects are recognised under the ''Percentage of completion method'' (POC) based on percentage of costs incurred to date compared to total estimated contract



costs plus proportionate profit. The estimated cost of each contract is determined based on management estimate of cost to be incurred till final completion of the vessel and includes cost of material, services and other related overheads. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

ii) An expected loss on the contract is recognised as expenses immediately.

iii) Additional revenue, in respect of contracts completed in earlier years, is accounted for as sales in the year in which such revenue materializes.

II) **Cost plus contracts:** In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract.

f) **Ship Repair Activity**

In the case of ship repair, the revenues are computed as under (i) Work done against contract extending up to 12 month is recognized at cost or realisable value, wherever is lower. Profit, if any is recognized in the year in which the work is completed (ii) For contract extending beyond 12 months the revenue is recognised as per accounting policy for Construction contract.

g) Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

h) Credit notes issued to Customers are treated as reduction of sales for the year in which they are issued.

i) Sales Tax, Works Contract Tax, Service Tax collected /receivable from Customers is not treated as part of company's trading receipts.

j) Values 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.

B. **Other Operating revenue**

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

C. **Other Income**

i. Interest income is accrued at applicable interest rate.

ii. Other items of income are accounted as and when the right to receive arises.

17 EMPLOYEE BENEFITS

A. **Defined contribution plans**

i) Provident Fund: The Company's contribution to the recognized provident fund paid / payable during the year is debited to the Profit and Loss Account. 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.



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 Life Insurance Company/Companies as decided by the Trustees.

B. **Defined benefit plans**

i) Gratuity: Liability for gratuity is determined annually by actuarial valuation as per Ind AS 19 – Employee Benefits, and is being remitted to a separate Trust. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually.

ii) Leave encashment: Liability in respect of unavailed earned leave by the employees as at the end of the year is provided for on the basis of actuarial valuation as per Ind AS 19 – Employee Benefits.

Under Ind AS 19, net interest cost is determined by multiplying the net defined benefit liability and fair value of plan asset by the discount rate specified both as determined at the start of the annual reporting period, taking into account, any changes in the net defined benefit liability and asset during the period as a result of contribution and benefit payments. This cost is included as employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost . Remeasurement gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in the period in which they occur, directly in other comprehensive income.

18 PRIOR PERIOD ADJUSTMENT/ RECLASSIFICATION

Prior period errors and reclassification are corrected retrospectively by restating the comparative amounts for prior periods presented in which the reclassification is required/ error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

19 FOREIGN CURRENCY TRANSACTIONS & DERIVATIVES

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

A. **Foreign Currency Transactions:**

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date. The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognized in the Statement of Profit and Loss.



Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also 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 derivates 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 profit or 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 "Other unallocable expenditure net of unallocable income". Assets and liabilities of the company are used jointly by all the segments. Accordingly, there is no segment-wise bifurcation of assets and liabilities.



21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

22 PROVISION FOR WARRANTY

Provision for Warranty related cost are recognised after the product is sold or Services are rendered to the Customers in terms of the Contract. 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 net profit after tax by number of paid up Equity Shares at the end of the period. Diluted Earnings per share is computed by dividing net 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

a. **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.

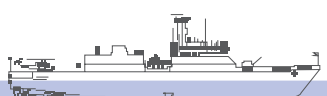
b. **Deferred Tax:** Deferred tax is recognized on timing difference, being difference between taxable income and accounting income for the year, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

c. 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. Deferred Income Tax is also not accounted for 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). Deferred Income Tax is determined using tax rates and laws, that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

25 ROUNDING OFF AMOUNTS

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



BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH 2017

	Particulars	Note	As at 31-03-2017	As at 31-03-2016	As at 1-04-2015
			Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
I	**ASSETS**				
	Non-current Assets				
	Property, Plant and Equipment	2.1	65,591	40,081	33,891
	Intangible Assets	2.1	61	35	17
	Capital Work-in-Progress	2.2	7,403	23,321	21,117
	Financial Assets:				
	Long-term Loans and Advances	2.3	243	291	382
	Other Financial Assets	2.4	16,243	4	4
	Deferred Tax Assets (Net)	2.19	-	-	573
	Other Non-current Assets	2.5	4,005	2,756	605
	Total - Non-current Assets		**93,546**	**66,488**	**56,589**
	Current Assets				
	Inventories	2.6	47,022	62,131	33,766
	Financial Assets:				
	Trade Receivables	2.7	10,948	23,785	7,536
	Cash and Cash Equivalents	2.8	50,365	22,648	51,541
	Other Bank Balances	2.9	-	500	500
	Short-term Loans and Advances	2.10	10,146	10,215	7,194
	Other Financial Assets	2.11	4,644	1,615	1,210
	Current Tax Assets (Net)	2.12	4,705	5,436	6,852
	Other Current Assets	2.13	250	376	411
	Total - Current Assets		**128,080**	**126,706**	**109,010**
	TOTAL		**221,626**	**193,194**	**165,599**
II	**EQUITY AND LIABILITIES**				
	Shareholder's Fund				
	Share Capital	2.14	5,820	2,910	2,910
	Other Equity	2.15	75,440	65,774	60,248
			81,260	**68,684**	**63,158**
	Non-current Liabilities				
	Financial Liabilities:				
	Trade payables	2.16	-	-	-
	Other financial liabilities	2.17	58	48	36
	Long-term Provisions	2.18	2,267	2,225	1,646
	Deferred Tax Liabilities (Net)	2.19	1,274	238	-
	Government Assistance for Infrastructure Augmentation	2.20	40,161	42,090	33,899
	Total - Non-current Liabilities		**43,760**	**44,601**	**35,581**
	Current Liabilities				
	Financial Liabilities:				
	Trade and other payables	2.21	3,652	3,895	3,189
	Other Financial Liabilities	2.22	25,300	25,448	13,639
	Other Current Liabilities	2.23	64,509	47,886	46,293
	Short-term Provisions	2.24	3,145	2,680	3,739
	Total - Current Liabilities		**96,606**	**79,909**	**66,860**
	TOTAL		**221,626**	**193,194**	**165,599**

SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.48) FORM PART OF ACCOUNTS

As per Our Report of Even Date Attached
For Deshpande Pandit & Co.
Chartered Accountants
(FRN 000717S)

R. G. Pandit
Partner
M.No. 021842
Place : Belgaum
Date : 22.07.2017

RAdm. Shekhar Mital, NM, (Retd.)
Chairman & Managing Director

S. V. Adhia
Company Secretary

Place : Vasco da Gama, Goa
Date : 21.07.2017

T. N. Sudhakar
Director (Finance)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

	Particulars	Note	For the year ended 31.03.2017	For the year ended 31.03.2016
			Rupees in lakhs	Rupees in lakhs
I	**INCOME:**			
	Revenue from Operations:			
	i. Turnover (Value of Production)	2.25	103,020	72,596
	ii Other Operating Revenue	2.25	2,525	3,637
			105,545	76,233
	Other Income	2.26	4,692	4,218
	Total Revenue		**110,237**	**80,451**
II	**EXPENSES:**			
	Cost of Materials Consumed	2.27	51,121	31,404
	Employees Benefit Expenses	2.28	15,498	14,397
	Sub-Contract		11,540	9,391
	Direct Expenses		2,812	3,216
	Finance Costs	2.29	179	106
	Depreciation	2.1	3,694	2,690
	Other Expenses		6,320	7,647
	Corporate Social Responsibility Expenditure	2.31	347	146
	Provisions	2.32	980	385
	Total Expenses		**92,491**	**69,382**
III	**Profit before Tax (I - II)**		**17,746**	**11,069**
IV	**Tax Expense:**	2.33		
	(i) Current tax		4,900	4,000
	(ii) Prior tax adjustment		69	30
	(iii) Deferred tax		1,036	811
	Total Tax Expenses		**6,005**	**4,841**
V	**Profit for the period (III - IV)**		**11,741**	**6,228**
VI	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	Remeasurements of post employment benefit obligations		76	(26)
	B. Items that will be reclassified to profit or loss		**-**	-
VII	**Other Comprehensive Income for the year**		**76**	**(26)**
VIII	**Total Comprehensive Income for the period (V+ VII) (Comprising Profit and Other Comprehensive Income for the period)**		**11,817**	**6,202**
IX	**Earnings per equity share:**	2.34		
	(1) Basic Earnings per Equity Share (₹)*		10	5
	(2) Diluted Earnings per Equity Share (₹)*		10	5
SIGNIFICANT ACCOUNTING POLICIES (1) AND NOTES TO ACCOUNTS (2.1) to (2.48) FORM PART OF ACCOUNTS				

*** on expanded Equity Shares, post Stock Split from ₹ 10 per Share to two shares of ₹ 5/- each and issue of Bonus Share in the ratio of 1:1 completed during FY 2016-17**

As per Our Report of Even Date Attached
For Deshpande Pandit & Co.
Chartered Accountants
(FRN 000717S)

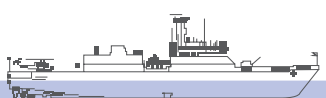
R. G. Pandit
Partner
M.No. 021842
Place : Belgaum
Date : 22.07.2017

RAdm. Shekhar Mital, NM (Retd.)
Chairman & Managing Director

S. V. Adhia
Company Secretary

T. N. Sudhakar
Director (Finance)

Place : Vasco da Gama, Goa
Date : 21.07.2017



Statement of Changes in Equity for the year ended 31.03.2017

A. Equity Share Capital

(Rupees in lakhs)

Sl No	Particulars	As at 31-03-2017	As at 31-03-2016
i	Balance at the beginning of the reporting period	2910	2910
ii	Changes in equity share capital during the year	2910	-
iii	Balance at the end of the reporting period	**5820**	**2910**

B. Other Equity

	Particulars	Reserves and Surplus						Effective portion of Cash Flow Hedges	Total
		Capital Reserve	General Reserve	Retained Earnings	CSR Re-serve	Capital Redemp-tion Reserve	Deben-ture Redemp-tion Reserve		
I	**Balance as at 01 April, 2015**	**43**	**60,150**	**1,937.00**	**182**	**-**	**-**	**(1,397)**	**60,915**
a	Changes in accounting policy or prior period errors			(667.00)					(667)
II	**Restated balance at the beginning of the reporting period**	**43**	**60,150**	**1,270.00**	**182**	**-**	**-**	**(1,397)**	**60,248**
a	Total comprehensive income for the year			6,202.00	-				6,202
b	Dividends (including taxes)			(1,891.00)					(1,891)
c	Transfer from retained earnings		3,950	(3,950.00)					-
d	Amount paid/utilised during the year				(182)			1,397	1,215
e	Amortisation of premium								-
III	**Balance at the end of the 31.03.2016**	**43**	**64,100**	**1,631.00**	**-**	**-**	**-**	**-**	**65,774**
a	Changes in accounting policy or prior period errors			-					-
b	Restated balance at the beginning of the reporting period	43	64,100	1,631.00	-	-	-	-	65,774
c	Total comprehensive income for the year			11,817.00					11,817
d	**Issue of Bonus Share**		**(2,910)**						**(2,910)**
e	Dividends (including taxes)			(2,241.00)					(2,241)
f	Amount reversed		3,000						3,000
g	Transfer from retained earnings		10,800	(10,800.00)					-
IV	**Balance at the end of the 31.03.2017**	**43**	**74,990**	**407.00**	**-**	**-**	**-**	**-**	**75,440**

