



माझगांव डॉक शिपबिल्डर्स लिमिटेड  
MAZAGON DOCK SHIPBUILDERS LIMITED

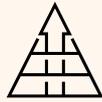


Ship & Submarine Builders to the Nation  
वार्षिक रिपोर्ट | ANNUAL REPORT 2021-22



## VISION

MDL shall strive to be a progressive and profitable shipyard building World Class Warships and Submarines using State-of-the-Art Technology.



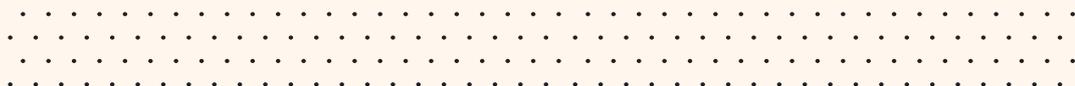
## MISSION

To deliver quality ships in time within budgeted costs and be a World leader in Warship building.



## OBJECTIVES

- To achieve 20% Post Tax return on equity in line with DPE's guidelines with improved order position and profitability.
- To progressively reduce overhead expenditure and operational costs.
- To attain technological leadership in warship and submarine construction through in house R&D activities and partnership with academic institutions.
- To enhance the productivity level through improved internal processes through benchmarking and innovative practices.
- To take initiatives for growth by undertaking capacity augmentation, technological upgradation and modernization of facilities.
- To upgrade capabilities of employees as per HRM guidelines issued by DPE.
- To maintain consistent quality and to maintain a high degree of Customer Satisfaction.
- To undertake Corporate Social Responsibility and Sustainability projects as per guidelines.
- To enhance indigenization process in line with 'Make in India' policy.
- To adhere to project timelines to deliver quality ships and submarines in time.





माझगांव डॉक शिपबिल्डर्स लिमिटेड  
MAZAGON DOCK SHIPBUILDERS LIMITED

## Papers to be laid on the table of Lok Sabha / Rajya Sabha

Authenticated  
Raksha Rajya Mantri

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#### Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

# FY 21-22 in snapshot

## Rs. 5733.28 cr

Revenue

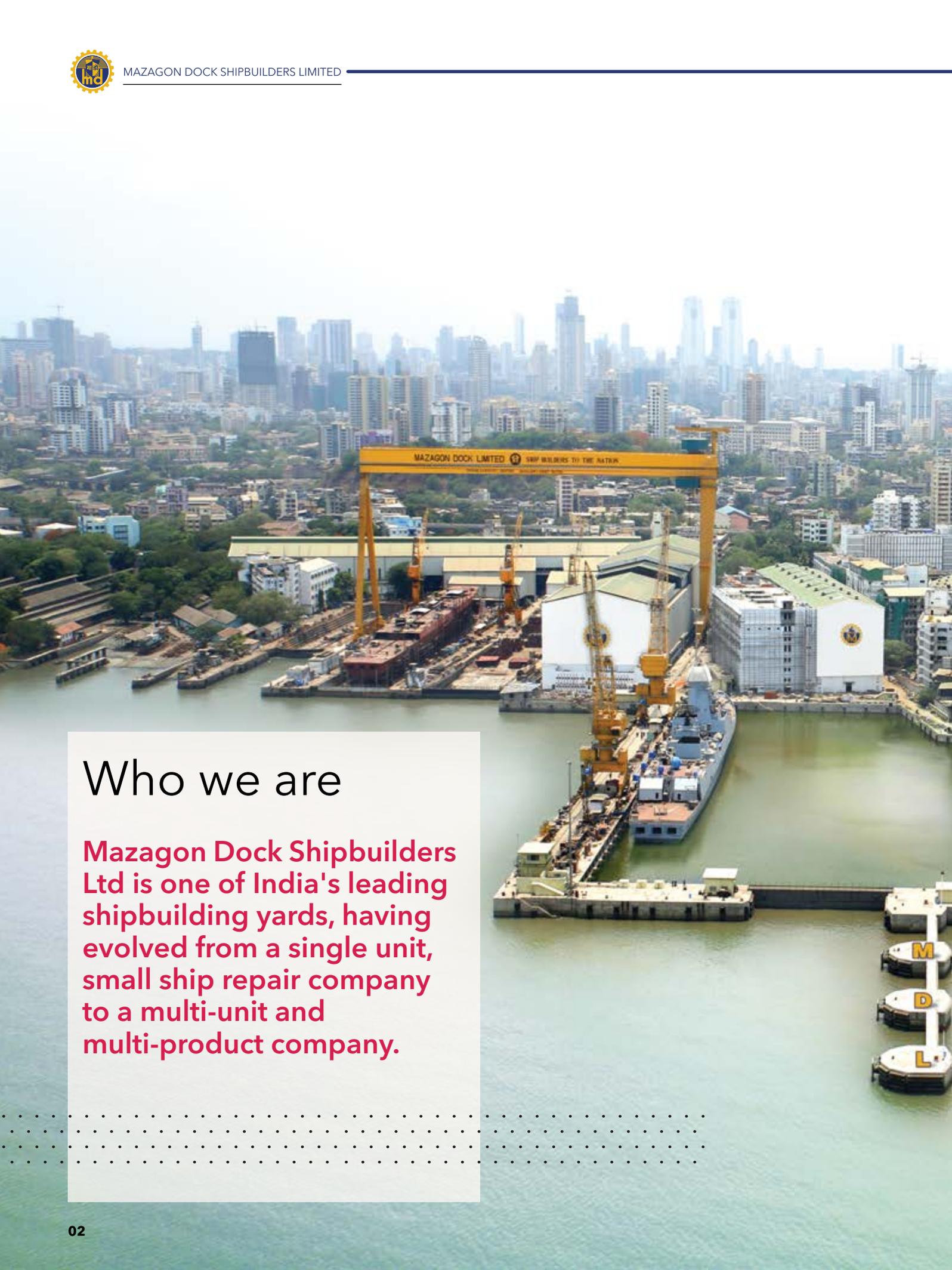
## Rs. 868.33 cr

EBITDA

## Rs. 586.47 cr

Profit after tax





## Who we are

**Mazagon Dock Shipbuilders Ltd is one of India's leading shipbuilding yards, having evolved from a single unit, small ship repair company to a multi-unit and multi-product company.**



Mazagon Dock Shipbuilders Limited, also known as "Ship Builders to the Nation," is one of India's leading Defence public sector undertaking shipyards, operating under the Ministry of Defence.

In our workshops and facilities in Mumbai and Nhava, we primarily build warships and submarines as well as carry out ship repairs and refits work. In addition to providing a wide range of services in shipbuilding, ship repairs, and ship refits, we are poised to enter

into international markets for marine platforms and heavy engineering products owing to our enhanced capacity and well-trained workforce.

Over the years, we have grown to become the premier Warship building yard in India. By investing in cutting-edge technologies and sophistication of the product line, we have institutionalised shipbuilding in the nation and generated opportunities for increasing production capacity to serve both Indian and overseas customers.



# MDL in a Snapshot

## 799 Vessels

Delivered since 1960, of which

## 26

Warships from advanced destroyer to missile boats, and

## 6

Submarines

## Only

India's only shipyard to have built destroyers and conventional submarines for the Indian Navy; one of the initial shipyards in India to manufacture Corvettes (Veer & Khukri Class) in India.

## Upto 40,000

## Dead Weight Tonnage (DWT)

Capacity of warships, submarines and merchant ships can be constructed

## 300 Tonne

Goliath Crane, Module workshop with retractable roof  
Investments in modernisation of facilities for modular construction.

## Project Destroyer

Destroyers have improved survivability, sea keeping, stealth and manoeuvrability

Conferred

## 'Mini-Ratna-I'

status in 2006 by the Department of Public Enterprises





## Frigate Ships Project

MDL is the lead shipyard for building 4 of the Nilgiri Class Stealth Frigates in collaboration with Fincantieri, Italy for Integrated Construction.

## Scorpene Submarines Project

Executing order for diesel electric attack submarines in collaboration with Naval Group, France.

Received

## National Award for Excellence in CSR

under the category "Best Relief Package Announced for COVID-19" by World HRD Congress, Mumbai

MDL won the

## 11th PSE Excellence Award

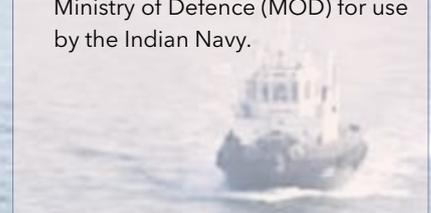
in Human Resource Management Category

## ISO 9001:2015

Certified company

## MRLC Project

One 1 Medium Refit and Life Certification of a submarine for the Ministry of Defence (MOD) for use by the Indian Navy.





# Chairman's Statement

**The Directors' Report and Annual Accounts of the Company for the financial year 2021-22 have been circulated to you. It gives me immense pride to convey that your Company in the financial year under review has recorded highest ever Revenue from Operations of Rs.5733.28 crore and highest Operating Profit of Rs.353.03 crore.**

## DEAR STAKEHOLDERS,

1. With great honour, pride and privilege, I extend a very warm welcome to you all to the eighty-ninth Annual General Meeting (AGM) of the Company. The world, in the recent times has endured a global pandemic, geopolitical tensions, supply chain disruptions and many other upheavals. As the dust settles and a clearer picture of the world emerges, I believe we are standing at a threshold of a period of great opportunities and growth.

Our sustained efforts during the year have resulted in registering several 'best ever' milestones across the business operations of your Company.

## PERFORMANCE IN FY 21-22

2. The Directors' Report and Annual Accounts of the Company for the financial year 2021-22 have been circulated to you. It gives me immense pride to convey that your Company in the financial year under review has recorded highest ever Revenue from Operations of Rs.5733.28 crore and highest Operating Profit of Rs.353.03 crore. The Profit for the Year was recorded at Rs. 586.47 crore, higher by 22% over previous Financial year. Total income has increased by 32.68% from Rs. 4648 crores in 2020-21 to Rs. 6167 crores in 2021-22. Book value per Share has increased from Rs. 144.73 in 2020-21 to Rs. 164.68 in 2021-22. Net Worth has increased by 13.78% from Rs. 2919.06 crore in 2020-2021 to Rs. 3321.36 crore in 2021-22 and EPS increased from Rs.23.78 in FY 2020-21 to Rs.29.08 in FY 2021-22. The excellent performance in FY 2021-22 is wide ranging and encompasses outstanding operational and financial performance across all functions.





3. The Company has been consistently making profit and distributing dividend for the past 17 years. As per Government directives, Company has paid Interim dividend of Rs. 7.10 per equity share, amounting to Rs. 143.20 crore, approved by the Board of Directors in their meeting held on 28 Dec 2021. The Board of Directors have further recommended a Final Dividend of Rs. 32.88 crore for FY 2021-22.

### SIGNIFICANT ACHIEVEMENTS

4. Despite the Covid-19 pandemic in the first quarter your Company delivered two major platforms, first ship of Project Destroyer and the Fourth Scorpene Submarine of Project Submarine to the Indian Navy of which the Destroyer was delivered within the Contractual delivery date.

5. Your Company has completed a modernization programme aiming at a paradigm shift in warship construction, i.e., construction from Unit Assembly to Block Assembly, enabling Integrated Modular Construction through 'Integrated Construction Methodology' which is at par with the global best practices for warship building. This would substantially reduce the construction/build period.

6. Your Company has validated an innovative Shaft Alignment procedure wherein the propeller shaft line assembly is completed in the Dry Dock itself leading to significant cost saving to the Yard and reduction in the build period of the vessel.

7. Your Company has developed state-of-the-art Basic Design of Naval vessels, incorporating advanced and optimized equipment, machineries, weapon and arrangement etc.

8. Your Company has executed and completed trials for three major R&D projects, through Industry-Academia participation with IIT Madras, Chennai through their incubated start-ups belonging to the Tamil Nadu Corridor. Your Company has also ventured into the area of Artificial Intelligence (AI) through these projects

9. Product Data Management (PDM)/ Product Lifecycle Management (PLM) serves as an information management system to foster seamless collaboration between various disciplines associated with the production of the ship including planning, design, production, procurement, maintenance and Quality Assurance.

10. The Submarine Division has undertaken focussed R&D initiatives through collaboration with Academic Institutions, Start Ups & MSME not only in the core Defence sector but also other critical areas like underwater autonomous technology, sustainable & environment friendly transport solutions etc.

11. During the period under review, your Company achieved various significant events and won six accolades in the form of recognition and awards, detailed in the Directors' Report, thereby demonstrating the varied competencies of the Company.

### PERFORMANCE AGAINST MOU

12. During the year, your Company had signed Memorandum of Undertaking (MoU) with Ministry of Defence, Government of India for the financial year 2021-22. The MoU outlines targets and various performance parameters for the Company.

**Despite the Covid-19 pandemic in the first quarter your Company delivered two major platforms, first ship of Project Destroyer and the Fourth Scorpene Submarine of Project Submarine to the Indian Navy of which the Destroyer was delivered within the Contractual delivery date.**

13. The revenue from operations was targeted at Rs. 5000 crore. Achievement of Revenue from operations is Rs.5733.28 crore for FY 2021-22. During the year, your Company achieved a Profit Before Tax (PBT) before exceptional items of Rs. 786.66 crore.

### HUMAN RESOURCES

14. Your Company has been putting emphasis on the overall growth & development of Human Resources and is committed to continue its relentless efforts in updating the competencies of its executives through exposure to various Learning & Development initiatives by Institutes of National Importance and through sponsoring functional based Seminar/ Conferences / workshops. Besides, in order to ensure smooth supply of skillsets for Company's requirement and shipbuilding industry, various training programs viz. trainings of Trade



Apprentices under the Apprentices Act, 1961, BOAT Apprentices and Marine Engineering students under the aegis of DG, Shipping at the Company's run Apprentice Training School have regularly been organized.

## INDIGENISATION EFFORTS

15. Your Company established a dedicated 'Department of Indigenization' in Nov 2015, to provide focused impetus to the Hon'ble Prime Minister's "Make-in-India" initiative and through this your Company has been successfully able to partner with the Indian industry to undertake indigenisation/import substitution of various equipment/items which otherwise are being imported.

16. Your Company has been able to successfully indigenize some of the critical equipment/items required for warships and submarines. The procurement of the indigenised items from the Indian industry would result in substantial savings in foreign exchange to the exchequer.

## MARKETING INITIATIVES

17. Your Company participated in Make in India Exhibition - Goa Maritime Conclave 2021 for marketing and business promotions. The exhibitions were successful in projecting the image and capabilities of India in the defence production sector in general and warship/submarine building capabilities in particular. Your Company has coordinated as well as participated in various International webinars wherein Indian shipbuilding capacities and capabilities were showcased.

## RESEARCH & DEVELOPMENT

18. Your Company has commissioned three projects with IIT Madras, Chennai for developing three Artificial Intelligence enabled products. The AI enablement of these products trains the neural network which improves the reliability and efficiency and eliminates human errors resulting in

fast and accurate results. MDL had launched these products during Defexpo held at Lucknow in Feb 2020. Your Company has developed in-house capabilities in adapting to two niche performance prediction methods in warship design viz. CFD analysis and RCS prediction. Thus MDL is moving towards establishing a self-reliant design department for design of complex platforms.

19. The Submarine Division has undertaken focussed R&D initiatives through collaboration with Academic Institutions, Start Ups & MSME not only in the core Defence sector but also other critical areas like underwater autonomous technology, sustainable & environment friendly transport solutions etc. As a major leap in line with National Mission of "Atmanirbhar Bharat", your company has launched an ambitious research project of construction of Indigenous Midget Submarine.

20. Other innovative R&D projects currently in progress includes Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) which are being developed in partnership with the Industry and is designed to simulate the situation of actual moving submarine for training purpose and for decoy measures.

## EXPORTS

21. Your Company intends to revamp its presence in the export market. MDL has been in dialogue with various Indian Embassies/High Commissions abroad to expand its product outreach to prospective customers. The commercial shipbuilding sector world-wide is passing through a down turn and MDL is deeply aware of the situation. Nevertheless, the defence requirements in the international market continues to remain relevant. Your Company has certain unique strengths and skill sets that have been painstakingly developed in the past eight decades and are adapted in the complex activities of weapon integration sensors for high tech defence platforms.

22. Your company is exploring all possibilities of exports. Efforts are on for pursuing exports with various countries following both the G2G route wherein the GoI have opened Lines of Credit with funding typically extended by EXIM bank as well as the B2B route with sovereign guarantee of the recipient nation.

## SWACHH BHARAT INITIATIVE

23. Your Company, adhering to the Prime Minister's Swachh Bharat Abhiyaan, has been able to make positive impact in creating mass awareness movement in and around MDL and bring about lasting behavior change in the society through participation of employees at all levels as well as the people from the surrounding area. In line with the Swachh Bharat Mission of Govt. of India, Your Company, in the 3rd wave of Covid-19 has created awareness to control the spread of Corona Virus through Cleanliness, Social Distancing and Use of Mask.

The Swachh Bharat Abhiyaan is underway at three levels i) within the Shipyard, ii) adjacent areas and iii) rural areas.

## CORPORATE GOVERNANCE

24. Your Company is complying with the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE) and SEBI (LODR) Regulations. Necessary disclosures have been made in this regard in the Corporate Governance Report.

## GREEN INITIATIVES

25. Your Company has been engaged in various initiatives towards sustainable development and energy conservation in the year under report. In alignment with the Government of India's policy to increase the quantum of renewable energy and to reduce energy consumption various projects were undertaken by your company. Your Company is committed to reduce the

consumption of energy generated by fossil fuel and to increase the generation of renewable energy to the maximum possible extent. Your Company has already installed 1.85 MWp Roof Top solar power plant, procured 2 nos. energy efficient IE3 level motors, procured energy efficient Inverter based 05 nos. welding machines, procured energy efficient inverter based 40 Nos. SMAW welding machines and procured 70 Nos. 150 W LED flood light fittings.

## CORPORATE SOCIAL RESPONSIBILITY

26. Your Company is committed to all its stakeholders to conduct business in an economically, socially and environmentally sustainable manner as part of its CSR & Sustainability policy. Your Company has executed 57 projects as part of its CSR initiatives mainly in sectors of Education, Health & Sanitation, Skill Development and Village Development. Substantial contributions were also made by your Company to support the nation's fight against the Covid-19 pandemic, mainly in the aspirational district of Nandurbar and Government hospitals in Mumbai.

27. The executed projects are in line with schedule VII of the Companies Act. Your Company has spent Rs.11.11 crores towards CSR activities during FY 2021-22. A sum of Rs.4.56 crore remains unspent as several projects/ programs could not be accomplished/completed due to delay in the submission of required documents and/or delay in execution of some projects by the implementing agencies primarily on account of Covid-19.

## FUTURE OUTLOOK

28. Infrastructure:

i) Your Company plans to set up a green field shipyard at its Nhava Yard in phased manner with short term and long term developments plan subject to a better visibility with respect to large ticket orders.

ii) Your Company intends to build a New Floating Dry Dock of 15000T capacity to undertake the construction of advanced and next generation vessels.

iii) Your Company is committed towards creating a skill development hub with an Apprentice Training School (ATS) and associated development work at Gavhan village, Navi Mumbai.

29. Ongoing Projects: The progress of all the ongoing projects did get severely impacted due to the prolonged pandemic situation worldwide. However, all efforts are being made to complete these projects such as Project Submarine, MRLC of SSK Submarines, Parallel line for Submarine, Diversification and Long term growth strategy as detailed in the Directors' Report on priority.

## CONCLUDING REMARKS

30. I take this opportunity to place on record our appreciation of the high standard of professional acumen, patronage and support from the Indian Navy and other clients. The Board of Directors joins me in gratefully acknowledging the valuable guidance from the Ministry of Defence (DDP) in shaping and framing the policies as well as helping us in implementing them and express our sincere gratitude for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India, Greater Mumbai Municipal Corporation, Mumbai Port Trust, Principal Controller of Defence Accounts (Navy), the Departments of Customs, Income Tax and GST, Principal Director of Commercial Audit, Statutory Auditors and the stakeholders.

31. Your Company has been and shall always remain committed towards "self-reliance in defence preparedness" by producing State-of-the-Art combat platforms thereby adding teeth to the Indian Naval fleet and Coast Guard, and to play a pivotal role in the maritime defence of our great nation. I am grateful to the Board of Directors for their unwavering support and guidance,

in maintaining the corporate image of your Company. On behalf of the Board, I acknowledge and appreciate the excellent commitment and efforts and continuous contribution of the employees at all levels, who have enabled your Company to maintain its path of progress.

32. Your Company along-with all the stakeholders shall endeavour to put our best foot forward and seize every opportunity to play a critical role in shaping the maritime defence of our Country and to constantly, enhance our human skills and innovate and transform as required to meet the challenges of the future.

Jai Hind!

**VAdm NARAYAN PRASAD,  
AVSM, NM, IN (RETD)**

Chairman & Managing Director



# The Journey So Far

**1934**

Incorporated as a private company



**1960**

Acquired by the Govt



**1972**

Delivered the 1st frigate, INS Nilgiri



**1984**

Inauguration of undertaking submarine construction



**1992**

Commissioned 1st Indian built submarine, INS Shalki

**2009**

Implementation of enterprise resource planning and systems applications and products



**2006**

Awarded Mini Ratna Category - I Status



**2000**

Upgraded to Schedule 'A' status from Schedule 'B'



**1998**

Accredited with ISO certification for shipbuilding



**1997**

Commissioned 1st destroyer, INS Delhi



## 2014

Inauguration of the Mazdock Modernization project

## 2015

Signed contract for construction and delivery of 4 frigates with the MoD

## 2021 AND 2022

- Delivery of three platforms viz. 3rd & 4th Scorpene class submarine & 1st missile destroyer in 2021
- Historical Double Launching of a missile destroyer and a stealth frigate on 17 May 2022. Launching of 6th submarine on 20 Apr 2022

## 2016 AND 2017

- Inauguration of new submarine section assembly workshop at Alcock yard
- Delivery of 1st Scorpene class submarine in 2017

## 2019 AND 2020

- Delivery of 2nd Scorpene class submarine in 2019
- Listing of MDL in BSE & NSE in 2020





# Key Performance Indicators

## REVENUE FROM OPERATIONS

(₹ in crores)

2021-22	5,733.28
2020-21	4,047.82
2019-20	4,904.84
2018-19	4,613.95
2017-18	4,409.59

**6.78%**

5 Year CAGR

## PBT

(₹ in crores)

2021-22	786.66
2020-21	756.06
2019-20	770.43
2018-19	825.01
2017-18	696.37

**3.09%**

5 Year CAGR

## GROSS MARGINS (EBIDTA)

(₹ in crores)

2021-22	868.33
2020-21	824.07
2019-20	848.44
2018-19	898.41
2017-18	750.43

**3.72%**

5 Year CAGR

## NET WORTH

(₹ in crores)

2021-22	3,321.36
2020-21	2,919.06
2019-20	2,581.20
2018-19	2,792.22
2017-18	2,422.40

**8.21%**

5 Year CAGR



## GROSS BLOCK

(₹ in crores)

2021-22	1,363.62
2020-21	1,140.39
2019-20	1,101.17
2018-19	1,006.60
2017-18	763.35

# 15.61%

5 Year CAGR

## EQUITY SHARE CAPITAL

(₹ in crores)

2021-22	201.69
2020-21	201.69
2019-20	201.69
2018-19	224.10
2017-18	224.10



# Our Product Profile

**Our current design portfolio encompasses a diverse range of products for both domestic and international clientele.**

We have built a total of 799 vessels since 1960, including 26 warships, ranging from advanced destroyers to missile boats as well as 6 submarines. For both national and global clientele, we have also provided cargo ships, passenger ships, supply vessels, multipurpose support vessels, water tankers, tugs, dredgers, fishing trawlers, barges, and border outposts. Jackets, wellhead platform main decks, process platforms, jack-up rigs, and other products have also been manufactured and delivered by us.