As per Our Report of Even Date Attached
For Deshpande Pandit & Co.
Chartered Accountants
(FRN 000717S)

R. G. Pandit
Partner
M.No. 021842
Place : Belgaum
Date : 22.07.2017

RAdm. Shekhar Mital, NM (Retd.)
Chairman & Managing Director

S. V. Adhia
Company Secretary

T. N. Sudhakar
Director (Finance)

Place : Vasco da Gama, Goa
Date : 21.07.2017

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31ST MARCH 2017

	PARTICULARS	For the year ended 31.03.2017		For the year ended 31.03.2016	
		Rupees in lakhs		Rupees in lakhs	
I	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit/(Loss) before tax as per Profit & Loss Account		17,746		11,069
	Adjusted for:				
	Loss on Sale/Discard of Assets (Net)	-		-	
	Depreciation and Amortisation Expense	3,421		2,432	
	Interest Income	(3,915)		(3,975)	
	Corporate Social Responsibility Reserve	-		(182)	
	Finance Costs	179		106	
	Hedge Reserve Account	-		1,397	
	Recognisation of fair value on Deferred Debt	-		1	
	Unwinding of grant income	(1,929)	(2,244)	(1,809)	(2,030)
	Operating Profit/(Loss) before Working Capital Changes		15,502		9,039
	Adjusted for:				
	Other Current Assets	(603)		(1,975)	
	Trade Receivables	12,837		(16,249)	
	Inventories	15,109		(28,365)	
	Trade and Other Payables	16,232		14,108	
	Other Liabilities	10		10,011	
	Long-term Loans and Advances	(16,815)		(2,060)	
	Provisions	583	27,353	(506)	(25,036)
	Cash Generated from Operations		42,855		(15,997)
	Net Prior Year Adjustments	-		-	
	Taxes Paid	(4,969)	(4,969)	(4,030)	(4,030)
	Net Cash (used in)/from Operating Activities		37,886		(20,027)
II	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(29,353)		(9,077)	
	Sale/Adjustment of Fixed Assets	396		437	
	Capital Work in Progress	15,918		(2,204)	
	Amount received against ICD	875		-	
	Interest Income	3,915	(8,249)	3,975	(6,869)
	Net Cash (used in)/from Investing Activities		(8,249)		(6,869)
III	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Short Term Borrowings	-		-	
	Refund of Margin Money	500		-	
	Dividends Paid (including Dividend Distribution Tax)	(2,241)		(1,891)	-
	Interest Paid	(179)	(1,920)	(106)	(1,997)
	Net Cash (used in)/from Financing Activities		(1,920)		(1,997)
IV	**Net Increase/(Decrease) in Cash and Cash Equivalents**		27,717		(28,893)
V	**Opening Balance of Cash and Cash Equivalents**		22,648		51,541
VI	**Closing Balance of Cash and Cash Equivalents**		50,365		22,648

As per Our Report of Even Date Attached
For Deshpande Pandit & Co.
Chartered Accountants
(FRN 000717S)

R. G. Pandit
Partner
M.No. 021842
Place : Belgaum
Date : 22.07.2017

RAdm. Shekhar Mital, NM (Retd.)
Chairman & Managing Director

S. V. Adhia
Company Secretary

T. N. Sudhakar
Director (Finance)

Place : Vasco da Gama, Goa
Date : 21.07.2017



NOTES TO ACCOUNTS FOR THE YEAR ENDED 31-03-2017

NOTES ON BALANCE SHEET ITEMS (2.1 TO 2.24)

2.1a PROPERTY, PLANT & EQUIPMENT

Rupees in Lakhs

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				Net Block	
		As at 01-04-2016	Additions during the year	Deductions/ adjustments	As at 01-04-2017	As at 01-04-2016	Depreciation for the period	Deductions/ adjustments	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
A	**PROPERTY, PLANT & EQUIPMENT**										
	Freehold Land	143	0	-	143	0	0	0	0	143	143
	Buildings & Other Civil Constructions	24702	25352	318	49736	4330	1493	272	5551	44185	20372
	Plant & Machinery	27700	3684	69	31315	9705	1883	63	11525	19790	17995
	Capital Dredging	1175	0	0	1175	423	77	0	500	675	752
	Slipways	185	0	0	185	185	0	0	185	0	0
	Fitting out Jetty	166	0	0	166	166	0	0	166	0	0
	Furniture & Fittings	889	44	8	925	658	52	6	704	221	231
	Office Equipment	214	12	1	225	146	24	0	170	55	68
	Medical Equipment	2	14	-	16	0	1	0	1	15	2
	Computers	1131	63	-	1194	1012	88	0	1100	94	119
	Motor Cars & Vehicles	209	6	-	215	146	21	0	167	48	63
	Steam Launches & Boats	801	0	-	801	627	40	0	667	134	174
	Total	**57317**	**29175**	**396**	**86096**	**17398**	**3679**	**341**	**20736**	**65360**	**39919**
B	**R & D ASSETS**										
	R & D Assets	286	137	-	423	124	68	0	192	231	162
	Total R&D Assets	**286**	**137**	**0**	**423**	**124**	**68**	**0**	**192**	**231**	**162**
	TOTAL (A+B)	**57603**	**29312**	**396**	**86519**	**17522**	**3747**	**341**	**20928**	**65591**	**40081**
	Previous Year	48985	9055	437	57603	15093	2774	345	17522	40081	33891
C	**INTANGIBLE ASSETS**										
	ERP Software	182	41	-	223	147	15	-	162	61	35
	Total Intangible Assets	**182**	**41**	**0**	**223**	**147**	**15**	**-**	**162**	**61**	**35**
	Previous Year	160	22	0	182	143	5	1	147	35	17
D	**ASSETS FUNDED BY CUSTOMER INCLUDED IN PPE ABOVE**										
	Buildings & Other Civil Construction	21327	898	-	22225	2877	676	0	3553	18672	18450
	Plant & Machinery	17566	0	-	17566	4674	1177	0	5851	11715	12892
	Capital Dredging	1107	0		1107	360	76		436	671	747
	TOTAL	**40000**	**898**	**-**	**40898**	**7911**	**1929**	**0**	**9840**	**31058**	**32089**
E	**Capital Work in Progress**	23,321	13,435	29,353	7,403	-	-	-	-	7,403	23,321
	Previous Year	21,117	11,278	9,074	23,321	-	-	-	-	23,321	21,117



NOTES TO BALANCE SHEET ITEMS

2.1.1 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013.

2.1.2 No borrowings were made during the year to fund any of the Capital expenditure.

2.1.3 Building include ₹ 67 Lakhs (Original Cost) for Delhi Shipyard House being one third share in the property jointly held by Goa Shipyard Limited, Mazagon Dock Shipbuilders Ltd and Garden Reach Shipbuilders & Engineers Ltd.

2.1.4 In line with Ind AS requirement, unamortised lease rent on operating lease have been reclassfied as prepaid rent.

2.1.b The reconciliation of Fixed Assets on adoption of Ind-AS as compared to reported under previous GAAP is given below:

Rupees in Lakhs

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				Net Block	
		As at 01-04-2015	Additions during the year	Deductions/ adjustments	As at 01-04-2016	As at 01-04-2015	Depreciation for the period	Deductions/ adjustments	As at 31-03-2016	As at 31-03-2016	As at 01-04-2015
I	**PROPERTY, PLANT & EQUIPMENT**										
	Freehold Land	143	0	0	143	0	0	0	0	143	143
	Buildings & Other Civil Constructions	17463	7439	200	24702	3787	695	152	4330	20372	13676
	Plant & Machinery	26392	1501	193	27700	8158	1711	164	9705	17995	18234
	Capital Dredging	1175	0	0	1175	346	77	0	423	752	829
	Slipways	185	0	0	185	185	0	0	185	0	0
	Fitting out Jetty	166	0	0	166	166	0	0	166	0	0
	Furniture & Fittings	892	15	18	889	606	61	9	658	231	286
	Office Equipment	192	35	13	214	132	21	7	146	68	59
	Medical Equipment	2	0	0	2	0	0	0	0	2	2
	Computers	1069	62	0	1131	954	58	0	1012	119	115
	Motor Cars & Vehicles	209	0	0	209	124	22	0	146	63	85
	Steam Launches & Boats	814	0	13	801	600	40	13	627	174	214
	Total	**48702**	**9052**	**437**	**57317**	**15058**	**2685**	**345**	**17398**	**39919**	**33,643**
II	**R & D ASSETS**										
	R & D Assets	283	3	0	286	35	89	0	124	162	248
	Total Intangible Assets	**283**	**3**	**0**	**286**	**35**	**89**	**0**	**124**	**162**	**248**
	TOTAL (I+II)	**48985**	**9055**	**437**	**57603**	**15093**	**2774**	**345**	**17522**	**40081**	**33,891**
	Balance as on 01.04.2015	15834	33187	36	48985	8996	6102	4	15094	33891	6,838

NOTES TO BALANCE SHEET ITEMS

Rupees in Lakhs

	Particulars of Assets	GROSS BLOCK				DEPRECIATION				Net Block	
		As at 01-04-2015	Additions during the year	Deductions/ adjustments	As at 01-04-2016	As at 01-04-2015	Depreciation for the period	Deductions/ adjustments	As at 31-03-2016	As at 31-03-2016	As at 01-04-2015
III	**INTANGIBLE ASSETS**										
	ERP Software	160	22	0	182	143	5	1	147	35	17
	Total Intangible Assets	**160**	**22**	**0**	**182**	**143**	**5**	**1**	**147**	**35**	**17**
	Balance as on 01.04.2015	160	0	0	160	143	0	0	143	17	6
IV	**ASSETS FUNDED BY CUSTOMER INCLUDED IN PPE ABOVE**										
	Buildings & Other Civil Construction	14514	6813	0	21327	2322	555	0	2877	18450	12192
	Plant & Machinery	17566	0	0	17566	3497	1177	0	4674	12892	14069
	Capital Dredging	1107	0		1107	283	77	0	360	747	824
	TOTAL	**33187**	**6813**	**0**	**40000**	**6102**	**1809**	**0**	**7911**	**32089**	**27085**
	Capital Work in Progress	**21117**	**11278**	**9074**	**23321**	**0**	**0**	**0**	**0**	**23321**	**21117**
	Previous Year	10423	11141	447	21117	0	0	0	0	21117	10423

2.1.c Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013.