## SHIPBUILDING/SUBMARINE CONSTRUCTION



### Naval Platforms

- Destroyers
- Conventional Submarines
- Frigates
- Corvettes
- Missile Boat
- Offshore Patrol vessels
- Floating Border Outposts



### Merchant Ships

- General Cargo Vessel
- Multipurpose Support Vessel
- Offshore Supply vessel
- Tugs
- Dredgers
- Passenger cum Cargo Vessel
- Water tankers
- Barges
- Trawlers
- Windmill towers Pontoons



### Oil Sector

- Offshore Platforms
- Jack-up rigs





# World-Class Infrastructure

## SHIP-BUILDING FACILITY COMPRISES OF

- 3 dry docks
- 2 wet basins
- 3 slipways
- Production shops
- Assembly shops
- Electrical shop
- 300 tonne goliath crane
- Shore integration facility
- Module shop with painting chamber for integrated construction
- Sheet metal shop
- Pipe shop
- Machine and fitting shop
- Instrumentation shop

## SUBMARINE DIVISION INFRASTRUCTURE INCLUDES

- Shops for fabrication of frame
- Sub-section assembly and section formation shops
- Cradle assembly shop for equipment outfitting
- 1 dry dock
- Shore integration facility

## 300 TONNE GOLIATH CRANE SPANNING 138 METER



## BOTH SHIPBUILDING AND SUBMARINE & HEAVY ENGINEERING DIVISIONS ARE ISO 9001:2015 CERTIFIED



**Vast expertise gives a significant edge over our domestic peers**

Source: Corporate Presentation

# Major Modernization Program

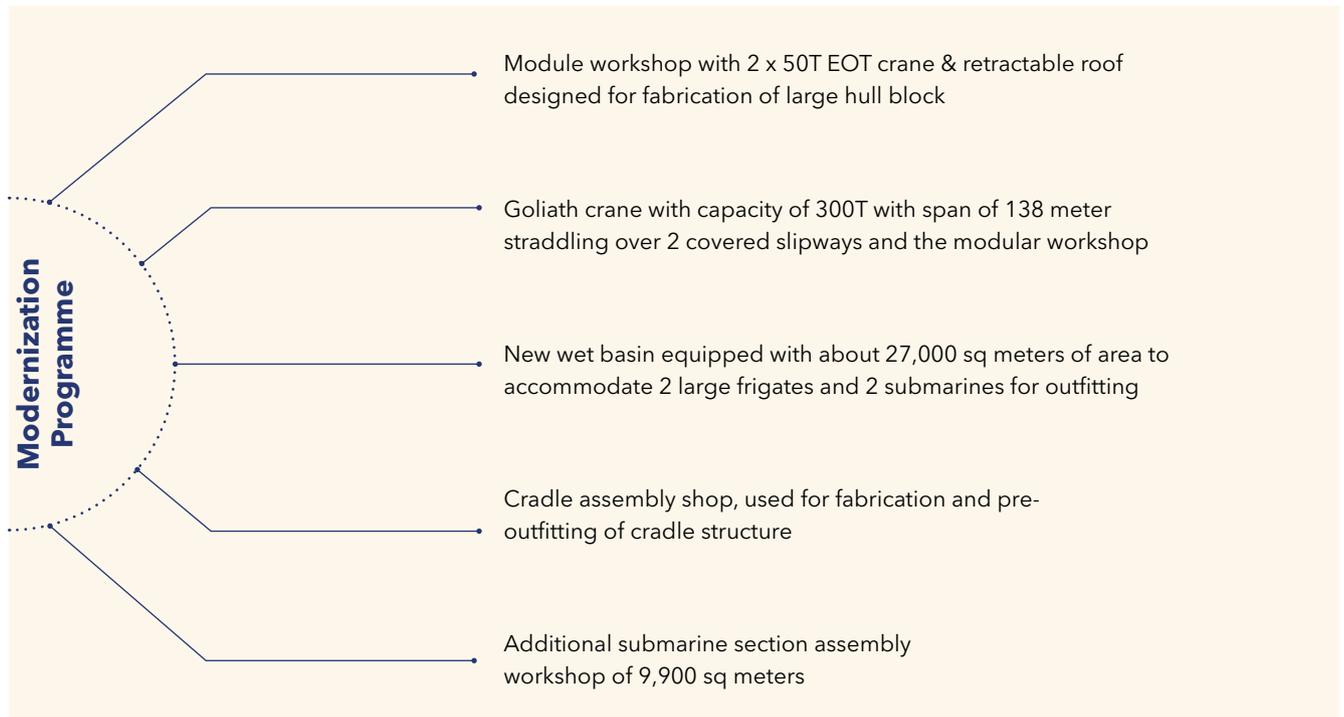
MDL has undertaken a modernization programme at a cost of

**INR 9 Bn**

Capacity of warship & Submarine building increased since 2014

Shore integration facility to enable combat system integration off-site prior to

**on-board installation**



## Key Benefits

Enables integrated modular construction to substantially reduce build period

Moving from unit assembly to block assembly

Facilitates fabrication and assembly of submarine units simultaneously

## Modernization programme to enable a paradigm shift in warship construction

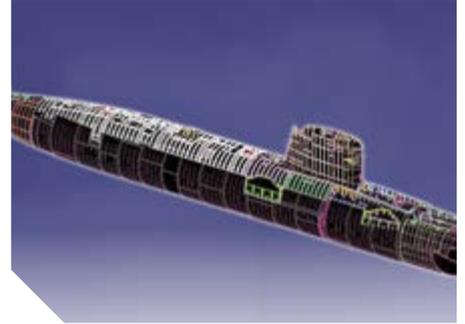
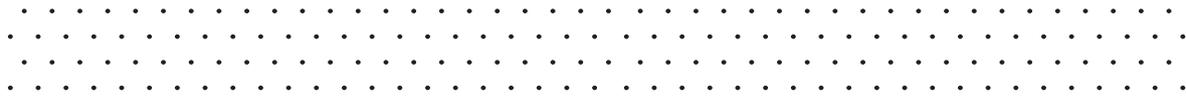
Source: RHP



# Digitisation and Innovation

**We are implementing various technologies across the digital forum that have the potential to boost more inclusive and sustainable growth by spurring innovation, generating efficiencies and improving services.**





### SHORE INTEGRATION FACILITY

We have developed Shore Integration Facilities (SIF) for our Shipbuilding and Submarine Divisions, separately, to integrate and simulate various systems and equipment prior to fitting them onboard. To maintain the durability of critical electronic components, SIF uses actual equipment, cables, and connectors. This one-of-a-kind facility will make it possible to shorten the time it takes to build warships and to test submarines.

procurement, maintenance and Quality Assurance. The PLM system, which was initially implemented in Project Frigate will cause a digital transformation in the field of naval shipbuilding. Moreover, it will raise the integration level and boost predicting precision. It enables the yard to develop and maintain a digital replica of the ships and makes the data accessible to the various agencies involved in the entire lifecycle of the ships.



### IMPLEMENTATION OF ERP

SAP - ERP is implemented as a business application in our operations. Our SAP system includes a variety of fully integrated modules that essentially covers every facet of business management. SAP implementation has aided us in fortifying internal control systems with built-in checks and balances at various operational levels. For SAP, we also maintain a disaster recovery site in Bengaluru.



### PRODUCT LIFECYCLE MANAGEMENT

For the ongoing stealth frigate programme, we are implementing a product lifecycle management (PLM) system. PLM will serve as an information management system to foster seamless collaboration between various disciplines associated with the production of the ship including planning, design, production,



### VIRTUAL REALITY LAB

At our Design Department, a state-of-the-art virtual reality lab has been commissioned. Virtual reality (VR) is a scientific and technical technology that mimics a virtual environment through the use of a graphical, occasionally audio, presentation in a setting equipped with large-screen displays using computer graphics and behavioural interfaces.



### IMPLEMENTATION OF FILE LIFECYCLE MANAGEMENT (FLM)

File Lifecycle Management (FLM) has been incorporated in our operations to allow for the approval of files in digital form. Online workflow of FLM is used to process files that need approval. Following workflow completion, the system serves as a central repository for long-term approval storage with user-authorised access.



# Ten years at a Glance

₹ in Cr

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>(A) Financial Position:</b>										
Equity Share Capital	201.69	201.69	201.69	224.10	224.10	249.00	199.20	199.20	199.20	199.20
Preference Share Capital	-	-	-	-	-	-	-	-	-	-
Other Equity	3119.67	2717.37	2379.51	2568.12	2198.43	2375.54	2124.21	2260.65	1894.04	1615.09
Net Worth	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85	2093.24	1814.29
Gross Block	1363.62	1140.39	1101.17	1006.60	763.35	617.48	637.70	493.37	375.20	312.79
Net Fixed Assets (Net Block)	964.62	806.85	836.35	810.29	646.37	546.25	367.76	265.81	176.12	126.03
Capital Employed	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85	2093.24	1814.29
Working Capital	1345.50	1294.84	1612.05	1853.72	1941.96	2519.01	2349.11	1932.84	1600.79	1312.26
<b>(B) Operating Results:</b>										
Revenue from Operations	5733.28	4047.82	4904.84	4613.95	4487.98	3530.48	4127.06	3618.91	2897.39	2331.39
Value Added	1682.48	1179.05	1329.62	1253.62	1344.93	1229.23	1286.29	1338.47	1368.97	1217.14
Gross Margin (EBIDTA)	868.33	824.07	848.44	898.41	750.59	880.29	977.03	776.33	606.03	631.17
Gross Profit	793.82	764.42	779.69	834.08	700.38	840.90	933.22	745.47	587.80	616.53
Profit before tax and exceptional items	786.66	756.06	770.43	825.01	696.53	837.00	929.32	746.00	587.57	638.89
Provision for Tax	186.22	150.35	349.63	307.73	256.60	288.01	360.84	254.41	189.96	226.17
Profit for the year	586.47	479.57	408.48	517.28	439.93	548.99	568.48	491.59	397.61	412.72
Total Comprehensive Income	582.41	493.14	391.37	501.80	400.74	548.11	575.23	491.59	397.61	412.72
<b>(C) Appropriation:</b>										
Dividend-Equity Shares (Declared)	176.08	146.02	207.51	155.82	180.00	165.41	199.20	100.00	100.00	100.00
Tax on Dividend	-	-	44.64	20.56	49.96	40.55	20.36	19.99	17.00	16.16
<b>(D) Ratios :</b>										
Gross Profit : Capital Employed	0.239	0.262	0.302	0.299	0.289	0.320	0.402	0.303	0.281	0.340
Total Comprehensive Income : Net Worth	0.175	0.169	0.152	0.180	0.165	0.209	0.248	0.200	0.190	0.227
Gross Margin : Gross Block	0.637	0.723	0.770	0.893	0.983	1.426	1.532	1.574	1.615	2.018
Profit Before Tax : Revenue from Operations	0.137	0.187	0.157	0.179	0.155	0.237	0.225	0.206	0.203	0.274
Revenue from Operations : Gross Block	4.204	3.550	4.454	4.584	5.879	5.718	6.472	7.335	7.722	7.454
Value Added : Revenue from Operations	0.293	0.291	0.271	0.272	0.300	0.348	0.312	0.370	0.472	0.522
Current Ratio	1.053	1.062	1.098	1.114	1.129	1.168	1.156	1.068	1.063	1.056
<b>No. of Employees :</b>										
Gross Margin per employee	0.175	0.138	0.128	0.130	0.085	0.102	0.109	0.085	0.070	0.073

Note- Figures are based on the Restated Financial Statement.

₹ in Cr

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>(A) Financial Position:</b>										
Equity Share Capital	201.69	201.69	201.69	224.10	224.10	249.00	199.20	199.20	199.20	199.20
Preference Share Capital	-	-	-	-	-	-	-	-	-	-
Other Equity	3119.67	2717.37	2389.24	2581.79	2198.30	2359.78	2647.03	2260.65	1894.04	1615.09
Net Worth	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85	2093.24	1814.29
Gross Block	1363.62	1140.39	1113.00	919.12	763.35	844.54	594.20	493.37	375.20	312.79
Net Fixed Assets (Net Block)	964.62	806.85	848.35	753.96	646.37	546.27	344.59	265.81	176.12	126.03
Capital Employed	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85	2093.24	1814.29
Working Capital	1345.50	1301.47	1627.49	1907.17	1937.32	2522.63	2188.39	1937.62	1597.39	1312.26
<b>(B) Operating Results:</b>										
Revenue from Operations	5733.28	4047.82	4977.65	4649.15	4409.59	3529.74	4141.83	3618.91	2886.72	2331.39
Value Added	1682.48	1179.05	1351.62	1288.82	1358.26	1228.50	1287.99	1338.47	1358.30	1217.14
Gross Margin (EBIDTA)	868.33	824.07	856.96	892.20	750.43	891.01	925.42	776.33	606.03	631.17
Gross Profit	793.82	764.42	788.27	830.78	700.22	851.62	893.92	745.47	587.80	616.53
Profit before tax and exceptional items	786.66	756.06	779.01	826.68	696.37	847.72	925.59	746.00	587.57	638.89
Provision for Tax	186.22	150.35	351.67	307.28	256.57	314.23	319.51	254.41	189.96	226.17
Profit for the year	586.47	479.57	415.02	519.40	439.80	533.49	637.82	491.59	397.61	412.72
Total Comprehensive Income	582.41	493.14	397.91	503.92	400.61	525.12	637.82	491.59	397.61	412.72
<b>(C) Appropriation:</b>										
Dividend-Equity Shares (Declared)	176.08	146.02	207.51	155.82	180.00	165.41	199.20	100.00	100.00	100.00
Tax on Dividend	-	-	44.64	20.56	49.96	40.55	40.55	19.99	17.00	17.00
<b>(D) Ratios :</b>										
Gross Profit : Capital Employed	0.239	0.262	0.304	0.296	0.289	0.326	0.314	0.303	0.281	0.340
Total Comprehensive Income : Net Worth	0.175	0.169	0.154	0.180	0.165	0.201	0.224	0.200	0.190	0.227
Gross Margin : Gross Block	0.637	0.723	0.770	0.971	0.983	1.055	1.557	1.574	1.615	2.018
Profit Before Tax : Revenue from Operations	0.137	0.187	0.157	0.178	0.158	0.240	0.223	0.206	0.204	0.274
Revenue from Operations : Gross Block	4.204	3.550	4.472	5.058	5.777	4.179	6.970	7.335	7.694	7.454
Value Added : Revenue from Operations	0.293	0.291	0.272	0.277	0.308	0.348	0.311	0.370	0.471	0.522
Current Ratio	1.053	1.063	1.099	1.118	1.125	1.169	1.072	1.069	1.062	1.056
<b>No. of Employees :</b>										
Gross Margin per employee	0.175	0.138	0.129	0.129	0.085	0.103	0.103	0.085	0.070	0.073

Note- Figures are based on the published financial statement.



# Board of Directors



**VAdm Narayan Prasad,  
AVSM, NM, IN (Retd)**  
Chairman & Managing Director



**Shri Sanjay Jaju, IAS, Addl  
Secretary(DP)**  
Government Nominee Director



**Cdr Jasbir Singh IN (Retd)**  
Director (Submarines & Heavy  
Engineering)



**Shri Sanjeev Singhal**  
Director (Finance)



**Shri Biju George**  
Director (Shipbuilding)



**Cdr. Vasudev Puranik**  
Director (Corporate Planning &  
Personnel)



**Shri Mallikarjunarao Bhyrisetty**  
Independent Director



**Shri Shambhuprasad Tundiya**  
Independent Director



**Smt Jagjeet Kaur Neeru Singh**  
Independent Director

# Corporate Information

## BOARD OF DIRECTORS

**VAdm Narayan Prasad,**  
AVSM, NM, IN (Retd),  
Chairman & Managing Director  
w.e.f 30 Dec 2019

## GOVERNMENT NOMINEE DIRECTOR

**Shri Sanjay Jaju,**  
IAS, Addl Secretary (DP)  
w.e.f 24 Nov 2020

## FUNCTIONAL DIRECTORS

**Cdr Jasbir Singh**  
IN (Retd)  
Director (Submarines & Heavy  
Engineering)  
w.e.f 01 Nov 2019

**Shri Sanjeev Singhal**  
Director (Finance)  
w.e.f 08 Jan 2020

**Shri Biju George**  
Director ( Shipbuilding)  
w.e.f 27 Oct 2021

**Cdr. Vasudev Puranik**  
Director ( Corporate Planning  
& Personnel)  
w.e.f 09 Jun 2022

## INDEPENDENT DIRECTORS

**Shri Mallikarjunarao Bhyrisetty**  
Independent Director  
w.e.f 24 Dec 2021

**Shri Shambhuprasad Tundiya**  
Independent Director  
w.e.f 24 Dec 2021

**Smt Jagjeet Kaur Neeru Singh**  
Independent Director  
w.e.f 27 Dec 2021

## PAST DIRECTORS

**Cmde T V Thomas,**  
NM, IN (Retd.)  
Director ( Corporate Planning &  
Personnel)  
w.e.f 02.11.2017 till 30.06.2021

## COMPANY SECRETARY

**Smt Vijayalakshmi K Kumar**

## AUDITORS

**M/s. JCR & Co.**  
Chartered Accountants

## SECRETARIAL AUDITOR

**Ragini Chokshi & Co.,**  
Company Secretaries

## BANKERS

State Bank Of India  
Canara Bank

## REGISTERED OFFICE

Dockyard Road  
Mumbai - 400 010

## REGISTRAR & TRANSFER AGENT

M/s Alankit Assignments Limited





# Notice

NOTICE is hereby given that the Eighty Ninth Annual General Meeting (AGM) of Mazagon Dock Shipbuilders Limited will be held through Video Conferencing (VC)/Other Audio Video Visual Means (OAVM), on Tuesday, the September 27, 2022 at 11.00 A.M. (IST) to transact the following businesses:

## ORDINARY BUSINESS:

- (1) To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Directors' Report and Auditors' Report thereon and Comments of the Comptroller & Auditor General of India.
- (2) To confirm payment of Interim Dividend of Rs. 7.10 per equity share of Rs. 10/- each (i.e. @ 71 %) paid in Jan 2022 and to declare final dividend of Rs. 1.63 per equity share of Rs. 10/- each (i.e. @ 16.30 %) for the financial year ended on March 31, 2022.
- (3) To appoint a Director in place of Shri. Sanjeev Singhal (DIN- 07642358) who retires by rotation and being eligible, offers him-self for re-appointment.
- (4) To authorise the Board of Directors to fix remuneration of Statutory Auditors of the Company for the financial year 2022-2023 in compliance with the orders and directions of appointment by the Comptroller and Auditor-General of India and in terms of the provisions of Section 139(5) and Section 142 of the Companies Act, 2013.

## 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 2022-23 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors Rules), 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of Rs.2,25,000/-(Rupees two lakhs and twenty five thousand only) excluding applicable taxes payable to M/s. Dhananjay V. Joshi & Company, Mumbai, Cost Accountants, for conducting cost audit of the Company for the financial year 2022-23, as approved by the Board of Directors of the Company be and is hereby ratified."

- (6) To appoint Shri Biju George (DIN: 09343562), as Director (Shipbuilding) of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, Shri Biju George (DIN: 09343562), who was appointed as Director (Shipbuilding) by the Board with effect from 27 Oct 2021, as per Government of India, Ministry of Defence, letter 4/1(1)/2019/MDL/D(NS) dated 27 Oct 2021, be and is hereby appointed as Director (Shipbuilding) of the Company on same terms & conditions as determined by the Govt. of India".

- (7) To appoint Shri Mallikarjunarao Bhyrisetty (DIN:06557777), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, Shri Mallikarjunarao Bhyrisetty (DIN:06557777) who was appointed as an non official Part-time Independent Director, by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No. 11(70)/2021/Misc/D(NS) dated 24 Dec 2021, be and is hereby appointed as non-official Part-time Independent Director of the Company on same terms & conditions as determined by the Govt. of India"

- (8) To appoint Shri Shambhuprasad B Tundiya (DIN:03245725), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, Shri Shambhuprasad B Tundiya (DIN:03245725) who was appointed as an non official Part-time Independent Director, by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No. 11(70)/2021/Misc/D(NS) dated 24 Dec 2021, be and is hereby appointed as non-official Part-time Independent Director of the Company on same terms & conditions as determined by the Govt. of India"

- (9) To appoint Smt. Neeru Singh Jagjeet Kaur (DIN:09449410), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, Smt. Neeru Singh Jagjeet Kaur (DIN:09449410) who was appointed as a non official Part-time Independent Director, by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No. 11(70)/2021/Misc/D(NS) dated 24 Dec 2021, be and is hereby appointed as non-official Part-time Independent Director of the Company on same terms & conditions as determined by the Govt. of India”

- (10) To appoint Cdr. Vasudev Ranganath Puranik, IN(Retd) (DIN:09623387), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, Cdr. Vasudev Ranganath Puranik, IN(Retd)(DIN:09623387) who was appointed as Director (Corporate Planning & Personnel) by the Board with effect from 09 June 2022, as per Government of India, Ministry of Defence, letter 4/1(2)/2019/MDL/D(NS) dated 08 June 2022 be and is hereby appointed as Director (Corporate Planning & Personnel) of the Company on same terms & conditions as determined by the Govt. of India”.

BY ORDER OF THE BOARD  
**Mazagon Dock Shipbuilders Limited**

Dockyard Road  
Mumbai 400 010  
Dated: 30 July, 2022

**(Vijayalakshmi Kumar)**  
COMPANY SECRETARY

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://mazagondock.in>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General circulars numbered 20/2020 dated May 5, 2020 and 02/2022 dated May 5, 2022 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with SEBI Circular numbered SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022.
8. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 10 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
9. The Company has announced Book Closure from 21 September, 2022 to 27 September, 2022 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2021-2022, if declared at the AGM, will be payable after deduction of applicable TDS, if any, to those eligible members whose names appeared:
  - (a) As Beneficial Owners as at the close of business hours on Tuesday, 20 September, 2022 as per the list of beneficial owners to be furnished by the NSDL and CDSL in respect of the shares held in electronic form; and
  - (b) As Members, in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as at the close of business hours on Tuesday, 20 September, 2022.
10. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct TDS from dividend

paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). An email communication in this regard was sent to the Members for complying with TDS requirements. Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or update the same by sending email to [alankit\\_md1@alankit.com](mailto:alankit_md1@alankit.com) on or before Tuesday, 20 September, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication/ documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of 20 September, 2022.

11. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/RTA. Further, those Members who have already registered their addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of notices/documents/Annual Reports and other communication electronically to their e-mail address in future.
12. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities.
13. Investor Education and Protection Fund: Members are requested to note that, Dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/

Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Details of the unpaid dividend for FY 2020-21 and FY 2021-22 are available in the Company's website.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at [alankit\\_md1@alankit.com](mailto:alankit_md1@alankit.com) in case the shares are held in physical form, quoting folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
15. Non-Resident Members: Non-Resident Indian Members are requested to inform Registrar and Transfer Agents/ their respective Depository Participants immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their Bank Account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No., and address of the bank, if not furnished earlier, to enable the Company to remit dividend to the Bank Account directly.

**16. Registrar and Transfer Agents:** The Address of the Registrar and Transfer Agents of the Company is as follows:

**Alankit Assignments Limited (Unit: Mazagon Dock Shipbuilders Limited)**

Alankit Heights, 4E/2, Jhandewalan Extension, New Delhi - 110055

Phone: 011-42541100, 42541957; Fax: 011-23552001

Email : [alankit\\_md1@alankit.com](mailto:alankit_md1@alankit.com)



## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to special business mentioned in the accompanying notice.

### Item No. 5

The Board, has approved the appointment of M/s. Dhananjay V. Joshi & Company., Mumbai, Cost Accountants, at a remuneration of Rs.2,25,000/-(Rupees two lakhs and twenty-five thousand only) excluding applicable Service Tax payable to conduct the Cost Audit of the Company for the financial year 2022-2023.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors Rules), 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

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

The Board of Directors recommends the Ordinary Resolution for your approval.

### Item No. 6

Shri Biju George (DIN: 09343562) was appointed as the Director (Shipbuilding), by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter 4/1(1)/2019/MDL/D(NS) dated 27 Oct 2021.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularisation of the appointment of Shri Biju George (DIN: 09343562) as the Director (Shipbuilding), on same terms and conditions as determined by Government of India. Shri Biju George is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri. Biju George, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval

### Item No. 7

Shri. Mallikarjunarao Bhyrisetty (DIN:06557777) was appointed as an non official Part-time Independent Director by the Department of Defence Production, Ministry of Defence, Govt.

of India vide letter No.11(70)/2021/Misc/D(NS) dated 24 Dec 2021 for a period of three years.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 and Schedule IV of the Act the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company. Therefore, approval of the shareholders is sought for regularisation of the appointment of Shri. Mallikarjunarao Bhyrisetty (DIN:06557777) as a non official Part-time Independent Director on same terms and conditions as determined by the Government of India. Shri. Mallikarjunarao Bhyrisetty, if appointed as Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Shri. Mallikarjunarao Bhyrisetty has furnished declaration of independence as specified in Section 149 of the Act and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri. Mallikarjunarao Bhyrisetty, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

### Item No. 8

Shri. Shambhuprasad B Tundiya (DIN:03245725) was appointed as an non official Part-time Independent Director by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No.11(70)/2021/Misc/D(NS) dated 24 Dec 2021 for a period of three years.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 and Schedule IV of the Act the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company. Therefore, approval of the shareholders is sought for regularisation of the appointment of Shri. Shambhuprasad B Tundiya (DIN:03245725) as a non official Part-time Independent Director on same terms and conditions as determined by the Government of India. Shri. Shambhuprasad B Tundiya, if appointed as Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Shri. Shambhuprasad B Tundiya has furnished declaration of independence as specified in Section 149 of the Act and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri. Shambhuprasad B Tundiya, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

### Item No. 9

Smt. Neeru Singh Jagjeet Kaur (DIN:09449410) was appointed as an non official Part-time Independent Director by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No.11(70)/2021/Misc/D(NS) dated 24 Dec 2021 for a period of three years.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 and Schedule IV of the Act the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company. Therefore, approval of the shareholders is sought for regularisation of the appointment of Smt. Neeru Singh Jagjeet Kaur (DIN:09449410) as an non official Part-time Independent Director on same terms and conditions as determined by the Government of India. Smt. Neeru Singh Jagjeet Kaur, if appointed as Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Smt. Neeru Singh Jagjeet Kaur has furnished declaration of independence as specified in Section 149 of the Act and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Smt. Neeru Singh Jagjeet Kaur, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval.

### Item No. 10

Cdr. Vasudev Ranganath Puranik, IN (Retd) (DIN:09623387) was appointed as the Director (Corporate Planning & Personnel), by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter 4/1(2)/2019/MDL/D(NS) dated 08 June 2022.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularisation of the appointment of Cdr. Vasudev Ranganath Puranik, IN (Retd) (DIN:09623387) as the Director (Corporate Planning & Personnel), on same terms and conditions as determined by Government of India. Cdr. Vasudev Ranganath Puranik, IN (Retd) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Cdr. Vasudev Ranganath Puranik, IN (Retd), is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution for your approval

BY ORDER OF THE BOARD  
**Mazagon Dock Shipbuilders Limited**

Dockyard Road  
Mumbai 400 010  
Dated: 30 July 2022

**(Vijayalakshmi Kumar)**  
COMPANY SECRETARY



**Additional information on Directors being appointed/re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Name of the Director</b>	<b>Shri. Sanjeev Singhal</b>	<b>Shri. Biju George</b>	<b>Shri. Mallikarjunarao Bhyrisetty</b>	<b>Shri. Shambhuprasad B Tundiya</b>	<b>Smt. Neeru Singh Jagjeet Kaur</b>	<b>Cdr. Vasudev Ranganath Puranik</b>
DIN	07642358	09343562	06557777	03245725	09449410	09623387
Date of Birth	08.02.1965	15.02.1969	01.07.1962	14.11.1970	10.02.1971	13.12.1966
Designation	Director (Finance)	Director (Shipbuilding)	Independent Director	Independent Director	Independent Director	Director (Corporate Planning & Personnel)
Date of Appointment	08 Jan 2020	27 Oct 2021	24 Dec 2021	24 Dec 2021	27 Dec 2021	09 June 2022
Disclosure of relationship between directors inter se	Nil	Nil	Nil	Nil	Nil	Nil
Directorship held in other listed Companies	Nil	Nil	Nil	Nil	Nil	Nil
Membership / Chairmanship in other listed Companies	Nil	Nil	Nil	Nil	Nil	Nil
Shareholding in Mazagon Dock Shipbuilders Limited	Nil	Nil	Nil	Nil	Nil	Nil
Brief Resume	Shri. Sanjeev Singhal holds a bachelor's degree in commerce (honours course) from University of Delhi. He is also a Cost Accountant from the Institute of Cost Accountants of India. He has over 32 years of experience in finance and accounting. Previously, he was associated with Mishra Dhatu Nigam Limited as a Director (finance) and with Steel Authority of India Limited in the finance and accounts department.	Shri Biju George holds a post graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur. He has three decades of experience with MDL where two decades were with design of frontline warships viz. Missile Destroyers and Frigates. Prior to his appointment as Director (Shipbuilding), he was the project Superintendent	Shri. Mallikarjunarao Bhyrisetty is a post graduate in Nuclear physics and has worked as lecturer and principal in DCBN & NKK Jr. College, Guntur. He is founder director of the non-profit organization - Guntur Institute of Competitions. He has worked in areas like infrastructure, education & Social service activities. He has authored books on Indian History & Socio-Cultural History of Andhra Pradesh.	Shri Shambhuprasad B Tundiya holds a B.A from Gujarat University and possesses honorable degree, Ph.D. He was a MLA from DASADA-7 (2007 to 2014) and MP of the Rajyasabha, Gujarat (2014-2020). He has worked in areas like social service and cultural activities and has authored a large no. of books.	Smt. Neeru Singh Jagjeet Kaur is a Post Graduate in M.A Arts, B.com & LLB. She is working as a full time Director in Punjabi Sahitya Academy (MP). She was a member of District committee for the 15-point program of Prime Minister for Minorities and member of Micro cabinet member LIONS Club International. She has worked as Chairperson and President of LIONS Club (Dist.323-E-I). She was also a visiting faculty for MBA students and Personality Development and has contributed in social, health,	Cdr. Vasudev Puranik, IN(Retd), has been associated with the Company since June 2010. An alumnus of INS Shivaji, he holds a B.Tech (Mechanical) degree from Jawaharlal Nehru University (New Delhi), He has also completed Masters in Engineering from Pune University. Previously, he has served in the Indian Navy for over 22 years and has held several assignments afloat and onboard such as INS Rana, INS Nishank, INS Mysore and various appointments in Directorate of Naval Design,

Name of the Director	Shri. Sanjeev Singhal	Shri. Biju George	Shri. Mallikarjunarao Bhyrisetty	Shri. Shambhuprasad B Tundiya	Smt. Neeru Singh Jagjeet Kaur	Cdr. Vasudev Ranganath Puranik
		of the prestigious Frigate Program for the Indian Navy. Prior to this, he has been heading the Shipbuilding Design Department of MDL.			women and cleanliness projects in Madhya Pradesh.	Gas Turbine Overhaul Centre, Visakhapatnam, Directorate of Ship Production and Naval Dockyard, Mumbai. He has received commendations from the Flag Officer Commanding Officer in Chief, Western Naval Command. Prior to the appointment, he was the Project Superintendent of the prestigious scorpene submarine construction programme at MDL.



## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Friday, 23 September, 2022 at 9:00 A.M. and ends on Monday, 26 September, 2022 at 5:00 P.M The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 20 September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 20 September, 2022.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ragini.c@rediffmail.com](mailto:ragini.c@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [alankit\\_md1@alankit.com](mailto:alankit_md1@alankit.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [alankit\\_md1@alankit.com](mailto:alankit_md1@alankit.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



## THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor@mazdock.com](mailto:investor@mazdock.com) and [rta@alankit.com](mailto:rta@alankit.com). The same will be replied by the company suitably.

## 6. PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to [rta@alankit.com](mailto:rta@alankit.com) or [investor@mazdock.com](mailto:investor@mazdock.com). till Tuesday, 20 September, 2022. Only those member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM.

### SPEAKER REGISTRATION FORM \*

Name of Shareholder (including joint holder)

DPID-CLID / Folio Number

Permanent Account Number (PAN)

Mobile Number

Profession

Query in brief

\*All fields are mandatory

# Directors' Report

## Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you 89th Annual Report together with the audited financial statements of the Company for the year ended 31 Mar 2022 and reports of the Statutory Auditors' and the Auditor General of India thereon.

## Important Events:

- a) First Ship of Project Destroyer was delivered on 28 Oct 2021 & commissioned on 21 Nov 2021 by Hon'ble Raksha Mantri, Shri. Rajnath Singh.



- b) Fourth Scorpene Submarine of Project Submarine was delivered to the Indian Navy on 09 Nov 2021 and commissioned on 25 Nov 2021 by Admiral Karambir Singh, PVSM, AVSM, ADC Chief of the Naval Staff.



- c) Azadi Ka Amrit Mahotsav' (AKAM): In consonance with the ongoing celebration of 'Azadi Ka Amrit Mahotsav' (AKAM) theme by Government of India, Hon'ble Raksha Mantri, Shri Rajnath Singh virtually inaugurated the public exhibitions at 75 locations and the curated museums at 07 locations including 'Dharohar'- Heritage Gallery of Mazagon Dock Shipbuilders Limited (MDL) on 13 December 2021. As a part of this Mahotsav, MDL opened the 'Dharohar' for public and organised an exhibition showcasing marquee defence platforms built by MDL from 13 to 19 December 2021.



Smt. Kishori Tai Pednekar, Mayor of Mumbai (MCGM) was the Guest of Honour for the virtual event. MDL registered an overwhelming response during the event.

## 1. Financial Review

### 1.1 Financial Results and Performance Highlights:

PARTICULARS	(Rs. in crore)	
	2021-22	2020-21
Revenue from operations	5733.28	4047.82
Profit before Tax (Before Exceptional Items)	786.66	756.06
Profit for the year	586.47	479.57
Gross Block	1363.62	1140.39
Net Block	964.62	806.85
Working Capital	1345.50	1294.84
Net Worth	3321.36	2919.06
Finance Cost	7.16	8.36

During the year under review, the Company achieved the Revenue from Operations of Rs. 5733.28 crore as compared to the previous year Rs. 4047.82 crore. The Profit before tax and exceptional items is Rs. 786.66 crore for 2021-22 as against Rs. 756.06 crore in the previous year.



Income Distribution for the year 2021-22 as against previous year is summarised as under:-

INCOME DISTRIBUTION	%	%
	2021-22	2020-21
Cost of materials consumed	58.49	52.93
Employee benefit expenses	12.95	14.04
Finance costs	0.12	0.18
Depreciation and amortization expenses	1.21	1.28
Sub-Contracting charges	6.96	8.54
Power & Fuel	0.24	0.24
Expenses related to Projects	2.66	3.62
Other Expenses	2.95	2.46
Provisions	1.66	0.43
Exceptional Items	0.23	2.71
Tax Expense	3.02	3.23
Other Comprehensive Income	0.07	-0.29
Total Comprehensive Income	9.44	10.61
<b>Total</b>	<b>100</b>	<b>100</b>

## 1.2 Consolidated Financial Statement:

The consolidated financial statements of the Company and its associate Company Goa Shipyard Ltd (GSL) prepared pursuant to provisions of section 129(3) of the Companies Act, 2013 and applicable accounting standards together with the Auditors' Report forms part of this Report.

In accordance to Section 129(3)(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the associate Company is attached to the financial statements in Form AOC-1 (Appendix 1).

## 1.3 Capital Structure:

The Authorised Equity Share Capital of the Company as on 31 Mar 2022 stood at Rs. 323.72 crore comprising of 323720000 (Thirty-two crore thirty seven lakh twenty thousand) Equity shares of Rs. 10 each.

The Paid-up Equity Share Capital as on 31 Mar 2022 is Rs.201.69 crore comprising of 20,16,90,000 (Twenty crore sixteen lakh ninety thousand) shares of Rs. 10 each. During the year under review there was no increase in the Authorised or Paid up Share Capital.

## 1.4 Disinvestment and Listing on Stock Exchanges:

In the previous year FY 2020-21, Government of India disinvested its shareholding in Mazagon Dock Shipbuilders Ltd (MDL) by way of an Offer for Sale of Equity Shares by the President of India, acting through the Department of Defence Production, Ministry of Defence

and Government of India (DIPAM) through an Initial Public Offer to the extent of 3,05,99,017 number of equity shares representing 15.17 % of its paid-up equity shares including 3,45,517 equity shares reserved for eligible employees.

3,05,99,017 Equity Shares of face value of Rs. 10/- each were available under the Offer, at higher end of the Price Band (i.e. Rs.145/- per Equity Share).

The Offer opened for subscription on Tuesday, 29 Sep 2020 and closed on Thursday, 01 Oct 2020 at a price band of Rs. 135/- to Rs. 145/-, the Offer was subscribed approx. 154.180 times.

The Equity shares of MDL have been listed on Bombay Stock Exchange(BSE) and National Stock Exchange (NSE) on 12 Oct 2020.

## 1.5 Dividend:

The Interim dividend of Rs. 7.10 per equity share (71.00%), amounting to Rs. 143.20 crore was paid in the year 2021-22 in accordance with the provisions of the Income Tax Act, 1961, as approved by the Board of Directors in their meeting held on 28 Dec 2021. The Board of Directors recommended a Final Dividend of Rs. 32.88 crore which is 16.30 % of the paid up share capital. The total Dividend declared for F.Y. 2021-22 is Rs.176.08 crore, which is 87.30 % of the paid up share capital including the interim dividend amounting to Rs. 143.20 crore.



CMD, MDL Presenting the Dividend Cheque to the Hon'ble Raksha Mantri, Shri Rajnath Singh, GOI

## 1.6 Contribution to the Central Exchequer:

Your Company's contribution during 2021-22 to the Central Exchequer by way of Income Tax, GST, IGST on imports and custom duty was Rs. 1311.49 crore.

## 1.7 Public Deposits:

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### 1.8 Loans, Guarantees or Investments:

Your Company has not given any loans, guarantees or made any investments under section 186 of the Companies Act, 2013.

## 2. Review of Operations:

Your Company recorded a Revenue of Rs. 5733.28 crore for 2021-22 as against Rs. 4047.82 crore of the previous year.

### 1. Performance / Project Progress:

At present your Company is handling two Shipbuilding projects for Indian Navy, comprising of four ships of Project Destroyer & four ships of Project Frigate each. Besides, MDL is also handling construction of six Scorpene class Submarines for the Indian Navy, out of which four Submarines have already been delivered. Medium Refit with Life Certification (MRLC) of IN Submarine is currently at an advanced stage of outfitting

#### a) Project Destroyer:

Project Destroyer ships are potent surface combatants that are contemporary and state-of-the-art platforms. First ship of Project Destroyer was delivered on 28 Oct 2021 and has been commissioned into the Indian Navy on 21 Nov 2021. Second Ship of the project was launched on 17 Sep 2016. The Third ship of the series was launched on 20 Apr 2019. Production of fourth Ship commenced on 19 Jul 2018 and its keel was laid on 07 Nov 2019.

To increase the pace of production and undertake parallel construction for third and fourth ships, your Company had adopted new method of mega block outsourcing with enhanced outfitting in machinery compartments where units / blocks were constructed simultaneously at two different geographical locations and brought to MDL and joined together and thereafter the ships were launched.

#### b) Project Frigate:

Production of the first ship had commenced on 16 Feb 2017 and the keel was laid on 28 Dec 2017. The first ship was Launched on 28 Sep 2019. Production of Second ship commenced on 27 Feb 2018 and keel laid on 07 May 2019. Production of third ship commenced on 31 Jan 2019 and keel laid on 10 Sep 2020. Production of fourth ship commenced on 22 Jan 2020.

In order to meet the contractual timelines, the units and blocks are being built at three (03) different geographical location viz MDL premises, M/s SSPL, Bharuch and M/s CCPL, Goa. These blocks are being constructed by resorting to the 'Integrated Construction Methodology' wherein the pre-outfitting of various elements are being carried out at the unit and block stages itself. The infrastructure of the yard has been modernized for realizing 'Integrated Construction Methodology' that is at par with the global best practices for warship building.

In the context of COVID-19 pandemic, work progressed with less than 50% manpower strength from 22 Apr 2021 to 31 May 2021 due to implementation of partial lockdown by Government of Maharashtra. In addition, travelling in local trains was allowed only for essential services hence OEM reps were not able to attend workplaces due to travel restrictions imposed by the authorities in view of pandemic COVID 19.

The Government of Maharashtra vide order 04 Apr 2021 had stated that the supply of oxygen for industrial purpose is being disallowed from 10 Apr 2021 considering the requirement of oxygen cylinders for medical use of COVID 19 patients. This adversely impacted the shipbuilding activities and consequently the Project timelines.

MDL had re-commenced its operations in normal mode from 07 Jun 2021 and Oxygen supply had been restored from 01 Jun 2021.

#### c) Project Submarines:

The Scorpene Submarines under construction are state-of-the-art conventional Submarines in collaboration with Naval Group (NG), France. First Scorpene Submarine was delivered by MDL to Indian Navy on 21 Sep 2017 which was commissioned into Indian Navy on 14 Dec 2017. Second Scorpene Submarine was delivered by MDL to Indian Navy on 19 Sep 2019 which was commissioned into Indian Navy on 28 Sep 2019. Third Scorpene Submarine was delivered by MDL to Indian Navy on 15 Feb 2021 which was commissioned into Indian Navy on 10 Mar 2021. Fourth Scorpene Submarine was delivered by MDL to Indian Navy on 09 Nov 2021 which was commissioned into Indian Navy on 25 Nov 2021. Fifth Submarine was launched on 12 Nov 2020 & sixth Submarine was launched on 20 Apr 2022.

**d) MRLC:**

Medium Refit with Life Certification(MRLC) of IN Submarine is currently at an advanced stage of outfitting.

**2.1 Capital Projects and their progress**

- a) Your Company has undertaken construction of a new state-of-art Security Complex at the main entrance. This G+2 storey building will be equipped with latest security equipment, gadgets, access control etc. This Complex will be the centralized hub for key MDL departments such as Security, PRO, Safety, Fire, Estate and HSE for effective coordination. The project is expected to be completed by Dec 2022.
- b) Your Company has undertaken the work of Capital Dredging of Navigational Channel from Kanhoji Angre Wet Basin (MDL Water Front) to Offshore Container Terminal berth of MbPT, Mumbai to facilitate the movement of vessels independent of tide variation. The project is expected to be completed by Oct 2022.
- c) Your Company is committed towards upgradation / modernization of existing facilities from time to time. The company has decided to replace existing 12 nos. vintage Level Luffing (LL) cranes by new cranes in a phased manner. In the first phase replacement of 03 LL cranes at South Yard has been initiated. Company has also initiated the work of replacement of old Caisson Gate of East Yard Dry dock with a new Caisson gate.
- d) Your Company has undertaken modernization of MDL Guest House located at 17th & 18th floor of Angre House with sophisticated and tranquil ambience for pleasant stay of VVIPs/VIPs/Visitors in Residential Complex. The work at 17th floor has been completed in all respects and has been put to use. The work at 18th floor is under progress and is expected to be completed by Jul 2022.
- e) Your Company has undertaken modernization of MDL Medical & OHS Center to transform it into 'State of the Art' Medical Centre equipped with latest cutting edge Medical Emergency Equipment and OPD Consulting Rooms for Doctors into modern aesthetically designed consulting rooms equipped with modern diagnostic equipment. The work is scheduled to be completed by October 2022.