2.1.d No borrowings were made during the year to fund any of the Capital expenditure.

2.1.e Building include ₹ 67 Lakhs (Original Cost) for Delhi Shipyard House being one third share in the property jointly held by Goa Shipyard Limited, Mazagon Dock Shipbuilders Ltd. and Garden Reach Shipbuilders & Engineers Ltd.

2.1.f In line with Ind AS requirement, unamortised lease rent on operating lease have been reclassfied as prepaid rent.

(Amount ₹ in Lakhs)

2.2	CAPITAL WORK-IN-PROGRESS	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	Opening Balance	23,321		21,117		10,423	
	Add: Expenditure during the year	13,435		11,278		11,141	
		36,756		32,395		21,564	
	Less: Capitalisation/Adjustments during the year	29,353	7,403	9,074	23,321	447	21,117
			7,403		**23,321**		**21,117**

The Capital Work-in-Progress includes:

GSL Modernisation Programme presently in progress, was approved by the Government of India, with a total outlay of ₹ 1400 Cr. out of which ₹ 880 Cr. will be met from Government Assistance and the balance ₹ 520 Cr. from Internal Resources. The entire project is to be completed in four phases. As on the Reporting date, phases upto 3A have been completed and Phase 3B and Phase 4 are in progress against which an amount of ₹ 73.40 Cr. have been spent.



NOTES TO BALANCE SHEET ITEMS

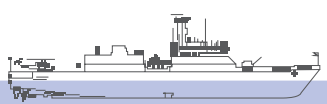
(Amount ₹ in Lakhs)

2.3	LONG-TERM LOANS AND ADVANCES	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Loans to Employees (Secured by way of mortgage/hypothecation or by way of third party guarantee)	225		258		275	
	Less: Current maturities of Long Term Advances	131	94	131	127	49	226
	2. Loans to Employees (Unsecured and Considered good)	149		159		153	
	3. Unsecured and Considered doubtful	-		-		2	
		149		159		155	
	Less: Provision for doubtful loans	-		-		2	
		149		159		153	
	Less: Current maturities of Long Term Advances	26	123	26	133	29	124
	4. Security Deposit & EMD paid (Unsecured and considered good)						
	Unsecured considered good	26		31		32	
	Unsecured considered doubtful	-		-		2	
		26		31		34	
	Less: Provision for doubtful loans	-	26	-	31	2	32
	5. License and Tech doc fees 1241RE*	1,454		1,454		1,454	
	Less: Amount received included under Advances Received from Customers (Note No. 2.23)	1,454	-	1,454	-	1,454	-
			243		**291**		**382**

* License and Tech doc fees 1241RE represents pro-rata unexpired licensed technical document fees paid to USSR for 5 number of Missile Boats for Indian Navy for which the amount has been reimbursed by the Customer.

2.4	OTHERS FINANCIAL ASSETS (NON CURRENT)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Term Deposits with Cement Corporation India Ltd. *	2125		3000		3000	
	Less: Amount set aside from General Reserve towards possible impairment in value	-		3000		3000	
	Less: Amount receivable within 12 months included in Short Term Financial Assets (Note 2.11)	1500	625	-	-	-	-
	2. Others		4		4		4
	3. Fixed Deposits with Banks (Maturity beyond 12 months) (Note 2.8)		15,614		-		-
			16,243		**4**		**4**

* Denotes the balance amount of Unsecured Inter Corporate Short term Deposits of ₹ 3000 lakhs (Original amount) made with Cement Corporation of India Limited (CCIL), a Central PSU under the



NOTES TO BALANCE SHEET ITEMS

Ministry of Industry, Department of Heavy Industry. The payment of interest and the repayment of principal was defaulted for a long period, now being realised under a mutually agreed agreement to accept the refund of Principal amount of ₹ 3000 lakhs in 24 equal instalments of ₹ 125 lakhs each. Entire interest due on the ICD was waived. CCIL has started repaying the ICD from Sept 2016. Till reporting date 07 installments amounting to ₹ 875 lakhs have been received.

(Amount ₹ in Lakhs)

2.5	OTHER NON-CURRENT ASSETS (Unsecured)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Deposits with Government Departments		129		119		172
	2. Other Deposits		8		28		64
	3. Balances with Central Excise and Customs etc.						
	Unsecured considered good	3,840		2,580		338	
	Unsecured considered doubtful	-		1		5	
		3,840		2,581		343	
	Less: Provision for doubtful deposits	-	3,840	1	2,580	5	338
	4. Prepaid Rent	29		30		32	
	Less: Amount shown in current maturities	1	28	1	29	1	31
			4,005		**2,756**		**605**

2.6	INVENTORIES (as verified, valued & certified by Management)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Raw Materials, Stores & Spares						
	a) Stores in Hand	46,366		59,172		23,396	
	b) Stock in Transit	-	46,366	-	59,172	-	23,396
	2. Work-in-progress	78,540		61,981		75,311	
	Less: Amounts received from Customers (as per Contra-Note 2.23)	77,884	656	59,022	2,959	64,941	10,370
			47,022		**62,131**		**33,766**

2.7	TRADE RECEIVABLES (Current) (Unsecured, Considered good unless otherwise specified)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	Total Receivables						
	i) Considered good	10,948		23,785		7,536	
	ii) Considered doubtful	29		95		95	
		10,977		23,880		7,631	
	Less: Provision for allowance on expected credit loss	29	10,948	95	23,785	95	7,536
			10,948		**23,785**		**7,536**



NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.8	CASH AND CASH EQUIVALENTS	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Balances with Banks in current accounts		1128		877		126
	2. Fixed Deposit with Banks	64,841		21,765		51,410	
	Less: Reclassified Maturity period less than three months	16,500	16,500	1,950	1,950	10,560	10,560
		48,341		19,815		40,850	
	Less: Reclassified Maturity period more than twelve months included in Other Financial Assets (2.4)	15,614	32,727	-	19,815	-	40,850
	3. In Imprest Account		10		6		5
			50,365		**22,648**		**51,541**

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 ₹ 195991 in the year 1969-70 in respect of balance with Banco Nacional Ultramarino, Lisbon.

SBN Disclosures

Particulars	SBNs		Other denomination notes		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing Balance as at 8 November 2016	NIL	NIL	NIL	NIL	NIL	NIL
	Transactions between 9th November 2016 and 30th December 2016					
Add: Withdrawal from Bank accounts	NIL	NIL	(2000 x 5263)	105	(2000 x 5263)	105
Add: Receipts for permitted transactions	NIL	NIL	NIL	NIL	NIL	NIL
Add : Receipts for non-permitted transactions (if any)	NIL	NIL	NIL	NIL	NIL	NIL
Less : Paid for permitted transactions	NIL	NIL	(2000 x 3269)	65	(2000 x 3269)	65
Less : Paid for non-permitted transactions (if any)	NIL	NIL	NIL	NIL	NIL	NIL
Less : Deposited in bank accounts	NIL	NIL	(2000 x 1994)	40	(2000 x 1994)	40
Closing balance as at 30 December 2016	NIL	NIL	NIL	NIL	NIL	NIL

2.9	OTHER BANK BALANCES	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Fixed Deposits with Banks held as Margin Money*	-	500	500
		-	500	500

* ₹ 500 lakhs Fixed Deposit with EXIM Bank held as security against issue of Bank Guarantee favouring Directorate of Procurement(Navy), Govt. of Myanmar.

NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.10	SHORT-TERM LOANS AND ADVANCES	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Loans to Employees - Current Maturity of Long Term Advances (Secured by way of mortgage/ hypothecation or by way of third party guarantee)		131		131		49
	2. Current maturity of Loans to Employees (Unsecured)		26		26		29
	3. EMD paid (Unsecured and Considered good)		2		2		2
	4. Advance to Suppliers						
	- Secured considered good (Secured against Bank Guarantees)	135		136		3957	
	- Unsecured considered good	9,852		27,350		8,032	
	- Unsecured considered doubtful	294		289		293	
		10,281		27,775		12,282	
	Less: Provision for doubtful advances	294		289		293	
		9,987		27,486		11,989	
	Less: Liability for Materials Received and under Inspection against which Advance is paid (As per Contra-Note no 2.22)	-	9,987	17,430	10,056	4,875	7,114
			10,146		**10,215**		**7,194**

2.11	OTHERS FINANCIAL ASSETS (Current)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Insurance Claim Receivables		406		495		89
	2. Interest accrued but not due		1,808		128		797
	3. Forward Contract						
	i) Recognised at FV through OCI	-		-		(1,397)	
	ii) Recognised at FV through Profit & Loss A/c	930	930	992	992	1,721	324
	4. Short Term Deposit with CCIL (Note 2.4)		1,500		-		-
			4,644		**1,615**		**1,210**

2.12	CURRENT TAX ASSETS (NET)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	Advance Income Tax	14,953		11,249		30,192	
	Less: Provision for Taxation	10,248	4,705	5,813	5,436	23,340	6,852
			4,705		**5,436**		**6,852**



NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.13	OTHER CURRENT ASSETS (Considered good)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	1. Prepaid Expenses	249	375	410
	2. Prepaid Rent	1	1	1
		250	**376**	**411**

2.14	SHARE CAPITAL	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Authorized: 12,00,00,000 (Previous Year 4,00,00,000) Equity Shares of ₹ 5/- each.(Previous Year ₹ 10/ each.)	6,000		4,000		4,000	
		6,000		**4,000**		**4,000**	
	2. Issued, Subscribed & Fully Paid-up: 11,64,03,748 (Previous Year 2,91,00,937) Equity shares of ₹ 5/- each (Previous Year ₹ 10/ each)	5,820		2,910		2,910	
		5,820		**2,910**		**2,910**	
	3. Reconciliation of issued and fully Paid-up Shares:						
	Particulars	Number of Shares (in lakhs)	Amount	Number of Shares (in lakhs)	Amount	Number of Shares (in lakhs)	Amount
	At the beginning of the year	291	2,910	291	2,910	291	2,910
	Conversion on account of Share Split	291	-	-	-	-	-
	Bonus Issue during 2016-17 in the ratio of 1:1	582	2,910	-	-	-	-
	Balance at the end of the year	**1,164**	**5,820**	**291**	**2,910**	**291**	**2,910**

The Company in compliance of the guidelines issued by DIPAM have split Shares from ₹ 10/- per Share to two Shares of ₹ 5/- each and has issued Bonus Shares in the ratio of 1:1 during FY 2016-17.