On completion of these projects, productivity and safety at work will further improve.

**2.2) Other infrastructure projects:**

Your Company is exploring the possibility for setting up a green field shipyard at its Nhava Yard in phased

manner with short term and long term development plan. Short term development will enable MDL to facilitate the immediate use of the existing infrastructure for shipbuilding and ship repair business whereas long term development will facilitate the construction of large size vessels and submarines including major refit and repair.

To undertake the construction of advanced and next generation vessels, MDL intends to build a New Floating Dry Dock of 15000T capacity.

Your Company is committed towards up-liftment of under privileged sections of society and towards this, a skill development hub is being created with an Apprentice Training School (ATS) and associated development work at Gavhan village, Navi Mumbai.

The progress of all the ongoing projects had been impacted due to the prolonged pandemic situation worldwide. However, all efforts are being made to complete these projects on priority.

**2.3 Performance against MOUs:**

During the year, MDL had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India for the financial year 2021-22. The MoU outlines targets and various performance parameters for the Company. The revenue from operations was targeted at Rs. 5000 Crs. Achievement of Revenue from operations is Rs.5733.28 crs for FY 2021-22. During the year, your Company achieved a Profit Before Tax (PBT) before exceptional items of Rs. 786.66 crore. Final evaluation will be carried out post CAG Audit of the accounts for FY 2021-22.

**2.4 Research & Development**

The R&D policy of the Company was approved by the Board in June 2013 and a committee was formed to drive the implementation of the R&D policy, in accordance with the guidelines issued (September 2011) by the DPE on R&D. MDL is recognised as 'In-house R&D unit' by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology since 30 Jan 2017.

Your Company has executed and completed trials for three major R&D projects, through Industry-Academia participation with IIT Madras, Chennai through their incubated start-ups belonging to the Tamil Nadu Corridor. Your Company has ventured into the area of Artificial Intelligence (AI) also through these projects. The product developed through the first Project, AI enabled weld inspection tool with computerized radiography to replace manual radiography (RT), has been launched during the Defexpo 2020 at Lucknow. The second project fruitfully concluded by developing an AI enabled robotic weld inspection tool employing phased array technique, and this

can replace computerized radiography in consultation with the Indian Navy. The product was at display during Defexpo 2020. An AI enabled Remotely Operated Vehicle (ROV) is the third project which was also displayed during DEFEXPO 2020. This AI ROV can detect and classify underwater images, thus making the inspections quick and safe.

The in-house projects as well as projects in collaboration with academic institutions of repute like Welding Research Institute, Trichy, IISc Bangalore and NID are all aimed at solving the unique issues faced by the Yard during the detailed design and integration of complex systems into a front line Naval platform. The specialists' groups functioning under GM(Design) contributes consistently in the areas of structural analysis, ergonomics & HFE, noise & vibration Control, RCS management, propulsion system integration, materials and HVAC.

The Submarine Division has undertaken focussed R&D initiatives through collaboration with Academic Institutions, Start Ups & MSME not only in the core Defence sector but also other critical areas like underwater autonomous technology, sustainable & environment friendly transport solutions etc.

As a major leap in line with National Mission of "Atmanirbhar Bharat", your company has launched an ambitious research project of Indigenous Midget Submarine. This unique underwater platform is an important step by MDL towards development of Indigenous submarine design capability and would be fully designed and developed by the shipyard through R&D.

Other innovative R&D projects currently in progress includes Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) which are being developed in partnership with the Industry and is designed to simulate the situation of actual moving submarine for training purpose and for decoy measures. Modern marine transport solutions like Hybrid Electric & Solar boats which can provide sustainable and environment friendly options are also under development. This hybrid boat can offer a better alternative to conventional diesel boats. The R&D team is also developing Lithium Ion Battery system for EKM class Submarines.

In addition to the above, your company is actively participating in iDEX initiative of Govt of India and in collaboration with Start-ups/ MSMEs/ Innovators has already accepted various challenges like Autonomous Underwater Swarm Drone, Development of Electro-Magnetic Velocity Log for navigation of underwater vessel, Development of Steering console for manoeuvring of Underwater platform etc.

MDL has validated an innovative shaft alignment procedure wherein the propeller shaft line assembly is completed in

the Dry Dock itself leading to significant cost saving to the Yard and reduction in the build period of the vessel.

In addition to the above, MDL has developed state-of-the-art Basic Design of Naval vessels, incorporating advanced and optimized equipment, machineries, weapon and arrangement etc.

MDL has initiated implementation of Product Data Management/Product lifecycle Management(PDM/PLM) for the under construction Project Frigate ships.

Your Company has spent approximately 1.22 % of the total income as expenditure towards R&D during the FY 2021-22. The various projects undertaken under R&D are elaborated in Appendix 'F'.

## 2.5 QUALITY CONCEPTS

### 1) 5S (Work Place Management System)

Your Company has implemented 5S (Work Place Management System) in the 22 Workshops/Stores/ Offices.

As a part of sustaining 5S certification, all 22 workshops/stores/offices were re-certified during the period of report for continuation of 5S certification through surveillance audit.

### 2) Quality Circles

The Quality Circle teams are solving 03 nos work related problems in a year and are presenting their case studies at Chapter, National and International Conventions and winning Top Most Awards for the company. The awards won by the QC teams in the year 2021-2022 are as under:

- 15 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2021) held in Sept 2021 virtually, and the 14 QC teams won Gold (highest) Award and 01 QC team won Silver Award.
- 02 Quality Circle Teams from MDL participated in International Convention on Quality Control Circles (ICQCC - 2021) Hyderabad, India held in Nov 2021. Both MDL QC Teams won Par Excellence Award.
- 10 QC teams from MDL participated in National Convention on Quality Concepts (NCQC - 2021) Coimbatore held in Dec-2021 Virtually, out of which 06 QC teams won Par Excellence (highest) Award, 03 QC teams won Excellent Award and 01 QC team won Distinguish Award.



## 2.6 QUALITY MANAGEMENT SYSTEM

Your Company is committed to implement Quality Management Systems (QMS) as per ISO 9001:2015 standard. 71 Lead Auditors and 77 Internal Auditors are trained for carrying out the Internal Audits for sustenance of QMS in Shipbuilding Division. As a part of sustaining QMS as per ISO 9001:2015 Standard, the 1st Surveillance Audit of Shipbuilding Division was carried out successfully on 23rd and 24th Feb 2022 by M/s IRQS audit team and IRQS has recommended the continuation for "Certification of approval for ISO 9001:2015".

Renewal Audit for Submarine Division as per QMS ISO 9001:2015 was conducted and successfully completed with 'NIL' Non-Conformity Reports by IR Class on 17 & 18 May 2021 with the scope of "Design, Development, Construction, Refit, Test & Trials of Submarines".

M/s IR Class certified that Submarine Division of Mazagon Dock Shipbuilders Ltd is assessed and found conforming to the requirements of standard ISO 9001:2015 and has awarded the "Certificate of Approval" on 29 May 2021 with expiry date 28 May 2024 as per ISO 9001:2015 QMS Standard.

### Benchmarking

Your Company has a long Legacy of having built about 800 ships of various types. Over the year Quality inspection procedure have evolved to suit the latest construction methodology for Ships & Submarine.

Presently a three tier Quality Management System comprising of self-Inspection by the Production Quality Team constituted from the best qualified executives/ operatives/ staff followed by inspection from QA department and finally by the customer rep (WOT/THIRD PARTY) leaves no scope for any error post completion of any process. The non-conformity management with three level monitoring and advising does not allow any anomaly to remain un-attended/un-resolved.

SQC section is involved in various inspection & trial activities right from raw material stage such as steel plates & profiles inspection, skid inspections, unit dry survey and its dimensional inspections, pressure testing of tanks/ compartments/ systems and inspections pertaining to outfitting, blasting, painting, insulation, HVAC Balancing, Citadel, Habitability for warships along with electrical inspection for merchant ship as per required standard and design detail.

Project Frigate Ships are being built for the very first time as per the "Integrated Construction (IC)" methodology

which differs in the very concept of warship building by way of adoption of the modern technology where the blocks are pre-outfitted at different locations before joining to reduce the build period of warships.

### OTHER ACHIEVEMENTS/HIGHLIGHTS:

#### a. Implementation of PDM/PLM:

Quality Management and product Lifecycle Management (PLM) are both proven tools that help companies improve quality and profitability.

All activities for Project Frigate especially the inspection process, except those whose design module upload is in progress, are being managed through PLM which offers potential cost savings and simplicity of a single system. It is creating opportunity to consolidate and integrate information and perhaps more importantly it will provide the quality assurance, compliance, and customer satisfaction. All basic QIP & one project QAP has been converted into PDM/ PLM format with their relevant context parameter.

#### b. Speeding of inspection Process through process documentation:

SQC section upgraded and documented the Inspection process of HVAC balancing which leads to less rejections and reworks at Harbor acceptance trial (HATS) of ongoing projects. It helped clear the higher percentage of HVAC balancing inspection at first attempt within stipulated time. This modification helped the ship to go on for 3 or 4 days trials by combining various inspections. This helped us in timely delivery of first Destroyer. For second Destroyer too already 89% of the total 150 HVAC systems has been cleared. This has tremendously helped ship trial team for easy and smooth on going sea sortie of the second Destroyer.

#### c. Copper Sulphate Test:

The steel plates and profiles are susceptible to rusting or corrosion in open environment. To avoid this, they are blasted with abrasives and painted with one coat of primer to avoid corrosion or rusting. Blasted surface is to be tested for presence of mill scales by performing the copper sulphate test. A proper working procedure is derived to establish the composition of required normalized solution by mixing of copper sulphate pentahydrate crystal, H<sub>2</sub>SO<sub>4</sub> & distilled water with the required proportion. Copper sulphate test determines presence of any

mill scale on the surface by using oxidation reduction chemical reaction with the free iron particles present. Copper sulphate solution is prepared and applied on the steel surface. The chemical reaction causes deposition of copper on the surface which indicates that the surface is free from the mill scales.

**d. MEGA BLOCK and IC Inspection:**

Inspection carried out for Integrated construction / Block Inspection of Project Frigate and Project Destroyer including Hull and Engineering has improved in various levels of build plan. More complex and lengthy activities like seats, sea tubes, piping, systems take more time on berth than compared to the shop level. Many such work were carried out in parallel right from the unit level in a decentralized way. Material, space, manpower and time all have been saved due to integrated block construction methodology. The major activities of shaft sighting and installation of shaft which used to take almost six months to complete, were achieved within a span of 2 months by innovative method.

**e. AI Enabled Inspections**

MDL in partnership with IIT Madras, Chennai(IITM) has designed and developed three ARTIFICIAL INTELEGANCE enabled products:

1. AI enabled Computerized radiography.
2. AI enabled advance phase array ultrasonic testing(APAUT).
3. AI enabled Remotely Operated Vehicle (ROV)

These products are being developed for improved quality assurance of weld with less time, less labour consumption and higher efficiency. Both the products are safer than the conventional methods in many ways. With data migration they will become more smart & can altogether replace Y(gamma) Rays / X-Rays.

Artificial Intelligence (AI) enabled weld inspection with computerized radiography has been frequently utilized for all the 14 mm test plate radiography. The results are visible as it has reduced the cost of film drastically by reusing the imaging plate in place of hundreds of films. Gradually this benefit will transfer for all the range of thickness.

Artificial Intelligence (AI) enabled Robotic Weld Inspection using advanced phased array technique:

Once mature, this system will enable us to reduce the use of conventional RT in many folds.

AI enabled Remotely Operated Vehicle: This product can be used for under water inspection of hull and marine structures. Various categories of defects observed can be reported through the AI enablement.

- f) Advanced testing and research lab in the field of material testing and failure analysis is available at MDL.
- g) Automation in welding with robotic hybrid laser welding.

## 2.7 Information Technology

- Your Company completed the following activities during the year under review:

1. SAP implementation

- 'Technician one-day pass' - Paper based manual request and issuance of Technician One-Day Pass process is replaced by Digitized Online submission of Technician One-Day Pass request through Portal which eased the operations of MDL executives.



Launch of Digital Application for Employees

- Online Residential Notification was developed and made fully operational from April 2021. This replaced the manual process and facilitated faster tracking and resolution faster.
2. Latest know how on IT
- MDL is in process of implementation and certification of ISO 27001:2013 - Information Security Management Systems.



3. MoD guidelines on Safety measures adopted / safety measures followed
  - MoD guidelines relating to Information Security are complied with.
4. Achievements of IT in MDL
  - MDL commissioned four Information Technology based applications for employee benefit on 3rd Jan 2022.
    - MDL e-Connect - Enables employees to access HR related processes and documents digitally through any internet enabled device.
    - Annual Property Return(APR) - Forms are digitized which simplified filling, validation, submission & review. This facilitates searches, categorization & Data Retrieval.
    - HR Query Handling - Registering, tracking & resolution of the employees queries are migrated from manual to online through SAP portal.
    - Online E-library - Digital centralized hub of related Books/journals/magazines/articles for knowledge sharing and accessible by all employees through SAP Portal.
5. Targets set and achieved for 2021-22
  - VAPT Audit by Third party CERT-In Empaneled Auditor completed in Sept 2021. Received certificate stating no major vulnerabilities and security posture is in order.

**2.8 Procurement from MSMEs**

Your Company is complying with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. Accordingly, out of the total annual procurement, 25 % procurement is to be made from MSEs. During the FY 2021- 22, your Company has achieved 25.02% procurement from MSEs.

During the FY 2021-22, your Company had conducted three vendor development programs, out of which two were exclusively for MSEs owned by SC/ST and Women entrepreneurs and one was for MSEs. Your Company had also arranged supplier meet (Buyer-Seller) during the year. To further enhance the vendor base, your Company had participated in five online/offline national level programs conducted by MSME-Development Institute (DI) across India.

**2.9 Marketing initiatives**

During the financial Year 2021-22, MDL participated in Make in India Exhibition - Goa Maritime Conclave 2021 for marketing and business promotions. The exhibitions immensely helped in showcasing MDL's capabilities and technical strength in warship building and submarine construction. The exhibitions were successful in projecting the image and capabilities of India in the defence production sector in general and warship/submarine building capabilities in particular. MDL had obtained various leads for potential future projects. MDL have coordinated as well as participated in various International webinars wherein Indian shipbuilding capacities and capabilities were showcased. These webinars were arranged with the involvement of Defence & Naval Attache's of various countries.



MDL's participation in Aero India Exhibition ,2021

**2.10 Health Safety & Environment Management System**

Your Company has been conferred with "Certificate of Registration" for its integrated Health, Safety & Environment Management System (HSEMS) in compliance with ISO 14001:2015 and OHSAS 18001:2007 w.e.f. Apr 2019. The Certificate is issued by M/s KBS Certification, a firm accredited by Joint Accreditation System of Australia and New Zealand (JAS-ANZ), a member of the International Accreditation Forum (IAF).

MDL having qualified the above standards has joined the exclusive club of companies, committed to sustainable development by continual improvement in performance towards Health, Safety & Environment in their operations/ processes. This qualification fortifies MDL's credibility in all its functioning and future business prospects.

The standard OHSAS 18001:2007 was upgraded to ISO 45001:2018 w.e.f. Sept 2021. Accordingly, MDL successfully completed the transition of its HSEMS system from OHSAS 18001:2007 to ISO 45001:2018 in Sept 2021.

### 3. Human Resource Development

Your Company has been putting emphasis on the overall growth & development of Human Resources and is committed to continue its relentless efforts in updating the competencies of its executives through exposure to various Learning & Development initiatives by Institutes of National Importance and through sponsoring functional based Seminar/Conferences / workshops. Besides, in order to ensure smooth supply of skillsets for Company's requirement and shipbuilding industry, various training programs viz. trainings of Trade Apprentices under the Apprentices Act, 1961, BOAT Apprentices and Marine Engineering students under the aegis of DG, Shipping at the Company's run Apprentice Training School have regularly been organized.



International Women's Day 2022

- a) 'Soch Badlo' training program for non-executives started as a change management initiative. A total of 45 programs were conducted and 2910 employees participated.
- b) 6 wellness programs on Health Awareness & Lifestyle diseases sessions have been conducted.
- c) In the FY 2021-22 a 'Strategic Conclave for Board Level Executives' was organized wherein CMD, Functional Directors & CVO participated. Orientation Program for Directors of listed companies was organized by National Institutes for Securities Market for Board Level Executives, (03 Directors & 03 Independent Directors) after MDL being listed on 12 Oct, 2022. MDL has also provided training on Capacity Building Program for Directors of CPSE to 03 newly appointed Directors during April, 2022 through virtual mode.
- d) Due to Covid Pandemic, Online training programmes were conducted during 2021-22. Training on various topics like SAP basis, Corporate Governance for CVO & Senior Officials, Webinar on IPR infringement, Public Procurement through GeM etc were organized in virtual mode. A total of 23 programmes have been

conducted in virtual mode wherein 113 Executives & 153 Non-Executives have been trained.

- e) Training related to Health and Safety of employees were also organized in In-House mode wherein a total of 174 Employees were trained in the program. MDL has organized In-House training program on topics like Skill build up in Commercial, Implementation of Mentoring and Insurance. Health related Sessions on cancer by Oncologist, gynaecological health by Gynaecologist and Life Style Disorders were organized for benefit of employees. A total of 129 programmes were conducted wherein 2231 employees have been benefited. All the In-House training were conducted in MDL keeping the social distancing norms and COVID-19 protocols.
- f) In order to ensure safety and dignity of women employees, MDL conducted two sensitization program on "Prevention of Sexual Harassment of Women at Workplace". A total of 252 Employees had participated in it.
- g) MOD, GOI Flagship program on IPR was conducted for 227 Employees with the aim to spread awareness on Intellectual Property Rights (IPR) and to create an IPR driven Innovation Culture.
- h) Executives are sent to NDDDB for training module on "Preventive Vigilance" recommended by CVC with a target of 300 employees to be trained in the given module. 300 Executives have been trained.
- i) Your Company has imparted training on Public Procurement through GeM in order to spread awareness on procurement through government market place and help in ease of doing business.

#### 3.1 Welfare Activities

Your Company values its human resources the most. To keep their morale high, apart from statutory welfare measures, your company extends several other welfare activities.



Health Awareness Talk on Cancer- Feb 2022

**i) Life Insurance Coverage:**

Your Company has arranged various Group Savings Linked Insurance Schemes, which provide financial assistance in case of untimely death (accidental/illness) of an employee while on duty. Besides, Group Personal Accident Insurance Scheme has also been in place, which provides 24 hours' coverage for compensation in the event of an accident of an employee resulting in death or permanent / partial disability.

**ii) Medical Scheme:**

All the serving employees, including their dependent family members, are covered under the Medical scheme. Hospitalization claims of around Rs. 39.50 Crore were disbursed towards treatment to the employees and their dependent family members during the FY 2021-22.

**iii) Other Welfare Activities:**

Your Company also provides number of welfare measures viz., Onsite Dispensary and Occupational Health Centre, Hospitalization, Wellness Centre, Onsite Gym & Club, Uniform, Monsoon Gears, thoroughly Subsidized Canteen Facility, Scholarship to Unemployed Wards of Employees etc.

**iv) Post Retirement Medical Scheme (PRMS):**

In order to provide medical facilities to the retired employees and their spouses, MDL has Post-Retirement Medical Scheme in place. The same is being regulated through Group Medclaim policy taken from an Insurance Company. There is also a provision for reimbursing additional hospitalization expenses involving critical diseases. In addition, retired Executives are also entitled to Outpatient/ Domiciliary Medical Expenses. Also, introduction of MDL Post-Retirement Medical Benefit Scheme for Employees Retired before 01 Jan '07 (Executives) & 01 Jan '06 (Non-Executives).

**3.1.1 Executives' Superannuation (Pension) Scheme:**

Your Company has introduced a Defined Contributory Superannuation Pension Benefit Scheme to the executives w.e.f. 01 Jan 2007. The Company contributes 7% of basic pay + DA towards the corpus of the pension scheme for each eligible executive of the Company w.e.f. 01 Jan 2007.

**3.1.2 Non-Executives' Superannuation (Pension) Scheme:**

Your Company has also introduced similar scheme for non-executives and Company contributes 5% of basic pay + DA towards the corpus of the pension scheme for each eligible non-executive of the Company w.e.f. 01 Apr 2012.

**3.2 Manpower and Reservation of Posts for SCs/ STs:**

The Company has been following Presidential Directives of the Government with regard to reservation of posts for SCs/STs in recruitments.

Total manpower strength as on 31 Mar 2022 is at 4972 (including functional directors) out of which the number of persons on temporary rolls was 1629. Of the total strength of 4972 employees, 98 are Ex-servicemen, 703 are of Schedule Caste and 380 are of Scheduled Tribes. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees was at 14.14% and 7.64% respectively.

Number of persons on temporary rolls as on 31 Mar 2022 is 1629, out of which 234 belong to Scheduled Caste and 150 belong to the Scheduled Tribes category.

Details of the statement showing position regarding representation of Schedule Castes and Schedule Tribes in various categories of post on 01 Jan 2021 and 01 Jan 2022 is annexed at Appendix 'A'

**3.3 Employment of Women:**

As per the recommendation No.51, Para (ii)(a) of the National Commission for Women (NCW) in its Annual Report for the year 1995-96, the employment position of Women as on 31 Mar 2022 is given below as directed by the Ministry of Defence, vide their letter Nos. 39(6)/99/D(B&C), dated 27 Aug 1999.

Note: MDL being a heavy engineering industry, the number of women applying in various trades and disciplines against vacancies notified continues to be low.



**I. Executives**

Grade	No. of Employees	Women	Percentage
E0	1	0	0
E1	7	0	0
E2	106	14	13.21
E3	151	12	7.95
E4	324	17	5.25
E5	206	7	3.40
E6	106	9	8.49
E7	44	7	15.91
E8	16	0	0
E9	2	0	0
CVO on deputation	1	0	0
Functional Directors	3	0	0
CMD	1	0	0
<b>Total</b>	<b>968</b>	<b>66</b>	<b>6.82</b>

**II. Non-Executives (Operative)**

Grade	No. of Employees	Women	Percentage
WG-0	0	0	0
WG-1	21	0	0
WG-2	192	0	0
WG-3	9	0	0
WG-4	125	0	0
WG-5	1390	34	2.45
WG-6	1078	24	2.23
WG-7	367	9	2.45
WG-8	202	0	0
WG-9	132	0	0
WG-10	48	0	0
WG-3A	4	0	0
WG-4A	100	0	0
<b>Total</b>	<b>3368</b>	<b>67</b>	<b>1.83</b>

**III. Non-Executives (Staff)**

Grade	No. of Employees	Women	Percentage
SI-00	0	0	0
SI-01	0	0	0
SI-02	2	0	0
SI-03	1	0	0
SI-04	0	0	0
SI-05	40	5	12.50
SI-06	42	4	9.52
SI-07	25	6	24.00

Grade	No. of Employees	Women	Percentage
SI-08	15	1	6.67
SI-09	32	2	6.25
SI-10	43	4	9.30
SI-3A	3	0	0
SI-4A	17	0	0
<b>Total</b>	<b>220</b>	<b>22</b>	<b>10.00</b>

**3.4 Persons with Disabilities (PWD) As On 31 Mar 2022:**

The total number of physically challenged employees as on 31 Mar 2022 was 93 and its percentage to total employees works out to 1.87%.

Grade	HI	LD	VI	Total
Group-A	7	13	8	28
Group-B	0	0	0	0
Group-C	8	55	2	65
<b>Total</b>	<b>15</b>	<b>68</b>	<b>10</b>	<b>93</b>

HI- Hearing Impaired, LD- Locomotive Disability, VI- Visually Impaired

**3.5 Industrial Relations**

Industrial relation scenario during this period was cordial and harmonious. There were no man-hours lost on account of Industrial conflict. In the absence of a recognized Union, efforts were made to resolve issues of mutual concern through deliberations with the Unions on the Bargaining Council and other unions.

The Meetings with the Unions on Bargaining Council are being held on a regular basis and issues of mutual concerns like safety precautions, issues relating to Covid19 pandemic, Recruitment of Fixed Term employees etc. are settled through bilateral negotiation process and Industrial Relations & Labour situation at MDL, Mumbai, in general is normal and peaceful.

**3.6 Reservation of Posts**

Your company has been observing all the Government directives and instructions issued from time to time on reservation of posts for SCs / STs / OBCs. All the rosters of SC / ST / OBC / PWD are maintained, which is inspected by the respective Liaison Officer from time to time and perused by the SC/ST Unions also. Detailed statistics regarding the total number of employees, number of women employees, recruitment made during the calendar year 2021 and the representation of SCs / STs / Ex-servicemen as on 01 Jan 2022 are given at Appendices A, B & C to this Report.



### 3.7 Grievance Redressal Committees for SCs/STs:

Weaker sections of the society are given adequate protection in the form of just and equitable treatment at the hands of employer. To ensure the same, a separate "Grievance Redressal Cell" has been constituted for SC / ST employees. A quarterly meeting of representatives of SC/ST is held with Director (CP&P) wherein grievances related to SC/ST are discussed and resolved.

### 4. Indigenization & Make in India

MDL, having set-up a dedicated 'Department of Indigenization' in Nov 2015, to provide focused impetus to the Hon'ble Prime Minister's "Make-in-India" initiative has been successfully able to partner with the Indian industry to undertake indigenization/import substitution of various equipment/items which have been imported.

As on date, MDL has been able to successfully indigenize some of the critical equipment/items required for warships

and submarines. The major items indigenized till date include Main Batteries, Battery Loading Trolley, Air-Conditioning Plants, Sacrificial Zinc Anode flanges, Non-HLES Electrode & filler Wire, Self Adhesive E-Glass Fibre Cloth, NBR O-Ring, Annealed Copper Gasket for Scorpene Submarines and Sonar Dome, SICADS, Bridge Window Glass, MCT-Glands, Remote Controlled Valves, Helo Landing Grid, Honeycomb Filters, Pressure Reducing Station, NBC Filters, High Temperature Gaskets, Flame/Control/Smoke Dampers for HVAC System, Magazine fire fighting system, Chladon Gas for MFFS for Ships.

The procurement of the above indigenized items from the Indian industry would result in substantial savings in foreign exchange to the exchequer.

Further, indigenization of Polychropene Rubber Bands, Shock Mount, Soda Lime, GRP Panel, for submarines, are presently in progress.

### 5. Awards and Recognitions:

S. No	Awarding Authority	Awards For
1	Governance Now	MDL won the HR Leadership Award from Governance Now - on 29.07.2021. The award was received by Dr Santosh Kumar Mallick, Executive Director (HR) from Dr Kiran Bedi.
2	PSE Conclave & PSE Excellence Award	MDL won the 11th PSE Excellence Award in Human Resource Management Category for the year 2019-20. The award was presented virtually during the PSE Conclave & PSE Excellence Award held on 25 Feb '22. The award was received by VAdm Narayan Prasad, Chairman & Managing Director, MDL
3	Convention on Quality Concepts	15 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2021) held in Sept 2021 virtually, and the 14 QC teams won Gold (highest) Award and 01 QC team won Silver Award
4	International Convention on Quality Control Circles (ICQCC - 2021) Hyderabad	02 Quality Circle Teams from MDL participated in International Convention on Quality Control Circles (ICQCC - 2021) Hyderabad, India held in Nov 2021. Both MDL QC Teams won Par Excellence Award
5	National Convention on Quality Concepts (NCQC - 2021)	10 QC teams from MDL participated in National Convention on Quality Concepts (NCQC - 2021) Coimbatore held in Dec-2021 Virtually, out of which 06 QC teams won Par Excellence (highest) Award 03 QC teams won Excellent Award and 01 QC team won Distinguish Award.
6	Mumbai PSU TOLIC.	1st Prize for Rajbhasha Patrika 'Jal Tarang' on 16th July 2021 by Mumbai PSU TOLIC.
7	World HRD Congress, Mumbai	The National Awards for Excellence in Corporate Social Responsibility (CSR) under the category "Best Relief Package Announced for COVID-19"



## 6. Official Language Implementation

Your Company has been adhering to the directives issued by the Govt. of India from time to time for extensive use of Hindi for official purposes. MDL's efforts towards progressive use of Official Language are detailed below:

- a. Quarterly Departmental Official Language Implementation Committee meetings are chaired by the Chairman & Managing Director.
- b. Hindi progress report is sent online to Rajbhasha Department, Home Ministry every quarter.
- c. Half yearly Publishing of MDL Rajbhasha Patrika "JALTARANG" and prizes First of Rs.3000/-, Second of Rs.2000/- and Third of Rs.1000/- for best Articles.
- d. Hindi Karyashala is conducted every quarter for the MDL Executives and Employees.
- e. Coordination of TOLIC meetings
- f. Celebration of 'Hindi Diwas' on 14th Sep and "Hindi Pakhwada" in the same month.
- g. To attend Mumbai PSUs meetings
- h. 06 Digital Boards have been installed at conspicuous places displaying 'Aaj ka Shabd' and 'Aaj Ka Suvichar' to develop the Hindi among the employees.
- i. An executive is nominated in each department as Hindi coordinator for better implementation of Hindi.
- j. To participate in Hindi Parliamentary Committee visit.

- k. To conduct Hindi seminar
- l. Employees have been given prize on passing 'Praveen', 'Pragya' and 'Parangat' examinations respectively of Rs. 8,000/-, Rs. 10,000/- and Rs. 12,000/-
- m. MDL was awarded 1st Prize for Rajbhasha Patrika 'Jal Tarang' on 16th July 2021 by Mumbai PSU TOLIC.

## 7. Vigilance Activities

Vigilance is an integral Managerial function. Vigilance department takes appropriate action to carry out preventive, participative and punitive vigilance in Mazagon Dock Shipbuilders Limited (MDL). It promotes transparency, integrity, fairness, accountability in various activities including all commercial procurement functions, recruitment, outsourcing activities etc. Vigilance department suggests systemic improvements based on the investigation of the complaints/ spot checks/ CTE type examination and also ensures that integrity is maintained in all functions of the organization.

### i. CTE Type Examination

As a part of Preventive Vigilance, CTE type intensive examination of Procurements/ Service Contracts/ Consultancy Contracts/ Subcontracts/ Outsourcing orders are taken to verify compliance to prescribed procedures and statutory norms/ regulations. During the period 01 April 2021 to 31 March 2022, 05 such CTE type examinations have been carried out by Vigilance department and systemic improvements were suggested.

**ii. Complaints:**

During the period 01 April 2021 to 31 March 2022, Vigilance department received 45 complaints. Investigation of 08 complaints were pending from 2020-21. Out of these cumulative 53 nos., investigation has been completed for 42 complaints including 03 Public Interest Disclosure and Protection of Informers Resolution (PIDPI) complaints and is in progress for the remaining 11 complaints as on 31 March 2022.

**iii. Spot check/ Surprise Checks:**

Surprise/Spot checks are also being conducted by Vigilance department. During the period 01 April 2021 to 31 March 2022, 13 nos surprise/spot checks have been conducted and suggestions/corrective measures were recommended for systemic improvements.

**iv. Scrutiny of Audit Reports & CAG Reports:**

03 nos. of Reports (CAG-02 nos & Internal Audit-01 no.) were scrutinized during the year.

**v. Disciplinary Proceedings:**

The pending Disciplinary proceedings against delinquent executives are being closely monitored by Vigilance Department. As on 31 March 2022, 01 Minor Disciplinary Proceedings and 02 Major Disciplinary Proceeding are in process. Penal action was taken against 04 employees and administrative action such as recordable warning, advisory and caution was issued to 28 employees during the year.

**vi. Vigilance Clearances:**

Timely vigilance clearances were issued for personnel/officials proceeding on foreign tours and official duty abroad, compulsory retirement (FR 56J), separation (resignation/ retirement), DPC (Promotion), Board Level PESB Recruitment and attending interview/forwarding application.

**vii. Scrutiny of Annual Property Returns (APRs) of executives:**

During the period of 01 April 2021 to 31 March 2022, 270 APRs of MDL Executives were scrutinized by Vigilance department.

**viii. Preventive Vigilance:**

Twenty-two (22) Systemic improvements in the area of procurement, project execution and other organizational functions like HR, Medical, Administration etc. were suggested to management

as an initiative for Preventive Vigilance and the same were accepted by the management and promulgated through Circulars by Directors concerned

**7.1 Vigilance Awareness Week Activities:**

1. Vigilance Awareness Week-2021 (VAW 2021) was observed in MDL from 26 October to 01 November 2021. CMD, MDL inaugurated VAW-2021 by garlanding the portrait of Sardar Vallabhbhai Patel and then administered the Integrity Pledge to Directors, EDs, GMs and Senior Executives. Vigilance Department's in-house journal 'SUCHARITA' Vol. XXIV was e-released by CMD on the occasion. The objective of 'SUCHARITA' is to enhance the awareness of its readers on Integrity, Transparency and Accountability by stimulating the thoughts of readers.
2. The following activities were carried out as a part of observance of Vigilance Awareness Week 2021.
  - a. Slogan, Poster & Essay competitions on Vigilance related topics in Hindi, Marathi & English language were conducted among MDL employees and their family members to enhance Vigilance Awareness.
  - b. Online quiz was conducted on MDL intranet portal during Vigilance Awareness week 2021 among the MDL Employees.
  - c. In-house sensitization programme to MDL Executives on topic "Preventive Vigilance Measures on Procurement" was conducted on 05 & 06 Oct 2021 by MDL Vigilance team.
  - d. Motivational Talk on Integrity was delivered by MDL Vigilance team to the MDL Non-Executives and apprentices on 07 Oct 2021.
  - e. Training Session on the topic "Integrity to Self-reliance" was conducted for MDL Executives by Eminent Speaker Shri Raghu Nandan Prasad, IRSS (Retd.) on 27 Oct 2021.
  - f. Sensitizing programs for CISF MDL unit were conducted by MDL Vigilance Executives on 14 & 29 Oct 2021.
  - g. MDL Vigilance team has conducted a Training Programme for executives of Goa Shipyard Limited (GSL) on the topic "Preventive Vigilance & Commercial Procedures" on 11 & 12 Oct 2021 at GSL.
  - h. An interactive session between CVO and MDL executives was organized on 08 Nov 2021, where PIDPI complaints as well as various Case Studies depicting nature of irregularities were discussed.

- i. A "Vendors / Suppliers Meet" was conducted through virtual mode on 01 Nov 2021. CVO, Senior Executives and other executives of the Commercial departments of the organization besides a host of vendors /suppliers in which various issues raised by vendors/suppliers were discussed. CVO addressed the Vendors/suppliers during the meet.
- j. Certificates/Prize awards were given away to the winners of various competitions organized for MDL employees and their family members during VAW 2021 on 25 Feb 2022.
- k. Wide publicity was given on how to register PIDPI complaints as well as Contact details for filing complaints by means of 'Permanent Display Boards' at different Yards of MDL (viz. MDL & Nhava).
- l. 2-Days Training module on Preventive Vigilance as part of Induction/ Mid-Career Training:

As per CVC guidelines to all CPSEs, 2-Days training module has been effectively implemented for MDL Executives at the Induction/Mid-Career level. Training has been imparted by MDL Vigilance Team to a total of 143 executives in 3 such batches during the year, in co-ordination with MDC.

## 7.2 Exposure visit of executives at NDDB Anand:

In terms of the CVC Letter No. 015/MXC/017 (Pt 16) dated 08 Jan 2021, MDL in coordination with NDDB, Anand organized Exposure Visit for executives at induction and mid-career level during the year. This training at NDDB was attended by 200 executives of MDL, in 04 batches for induction level and 04 batches for mid-career level executives.

## 7.3 Capacity Building initiative:

Vigilance executives are trained on various vigilance related aspects through internal & external resources; in turn these executives impart training to MDL Executives & Non-Executives

## 8. Governance & Sustainability

### 8.1 Corporate Governance

In terms of Regulation 34 read with Schedule V of SEBI (LODR) Regulations and the DPE Guidelines, a report on Corporate Governance for the year ended 31 March, 2022 has been prepared and annexed to this Report. The Company's Secretarial Auditor has issued a certificate on Corporate Governance and is appended to the Corporate Governance Report at Appendix 'D'.

### 8.2 Implementation of RTI Act, 2005

Under the Right to Information (RTI) Act, 2005, to facilitate provision of information to the citizens requesting for the same, your Company has evolved necessary structure by designating officers as Assistant Public Information Officer, Public Information Officer and Appellate Authority for the purpose of implementation of the Right to Information Act in the Company. During the year, the Company received 105 applications and 05 First appeals. The information / replies sought for were duly furnished. Quarterly and Annual Return for the year to be submitted online to Central Information Commission (CIC) had been duly filed and uploaded in RTI - MIS updation system.

### 8.3 Meetings of the Board

During the financial year ended on 31 Mar 2022, nine meetings of the Board of Directors of the Company were held. These were on 09 Apr 2021, 10 June 2021, 10 Aug 2021, 12 Aug 2021, 22 Sep 2021, 10 Nov 2021, 28 Dec 2021, 11 Feb 2022 and 25 Mar 2022.

### 8.4 Company's Policy on Directors Appointment and Remuneration

According to the Ministry of Corporate Affairs, Government of India's Notification No F No. 1/2/2014-CL.V dated 5th June 2015, your Company, as a Government Company, is not required to frame a Policy on Directors' appointment and remuneration including criteria for determining qualifications, evaluation etc., under section 134(3)(e) of the Companies Act.

The appointment, tenure and remuneration of Directors (Functional Directors including the CMD) are determined by Government of India through Public Enterprises Selection Board (PESB), indicating the terms and conditions of appointment, including the period of appointment, the scale of pay and other entitlements as your Company is a Central Government Public Sector Enterprise.

The Ministry of Defence appoints the Government Nominee Directors and they are not entitled to any remuneration or sitting fees.

The non-executive Independent Directors are appointed by the Government of India and they are entitled to sitting fees for attending the Board/Committee meetings as prescribed by the Board in adherence with the statutory rules and regulations.

### 8.5 Board Evaluation

Pursuant to the Ministry of Corporate Affairs, Government of India's Notification No F No. 1/2/2014-CL.V dated 5 June 2015, the statement indicating the manner in which formal annual evaluation has been made by the Board



of its own performance and that of its committees and individual directors is not required for your Company, as the performance of directors is evaluated by the Administrative Ministry.

### 8.6 Changes in the Board

The following changes took place in the directorship of the Company during the year under review:-

Cmde. T.V. Thomas, IN(Retd) was appointed as the Director (Corporate Planning & Personnel) w.e.f. 02 Nov 2017 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 26 Oct 2017. He superannuated on 30 June 2021, the Board placed on record its appreciation for the valuable support, contribution and guidance provided by Cmde. T.V. Thomas, IN (Retd) during his tenure.

Shri Biju George was appointed as the Director (Shipbuilding) w.e.f. 27 Oct 2021 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 27 Oct 2021.

Shri. Mallikarjunara Bhyrisetty was appointed as Independent Director (Part Time Non- Official) w.e.f. 24 Dec 2021 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 24 Dec 2021.

Shri. Shambhuprasad B Tundiya was appointed as Independent Director (Part Time Non- Official) w.e.f. 24 Dec 2021 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 24 Dec 2021.

Smt. Neeru Singh Jagjeet Kaur was appointed as Independent Director (Part Time Non- Official) w.e.f. 27 Dec 2021 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 24 Dec 2021.

Cdr. Vasudev Puranik, IN (Retd) was appointed as the Director (Corporate Planning & Personnel) w.e.f. 09 June 2022 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 08 June 2022.

### 8.7 Constitution of Audit Committee

The Board has constituted Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder. The Committee acts in accordance with the terms of reference as approved by the Board. The composition and other details are disclosed in the Corporate Governance Report.

All recommendations made by the Audit Committee were accepted by the Board.

### 8.8 Declaration and Meeting of Independent Directors

All Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under both the Companies Act, 2013 and the SEBI Listing Regulations.

The Independent Directors have also confirmed that they have complied with the "Code of Business Conduct and Ethics for Board Members and Senior Management" of the Company.

A Separate Meeting of Independent Directors in accordance with the provisions of the Companies Act, 2013 was held on 28 March 2022 and all the Independent Directors were present.

### 8.9 Corporate Social Responsibility

The Company is committed to all its stakeholders to conduct business in an economically, socially and environmentally sustainable manner as part of its CSR & Sustainability policy.

Your Company is committed to undertake various programs for integrating social and business goals in a sustainable manner through inclusive growth so as to make a positive impact for the society at large. Your Company has adopted Corporate Social Responsibility & Sustainability Policy in compliance with Section 135 of the Companies Act 2013 and Rules framed there under.

The CSR Budget of your company for the FY 2021-22 was Rs.14.13 crore (2% of average profit of the previous three financial years as per section 198 of Companies Act, 2013). In addition to above, a sum of Rs. 1.54 crore were carried forward from the previous financial year (2020-21). Out of total amount of Rs 15.67 crore, your company has spent Rs. 11.11 crore towards CSR activities during FY 2021-22 (current FY). Thus, A sum of Rs. 4.56 crore remains unspent as several projects/programs could not be accomplished/completed due to delay in the submission of required documents and/or delay in execution of some projects by the implementing agencies .

Your Company has executed 57 projects as part of its CSR initiatives mainly in sectors of Education, Health & Sanitation, Skill Development and Village Development. Substantial contributions were also made by your Company to support the nation's fight against the Covid-19 pandemic, mainly in the aspirational district of Nandurbar and Government hospitals in Mumbai. The executed projects are in line with schedule VII of the Companies Act. The details of the major projects executed in FY 2021-22 are as under: -

- a) **COVID Management:** Keeping MDL's commitment to support the nation's fight against the Covid-19

pandemic, your Company has supported more than 600 doses of vaccines to local stakeholders. MDL has supported setting-up of 500 bedded dedicated COVID Hospital at Lucknow. Further, MDL had successfully installed Oxygen Plant at Bharat Ratna Dr. Babasaheb Ambedkar Memorial Hospital, Central Railway, Byculla, Mumbai. Besides these, MDL has also supported setting-up of 13 KL Oxygen Tank at Cama & Albless Hospital, Mumbai.

MDL has continued its support to District Administration Nandurbar (one of the Aspirational districts in Maharashtra) with Refrigerated Vaccination Van, medical equipment and medicines. Further to above, MDL has also supported Government Hospitals for COVID management in and around Mumbai area by providing CSR fund for supply of Medical Equipment.



Supported Bharat Ratna Dr. Babasaheb Ambedkar Hospital, Central Railway, Byculla, Mumbai in setting up of Oxygen Generation Plant.

- b) Nutrition, Health & Sanitation:** Your Company has continued to support in transformation of 100 Anganwadis into Model Anganwadis in Nandurbar district. Your company has also completed construction of 06 Anganwadi centres in the Aspirational District of Nandurbar. Further, your company has supported procurement of 04 Digital X-Ray machines at Govt. Hospitals in Nandurbar district. In addition, MDL has supported Gift Milk project in Gadchiroli district (another Aspirational district of Maharashtra) under which fortified milk was supplied to Govt. School students.

MDL provided timely support to Ali Yavar Jung National Institute of Speech & Hearing Disabilities (Divyangjan) in Bandra (Mumbai) in establishment of cross-disability Early Identification & Intervention Centre. MDL has completed project of distribution of Assistive Aids to Person with Disabilities (Divyangjan) through ALIMCO in Nandurbar district.

MDL continued its project in supporting and counseling more than 72802 cancer patients at nine Regional Cancer Centres in 5 different States/UTs of India. Further, MDL provided much needed support for mentally challenged children and adults at Children's Home in Mankhurd and Bal Kalyan Nagari for the benefit of children who are victims of natural calamity, social apathy and loss of parents.

In line with the Swachh Bharat Mission of Govt. of India, your company has continued the clean-ship of peripheral areas around MDL. Further, MDL has completed construction of community toilet block at Bus Depot in Alibaug, Raigad District of Maharashtra.

- c) Education Sector:** Your Company has provided support to 33 Zila Parishad Schools through supply of Digital Interactive Boards in Nandurbar district (one of the Aspirational districts in Maharashtra).