	4. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the company						
	Name of the Shareholder and Number of Shares	**Percentage of Share holding**	**Amount**	**Percentage of Share holding**	**Amount**	**Percentage of Share holding**	**Amount**
	President of India 5,94,66,780 Equity Shares of ₹ 5/- each	51.09%	2,973	51.09%	1,487	51.09%	1,487
	Mazagon Dock Shipbuilders Ltd. 5,49,57,600 Equity Share of ₹ 5/- each	47.21%	2,748	47.21%	1,374	47.21%	1,374

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

NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.15	OTHER EQUITY	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Capital Reserve:						
	Balance as per last Balance Sheet		43		43		43
	2.Corporate Social Responsibility and Sustainable Development Reserve						
	Balance as per last Balance Sheet	-		182		244	
	Less: Amount Utilised during the year	-	-	182	-	62	182
	In terms of DPE Guidelines, amount unspent on Corporate Social Responsibility and Sustainability Development Expenditure upto FY 2013-14 was set aside as CSR Reserve, to be utilised on Board approved CSR and SD Projects. The same was fully utilised by the end of FY 2015-16.						
	3.General Reserve:						
	Balance as per last Balance Sheet	64,100		60,150		54,507	
	Less: Amount charged from opening retained earnings on 01/04/2014 towards deficit on recomputation of Depreciation in accordance with the Companies Act, 2013.	-		-		257	
	Less: Issue of Bonus Share in the ratio 1:1	2,910		-			
	Add: Reinstatement of CCIL Deposit	3,000		-			
	Add: Transfer from Surplus	10,800	74,990	3,950	64,100	5,900	60,150

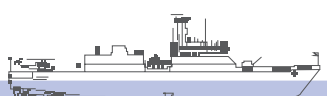


NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.15	OTHER EQUITY	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	4. Hedge Reserve						
	As per last Balance Sheet-Gain/ (Loss)	-		(1,397)		733	
	Add: Addition/(Withdrawal) during the year	-		1397		(2,130)	
	Closing Balance-Gain/(Loss)	-	-	-	-	(1,397)	(1,397)
	5. Profit and Loss Account						
	Opening Balance	1,631		1,270		-	
	Add: Net Profit/(Loss) after Tax transferred from Statement of Profit & Loss	11,817		6,202		7,824	
	Add :Transition adjustment for Ind AS	-		-		(654)	
		13,448		7,472		7,170	
	Less: Appropriations						
	Transfer to General Reserve	10,800		3,950		5,900	
	Dividend Payment on Equity Shares	1,862		1,571		-	
	Dividend Distribution Tax on Dividend	379		320		-	
		13,041		5,841		5,900	
	Closing Balance		407		1,631		1,270
	Total Reserve & Surplus		**75,440**		**65,774**		**60,248**

6. Pursuant to the guidelines on declaration of Dividend by CPSEs issued by DIPAM , every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the Net Worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions. During FY 2016-17 the PAT of the Company is ₹ 11741 lakhs and 30% of PAT works out to ₹ 3522 lakhs. The Net Worth of the Company is as on Reporting date is ₹ 81217 lakhs and 5% of Net Worth is ₹ 4060.89 lakhs. In accordance with the Guideline, the Company need to pay minimum Dividend of ₹ 4059.55 lakhs which is 5% of Net Worth. Accordingly, during the year ended on 31st March 2017 the Board proposes Dividend @ 70% per share (Previous year 64%) per Share of ₹ 5/- each which works out to ₹ 4074 Lakhs to the Equity Shareholders post Stock split and issue of Bonus Share in the ratio of 1:1 which will be paid after approval by the Shareholders in the Annual General Meeting. Thus total Dividend for the year ended March 31st, 2017 including Dividend Distribution Tax of ₹ 830 lakhs works out to ₹ 4904 lakhs (Previous year ₹ 2241 lakhs including Dividend Distribution Tax of ₹ 379 lakhs).



NOTES TO BALANCE SHEET ITEMS

7. Disclosures of Hedge Reserve:

i. The company enters into foreign exchange derivatives contracts to offset the foreign currency risks arising from the amounts denominated in currencies other than Indian Rupee. The counter party to the company's foreign currency forward contracts is generally a bank. The company has designated all the outstanding Forward Exchange Contracts as Cash Flow Hedges. The changes in fair value of effective Forward Exchange contracts are recognized directly in the Reserve account designated as Hedging Reserve Account and the ineffective portion is recognized immediately in the Profit and Loss Account.

ii. The company has the following outstanding effective derivative contracts, which have been designated as Cash Flow Hedges, as on 31st March 2017:

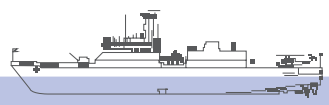
(Amount ₹ in Lakhs)

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	Notional amount of contracts	Fair Value Gain/ (Loss)	Notional amount of contracts	Fair Value Gain/ (Loss)	Notional amount of contracts	Fair Value Gain/ (Loss)
Forward Contracts	Nil	Nil	Nil	Nil	10430	(1,397)
Total	**Nil**	**Nil**	**Nil**	**Nil**	**10430**	**(1,397)**

iii. The movement in Hedge Reserve during the year ended 31 March 2017 for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	As at 1st April, 2015
Balance at the beginning of the year	Nil	(1,397)	733
Gains/(Losses) transferred to income statement on recognition of forecasted hedge transaction	Nil	Nil	Nil
Changes in the fair value of effective portion of outstanding cash flow derivatives	Nil	Nil	Nil
Net derivative Gains/(Losses) related to a discounted cash flow hedge	Nil	Nil	Nil
(Gains)/Losses transferred to profit and loss account on recognition of financial asset	Nil	1,397	(2,130)
Balance at the end of the year	**Nil**	**Nil**	**(1,397)**

In addition to the above cash flow Hedges, the company has outstanding Foreign Exchange derivative contracts of firm commitment or highly probable forecast transactions and contracts without underlying transactions aggregrating to ₹ 12548 lakhs (Previous Year ₹ 40874 lakhs). The Fair value determination as on 31.03.2017 results in a positive MTM of ₹ 930 lakhs (Previous year Loss of ₹ 992 lakhs). Although these contracts are effective hedges from an economic perspective, they do not qualify for Hedge Accounting as per Ind AS-109 and accordingly these are considered as ineffective hedges and changes in fair value recorded in the Statement of Profit and Loss.



NOTES TO BALANCE SHEET ITEMS

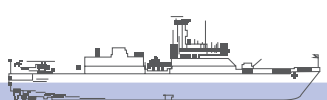
(Amount ₹ in Lakhs)

2.16	TRADE PAYABLE (NON CURRENT)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Deferred payment liability to a foreign supplier against supply of materials						
	Deferred Liabilities (From foreign suppliers against supply of material)*	1,346		1,412		1,323	
	Less: Amount shown in current maturities of Long Term Debts	238	1,108	238	1,174	246	1,077
	Less : Amount receivable from Navy/Indian Govt towards defered debts	1,346		1,412		1,323	
	Less: Amount shown in current maturities of Long Term Debts	238	1,108	238	1,174	246	1,077
			-		-		-

* Denotes the balance amount (at Fair Value) of deferred payment liability payable over 45 years without interest, in equal annual instalment of ₹ 130 lakhs. The loan is equated to units of Special Drawings Rights (SDR) as per Inter Governmental Agreement. The loan amount has been revalued at the present rate of SDR (announced by RBI), which is ₹ 91.0858 for 1 SDR. (Previous year ₹ 94.3809 for 1 SDR).

2.17	OTHER FINANCIAL LIABILTIES	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Security Deposit & Earnest Money Deposit	55		45		33	
	Less: Payable within 12 months (as per contra-2.22)	-	55	-	45	-	33
	2.Creditors for capital goods - Foreign supplier deferred credit	4		4		4	
	Less: Amount shown in current maturities of Long Term Debts	1	3	1	3	1	3
			58		**48**		**36**

2.18	LONG-TERM PROVISIONS	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	Provision for Leave Salary Encashment	3,007		2,671		2,025	
	Less: Payable within 12 months (as per contra-2.24)	740	2,267	446	2,225	379	1,646
			2,267		**2,225**		**1,646**



NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.19	DEFERRED TAX (NET)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Deferred Tax Assets						
	Provisions:						
	Provision for Doubtful Debts	10		33		32	
	Provision for Non-Recoverable Advances	102		100		100	
	Provision for Doubtful Employees Advances	-		-		1	
	Provision for Doubtful Deposits	-		-		1	
	Provision for Doubtful Claims	-		1		2	
	Provision for Guarantee Repairs	678		600		793	
	Provision for Leave Encashment (Section 43B)	1,041	1,831	924	1,658	688	1,617
	2.Deferred Tax Liabilities						
	Depreciation		2,783		1,896		1,044
	Remeasurement benefit of the defined benefit plans through OCI		-				-
	MTM		322		-		-
	Deferred Tax Liabilities/ (Assets)(Net)		**1,274**		**238**		**(573)**

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

ii. Deferred tax assets are recognized only if there is reasonable certainty that there will be sufficient taxable income in the future from which these deferred tax assets can be realized.

2.20	GOVERNMENT ASSISTANCE FOR INFRASTRUCTURE AUGMENTATION	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	Balance at the beginning of the year	42,090		33,899		40,000	
	Add: Amount received during the year	-		10,000		-	
		42,090		43,899		40,000	
	Less: Proportionate amount of deferred revenue credited toP & L Statement	1,929		1,809		6,101	
			40,161		42,090		33,899
	Closing Balance		**40,161**		**42,090**		**33,899**



NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.21	TRADE & OTHER PAYABLES	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. MSME Vendors		79		119		113
	2.Other Vendors		3,573		3,776		3,076
	3.Deferred Payment Liability against supply of materials payable within 12 months	238		238			
	Less : Amount receivable from Navy/Indian Govt. towards deferred debts	238	-	238	-		-
			3,652		**3,895**		**3,189**

Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, outstanding for more than 30 days, as on 31st March 2017 is ₹ 79 lakhs, (previous year ended 31st March 2016 : ₹ 119 lakhs) are as shown below:

	Vendor Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
i	Aemphico Engg. Works	-	1	1
ii	Apex Industries	1	20	15
iii	Anand Engg. Works	-	-	4
iv	Aquarius Shipyard Pvt. Ltd.	36	-	-
v	Aspolite Engineers (India) Pvt. Ltd.	-	3	8
vi	Bandekar Speciality Valve Corpn	-	3	-
vii	Brilliant Seagull Private Ltd.	5	-	-
viii	Chandra Fabricators	-	7	-
ix	Damian De Goa	-	-	10
x	Ekta Engg. Works	-	11	-
xi	Express Machines & Scaffolding Private Ltd.	1	-	-
xii	Global Impex	-	2	-
xiii	Goa Paints & Allied Products	-	-	1
xiv	Gosalia Rubber Industries	-	1	-
xv	Kailastej Engineers	-	-	1
xvi	Krasny Marine Services Pvt. Ltd.	-	22	26
xvii	Krist Engineering & Mfg. Corpn.	-	1	2
xviii	Malhar Valves Mfg. Co.,	-	8	3
xix	Marine Electronics & Navigation Systems	-	8	1
xx	Mew Engineering Works Pvt. Ltd.	11	19	16
xxi	Modern Apparels	-	-	1
xxii	Prime Engineering Works	-	8	10

NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

	Vendor Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
xxiii	Ray Enterprises	11	3	-
xxiv	Sea Blue Shipyard Ltd.	-	-	1
xxv	SHM Shipcare	10	-	-
xxvi	Universal Engineers	-	-	3
xxvii	V.B.S. Engineering	-	-	4
xxviii	Vijay Sabre Safety Pvt Ltd.	-	2	-
xxix	Woodcraft Industries	-	-	2
xxx	Zen Technologies Limited	4	-	-
xxxi	Zuari Engineering Services	-	-	4
	Total	**79**	**119**	**113**

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 2017 have been paid between 1st April to 15th May 2017.