MDL has continued its support for "MDL Super 10" project and a total of 25 students from Shahapur area have been supported to get quality education at Bhonsala Military School, Nagpur.

- d) Village Development:** Your Company has continued its support for Kharade Gram Panchayat in Shahapur District Thane under Model Village Development project and had taken several new initiatives on school education, drinking water and health sectors in the area.
- e) Skill Development:** Your company had continued its support for vocational training to 100 youths as Machine Operator in Plastics Processing and Injection Moulding trade in Aurangabad and Chandrapur through Central Institute of Petrochemical Engineering & Technology (CIPET). MDL has also supported skill training of 19 visually impaired youths in body massage and therapist trade in Nandurbar District through Gramin Shramik Pratisthan. Besides this, MDL has continued its support for apprenticeship training at Apprenticeship Training School, MDL.

- f) Sports Development:** MDL has provided support to Wheelchair Basketball Association of Maharashtra for development of Maharashtra Women and Men Wheelchair Basketball Team. This project has empowered disabled players through basketball. MDL has also supported 10 underprivileged athletes in shooting through Gagan Narang Sports Promotion Foundation to enable them train and participate in National/International events. MDL has supported Indian 470 Sailing Team in training for participation in Asian Games and Olympics through Yachting Association of India.



**g) Support to Technological Incubators:** MDL has provided its support to Partner Incubators under Innovations for Defence Excellence towards developing innovation ecosystem.

The CSR committee certifies that the implementation and monitoring of the CSR projects being executed are in accordance with the CSR objectives and policy of the company. The Annual Report on CSR contains the requisite details as specified in the Companies Act, 2013 and is placed at Appendix E.



CSR initiative has supported Cama & Albless Hospital, Mumbai in establishment of High Dependency Unit (HDU) and Neonatal Intensive Care Unit (NICU) by providing essential medical equipment & accessories.

**8.10 Environment and Pollution Control:**

Your Company has engaged various initiatives towards sustainable development and energy conservation in the year under report. In alignment with the Government of India’s policy to increase the quantum of renewable energy and to reduce energy consumption various projects were undertaken by your company as follows:

- i) MDL is committed to reduce the consumption of energy generated by fossil fuel and to increase the generation of renewable energy to the maximum possible extent. MDL has already installed 1.85 MWp Roof Top solar power plant.
- ii) Procured 2 nos. energy efficient IE3 level motors.
- iii) Procured energy efficient Inverter based 05 nos. welding machines.
- iv) Procured energy efficient inverter based 40 Nos. SMAW welding machines.
- v) Procured 70 Nos. 150 W LED flood light fittings.

Information required under Section 134(3)(m) of the Companies Act 2013, pertaining to Conservation of Energy, Technology Absorption is given in Appendix ‘F’ to this Report.

**8.11 Swachh Bharat Initiatives**

Your Company, adhering to the Prime Minister’s Swachh Baharat Abhiyaan, has been able to make positive impact in creating mass awareness movement in and around MDL and bring about lasting behavior change in the society through participation of employees at all levels as well as the people from the surrounding area.

In line with the Swachh Bharat Mission of Govt. of India, Your Company, in the 3rd wave of Covid-19 has created awareness to control the spread of Corona Virus through Cleanliness, Social Distancing and Use of Mask.

The Swachh Bharat Abhiyaan is underway at three levels

- i) Within MDL Premises
- ii) Outside MDL Premises/ Adjacent areas
- iii) Rural areas

**a) Activities within MDL Premises: -**

Covid has brought in focus the need for cleanliness and hygiene more than ever before. Various campaigns were undertaken to spread awareness amongst the workforce resulting in enhanced use of face masks, cleanliness and social distancing, meeting the requirements of CAB (Covid Appropriate Behaviour). Multiple display boards were also put up at conspicuous locations showing various precautionary measures and also hazards of not wearing the mask. To further boost the efforts and to ensure constant attention, management directives & guidelines were promulgated from time to time in this regard.

Your Company has availed services of a professional facility management service provider which has immensely contributed towards the cause of sanitization during the pandemic.

A Swachhata Pakhwada was conducted with great deal for creating awareness by appointing Swachhta Doots in different workshops & Offices of MDL spreading key Messages of ‘Wear Mask, Follow Physical Distancing, Maintain Hand Hygiene’. Tree plantation drive was also organized during “Swachhata Pakhwada”. Considering the resumption of regular office activities, systematic sanitization work was carried out at Executive Mess, Canteens, Workshops & Offices, periodically.

**b) Activities outside MDL Premises/ adjacent areas: -**

Your company, keeping its commitment to keep the surrounding area clean, engaged cleanliness-

specific agency for carrying out daily cleaning of roads surrounding MDL. The organizers have equally spread awareness about cleanliness outside MDL premises, in the surrounding community by running mobile van. Shramdan by all employees, led by CMD and Directors is carried out at regular intervals.

#### **c) Activities in Rural/ Other Areas:**

In line with the Swachh Bharat Abhiyaan of Govt of India, Your company has completed construction of Public Toilet block at Alibaug Bus Stand under its CSR initiative. The Toilet block included 10 urinals, 08 IWC, and 08 Wash Basins along with 02 Janitor Rooms. The toilet building is Divyang friendly with a provision of ramp for Divyang users. Construction of school toilet at Karjat block of Raigad district is underway.

### **8.12 Particulars of Employees and Related Disclosures**

In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 05 June 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and rules thereof.

### **8.13 Extract of Annual Return**

In terms of Companies Act, 2013 as amended the Annual Return is available on <https://mazagondock.in/AnnualReturn>

### **8.14 Directors' Responsibility Statement**

As required under Section 134(3) (c) and 134(5) of the Companies Act, 2013 the Directors' Responsibility Statement is given as under, that:-

- (a) In the preparation of the Annual Accounts for financial year ended 31 March 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year i.e. 31 March 2022 and of the Profit and Loss of the Company for the year ending on 31 March 2022;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) The Directors have prepared the Annual Accounts for the financial year ended on 31 March 2022 on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **8.15 Statutory Auditors and their Report**

The Comptroller and Auditor General of India under Companies Act 2013, appointed M/s. JCR & Co., Chartered Accountants Mumbai, as the Statutory Auditors of the Company for the financial year 2021-22. The Auditors have certified the Accounts and their Report is placed as a part of Annual Report.

The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for further comments. During the year under review, no fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Amendment Rules, 2015.

### **8.16 Comments of the Comptroller & Auditor General of India**

The Comments of the Comptroller and Auditor General of India under Section 143 of the Companies Act 2013 are placed as a part of Annual Report.

### **8.17 Cost Auditors**

M/s. Dhananjay V Joshi & Company, Mumbai, were appointed as Cost Auditors for conducting cost Audit of the Company under section 148 of the Companies Act, 2013 for the year 2021-22 and accordingly such accounts and records are made and maintained.

### **8.18 Secretarial Audit**

M/s Ragini Chokshi & Co., Practicing Company Secretaries, Mumbai were appointed to conduct Secretarial Audit of the Company for the financial year 2021-2022 pursuant to provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015. The Report of the Secretarial Audit in Form MR-3 is annexed to the Directors' Report as Appendix 3 and forms part of this report. The Report does not contain qualification, reservation or adverse remark except that the Company did not have sufficient numbers of Independent Directors on the Board of the Company as stipulated under the SEBI (LODR) Regulations, 2015.



In this regard, your Company being a Government Company, under the Administrative Control of the Ministry of Defence, Department of Defence Production, the power to appoint Directors (including Independent Directors) and finalizing the terms and conditions of appointment vest with the Government of India. The matter regarding appointment of required number of Independent Directors has been taken up with the administrative Ministry from time to time and the Government is seized of the Matter.

### 8.19 Adequacy of Internal Financial Controls with Reference to The Financial Statements

- i. The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies with well-defined annual audit program and significant audit observations are reported to the Audit Committee of Board of Directors. The Internal Audit function is headed at the level of Deputy General Manager who is reporting directly to the Chairman & Managing Director.
- ii. The implementation of SAP/ERP system has helped to strengthen the Internal Control Systems with its in built checks and balances at various level of operations and it has set up disaster recovery site at distant locations.
- iii. The system of Internal Control comprises well defined organization structures, pre-identified authority level and procedure issued by management covering all vital and important areas of activities which includes Purchase, Stock verification, Inventory Consumption, Fixed Assets, Cash & Bank Management & Treasury, Payroll, HR, Risk Management, Statutory Compliance and all other activities involved in financial statement closing process.
- iv. Internal audit of specific areas of the Company's operations has been outsourced to Chartered Accountant firm. In addition to outsourced audit activities, other audit activities are carried out by in-house Internal Audit department. Audit reports given by Internal Auditors were reviewed by Audit Committee and necessary directives were issued. The Company had initiated suitable actions on the said directives.

## 9. Management Discussion & Analysis Report

As per Regulations 34(2) (e) of the SEBI (LODR) Regulations, the Management Discussion and Analysis Report (MDAR) is attached to this Report as Appendix 'G'.

## 10. Business Responsibility Report (BRR)

The Listing Regulations mandates the inclusion of the BRR as part of the Annual Report for the top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report.

## 11. Future Outlook

Your Company has envisaged following measures of future outlook.

### i. Infrastructure

Your Company is exploring the possibility for setting up a green field shipyard at its Nhava Yard in a phased manner with short term and long term developments plan. Short term development will enable MDL to facilitate the immediate use of the existing infrastructure for shipbuilding and ship repair business whereas long term development will facilitate the construction of large size vessels and submarines including major refit and repair.

To undertake the construction of advanced and next generation vessels, MDL intends to build a New Floating Dry Dock of 15000T capacity.

Your Company is committed towards up-liftment of under privileged sections of society and towards this a skill development hub is being created with an Apprentice Training School (ATS) and associated development work at Gavhan village, Navi Mumbai.

The progress of all the ongoing projects had been severely impacted due to the prolonged pandemic situation worldwide. However, all efforts are being made to complete these projects on priority.

### ii. Submarine Project:

MDL has been shortlisted as one of the Strategic Partners (SP) for future Submarine project RFP from MoD for Submarine Project has been issued on 20 Jul 2021 to shortlist strategic partners.

### iii. Parallel lines for Submarine Construction

Your Company has augmented necessary infrastructure for Submarine construction through a modernisation project. Presently, high level of skill has been developed in MDL for Submarine construction and at the same time local vendors have been

developed for complex and high quality fabrication jobs. The skilled workforce of MDL and vendors are ready to take on new challenges in submarine construction.

#### iv. Diversification.

Your Company is also looking to diversify in the field of underwater equipment and platform, marine equipment and other platforms, heavy engineering equipment, offshore platform etc. For this a dedicated team has been formed in the submarine division to give boost to the diversification programme and utilize the available spare capacity.

Your Company has also penetrated into a new segment ie manufacturing of cargo containers and has successfully bagged orders of 2500 containers from Container Corporation of India Limited.

In order to diversify our revenue streams, Submarine repair activities is expected to be increased in the future since such activities get executed over a shorter period of time and result in the early booking of revenues.

#### v. Long Term Growth strategy.

In line with MOD's long-term aspirations for growth of Indian defence shipyards, it has been decided to appoint a consulting firm to provide management consulting services to achieve long term growth strategy in tune with the vision and also assist with enablers for the long-term vision as well as suitable implementation support for all four defence shipyards under MoD. Accordingly, MDL hired a Consultant in Sep 2021 for Strategic Advisory Services for devising business cum Growth Plan for all four DPSU Shipyards.

The study would target unleashing new era of growth in the history of the defence shipyards in India with the following goals:

- Achieve 6X revenue growth over a period of 10 years
- Establish defence shipyards as the de-facto no. 1 choice for Indian Armed forces requirements
- Identify new business frontiers across markets as well as products
- Promote import substitution & self-reliance with indigenous defence production/manufacturing
- Enable growth of India as regional defence production hub with internationalization & exports

- Achieve optimum utilization of resources and growth focused organization restructuring
- Augmentation of technological methods & processes in line with global best practices

The consultant has submitted the "Final Implementation Roadmap Report" on 15th Apr 2022, which is under review.

#### vi. Exports:

- a. Your Company has a rich legacy of building close to 800 ships since inception, a broad spectrum of exports carried out in the past comprising of more than 250 vessels, the impeccable quality of the products delivered that has been internationally acclaimed are all being leveraged in a concerted manner for exports. MDL's export portfolio covers a wide gamut of products comprising of new builds for civilian and military end-use, repairs of commercial vessels and refits of war vessels. Customized service portfolios wherein MDL can pitch-in as a Know-How Provider for specific needs of developing nations are also in the offer. The last export order was delivered in 2014 and now intends to revamp their presence in the export market. Highly competitive markets, changing technology, stringent quality criteria, increased expectations of the customer and low pricing of the products from North-East Asian countries are the realities.
- b. Your Company intends to revamp its presence in the export market. MDL has been in dialogue with various Indian Embassies/High Commissions abroad to expand its product outreach to prospective customers. MDL is participating aggressively in the global tenders issued by various countries and are in dialogue with foreign navies to fulfil their requirements. The commercial shipbuilding sector world-wide is passing through a down turn and MDL is deeply aware of the situation. Nevertheless, the defence needs in the international market continues to rise. MDL has certain unique strengths and skill sets that have been painstakingly developed in the past eight decades and are adapted in the complex activities of weapon integration sensors for high tech defence platforms. This gives a cutting edge for MDL against their competitors and MDL is all set to cash-in this scenario. MDL has also appointed management representatives for canvassing MDL's rich legacy in construction of Naval and Non-Naval vessels and promoting MDL's products in the



- global market. The management representative will also facilitate expansion and growth of MDL business in near future.
- c. In addition to constructing vessels, MDL is also ready to provide the services like design of warships and commercial ships, transfer of technology and imparting training in construction of large warships, auxiliary boats and ferries, handholding to the Customer's Shipyard for construction and first line repairs of Warships and auxiliary vessels and Training the technical teams from customer's side in the field of Setting to work of systems and Ship trials. Your company has the capability for Refit, overhaul and Life extension refits of Ships and Submarines. MDL has provided yard facility to a Singapore vessel and has berthed a Korean vessel for afloat repairs. MDL intends to tap the global ship repairs market for both naval and commercial Ships, and Submarines in future. MDL also has facilities & capacity for fabrication of Pressure hull subsections. Export of Pressure Hull sections to any other country manufacturing / procuring Scorpene class Submarines is being explored. Your Company also intends to undertake infrastructure development and become part of global supply chain for products.
- d. Your company is exploring the possibility of converting the requirements of government agencies of target countries to projects under LoC. Efforts are on for pursuing exports with various countries following both the G2G route wherein the Govt have opened Lines of Credit with funding typically extended by EXIM bank as well as the B2B route with sovereign guarantee of the recipient nation.
- e. Your Company's strategic positioning on the west coast of the country provides proximity to the main sea routes crisscrossing the Arabian Sea

and Indian Ocean with accessibility to Europe and Middle East. Tie-ups with other small shipyards in the country are in place. MDL has aligned itself with the new thrust on Defence exports. In this regard an international marketing team is functioning under Director (Shipbuilding). A road map for exports has been drawn-up, target countries have been identified and agents have been appointed in some of the territories where export potential exist.

### Acknowledgements

Your Directors wish to place on record their gratitude and sincere appreciation for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India especially the Ministry of Defence, Department of Defence Production, the Indian Navy, Greater Mumbai Municipal Corporation, Mumbai Port Trust, Principal Controller of Defence Accounts (Navy), the Departments of Customs, Income Tax and GST.

Your Directors express their gratitude to the clients, who have extended patronage to the Company. Your Directors also place on record their appreciation for the assistance extended by the Company's Bankers Viz. State Bank of India and Canara Bank, the valuable advice rendered and co-operation extended by the Statutory Auditors, M/s. JCR & Co., Mumbai, and the officers of the Principal Director of Commercial Audit and Ex-Officio Member of the Audit Board, Bengaluru. Your Directors also appreciate and acknowledge the devoted efforts put in by the Company's employees at all levels.

For and on behalf of the Board

**VAdm. Narayan Prasad, AVSM, NM, IN (Retd)**

Place: Mumbai

Chairman & Managing Director

Date: 01 Sep, 2022

DIN: 08644492

# Appendix 'A' To The Directors Report

Statement showing position regarding representation of Schedule Castes and Schedule Tribes in various categories of post on 01st January 2021 and 1st January 2022

Classification of Posts / services	As on 01st January 2021			As on 01st January 2022		
	Total Strength	Schedule Caste	Schedule Tribe	Total Strength	Schedule Caste	Schedule Tribe
<b>Permanent:</b>						
Group "A"	1013*	191	69	973	185	69
Group "B"	1	0	0	1	0	0
* Includes Board level executives						
Group "C" ( Excluding Safaiwala)	2724	301	171	2413	282	164
Group "C" Safaiwala	5	4	0	3	3	0
<b>Temporary:</b>						
Group "A"	0	0	0	0	0	0
Group "B"	0	0	0	0	0	0
Group "C" ( Excluding Safaiwala)	0	0	0	0	0	0
Group "C" Safaiwala	0	0	0	0	0	0
Group C (Apprentice Under Act)	189	30	12	652	148	40
<b>Fixed Term Contract for Two Years:</b>						
Group "A"	0	0	0	0	0	0
Group "B"	0	0	0	0	0	0
Group "C" ( Excluding Safaiwala)	2927	429	294	2609	364	241
Group "C" Safaiwala	0	0	0	0	0	0



# Appendix 'B' to the Directors Report:

**Particulars of Recruitment made during the Calendar Year 2021. The number filled by SC's / ST's reason for shortfall and steps taken to improve the position**

Classification of Posts / services	Total Number of posts Advertised	Schedule Caste		Schedule Tribes		Reason for shortfall and steps taken to improve the position
		Notified	Filled	Notified	Filled	
<b>Permanent:</b>						
Group "A"	08	03	03	05	01	For 5 vacancies of ST, only three Candidates found suitable. However, One Candidate declined to join and one was found medically unfit. Efforts are being made to match the shortfall in next recruitment cycle by filling backlog vacancies
Group "B"	0	0	0	0	0	
Group "C" "	0	0	0	0	0	
(Excluding Safaiwala)						
Group "C" Safaiwala	0	0	0	0	0	
<b>Fixed Term Contract for Two Years:</b>						
Group "A"	0	0	0	0	0	
Group "B"	0	0	0	0	0	
Group "C" "	1388	120	90	131	76	Suitable candidates were not found during the screening process. Efforts are being made to match the shortfall in next recruitment cycle by filling backlog vacancies
(Excluding Safaiwala)						
Group "C" Safaiwala	0	0	0	0	0	

# Appendix 'C' to the Directors Report

Statement showing representation of Ex-Servicemen in Group 'C' & 'D' and Number of Women Employees As on 01st January 2022

Classification of Posts / services	Total Strength	Ex-service men		Women Employees	
		No	%	No	%
<b>Permanent</b>					
Group "A"	973	92	9.46	67	6.89
Group "B"	1	0	0	0	0
Group "C"( Excluding Safaiwala	2413	6	0.25	56	2.32
Group "C" Safaiwala	3	0	0	0	0
<b>Fixed Term Contract for Two Years</b>					
Group "A"	0	0	0	0	0
Group "B"	0	0	0	0	0
Group "C"( Excluding Safaiwala	2609	1	0.04	69	2.64
Group "C" Safaiwala	0	0	0	0	0



# Appendix ' D ' To Directors' Report

## CORPORATE GOVERNANCE

### 1 PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has adopted good Corporate governance practices towards creating long-term value for all its stakeholders on the principles of accountability, transparency, integrity, social responsibility, environment and regulatory compliances. Being a Government Company, its activities are subject to review by several external authorities like the Comptroller and Auditors General of India (CAG), the Central Vigilance Commission (CVC) and Parliamentary Committees.

The philosophy of the Company has enabled it to achieve sustainable growth on its journey to continued success, thereby maximizing shareholders returns, optimizing the utilization of resources towards the corporate goal, increasing the value of the Organization, strengthening its relationships with employees, shareholders, creditors, and practicing utmost degree of professionalism and integrity within the Organization. The Board and its Committees guide, support and complement the Management team to achieve the set objectives and enrich stakeholders value.

Following policies/codes are uploaded on the Company's website at <https://mazagondock.in> in line with the Companies Act, SEBI (LODR) Regulations and DPE guidelines:

- Code of Business Conduct and Ethics for Board Members and Senior Management
- Corporate Policy on Materiality for Disclosure of events to the Stock Exchanges
- CSR Policy
- Familiarization Program for Directors
- Materiality Policy
- Preservation of Documents and Archival Policy
- Policy on Related Party Transactions
- Terms and conditions of Appointment of Part-time Non Official Directors
- The Code of Internal Procedures and Conduct for Prohibition of Insider Trading in Dealing with Securities
- Closure of Trading Window under SEBI(PIT) Regulations, 2015
- Whistle Blower Policy
- Dividend Distribution Policy

The Corporate Governance disclosure in compliance with Regulation 34 & 53 read with Schedule V of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as mandated by the Securities and Exchange Board of India (SEBI) applicable on account of the Listing Agreement executed with the Stock Exchanges as well as notification on Corporate Governance for Public Sector Enterprises issued by the Department of Public Enterprises (DPE), are as under:

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of Board of Directors as on 31 March 2022

As on 31 March 2022 the Board of Directors of the Company comprised of four Whole time/Functional Directors including the Chairman and Managing Director, one Government Nominee Director and three Independent Directors as under:

#### Whole-time Directors:

VAdm. Narayan Prasad, IN (Retd)- Chairman & Managing Director

Cdr. Jasbir Singh, IN (Retd)- Director (Submarine & Heavy Engineering)

Shri Sanjeev Singhal- Director (Finance)

Shri Biju George- Director (Shipbuilding)

#### Government Nominee Director:

Shri Sanjay Jaju, IAS Additional Secretary (Defence Production), Ministry of Defence

#### Independent Directors:

Shri. Mallikarjunarao Bhyrisetty

Shri. Shambuprasad B. Tundiya

Smt. Neeru Singh Jagjeet Kaur.

#### Note:

- Shri. Devi Prasad Pande an Independent Director ceased to be a Director w.e.f 12 Sep 2020.
- Prof. Kamaiah Bandi an Independent Director ceased to be a Director w.e.f 10 Oct 2020.
- Dr. M. J. Jeevannavar an Independent Director ceased to be a Director w.e.f 08 Mar 2021.