2.22	OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Security Deposit & Earnest Money Deposit		-		-		-
	2.Unclaimed Dividend		2		1		2
	3.Earnest Money Deposit		389		350		303
	4.Retention Money received		1,190		1,428		1,007
	5. Liability for Liquid. Damages		2,226		2,473		2,107
	6.Creditors for capital goods - Foreign supplier deferred credit		1		1		1
	7.Liability for Purchases		6,826		6,047		3,405
	8.Creditors for Other Expenses		1,562		2,237		2,048
	9.Liability for Wages and related Liabilities		2,974		1,939		1,384
	10. Other Liabilities	10,130		28,402		8,257	
	Less: Materials Received and at Inspection stage against which Advance is paid (As per Contra - Note no 2.10)	-	10,130	17,430	10,972	4,875	3,382
			25,300		**25,448**		**13,639**

NOTES TO BALANCE SHEET ITEMS

(Amount ₹ in Lakhs)

2.23	OTHER CURRENT LIABILITIES	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Advances Received from Customers *	143,500		106,377		112,505	
	Less: Amount received towards License and Tech doc fees 1241RE (as per contra-2.3)	1,454		1,454		1,454	
	Less: Deduction towards work executed, included in Work-in-Progress (as per contra-2.6)	77,884	64,162	59,022	45,901	64,941	46,110
	2.Statutory Dues		347		1,985		183
			64,509		**47,886**		**46,293**

*Advance from Customers includes an amount of ₹ 1454 lakhs being the pro-rata unexpired licensed technical document fees paid to Russia (erstwhile USSR) for 5 numbers of Missile Boats for Indian Navy, which has been reimbursed by the Customer. The corresponding amount has been reflected in Note no. 2.3.

2.24	SHORT-TERM PROVISIONS	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	1. Provision for Leave Salary Encashment		740		446		379
	2.Provision for Gratuity		137		279		-
	3.Provision for Superannuation Fund		309		222		1,027
	4.Provision for Guarantee and Warranty						
	Opening Balance	1,733		2,333		1,634	
	Less: Utilised - Material	558		490		628	
	Less: Utilised - Sub Cont and Dir Exp	191		495		323	
		984		1,348		683	
	Add: Additional Provision (Refer Note -2.32)	975	1,959	385	1,733	1,650	2,333
			3,145		**2,680**		**3,739**

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31-03-2017

NOTES ON STATEMENT OF PROFIT & LOSS (2.25 TO 2.34)

(Amount ₹ in Lakhs)

2.25	REVENUE FROM OPERATIONS	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	I. Turnover (Value of Production)		
	a) Contract Revenue		
	i) Ship Construction	80,268	53,424
	ii) General Engineering	11,503	1,670
	b) Sale of Products		
	i) B & D Spares	3,415	2,078
	c) Sale of Services		
	i) Ship Repairs	1,147	2,478
	ii) General Engineering	6,687	12,946
	Total (I)	**103,020**	**72,596**
	II. Other Operating Revenue		
	1. Revenue from Govt. Contract-Foreign Exchange Variation (Net)	116	100
	2. Sale of Stores & Scrap	240	296
	3. Settlement of Insurance Claim for BRI	240	1,432
	4. Deferred revenue on Depreciation on Customer Funded Assets	1,929	1,809
	Total (II)	**2,525**	**3,637**
	Total Revenue from Operation (I+II)	**105,545**	**76,233**

2.26	OTHER INCOME	For the Year ended 31st March, 2017		For the Year ended 31st March, 2017	
	1. Interest				
	a) On Deposits with Banks	3,582		3,900	
	b) On Loan to Employees	22		21	
	c) Other Interest	311	3,915	54	3,975
	2.Profit on sale of fixed assets (Net)		398		17
	3.Liabilities/Provisions no longer required written back		111		31
	4.Miscellaneous Income		268		195
			4,692		**4,218**

2.27	MATERIAL CONSUMPTION	For the Year ended 31st March, 2017		For the Year ended 31st March, 2017	
	1. Cost of Material consumed:				
	Opening Stock of Raw materials, Stores and Spares		59,172		23,396
	Add : Purchases (Gross)		38,903		67,440
			98,075		90,836
	Less : Closing Stock - Stores in Hand		46,366		59,172

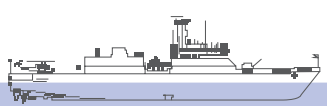


NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	Value of Raw Materials consumed :		51,709		31,664
	Add: Cost of Material to be issued to Vessels Completed in the Current Year	1,500		759	
	Less: Cost of Material issued to Vessels Completed in FY 2015-16	759	741	-	759
	Value of Raw Materials consumed (Gross):		52,450		32,423
	Less: Material issued for Guarantee Repair	558		490	
	Less: Reduction in Value-included in other expenses	-		-	
	Less: Stores & Spares consumption included in Repairs & Maintenance	771	1,329	529	1,019
	Cost of Material Cosumed (Net)		**51,121**		**31,404**
	2.Break up of Net Consumption				
	i. Imported	26,295		11,444	
	ii. Indigenous	24,826	51,121	19,960	31,404
	Total Consumption		**51,121**		**31,404**
	3.Consumption consists of:				
	i. Iron & Steel	295		1,361	
	ii. Non-ferrous Metals & Alloys	772		600	
	iii. Machinery & Equipment fitting on ships etc.	49,419		28,749	
	iv. Others	635		694	
			51,121		**31,404**
	4.Value of Imports on CIF basis:				
	A.Total Foreign Exchange outflow				
	i. Raw material including machinery, equipment for construction of ships, repairs and other production jobs.		17,451		38,230
	ii. Expenditure in Foreign Currency Know-how, Professional Consultancy Fees, Inspection charges, and others.		558		343
	iii. Capital goods		22		169
			18,031		**38,742**
	B.Total Foreign Exchange Inflow on Export orders		**39,882**		**22,736**

2.28	**EMPLOYEE BENEFITS EXPENSES**	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	1. Salaries, Wages, Allowances and Bonus	11,928	10,589
	2. Leave Encashment	910	1,116
	3. Contribution to Provident Fund	916	925
	4. Contribution to Employees State Insurance Scheme	16	11
	5. Contribution to Deposit Linked Insurance Scheme	14	14



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

6.	Contribution to Gratuity Fund	213	253
7.	Contribution to Superannuation Fund	309	220
8.	Staff Welfare Expenses	1,192	1,269
		15,498	**14,397**
1.	**Actuarial valuation of liability towards Gratuity - Note No. 2.28 above refers.**		
	Defined Benefit Plans Gratuity - as per actuarial valuation on March 31, 2017		
		Valuation Date	**Valuation Date**
i)	**Assumptions as at**	**31st March 2017**	**31st March 2016**
	a) Mortality	**IALM (2006-08) Ult**	**IALM (2006-08) Ult**
	b) Discount Rate	6.84%	8.00%
	c) Rate of increase in compensation	4.00%	4.00%
	d) Expected average remaining service	7.83	-
	e) Employee Attrition Rate (All Ages)	5.00%	5.00%
ii)	**Changes in Present Value of Obligations**		
	Present Value of Obligation as at the beginning of the year	7,104	6,988
	Interest Cost	529	515
	Current Service Cost	316	395
	Past service Cost - (non vested benefits)	-	-
	Past service Cost - (vested benefits)	-	-
	Benefits Paid	(986)	(773)
	Actuarial(gain)/Loss on Obligations	54	(21)
	Present Value of Obligation as at the end of the year	7,017	7,104
iii)	**Interest Expenses**		
	Interest Cost	529	515
iv)	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	6,825	6,998
	Interest Income	525	521
v)	**Net Liability**		
	PVO at beginning of period	7,104	6,988
	Fair Value of the Asset at beginning report	6,825	6,998
	Net Liability	279	(10)
vi)	**Net Interest**		
	Interest Expenses	529	515
	Interest Income	525	521
	Net Interest	4	(6)



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	vii) Actual Return on Plan Assets	655	474
	Less interest income included above	525	521
	Return on plan assets excluding interest income	130	(47)
	viii) Actuarial (gain)/loss on obligation		
	Due to Demographic Assumption*	-	-
	Due to Financial Assumption	294	(52)
	Due to Experience	(240)	31
	Total Actuarial (Gain)/Loss	54	(21)
	* 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	6,825	6,998
	Adjustment to opening Fair Value of Plan Asset	77	20
	Return on Plan Assets excl. Interest income	130	(47)
	Interest Income	525	521
	Contribution by Employer	309	106
	Contribution by Employee	-	-
	Benefits Paid	(986)	(773)
	Fair Value of Plan Assets at end	6,880	6,825
	x) Past Service Cost Recognised		
	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost - non vested benefits	-	-
	Recognised Past service Cost - vested benefits	-	-
	Unrecognised Past service Cost - non vested benefits	-	-
	xi) Amount recognized in the statement of Profit and Loss Account		
	PVO at end of period	7,017	7,104
	Fair Value of Plan Assets at end of Period	6,880	6,825
	Funded Status	(137)	(279)
	Net Assets/(Liability) recognized in the balance sheet	(137)	(279)



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	xii) Expenses recognized in statement of Profit & Loss				
	Current Service Cost		316		395
	Interest Cost		4		(6)
	Past Service Cost - (non vested benefits)		-		-
	Past Service Cost - (vested benefits)		-		-
	Expenses Recognized in the statement of Profit & Loss		320		389
	xiii) Other Comprehensive Income (OCI)				
	Actuarial Gain / Loss recognized for the period		54		(21)
	Adjustment to opening balance		-		-
	Asset limit effect		-		-
	Return on Plan Assets excluding net interest		(130)		47
	Unrecognized Actuarial (gains)/ Losses from previous period		-		-
	Total Actuarial (gain) / Loss recognised in (OCI)		(76)		26
	xiv) Movements in the liability recognised in Balance Sheet				
	Opening Net Liability		279		(10)
	Adjustment to opening Fair value of plan assets		(77)		(20)
	Expenses as above		320		389
	Contribution paid		(309)		(106)
	Other Compreneshive Income (OCI)		(76)		26
	Closing Net liability		137		279
	xv) Schedule III of the Companies Act, 2013				
	Current Liability		**137**		**279**
	Non Current Liability		**6,881**		**6,825**
	xvi) Projected Service Cost 31st March, 2018/ 31st March, 2017		**328**		**428**
	xvii) Asset Information	**Total Amount**	**Target allocation**	**Total Amount**	**Target allocation**
			%		%
	Cash and Cash Equivalents	15	0	1	0
	Gratuity Fund (Trustees of the company)	-	-	-	-
	Debt Security - Government Bond	6,865	100	6,824	100
	Equity Securities - Corporate Debt securities	-	-	-	-
	Other Insurance Contracts	-	-	-	-
	Property	-	-	1	0
	Total Itemized Assets	6,880	100	6,826	100



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	xviii.Sensitivity Analysis	01-04-2016 to 31-03-2017			
	Particulars	**DR: Discount Rate**		**ER: Salary Escalation Rate**	
		PVO DR +1%	**PVO DR -1%**	**PVO ER +1%**	**PVO ER -1%**
	PVO	6761	7,294	7299	6752
	2. Actuarial valuation of liability towards Leave Encashment - Note No. 2.28 above refers.				
	Defined benefit Plans Leave Encashment as per actuarial valuation on March 31, 2017				
		Valuation Date		**Valuation Date**	
	i) Assumptions as at	**31st March 2017**		**31st March 2016**	
	Mortality	**IALM (2006-08) Ult**		**IALM (2006-08) Ult**	
	Discount Rate	6.84%		8.00%	
	Rate of Increase in Compensation Levels	4.00%		4.00%	
	Rate of Return on Plan Assets	-		-	
	Expected Average remaining working lives of employees (years)	-		8.22	
	Employee Attrition Rate (All Ages)	5.00%		5.00%	
	ii) Changes in Present Value of Obligations				
	Present Value of Obligation as at the beginning of the year	2,671		2,025	
	Adjustment to opening Fair value of plan assets	-		-	
	Interest Cost	200		150	
	Past Service Cost - (non vested benefits)	353		337	
	Past Service Cost - (vested benefits)	-		-	
	Benefits Paid	(331)		(217)	
	Actuarial(gain)/Loss on Obligations	114		375	
	Present Value of Obligation as at the end of the year	3,007		2,671	
	iii) Interest Expenses				
	Interest Cost	200		150	
	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	2,671		2,025	
	Fair Value of the Asset at beginning report	-		-	
	Net Liability	2,671		2,025	
	vi) Net Interest				
	Interest Expenses	200		150	
	Interest Income	-		-	
	Net Interest	200		150	

NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	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	142	(23)
	Due to Experience	(28)	398
	Total Actuarial (Gain)/Loss	114	375
	* 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	331	217
	Contribution by Employee	-	-
	Benefits Paid	(331)	(217)
	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 recognized in the statement of Profit and Loss Account		
	PVO at end of period	3,007	2,671
	Fair Value of Plan Assets at end of Period	-	-
	Funded Status	(3,007)	(2,671)
	Net Assets/(Liability) recognized in the balance sheet	(3,007)	(2,671)
	xii) Expenses recognized in statement of Profit & Loss		
	Current Service Cost	353	337
	Interest Cost	200	150



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

	Past Service Cost - (non vested benefits)	-	-
	Past Service Cost - (vested benefits)	-	-
	Curtailment effect	-	-
	Settlement Cost / (Credit)	-	-
	Actuarial (gain) / loss recognized in the year	114	375
	Expenses Recognized in the statement of Profit & Loss	667	863
	xiii) Other Comprehensive Income (OCI)		
	Actuarial Gain / Loss recognized for the period	-	-
	Adjustment to opening balance	-	-
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (gains)/ Losses from previous period	-	-
	Total Actuarial (gain) / Loss recognised in (OCI)	-	-
	xiv) Movements in the liability recognised in Balance Sheet		
	Opening Net Liability	2,671	2,025
	Adjustment to opening Fair value of plan assets	-	-
	Expenses as above	667	863
	Contribution paid	(331)	(217)
	Closing Net liability	3,007	2,671
	xv) Schedule III of the Companies Act, 2013		
	Current Liability	**740**	**446**
	Non Current Liability	**2,267**	**2,225**
	xvi) Projected Service Cost 31st March, 2018/ 31st March, 2017	377	383
	xvii) Asset Information		
	Not applicable as the plan is unfunded		
	xviii) Sensitivity Analysis	**01-04-2016 to 31-03-2017**	
	Particulars	DR: Discount Rate	ER: Salary Escalation Rate
		PVO DR +1% / **PVO DR -1%**	**PVO ER +1%** / **PVO ER -1%**
	PVO	2,883 / 3,144	3,142 / 2,883

2.29	FINANCE COSTS	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	1. Interest Expenses on Bank LAD	72	44
	2. Others	107	62
		179	**106**

NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

2.30	OTHER EXPENSES	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
	1. Power, Fuel and Electricity		389		350
	2. Rent		19		18
	3. Rates and Taxes		44		25
	4. Water expenses		49		45
	5. Insurance		127		165
	6. Repairs and Maintenance:				
	i) Factory Buildings & site	458		435	
	ii) Plant and Machinery	518		585	
	iii) Others	1,022		701	
		1,998		1,721	
	Less: Wages for work done internally which has been included in Salary, Wages & Benefits	303	1,695	355	1,366
	7. Loose Tools consumed		-		-
	8. Printing and Stationery		40		59
	9. Postage, Telegrams and Telephone		78		78
	10.Travelling Expenses	277		327	
	Less: Amount included under				
	-Training Expenses	26		22	
	- Recruitment Expenses	3		8	
	- Direct Expenses	77	171	122	175
	11. Recruitment Expenses	11		24	
	Less: Advertisement expenses for Recruitment included under the Head "Advertisement"	7	4	16	8
	12.Advertisement				
	- Recruitment	7		16	
	- Staff & Establishment	1		6	
	- Tenders	70		86	
	- Publicity	56	134	42	150
	13. Business Promotion Expenses		71		139
	14. Bank Charges		8		9
	15. Auditors Remuneration				
	- Statutory Audit Fees	3		2	
	- Cost Audit Fees	2		1	
	- Tax Audit Fees*	-		-	
	- VAT Audit Fees*	-		-	
	- Audit Expenses	3		2	
	- Fees for Certification	1	9	1	6
	*Due to rounding up of figures to ₹ Lakhs, amount towards Tax Audit Fees & VAT Audit Fees are showing 'Nil'				



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

2.30	OTHER EXPENSES	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
	16. CISF and Security Expenses		1,407		1,149
	17. Stock Adjustments		347		-
	18. Legal Charges		87		45
	19. Professional and Consultant Fees		90		44
	20. Insurance Claim disallowed		-		-
	21. Vehicle Hire charges		139		140
	22. Books & Periodicals		9		8
	23. Foreign Exchange Variation		108		100
	24. Training Expenses	32		19	
	Add: Travelling expenses for training	26	58	22	41
	25. Directors Sitting Fees & Expenses		15		17
	26. LD/FE Variation Deducted by Customer		319		8
	27. R & D Expenditure		831		809
	28. Stores Clearing and Handling Charges		314		1,705
	29 .Bad Debt Written off		369		-
	30. Exchange Fluctuation gain on Forward Contract		(1,034)		614
	31. Miscellaneous Expenses		423		374
			6,320		**7,647**

2.31	CORPORATE SOCIAL RESPONSIBILITY	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
	a) Gross Amount required to be spent by the Company during the year		67		46
	b) Amount spent during the year	347		328	
	Less: Utilised from Opening CSR Reserve (Note 2.15.2)	-		182	
	Amount spent as Current Year Expenditure		347		146
	i) On construction or acquisition of Assets - In Cash	215		89	
	- Liability accounted	23	238	-	89
	ii) On purposes other then (i) above - In Cash	89		57	
	- Liability accounted	20	109	-	57
			347		**146**

2.32	PROVISIONS MADE	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	1. Guarantee Repairs	975	385
	2. Bad and Doubtful Debts	5	-
	3. Others	-	-
		980	**385**



NOTES ON STATEMENT OF PROFIT & LOSS

(Amount ₹ in Lakhs)

2.33	INCOME TAX:		
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 year	4,900	4,000
	Adjustment in respect of previous year	69	30
	Deferred Tax: In respect of Current year	1,036	811
	Income Tax expenses recognised in the Statement of Profit & Loss	6,005	4,841
B	**Reconciliation of Tax expenses and the accounting profit for the year is as under:**		
	Profit before Tax	17,746	11,069
	Income Tax computed at 34.608%	6,142	3,831
	Tax effect on non deductible expenses	120	935
	Incentive Tax credits	(435)	(113)
	Others (Leave Encashment Actual payment upto June, 2017)	24	48
	Additional Provision	85	150
	Brought forward Loss		(40)
	Total	**5,936**	**4,811**
	Adjustments in respect of current income tax of previous year	69	30
	Tax expense as per Statement of Profit and Loss	**6,005**	**4,841**

2.34	EARNINGS PER SHARE	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
	Total Comprehensive Income for the period	11,817	6,202
	Earnings per share Basic (in ₹) *	10	5
	Earnings per share Diluted (in ₹) *	10	5

Share having nominal value of ₹ 5/- each (Previous year ₹ 10/- each)

* on expanded Equity Shares, post Stock Split from ₹ 10 per Share to two shares of ₹ 5/- each and issue of Bonus Share in the ratio of 1:1, completed during FY 2016-17



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

2.35 Business Segment Reporting

(Amount ₹ in Lakhs)

A) Segment-wise Turnover (Value of Production)		
Shipbuilding	83,683	55,502
Ship Repair	1,147	2,478
General Engineering	18,190	14,616
Total	**103,020**	**72,596**
B) Segment Result		
(i) Profit /(Loss) before Tax from each Segment		
Shipbuilding	11,276	4,167
Ship Repair	320	1,310
General Engineering	3,227	1,881
Other Operating income	2,525	3,637
Sub-total :	**17,348**	**10,995**
(ii) Less: Expenditure not allocated to segments		
Interest payments	179	106
Other Unallocable Expenditure	4,115	4,038
	4,294	4,144
(iii) Add: Income not allocated to segments		
Interest Received	3,915	3,975
Other Income	777	243
	4,692	4,218
(iv) Profit before Tax (PBT) (i-ii+iii)	**17,746**	**11,069**
(v) Less: Income Tax	6,005	4,841
(vi) Profit after Tax (PAT) (iv-v)	**11,741**	**6,228**