#### During the financial year 2021-22:

- Cmde. T.V.Thomas, IN(Retd) Director (Corporate Planning & Personnel) superannuated on 30 June 2021.

- Shri Biju George was appointed as Director(Shipbuilding) w.e.f. 27 Oct 2021.
- Shri. Mallikarjunarao Bhyrisetty was appointed as an Independent Director w.e.f. 24 Dec 2021.
- Shri. Shambhuprasad Tundiya was appointed as an Independent Director w.e.f. 24 Dec 2021.
- Smt Neeru Singh Jagjeet Kaur was appointed as an Independent Director w.e.f. 27 Dec 2021.

As on 31 March 2022, one position of functional Director and three positions of the Independent Directors are lying vacant due to completion of their tenures as mentioned above. Your Company being a Government Company, the appointment of all Directors are made by the President of

India, through the Administrative Ministry the Ministry of Defence.

At the time of listing, the Company had received exemptions from SEBI pursuant to the SEBI Exemption Letter dated 17 Sept 2020 from the compliance of corporate governance requirements (pertaining to shortfall/lack of Woman Director and Independent Directors and composition of the Board and committees) as prescribed under paragraph (10) (F)(g)(i) of Part A of Schedule VI of the SEBI ICDR Regulations for the purpose of listing of Equity Shares on the Stock Exchanges. The above facts were duly mentioned in the Prospectus dated 05 Oct 2020.

Your Company became a listed Company on 12 Oct 2020. Directors are not inter-se related to each other.

## 2.2 Particulars of Directors including Board Meetings and attendance of Directors and their Committee details during the financial year 2021-22

(# In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015 Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee are considered)

Sl.	Directors	No of Board Meeting(s) held during respective tenure of Director	No. of Board Meeting(s) Attended	Attend-ance in the last AGM held on 28 Sep 2021	No of Director-ship in other Companies	Details of Directorship in other Listed Companies & category	No. of Committee Memberships across all Companies as on 31 March 2022	
							As Chairman	As Member
	Whole-time/ Functional (Executive) Director							
1.	VAdm. Narayan Prasad, IN (Retd)	9	9	Yes	Nil	Nil	Nil	1
2.	Cdr. Jasbir Singh, IN (Retd)	9	9	Yes	Nil	Nil	Nil	1
3.	Shri Sanjeev Singhal	9	9	Yes	Nil	Nil	Nil	1
4.	Shri Biju George	4	4	NA	Nil	Nil	Nil	Nil
5.	Cmde. T.V.Thomas, IN (Retd) (Superannuated on 30 June 2021)	2	2	NA	Nil	Nil	Nil	1
	<b>Government Nominee Director(Non-Executive)</b>							
6.	Shri Sanjay Jaju, IAS, AS(DP)	9	7	No	Nil	Nil	Nil	Nil
	<b>Independent (Non-Executive) Director</b>							
7	Shri Mallikarjunarao Bhyrisetty (appointed as an Independent Director w.e.f. 24 Dec 2021)	3	3	NA	Nil	Nil	1	Nil
8	Shri. Shambhuprasad B Tundiya (appointed as an Independent Director w.e.f. 24 Dec 2021)	3	3	NA	Nil	Nil	Nil	2
9	Smt. Neeru Singh Jagjeet Kaur (appointed as an Independent Director w.e.f. 27 Dec 2021)	3	3	NA	Nil	Nil	Nil	2

**Notes:**

- i) The Directorship held by Directors in other Companies as mentioned above includes Public and Private Limited Companies but do not include Companies registered under Section 8 of the Companies Act, 2013.
- ii) None of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he is a Director;
- iii) None of the Directors serves as a Director in more than 7 listed Companies and as Independent Director in more than 7 listed Companies;
- iv) As of 31 March 2022, none of the Directors is holding any share in the Company;
- v) Details of Directorship on the Board of other Companies and Committee positions are as on the date of cessation from the Board of the Company;
- v) No Independent Director has resigned during the financial year 2021-22 before the expiry of his tenure.

**2.3 Meetings of the Board of Directors**

During the financial year ended 31 March 2022, nine meetings of the Board of Directors of the Company were held as under:

Sl.No.	Date of Board Meeting
1	09 April 2021
2	10 June 2021
3	10 August 2021
4	12 August 2021
5	22 September 2021
6	10 November 2021
7	28 December 2021
8	11 February 2022
9	25 March 2022

**2.4 Skill/Expertise/Competence of the Board**

Mazagon Dock Shipbuilders Limited, is a Government Company under section 2(45) of the Companies Act, 2013, under the administrative control of the Ministry of Defence, Department of Defence Production. The power to appoint/re-appoint Directors (including Independent Directors) and the terms and conditions of such appointments

including remuneration, evaluation etc., is vested with the President of India through the Administrative Ministry.

The skills/expertise/competency of the Board as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly the selection of Directors on the Board of the Company is made by the Government. Therefore, the Board Members of the Company have the skill, expertise and competency as per Industry requirement.

**2.5 Familiarisation Programs to Independent Directors**

The Company embarks on various familiarization/training programs from time to time for the Independent Directors in order to familiarize them with their role, rights, responsibilities, business model, nature of the industry in which the Company operates etc., The familiarization program for Independent Directors is uploaded on the Company's website at <http://mazagondock.in>

**3 SUB-COMMITTEES OF BOARD OF DIRECTORS****3.1) AUDIT COMMITTEE:**

- a) During the financial year ending 31 March 2022, the Audit Committee meetings were held on 09 February 2022 and 25 March 2022.

- b) Composition of the Committee and Meetings attended by each Members of the Audit Committee for financial year 2021-22 was as follows:

Sl.	Members of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	Shri Mallikarjunarao Bhyrisetty (appointed as member of Audit Committee w.e.f. 28 Dec 2021)	Independent Director	Chairman	2	2
b.	Shri. Shambhuprasad B Tundiya (appointed as member of Audit Committee w.e.f. 28 Dec 2021)	Independent Director	Member	2	2
c.	Smt. Neeru Singh Jagjeet Kaur (appointed as member of Audit Committee w.e.f. 28 Dec 2021)	Independent Director	Member	2	2
d.	Cmde T. V. Thomas IN (Retd) (Superannuated on 30 June 2021)	Whole-time Director	Member	Nil	Nil
e.	Cdr. Jasbir Singh, IN (Retd) (appointed as member of Audit Committee w.e.f. 28 Dec 2021)	Whole-time Director	Member	2	2

- The Director (Finance) & CFO is a permanent invitee to the Committee.
  - Cmde. T.V.Thomas, IN (Retd) (Superannuated on 30 June 2021)
  - During the financial year ended on 31 March 2022 the terms of reference of the Audit Committee as applicable were considered and approved by the Board till 28 Dec 2021 in the absence of Independent Directors.
- c) The terms of reference of the Audit Committee consists the following:-
1. The role of the Audit Committee shall include the following:
    - (a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
    - (b) recommendation to the Board for fixation of remuneration to the auditors;
    - (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
    - (d) reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
      - (i) matters required to be included in the director's responsibility statement to be included In the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act,2013;
      - (ii) changes, if any, in accounting policies and practices and reasons for the same;
      - (iii) major accounting entries involving estimates based on the exercise of judgement by management;
      - (iv) significant adjustments made in the financial statements arising out of audit findings;
      - (v) compliance with listing and other legal requirements relating to financial statements;
      - (vi) disclosure of any related party transactions;
      - (vii) modified opinion(s) in the draft audit report.
    - (e) reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;
    - (f) reviewing with the management, the statement of uses/application of funds raised



- through an issue (i.e. public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (h) approval or any subsequent modification of transactions of the Company with related parties;
  - (i) scrutiny of inter-corporate loans and investments;
  - (j) valuation of undertakings or assets of the Company wherever it is necessary;
  - (k) evaluation of internal financial controls and risk management systems;
  - (l) reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
  - (m) appointment and removal of internal auditors and determining the scope of internal audit in consultation with the internal auditors;
  - (n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (o) discussion with internal auditors of any significant findings and follow up there on;
  - (p) review the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (q) review observations of statutory, internal & government auditors and provide recommendations based on the same;
  - (r) to review the follow up action on the audit observations of the C&AG audit;
  - (s) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (t) to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
  - (u) to review the functioning of the whistle blower mechanism;
  - (v) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc., of the candidate;
  - (w) review and monitor the auditor's independence and performance and effectiveness of audit process;
  - (x) examination of the financial statements and auditor's report thereon;
  - (y) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.
  - (z) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, which ever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
2. The Audit Committee shall mandatorily review the following information:
- (a) management discussion and analysis of financial condition and results of operations;
  - (b) statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
  - (c) management letters/letters of internal control weaknesses issued by the statutory auditors;
  - (d) internal audit reports relating to internal control weakness;
  - (e) the appointment and removal of the Chief Internal Auditor, shall be subject to review of the Audit Committee;

- (f) statement of deviations:
- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 3.2) NOMINATION AND REMUNERATION COMMITTEE:

- a) During the financial year ending 31 March 2022, the Nomination and Remuneration Committee meetings were held on 07 February 2022 and 25 March 2022.
- b) Composition of the Committee and Meetings attended by each Members of the Nomination and Remuneration Committee(NRC) for financial year 2021-22 was as follows:

Sl.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	Shri Mallikarjunarao Bhyrisetty (appointed as member of NRC w.e.f. 28 Dec 2021)	Independent Director	Chairman	2	2
b.	Shri. Shambhuprasad B Tundiya (appointed as member of NRC w.e.f. 28 Dec 2021)	Independent Director	Member	2	2
c.	Smt. Neeru Singh Jagjeet Kaur (appointed as member of NRC w.e.f. 28 Dec 2021)	Independent Director	Member	2	2

- The Director (Corporate Planning & Personnel) is a permanent invitee to the Committee.
  - During the financial year ended on 31 March 2022 the terms of reference of the NRC as applicable were considered and approved by the Board till 28 Dec 2021 in the absence of Independent Directors
- c) The terms of reference of the Nomination and Remuneration Committee consists of the following:
    1. To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
    2. To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
    3. To recommend on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
    4. Formulation and modification of schemes for providing perks and allowances for executives;
    5. Any new scheme of compensation to executives and non-executives as the case may be;
    6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
      - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or



- (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
7. Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee.
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### 3.3) STAKEHOLDERS RELATIONSHIP COMMITTEE:

- a) Composition of the Committee and Meetings attended by each Members of the Stakeholders Relationship Committee (SRC) for financial year 2021-22 was as follows:

Sl.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	VAdm. Narayan Prasad, IN (Retd)	Whole-time Director	Chairman till 28 Dec 2021	1	1
b.	Cmde T. V. Thomas IN (Retd) (Superannuated on 30 June 2021)	Whole-time Director	Member	Nil	Nil
c.	Shri. Sanjeev Singhal	Whole-time Director	Member	1	1
d.	Shri. Shambhuprasad B Tundiya (appointed as member of SRC w.e.f. 28 Dec 2021)	Independent Director	Member	NA	NA
e.	Smt. Neeru Singh Jagjeet Kaur (appointed as member of SRC w.e.f. 28 Dec 2021)	Independent Director	Member	NA	NA

- b) The terms of reference of the Stakeholders Relationship Committee consists of the following:
- (i) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.,
- (ii) Review of measures taken for effective exercise of voting rights of shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- c) During the year, the Stakeholders Relationship Committee had one meeting on 10 Nov 2021.
- d) Name and Designation of Compliance Officer:  
Smt. Vijayalakshmi Kumar,  
Company Secretary & Compliance Officer  
Mazagon Dock Shipbuilders Limited  
Dockyard Road, Mumbai 400 010 Maharashtra  
Tel: +91 22 2376 2000  
Email : investor@mazdock.com

- e) Number of shareholders' complaints received upto 31 March 2022 : 3
- f) Number of shareholders' complaints resolved upto 31 March 2022 : 3
- g) Number of shareholders' pending received upto 31 March 2022 : Nil

### 3.4) COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE

#### DEVELOPMENT(SD)

- a) Composition of the Committee and Meetings attended by each Members of the CSR Committee for financial year 2021-22 was as follows:

Sl.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	Shri Mallikarjunarao Bhyrisetty (appointed as member of CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Chairman	1	1
b.	Shri. Shambhuprasad B Tundiya (appointed as member of CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Member	1	1
c.	Smt. Neeru Singh Jagjeet Kaur (appointed as member of CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Member	1	1
d.	Cmdr T. V. Thomas IN (Retd) (Superannuated on 30 June 2021)	Whole-time Director	Member	Nil	Nil
e.	Cdr. Jasbir Singh, IN (Retd) (appointed as member of CSR Committee w.e.f. 28 Dec 2021)	Whole-time Director	Member	1	1
f.	Shri. Biju George (appointed as member of CSR Committee w.e.f. 28 Dec 2021)	Whole-time Director	Member	1	1

- During the financial year ended on 31 March 2022 the terms of reference of the CSR Committee as applicable were considered and approved by the Board till 28 Dec 2021 in the absence of Independent Directors
- b) The scope and terms of reference of the CSR Committee are guided by the requirements of Section 135 of the Companies Act and the guidelines issued by the Department of Public Enterprises as follows:
- To recommend the amount of expenditure to be incurred on the activities referred under Schedule VII of the Companies Act, 2013; and
  - To monitor the Corporate Social Responsibility Policy of our Company from time to time.
- c) During the year, the Corporate Social Responsibility Committee had one meeting on 08 Feb 2022.

**3.5) RISK MANAGEMENT COMMITTEE:**

- a) Composition of the Committee and Meeting attended by each Members of the Risk Management Committee (RMC) for financial year 2021-22 was as follows:

Sl.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director	Chairman	2	2
b.	Shri. Sanjeev Singhal	Whole-time Director	Member	2	2
c.	Shri. Biju George (appointed as member of RMC Committee w.e.f. 28 Dec 2021)	Whole-time Director	Member	1	1
d.	Cmde T. V. Thomas IN (Retd) (till 30.06.2021)	Whole-time Director	Chairman	1	1
e.	Cdr. V. R. Puranik IN (Retd)	ED	Member	2	2
f.	Shri. Shambhuprasad B Tundiya (appointed as member of RMC w.e.f. 28 Dec 2021)	Independent Director	Member	1	1
g.	Smt. Neeru Singh Jagjeet Kaur (appointed as member of RMC w.e.f. 28 Dec 2021)	Independent Director	Member	1	1

- b) Scope and terms of reference:

- Framing, Implementing, Monitoring and Reviewing periodically the Risk Management and mitigation policies of the Company's operations.
- Review reports from regulatory agencies related to Risk Management and Compliance issues and the management responses.
- Formulate policies and procedures establishing the Risk Management Governance, Risk Management procedures and Risk control infrastructure for operations.
- Review significant risk exposures and steps, including policies and procedures, the management has taken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, Technology (data security, information, business continuity risk, etc.).
- Review and evaluate the Company's practices with respect to risk assessment and risk management.

- c) During the year, the Risk Management Committee had two meetings on 10 Nov 2021 and 08 Feb 2022.

**Other Non-Statutory Committees****3.6) INVESTMENT COMMITTEE:**

A Sub Committee of Board of Directors for investment of company's short term surplus funds was constituted by the Board and the following Directors were the members of the committee as on 31 Mar 2022.

VAdm. Narayan Prasad, IN (Retd)	- Chairman
Cdr. Jasbir Singh, IN (Retd)	- Member
Shri. Sanjeev Singhal	- Member

The Committee has been delegated powers to invest short term surplus funds as per DPE guidelines and within the limits prescribed by the Board.

**3.7) PROCUREMENT SUB COMMITTEE (PSC):**

The Procurement Sub Committee consisted of following Directors as on 31 Mar 2022:

VAdm. Narayan Prasad, IN (Retd)	- Chairman
Cdr. Jasbir Singh, IN (Retd)	- Member
Shri. Sanjeev Singhal	- Member
Shri Biju George	- Member
Shri Mallikarjunarao Bhyrisetty	- Member

- Shri Shambhuprasad Tundiya - Member  
Smt Neeru Singh Jagjeet Kaur - Member

The Procurement Sub-Committee (PSC) of the Board of Directors reviews and approves the procurement proposals as per the powers delegated by the Board.

#### 4. REMUNERATION OF DIRECTORS

Your Company being a Government Company, the remuneration, benefits and Performance related Pay (PRP) of the Functional Directors are as per the extant DPE Guidelines.

Part-time Official Directors (Government Nominee Directors) are not entitled to any remuneration/sitting fees as per the DPE guidelines.

The Part-time Non-Official Directors (Independent Directors) are paid a sitting fees of Rs.20,000 each for attending each of our Board Meeting and Rs. 15,000 each for attending each meeting of the sub-committees of the Board thereof.

The details of remuneration paid to the Functional Directors during the financial year 2021-22 were as follows:

(Amount in Rs.)				
Sl.	Name/Designation of Directors	Salary & perquisites as per section 17(1) & (2) of the Income Tax Act 1961	Retirement & other benefits	Total
1	V.Adm. Narayan Prasad, IN (Retd), CMD	55,17,381.00	90,163.00	56,07,544.00
2	Cmde. T.V.Thomas, IN (Retd), Director (Corporate Planning & Personnel) (till 30 June 2021)*	40,75,607.00	13,03,565.00	53,79,172.00
3	Cdr. Jasbir Singh, IN (Retd), Director (Submarines & Heavy Engineering)	48,48,536.00	85,980.00	49,34,516.00
4	Shri Sanjeev Singhal, Director (Finance)	45,82,430.00	77,896.00	46,60,326.00
5	Shri Biju George (wef 27 Oct 2021)	19,27,172.00	-	19,27,172.00

\*Cmde. T.V.Thomas, IN (Retd), Director (Corporate Planning & Personnel) of the Company ceased to be a Director upon superannuation on 30 June 2021.

\*Retirement Benefit includes paid Gratuity if paid in this FY

\*Other Benefits includes 50% of Perquisite tax borne by the employer

During the financial year 2021-22, sitting fees paid to the Part-time Non-Official Directors (Independent Directors) for attending the Meetings of the Board:

(Amount in Rs.)				
Sl No	Name/Designation of Directors	Board Meetings	Committee Meetings	Total Remuneration
1	Shri. Mallikarjunarao Bhyrisetty	60,000	1,35,000	1,95,000
2	Shri. Shambhuprasad Tundiya	60,000	1,50,000	2,10,000
3	Smt. Neeru Singh Jagjeet Kaur	60,000	1,50,000	2,10,000



## 5. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT (CODE OF CONDUCT)

The Code of Conduct for Board Members and Senior Management personnel has been devised by the Company including the duties of Independent Directors as envisaged in Regulation 17(5)(b) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2005 in compliance with the terms of Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, with the Stock Exchanges.

The code would be read in conjunction with the Conduct, Discipline & Appeal Rules for Officers applicable to Whole-time Directors and Senior Management Personnel.

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on 31 March 2022.

## 6. INSIDER TRADING POLICY

The Board of Directors of the Company have approved the Insider Trading Policy for dealing in the Securities of the Company by insiders so that the insiders do not derive any benefit or assist others to derive any benefit from the access of and possession of price sensitive information about the Company which is not in the public domain pursuant to the SEBI (Prohibition of Insider Trading Regulations, 2015).

## 7. CEO/CFO CERTIFICATION

The Compliance Certificate issued by the CEO & CFO on the Financial Statements and Internal Controls related to the financial reporting for the year 2021-22 in accordance with Regulation 17(8) of SEBI (LODR) Regulations was submitted to the Board at the meeting held on 30 May 2022 and is attached to this Report.

## 8. SHAREHOLDING PATTERN AS ON 31 MARCH 2022:

Sl.	Category	Number of shares held	% of total share holding
1	PROMOTERS	171090983	84.83
2	INDIVIDUALS	19269780	9.55
3	DOMESTIC COMPANIES	3183726	1.58
4	FOREIGN PORTFOLIO - CORP.	4163321	2.06
5	HUF	832801	0.41
6	OTHER MUTUAL FUND	1927404	0.96
7	INSURANCE COMPANIES	19324	0.01
8	CLEARING MEMBERS	223754	0.11
9	NRI REP	702465	0.35
10	NRI NON REP	158775	0.08
11	EMPLOYEES	106007	0.05
12	TRUSTS	11655	0.01
13	OTHER BANK	5	0.00
	<b>Total</b>	<b>201690000</b>	<b>100.00</b>

## 9. TOP 10 SHAREHOLDERS AS ON 31 MARCH 2022(Based on PAN)

S. No	Name	Number of shares held	% of total holding
1	THE PRESIDENT OF INDIA	171090983	84.83
2	MKT CAPITAL LP	1240723	0.62
3	DAMANI ESTATE AND FINANCE PVT LTD	1200000	0.59
4	SBI PSU FUND	1120723	0.56

S. No	Name	Number of shares held	% of total holding
5	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	1085415	0.54
6	RADHAKISHAN SHIVKISHAN DAMANI	950000	0.47
7	RAMESH DAMANI	914581	0.45
8	BRIGHT STAR INVESTMENTS PVT LTD	690000	0.34
9	INVESCO INDIA PSU EQUITY FUND	392427	0.19
10	GOPIKISHAN SHIVKISHAN DAMANI	388924	0.19

## 10. ANNUAL GENERAL MEETINGS

a) Details of last three Annual General Meetings are as follows:

FY	Place of Meeting	Date and time
2018-19	Registered Office of the Company at Dockyard Road, Mumbai-400 010	19 July 2019 at 1200 hrs
2019-20	Registered Office of the Company at Dockyard Road, Mumbai-400 010	25 Sep 2020 at 1200 hrs
2020-21	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	28 Sep 2021 at 1100 hrs

- b) No special resolution(s) were put up in the last three Annual General Meetings of the company
- c) No special resolution was passed last year through postal ballot and no special resolution is proposed to be conducted through postal ballot.

Corporate Governance Report other communique of the Company are also available on the website in a user friendly manner.

### iv) Green Initiative:

Annual Report containing Financial Statements, Auditors' Report, Board Report, Management Discussion and Analysis Report(MDAR), Corporate Governance Report and Business Responsibility Report including information for the Shareholders and other important information is circulated through electronic mode to the members and others entitled thereto, as per MCA circular dated May 2020.

## 11. MEANS OF COMMUNICATION

Timely disclosure of consistent, relevant and reliable information on corporate financial performance is ensured and the major steps taken are as under:

### i) Quarterly/Annual Results:

The Company regularly uploads its audited financial results with the Stock Exchanges, in compliance with the listing regulations. These financial results are published in one leading English newspaper having wide circulation across the Country and one in Mumbai having wide circulation across the region. The results are also made available on the Company website.