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

ii) There are no geographical segments within the business segments. Revenues of approximately ₹ 44105 Lakhs (₹ 36070 Lakh) are derived from a single external customer and are attributed to the Ship Building segment

2.36 Contingent Liabilities and Commitments:

1. Provisions, Contingent Liabilities and Contingent Assets as per IND AS 37 issued by the Institute of Chartered Accountants of India is assessed during every year and the treatment of the same in the books is disclosed at relevant heads at Balance Sheet and / or in the notes to Accounts. Relevant disclosures are as under:

2. Amounts for which Company may be contingently liable:

a)	Estimated amount of contracts remaining to be executed on capital account.	50,616	7,215
b)	Position of non-fund based limits utilized for:		
	(i) Letters of Credit	422	1,569
	(ii) Guarantees and counter guarantees	18,555	17,585
c)	Indemnity Bonds issued by the Company to Customers for various contracts	83,012	113,827



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

2.36.3 Claims against the Company not acknowledged as debts in respect of claims made by:

	Particulars	As on 31.03.2017				As on 31.03.2016			
		Carrying amount at the begin-ning of the year	Amount reduced during the year	Addi-tional claims made during the year	Amount at the end of the year	Carrying amount at the begin-ning of the year	Amount reduced during the year	Addi-tional claims made during the year	Amount at the end of the year
(i)	Income Tax:	18	0	0	18	0	0	18	18
(ii)	Third Party Claim:	2131	275	179	2035	2811	1528	848	2131
(iii)	Interest on (i) & (ii)	1762	823	180	1119	509	0	1253	1762
(iv)	Gross Total	**3911**	**1098**	**359**	**3172**	**3320**	**1528**	**2119**	**3911**

* Interest on the Claims wherever applicable, have been calculated at the rate applicable under the Legal provisions.

2.37 The classification of Assets and Liabilities, wherever applicable, are based on normal operating cycles of different business activities of the company, which are as under :

(i) In case of Ship Building and Ship Repair and Refit activities, normal operating cycle is considered vessel wise. The time period from the effective date of contract/letter of intent to the date of expiry of guarantee period is the Normal Operating Cycle.

(ii) In case of other business activities normal operating cycle will be 12 months.

2.38 The Appellate Authority for Arbitration after hearing Andaman & Nicobar Administration and Goa Shipyard Limited passed an Arbitration Award/Order on 15/11/2011 allowing Appeal filed by GSL & rejected the Appeal of Andaman & Nicobar Administration. The subject was discussed with Andaman & Nicobar Administration by Goa Shipyard Limited and in the interest of both the parties, being Government organizations, it has been decided to settle the matter, subject to approval of competent authorities of respective organizations. The claim is certain and provision in this regard of ₹ 52 lakhs has been withdrawn. The matter relating to settlement of the dues has been taken up with Andaman & Nicobar Administration.

2.39 The company has taken up the issues of waiver of LD of GSL Yard 1211, reimbursement of additional project expenditure on account of warranty extension of major equipments of NOPVs amounting to ₹ 2857 lakhs, Cost difference of Gear Box amounting to ₹ 809 lakhs and Cost Escalation of ₹ 838 lakhs on SRGM Gun, with the Customer/Ministry.

2.40 MoF vide notification No 29/2015 dt 30.04.2015 amended Customs notification No. 39/96 thereby withdrawing the Counter Veiling Duty (CVD) and Special Additional Duty (SAD) exemptions and continued with exemption of Basic Customs Duty (BCD) w.e.f 01.06.2015. In view of this GSL cleared goods on payment of CVD and SAD as applicable @ 17.39% on goods imported directly for CGOPVs for which contract was signed in 2012 i.e. before the amendment as above. The total CVD and SAD paid by GSL as on 31.03.2016 is ₹ 2176 lakhs. In addition, an amount of ₹ 336 lakhs have been reimbursed to suppliers towards CVD and SAD due to the amendment. GSL has taken up the matter with CGHQ/MoD for reimbursement of the amount.



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

2.41 (i) Certain balances under Trade Receivable, Trade Payable, Current Assets, Loans and Advances, Current Liabilities, etc. are subject to confirmation and reconciliation.

(ii) The company has a process of sending communication for confirmation of balances during the year. Adjustments arising out of confirmations, if any, will be given effect in the books of accounts during the year of adjustments.

2.42 Related Party Transaction

All the transactions entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis and which don't have potential conflict with the interests of the Company at large.

Remuneration to Director and Key Managerial Personnel : (₹ in lakhs)

Particulars	Salary & Allowances	Perquisites as per IT Rules	Contribution to PF and FPS	Total
Chairman & Managing Director*	42.55	2.62	2.83	**48.00**
Director (Operations)*	31.00		2.17	**33.17**
Director (Finance)	25.80	-	2.02	**27.82**
Director (CPP&BD)	15.48	-	1.39	**16.87**
Present Company Secretary	5.06	-	0.49	**5.55**
Ex Company Secretary	51.12	-	1.71	**52.83**

*inclusive of arrear for FY 2015-16

2.43 Details of Hedged and unhedged foreign currency exposures

For Hedging Currency related risks

₹ In Lakhs

Particulars	2016-17	2015-16
Forward Contract	12548	40874

a. All derivative and financial instruments acquired by the company are for hedging purpose only.

b. No Foreign currency exposures that are not hedged by derivative instruments or forward contracts.

2.44 Capital Management

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

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



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

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 company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Trade Payables	3,652	3,895	3,189
Other Payables	89,867	73,382	59,968
Net Debt	**93,519**	**77,277**	**63,157**
Equity Share Capital	5,820	2,910	2,910
Other equity	75,440	65,774	60,248
Total Equity	**81,260**	**68,684**	**63,158**
Gearing Ratio	**1.15**	**1.13**	**1.00**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

2.45 Financial risk management

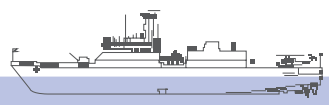
The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

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 prescribed the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity period of 12 to 24 months to hedge against its foreign currency exposures relating to the recognized underlying liabilities and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company is mainly exposed to changes in USD & EURO. Details of hedged and unhedged foreign currency exposures are given in Note No. 2.15.7

2) Credit Risk

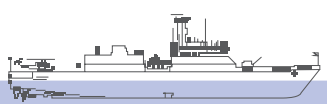
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables. The Company mainly has transactions with government agencies and are considered to have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these, because the counter parties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

(₹ in lakhs)

Movement in expected credit loss allowance on trade receivables	**As at 31-03-2017**	As at 31-03-2016
Balance at the beginning of the year	**95**	**95**
Loss allowance measured at lifetime expected credit losses	(66)	-
Balance at the end of the year	**29**	**95**

3) Liquidity Risk

Liquidity risk is the risk that 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



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner."

2.46 Financial Instruments

A. Category wise classification of financial instruments:

	Refer Note	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Financial assets measured at fair value through Profit or Loss (FVTPL)				
Forward exchange contracts (net)	2.11	930	992	1,721

Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)

	Refer Note	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Forward exchange contracts (net)	2.11	-	-	(1,397)

Financial Assets measured at amortised cost

(i) Trade receivables	2.7	10,948	23,785	7,536
(ii) Cash and cash equivalents	2.8	50,365	22,648	51,541
(iii) Bank balances other than (ii) above	2.9	-	500	500
(iv) Loans	2.3 & 2.10	10,389	10,506	7,576
(v) Other Financial assets	2.4 & 2.11	19,957	627	890
Total Financial Assets		**92,589**	**59,058**	**68,367**

Financial liabilities measured at amortised cost

(i) Trade payables	2.16 &2.21	3,652	3,895	3,189
(ii) Other financial liabilities	2.17 &2.22	25,358	25,496	13,675
Total Financial Liabilities		**29,010**	**29,391**	**16,864**

B. Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of financial instruments that are

(i) recognised and measured at fair value

(ii) measured at amortised cost for which fair values are disclosed in financial statements

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between Level 1 and 2 in the period.

(i) Details of fair value hierarchy of Financial Assets and Liabilities which are measured at fair value -recurring fair value measurements:

	Fair value Hierarchy	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Financial assets measured at fair value through Profit or Loss (FVTPL)				
Forward exchange contracts (net)	Level 1	930	992	1,721
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)				
Forward exchange contracts (net)	Level 1	-	-	(1,397)

(ii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. The carrying amount of trade receivables, trade payables, short term loans are considered to be a reasonable approximation of fair value due to their short term nature based on observable inputs (Level 2).

2.47 First time adoption of Ind AS

These financial statements, for the period ended 31st March 2017, are the first financial statements prepared by the company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

A. Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a. Deemed cost for Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except to the extent of consequent adjustment for accounting of government grants



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

received relating to assets, prior to transition date.

b. Determining whether an arrangement contains a lease

Appendix C of Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease, at the inception of the contract or arrangement. However, Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

B. The following exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

a. Derecognition of financial assets and financial liabilities

Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

b. Classification and measurement of financial assets

Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

c. Impairment of financial assets

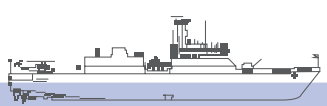
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Effect of Ind AS adoption on the Balance Sheet	Foot notes	As at 31-03-2016			As at 01-04-2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	2.1	8,023	32,058	40,081	6,837	27,054	33,891
(b) Other Intangible assets		35		35	17	-	17
(c) Capital work-in-progress	2.2	23,321		23,321	14,304	6,813	21,117
(d) Financial Assets							
(i) Loans	2.3	291	-	291	382	-	382
(ii) Other Financial Assets	2.4	4	-	4	4	-	4
(e) Deferred tax assets (net)	2.19		-		573	-	573

ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

(₹ in lakhs)

(f) Other non-current assets	2.5	2,725	31	2,756	574	31	605
(2) Current assets							
(a) Inventories	2.6	62,131	-	62,131	33,766	-	33,766
(b) Financial Assets							
i) Trade receivables	2.7	23,785	-	23,785	7,536	-	7,536
ii) Cash and cash equivalents	2.8	22,648	-	22,648	51,541	-	51,541
iii) Bank balances other than (ii) above	2.9	500	-	500	500	-	500
iv) Loans	2.1	10,215	-	10,215	7,194	-	7,194
v) Other Financial assets	2.11	1,555	60	1,615	1,154	56	1,210
(c) Current Tax Assets (Net)	2.12	5,436	-	5,436	6,852	-	6,852
(d) Other current assets	2.13	376	-	376	411	-	411
Total Assets		1,61,045	32,149	1,93,194	1,31,645	33,954	1,65,599
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share capital	2.14	2,910	-	2,910	2,910	-	2,910
(b) Other Equity	2.15	64,165	1,609	65,774	59,011	1,237	60,248
LIABILITIES							
(1) Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables	2.16	-	-	-	-	-	-
(iii) Other financial liabilities	2.17	60	(12)	48	49	(13)	36
(b) Provisions	2.18	2,225	-	2,225	1,646	-	1,646
(c) Deferred tax liabilities (Net)	2.19	257	(19)	238	-	-	-
(d) Government Assistance	2.2	-	42,090	42,090	-	33,899	33,899
(2) Current liabilities							
(a) Financial Liabilities							
(i) Trade payables	2.21	3,895	-	3,895	3,189	-	3,189
(ii) Other financial liabilities	2.22	24,726	722	25,448	12,917	722	13,639
(b) Other current liabilities	2.23	57,886	(10,000)	47,886	46,293	-	46,293
(c) Provisions	2.24	4,921	(2,241)	2,680	5,630	(1,891)	3,739
Total Equity and Liabilities		1,61,045	32,149	1,93,194	1,31,645	33,954	1,65,599



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

(₹ in lakhs)

Effect of Ind AS adoption on the Statement of Profit and Loss	Foot notes	For the year ended 31.03.2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		74,424	1,809	76,233
Total Revenue from Operations		**74,424**	**1,809**	**76,233**
Other income		4,213	5	4,218
Total Revenue		**78,637**	**1,814**	**80,451**
Expenses:				
Cost of materials consumed		31,404	-	31,404
Purchases of Stock-in-Trade			-	
Sub-Contract Expenses		9,391	-	9,391
Direct Expenses		3,216	-	3,216
Employee benefits expense		14,423	(26)	14,397
Finance costs		104	2	106
Depreciation and amortization expense		882	1,808	2,690
Other expenses		7,646	1	7,647
Corporate Social Responsibility Expenditure		146	-	146
Provisions		385	-	385
Total Expenses		**67,597**	**1,785**	**69,382**
Profit before Tax		**11,040**	**29**	**11,069**
Less: Tax Expense			-	
(1) Current tax		4,000	-	4,000
(2) Prior tax adjustment		30	-	30
(3) Deferred tax		821	(10)	811
Profit (Loss) for the period		**6,189**	**39**	**6,228**
Other comprehensive income			-	
A Items that will not be reclassified to profit or loss				
(i) Remeasurements of post employment benefit obligations		-	(26)	(26)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B Items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period comprising Profit (Loss) and Other Comprehensive Income for the period		**6,189**	**13**	**6,202**
Earnings per equity share:		21	0	21



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

Effect of IND AS adjustment on equity

Reconciliation of equity as on 31st March 2016 and 1st April 2015

(₹ in lakhs)

Particulars	31-03-2016	01-04-2015
Total Equity (Shareholders fund under previous GAAP)	67075	61921
Proposed Dividend and DDT	2241	1891
Prior Period Expenses (Net)	-644	-667
Fair Value Adjustments	12	13
Total Equity as per IND AS	68684	63158

Effect of IND AS adjustment on Total Comprehensive Income

Particulars	31-03-2016
Net Profit as per Previous GAAP	6189
Add:	
Unwinding of Grand Income	1809
Prior Period Income	5
Amortisation of Leasehold Land	1
Remeasurement Expenses Reclassified	26
Less:	8030
Prior Period Expenses	-8
Fair Value adjustments	1
Depreciation on Assets acquired from Grant	1809
Expenses on Leasehold Land	1
	6228
Other Comprehensive Income Net of Tax	-26
Total	**6202**

Note 1: Proposed dividend

Under the previous GAAP, dividends proposed by the Board of directors after the Balance sheet date but before the approval of the financial statements were considered as adjusting events, accordingly the provision for proposed dividend was recognised as a liabilitiy. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for Proposed Dividend and Dividend Distribution Tax of ₹ 2241 lakhs as at 31st March 2016 (₹ 1891 lakhs as at 1st April 2015) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently the total equity has increased by an equivalent amount.

Note 2: Remeasurements of post employment benefit obligations

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI

For the year ended 31st March, 2016, remeasurement of gratuity liability resulted in a net obligation of ₹ 26 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI. This has resulted in decrease



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

in employee benefits expense by ₹ 26 lakhs and loss in OCI by ₹ 26 lakhs for the year ended 31st March, 2016. Consequently, tax effect of the same is also recognised separately in OCI. The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. However, Profit before tax and profit for the year ended 31st March, 2016 increased by ₹ 26 lakhs and ₹ 26 lakhs respectively.

Note 3: Fair value measurement of financial assets and liabilities

In the financial statements prepared under Previous GAAP, the carrying value of Interest free long term liability (Deferred Payment Liability against supply of materials) was recognised at the transactional amounts payable to the supplier. Under Ind AS, Interest free long term trade payable being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

In the aforesaid arrangement an equivalent amount of debt is receivable from the Government of India as reimbursement of the aforesaid liability and is carried in the books of account as a financial asset. Under Ind AS, Interest free long term receivable being a financial asset is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The difference between such fair value and the carrying value of financial liability is recognised in Reserves.

On the date of transition, the difference between the fair value at initial recognition and the transaction price of the financial liability has been recognised as a gain or loss in the opening reserves and was carried at fair value amounting to ₹ 1327 lakhs . Similarly the difference between the fair value at initial recognition and the transaction price of the financial asset has been recognised as a gain or loss in the opening reserves and was carried at fair value amounting to ₹ 1323 lakhs. The Financial Asset and Financial liabilities have been offset to the extent permitted under IND AS. The Net Impact on Restatement of Such Financial Asset and Financial Liabilities at Fair Value amounts to ₹ 13 Lakhs as at 01.04.2015 and a cumulative Impact of ₹ 12 lakhs as at 31.3.2016.

Note 4: Accounting for government grants received for assets

Under Ind AS, government grants received for assets are treated as deferred income liability and amortised over the useful life of the asset. As consequent adjustment of grants received prior to transition date, deemed cost of the assets have been considered at residual value as on date of transition. Depreciation has been charged for the residual useful life of the assets. The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. The depreciation charged during the year ended 31.03.2016 has increased by ₹ 1809 lakhs and deferred income has been recognised of an equivalent amount under operating revenue. Deferred tax has been adjusted for the above. The Recognition of Government Grant and Corresponding Grant Assets has resulted in the increase of Property Plant and Equipment and capital work in progress to the extent of ₹ 33,867 lakhs (as at 1.04.2015) and ₹ 32058 lakhs as at 31.3.2016.



ADDITIONAL NOTES TO ACCOUNTS – INFORMATIVE

Note 5: Prior Period items

Under Ind AS, 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. The above changes affect Equity as at date of transition to Ind AS as at 01.04.2015 to the extent of ₹ 667 lakhs and cumulatively to the extent of ₹ 644 lakhs as at 31st March, 2016 and a corresponding impact on financial liabilities / financial assets to that extent.

Note 6: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging . The concept of other comprehensive income did not exist under previous GAAP.

Note 7: Lease Premium

Lease premium paid on Lease Hold land was earlier classified under Property, Plant and Equipment Under IND AS, the same has been classified as prepaid expenses. This has had the impact of decrease in property, plant and equipment to the extent of ₹ 31 lakhs and a corresponding increase in other current and other non current assets as at the date of transition.

2.48 In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped/reclassified, wherever considered necessary to conform to current year presentation. Accordingly, some assets and liabilities have been reclassified into another line item under Ind AS at the date of transition. Further, in these Financial Statement, some line items as described differently under Ind AS compared to previous GAAP although the assets and liabilities included in these line items are unaffected. Figures are suitably rounded off to ₹ lakh [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 Deshpande Pandit & Co.
Chartered Accountants
(FRN 000717S)

RAdm. Shekhar Mital, NM, (Retd.)
Chairman & Managing Director

R. G. Pandit
Partner
M.No. 021842
Place : Belgaum
Date : 22.07.2017

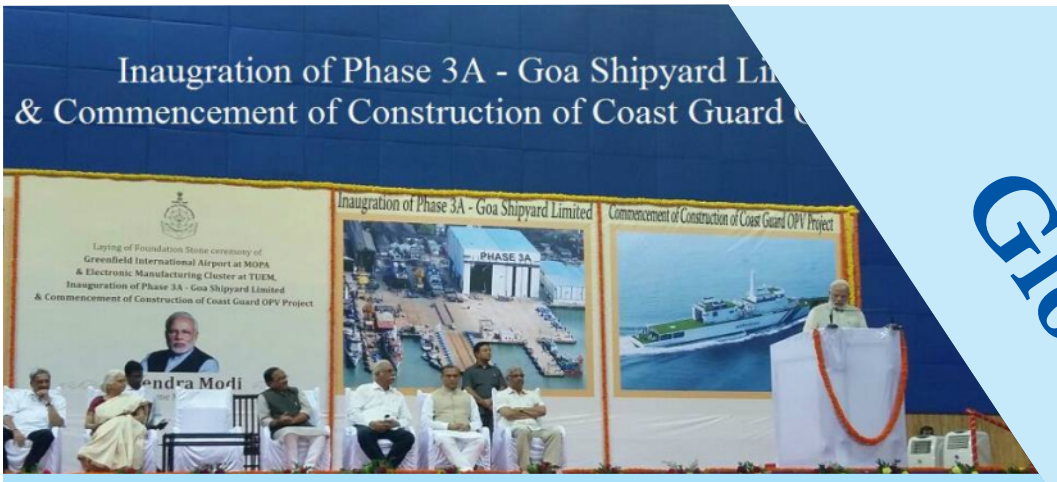
S. V. Adhia
Company Secretary

Place : Vasco da Gama, Goa
Date : 21.07.2017

T. N. Sudhakar
Director (Finance)



Glorious Moments



Hon'able PM inaugurating Phase 3A of Infrastructure Modernisation



Prime Minister of Mauritius visit on 18 Nov 16



Shri Arun Jaitley during RM Awards 2017

Best performing Shipyard of MoD FY 15-16



Shri Nitin Gadkari commissioning ICGS Shoor



CNS visit on 20 Apr 17



PM visit to GSL stall during inauguration of Phase 3A



Sri Lankan President commissioning SLNS Sayurala

GSL Product Profile









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









Exports

Over 40% of VoP from Exports
Largest Exporter from Indian Subcontinent



SLOPV



Mauritius FPV



Damage Control Simulator
Myanmar



Mauritius FIB



Mauritius FIB

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1957 - 2017
60
Glorious Years

GOA SHIPYARD LIMITED

CIN : U63032GA1967GOI000077
AN ISO 9001 : 2015 CERTIFIED COMPANY

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