### ii) News Release, Presentation etc. :

The official news release, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website.

### iii) Website:

The Company's website <http://mazagondock.in> contains separate dedicated section for investors where information for shareholders is made available. The Annual Report and Shareholding Pattern,

## 12. SHAREHOLDERS INFORMATION

### a) Annual General Meeting

The 89th Annual General Meeting of the Company for the year 2021-22 will be held through video conferencing as per the MCA circular No 20/2020 dated May 5, 2020 and 02/2022 dated May 5, 2022 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with SEBI Circular numbered SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 on 27th September, 2022 at 1100 hours.

### b) Financial Year

April 1 of each year till March 31 of the next year.

### c) Financial Calendar

The financial calendar to approve quarterly/annual audited financial results for the year 2022-23 is as under:



<b>Approval of quarterly/annual audited financial results</b>	<b>Tentative date of the Meeting of the Board</b>
30 June 2022	On or before 13 August 2022
30 September 2022	On or before 15 November 2022
31 December 2022	On or before 15 February 2023
31 March 2023	On or before 27 May 2023

**d) Book Closure Date(s) for the purpose of AGM and Final Equity Dividend for FY 2021-22:**

21st September, 2022 to 27th September, 2022(Both days inclusive)

**e) Dividend Payment Date**

During the year, your Company has declared and paid Interim dividend of Rs. 7.10 per share of Rs. 10/- each on 28 Dec 2021. The Final dividend of Rs. 1.63 Per Equity Share 16.30 % as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible Members/Beneficial Owners within the stipulated period of 30 days after the AGM, as provided under the Companies Act, 2013.

**f) Listing on Stock Exchanges as on 31 March 2022:**

- i. BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001
- ii. National Stock Exchange Of India Limited  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai 400 051.

**g) Listing fees:** Listing fees for Financial Year 2022-23 have been paid to the Stock Exchanges.

**h) Stock Codes:**

BSE :543237 NSE : MAZDOCK

ISIN (for trading in Demat Form)

INE249Z01012

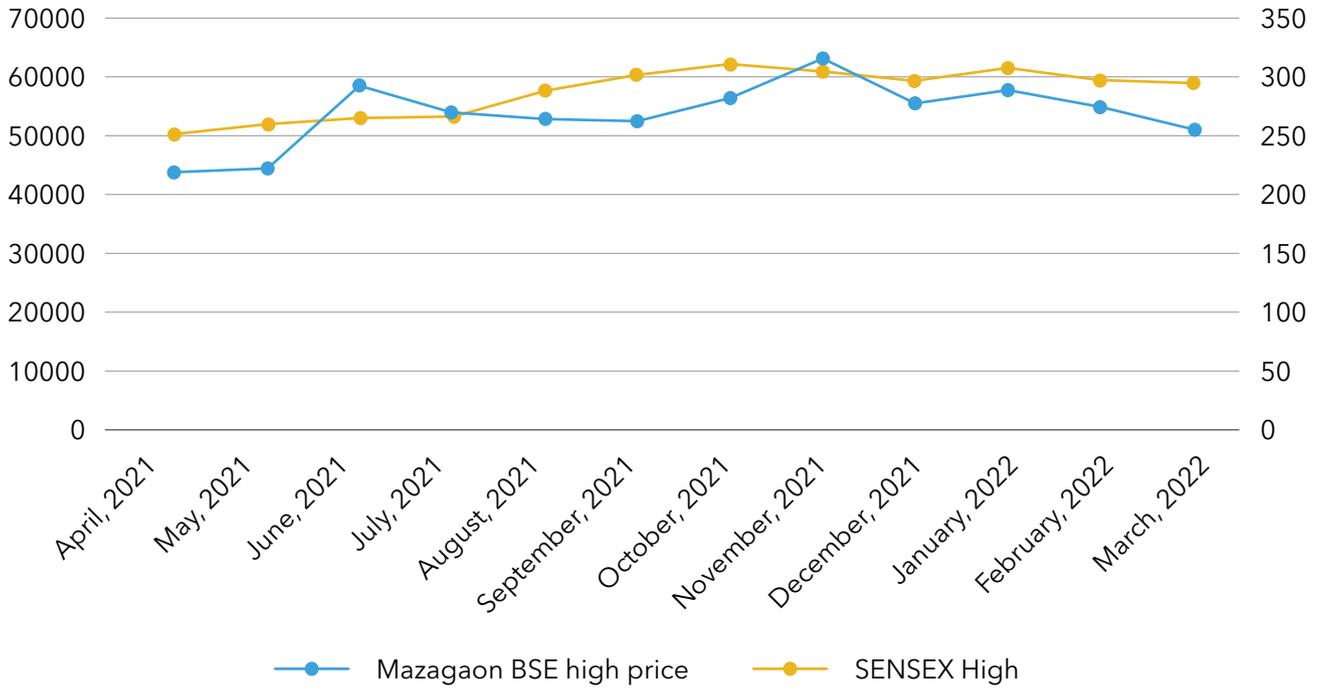
- i) **Stock Market Data:** Company's share price on BSE and NSE for each month since listing till March 2022 and performance in comparison to BSE Sensex and NIFTY 50 was as follows:

Month	BSE Limited		National Stock Exchange of India Limited	
	High (Rs. Per Share)	Low (Rs. Per Share)	High (Rs. Per Share)	Low (Rs. Per Share)
April , 2021	221.35	191.70	221.40	191.85
May, 2021	225.10	198.35	225.00	198.55
June, 2021	295.60	207.60	296.00	207.10
July, 2021	274.10	241.45	273.30	241.50
August, 2021	267.45	221.00	267.50	221.10
September, 2021	265.50	234.65	265.80	234.50
October, 2021	285.80	250.00	285.95	250.15
November, 2021	320.70	254.90	321.00	255.25
December, 2021	282.30	244.65	282.20	244.30
January, 2022	293.40	252.45	293.40	251.55
February, 2022	281.00	224.00	278.40	225.40
March, 2022	261.90	235.25	259.55	235.55

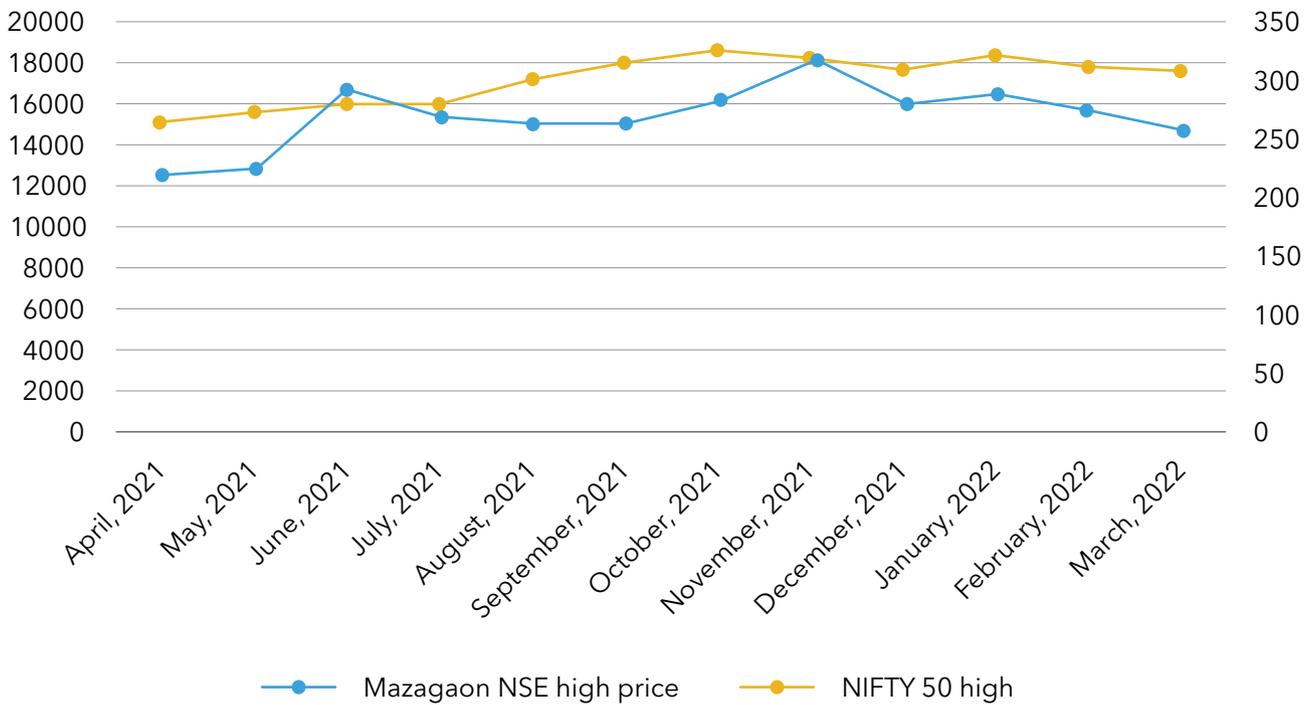
Month	SENSEX		NIFTY 50	
	High	Low	High	Low
April , 2021	50375.77	47204.50	15044.35	14151.40
May, 2021	52013.22	48028.07	15606.35	14416.25
June, 2021	53126.73	51450.58	15915.65	15450.90
July, 2021	53290.81	51802.73	15962.25	15513.45
August, 2021	57625.26	52804.08	17153.50	15834.65
September, 2021	60412.32	57263.90	17947.65	17055.05
October, 2021	62245.43	58551.14	18604.45	17452.90
November, 2021	61036.56	56382.93	18210.15	16782.40
December, 2021	59203.37	55132.68	17639.5	16410.20
January, 2022	61475.15	56409.63	18350.95	16836.80
February, 2022	59618.51	54383.2	17794.60	16203.25
March, 2022	58890.92	52260.82	17559.80	15671.45



### BSE Sensex V/s Mazagon share price



### NSE NIFTY 50 high V/s Mazagon share price



**j) Registrar and Share Transfer Agents:**

The Company has appointed the following Registrar & Transfer Agents for servicing the Equity Shares of the Company:

M/s Alankit Assignments Limited  
205-208 Anarkali Complex,  
Jhandelwala Extension,  
New Delhi - 110055  
Tel: +911- 42541100; 42541957  
Fax: +911-23552001  
Email: rta@alankit.com

**k) Share Transfer System**

Activities relating to Share Transfers are carried out by M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agents of the Company who have arrangements with the Depositories viz. National Securities Depository Limited and Central Depository Services(India) Limited. The transfer of securities would be carried out in dematerialized form in accordance with the amended Regulation 40 of the Securities and Exchange Board of India(LODR) Regulations, 2015.

**l) Distribution of Shareholding by size as on 31 March 2022**

Category	Number of Shareholders	% of Shareholders	Total Number of Shares	% of Shareholding
1 - 500	115038	96.21	8453359	4.19
501 - 1000	2455	2.05	1972068	0.98
1001 - 2000	1031	0.86	1565202	0.78
2001 - 3000	328	0.27	851003	0.42
3001 - 4000	162	0.14	590292	0.29
4001 - 5000	142	0.12	677125	0.34
5001 - 10000	214	0.18	1610132	0.8
10001 - 20000	93	0.08	1346759	0.67
20001 - 9999999999	106	0.09	184624060	91.54
<b>Total</b>	<b>119569</b>	<b>100.00</b>	<b>201690000</b>	<b>100</b>

**m) Dematerialisation of shares and liquidity**

The Equity Shares of the Company are admitted in the depository systems of the NSDL & CDSL. The Company has entered into agreements with The National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialisation of the Equity Shares of the Company.

Trading in Equity Shares of the Company is permitted only in dematerialized form as per the notification issued by the Securities and Exchange Board of India. Total number of equity shares dematerialised as on 31 March 2022 is as follows:

	No of shares	% of paid up equity shares
Shares dematerialized with NSDL	187943146	93.18
Shares dematerialized with CDSL	13746854	6.82
Physical shares	0	0.00
Total no. of shares	201690000	100.00

**n) Commodity price risk or Foreign Exchange Risk and hedging activities**

Relevant information in this regard is given in note no. 46 of Note to the Financial Statements provided in this Annual Report.

**o) Plant/Facility Location:**

In Mazagon, Mumbai, the north yard and south yard are shipbuilding yards, while east yard is a submarine construction yard. The Alcock yard, is located above the north yard of Mazagon. The land adjacent to the south yard is available for construction and accommodation of ships and submarines viz. modular workshop for shipbuilding, cradle workshop for submarine building, goliath crane, wet basin.

**p) Address for correspondence:**

Registered/Corporate Office:  
Mazagon Dock Shipbuilders Limited  
Dockyard Road, Mumbai 400 010  
Maharashtra, India  
Tel: +91 22 2376 2000  
Email: investor@mazdock.com  
Website: <https://mazagondock.in>

policy on Related Party Transactions (RPT) approved by the Board as per the SEBI (LODR) Regulations and Companies Act is uploaded in the website of the Company <https://mazagondock.in>.

All Related Party Transactions were placed before the Audit Committee and the Board for approval, as required. Information pursuant to Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is attached to this report in form AOC 2 (Appendix 2).

**13. DISCLOSURES****a) Particulars of Contracts or Arrangements with Related Parties**

Transactions with related parties that were entered into during the financial year were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The

**b) Details of Compliance/Non-Compliance under SEBI Listing Regulation**

(i) The Company has complied with applicable rules (except otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during the last three years. All returns/reports were filed within stipulated time with stock exchanges/other authorities.

(ii) During the year 2021-22 the company did not comply with certain Regulations such as Regulation 17, 18, 19 & 20 of SEBI (LODR) due to which the NSE and BSE imposed penalty for non-compliance as tabulated below:

Period FY	Stock Exchange Bombay Stock Exchange (BSE) National Stock Exchange (NSE)	Letter/email dt	Amount (in Rs)
2021-22	NSE for June 2021 quarter	20.08.2021	1204780
	BSE for June 2021 quarter	20.08.2021	1204780
	NSE for Sep 2021 quarter	22.11.2021	1229560
	BSE for Sep 2021 quarter	22.11.2021	1229560
	NSE for Dec 2021 quarter	21.02.2022	1177640
	BSE for Dec 2021 quarter	21.02.2022	1177640
	NSE for Mar 2022 quarter	20.05.2022	531000
	BSE for Mar 2022 quarter	20.05.2022	531000
	<b>Total for FY 2021-22</b>		<b>8285960 (including GST)</b>

Your Company in its reply has submitted that, being a Government Company, the appointment of the Directors is not under the control of the Company and is vested with the Government/Administrative Ministry (Ministry of Defence). Accordingly, the Company has sought waiver under the policy for exemption of fines levied as per provisions of SEBI SOP circular under impossibility of compliance and have addressed the same to both BSE Limited and NSE.

Employees to report genuine concerns regarding the affairs of the Company to the Audit Committee in accordance with provisions of Section 177(9) of the Companies Act, 2013 read with Rule (7) of the Companies (Meetings of the Board & its Powers) Rules, 2014 and DPE Guidelines for CPSEs and regulation 22 of SEBI(LODR) regulations. The Whistle Blowers Policy is disclosed in the Company website.

**c) Vigil Mechanism/Whistle -blower Policy**

The Company has a vigil mechanism named Whistle Blowers Policy establishing a mechanism for the Directors and

The Company being a CPSE, Central Vigilance Commission guidelines are applicable, which provides adequate safeguards against victimization of employees. It is hereby, affirmed that no personnel has been denied access to the Audit Committee/Board.

**d) Details of compliance with non-mandatory requirements**

The Company has not adopted any discretionary requirements provided under Part- E of Schedule II of SEBI(LODR) Regulations.

**e) Policy for determining material subsidiaries**

The Company has formulated a policy of Material Group Companies with the approval of the Board of Directors. The same has been hosted on the website of the Company and can be accessed at the following link: <http://www.mazagondock.in>;

The Company does not have any Subsidiary Company as on date.

**f) Dividend Policy**

As per CPSE Capital Restructuring Guidelines, all Central Public Sector Enterprises are required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of dividends on our Equity Shares is recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles and the Companies Act. Further, the dividends, if any, depends on a number of factors, including but not limited to company's earnings, guidelines issued by the Department of Public Enterprise (DPE), Department of Investment and Public Asset Management (DIPAM), capital requirements and overall financial position of our Company. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company.

**g) Credit Rating**

During the year, M/s Brickwork Rating India Pvt. Ltd have granted your Company a credit rating of BWR AAA/Stable for fund based Bank facilities and BWRA1+ for non-fund based limits.

**h) Details of Unpaid Dividend as on March 31, 2022**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection

Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

The Statement of information of unclaimed dividends (interim and final) for the relevant previous years are available on the website of the Company viz. <https://mazagondock.in>

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2022.

**i) Reconciliation of Share Capital**

Reconciliation of Share Capital audit was carried out by the Secretarial Auditor of the Company every quarter. The report confirms that the total issued / paid up capital is in agreement with the total number of shares in demat form.

Further, half yearly certificates on the compliance of share transfer formalities was obtained from the Secretarial Auditor were also submitted to Stock Exchanges pursuant to Regulation 40(10) of the SEBI(LODR) Regulations.

**j) Accounting Standards**

The Company is in compliance with all applicable Indian Accounting Standards (Ind AS).

Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated February 23, 2018 has exempted those companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment". Disclosure in this regard has been made at Note No. 32 to the Accounts.

**k)** None of the Directors were debarred/disqualified from being appointed or continuing as Director of the Company during the year under review.

**l)** Details of the total fees for all services paid by the Company, on a consolidated basis to Statutory Auditors during the year are given below:

(Rs. In lakh)	
Particulars	Amount
Audit fees	16.45
Tax audit fees	1.50
Other Services	0.15
Reimbursement of expenses	Nil

**m) Report on Sexual Harassment under the Act.**

Following enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redress) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment.



01 (One) complaint was received during the fiscal year out of which 01 was disposed-off.

**n) Public Grievance Committee**

- a) Your Company constituted a Public Grievance Committee headed by an executive of the rank of General Manager. The Committee examined and disposed grievances based on their merit.
- b) CPGRAMS (Central Public Grievance Redress and Monitoring System): An executive of the rank of General Manager has been appointed as nodal officer to deal with redressal of grievances registered on CPGRAMS Portal from the Department of Administrative Reforms & Public Grievances and ensures settlement of online grievances with proper feedback.

**o) Enterprise Risk Management**

The Guidelines on Corporate Governance for CPSEs (Central Public Sector Enterprises) issued by DPE (May 2010) have recommended that the CPSEs should ensure that risk management is undertaken as a part of normal business practice and not as a separate task at set times. A standing committee for Enterprise Risk Management (RMC) was constituted (August 2013) to ensure integration and alignment of the risk management system with corporate and operational objectives of the company. The risk management plan formulated by the RMC encompassed Risk Management framework, policy, strategy, structure, risk assessment (risk identification, analysis, measurement and evaluation), risk treatment, monitoring and review, risk categories, risk reporting, compliance, training, implementation plan etc. The plan indicated the timelines for the implementation and has allocated key roles and responsibilities for risk management spanning all levels of the enterprise.

In compliance, the departments are maintaining risk register and are monitoring the occurrences of the risk identified in the risk register. As per ERM policy, Standing Committee reports to Internal Audit and Board of Directors annually about the Risk Management status.

- p) The company has complied with Presidential Directives issued by the Central Government. There were no items of expenditure debited in books of Accounts, which are not for the purpose of the business. The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were NIL.
- q) The company has not entered into any transactions with any Directors that may have potential conflict with the interest of the company at large. The members of the Board, apart from receiving Directors' remuneration (wherever applicable), do not have any material or pecuniary relationship or transaction with the company which in the judgment of the Board may affect independence of judgment of the directors.

## 14. DECLARATION

In terms of Regulation 34 read with Schedule V of SEBI (LODR) Regulations and the guidelines on Corporate Governance for CPSEs 2010 issued by Department of Public Enterprises, Government of India, it is hereby declared that all Board Members and Senior Management Executives had affirmed compliance with the code of conduct for Directors and Senior Management Executives of Mazagon Dock Shipbuilders Limited, for the year ended 31 Mar 2022.

**VAdm. Narayan Prasad, AVSM, NM, IN (Retd)**

Place: Mumbai

Chairman & Managing Director

Date: 01 September, 2022

DIN: 08644492

# Corporate Governance Report

To  
The Members  
Mazagon Dock Shipbuilders Limited  
Dockyard Road, Mumbai 400 010

We have examined the compliance of conditions of Corporate Governance by Mazagon Dock Shipbuilders Limited (CIN: L35100MH1934GOI002079) for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises.

We have obtained all the necessary information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of 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.

On the basis of my examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the conditions of the corporate governance as stipulated in the Guidelines on Corporate Governance for CPSEs, 2020 and the SEBI (LODR) Regulations, 2015 except the following:

- As per Regulation 17 of the SEBI (LODR), 2015, Section 149 (1) & (4) of the Companies Act, 2013 and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
  - a. Fifty percent of Board of Directors as Non-Executive Directors including Women Director wef April, 01 2021 to December 27, 2021.
  - b. Fifty percent of the Board of Directors as Independent Directors
  - c. Minimum number of Directors w.e.f April, 01 2021 to December 24, 2021.
- As per Regulation 18(1) and 19(1) of the SEBI (LODR), 2015, Section 177, 178 of the Companies Act, 2013 respectively and the DPE Guidelines on Corporate Governance, the constitution of the Audit Committee and the Nomination & Remuneration Committee w.e.f April 01, 2021 to December 27, 2021 are not in accordance with the requirement of the provisions.
- As per Regulation 20 of the LODR and Section 178(5) of the Companies Act, 2013, the constitution of the Stakeholders Relationship Committee was incomplete due to non-availability of Independent Directors w.e.f April, 01 2021 to December 27, 2021. However, the new Chairperson will be appointed in the ensuing meeting of the Committee.

This certificate 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.

For **Ragini Chokshi & Co.**  
(Company Secretaries)

**Makarand Patwardhan**  
(Partner)  
C.P.NO. 9031  
ACS NO. 11872  
UDIN:A011872D00046859  
PR Certificate no: 689/2022

Place: Mumbai  
Date: 30 May, 2022



# Appendix E

## ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline on CSR Policy of the Company:** Mazagon Dock Shipbuilders Limited (MDL) is committed to take up various developmental Projects / Programs as part of its Corporate Social Responsibility and Sustainability initiatives in order to improve the quality of life of underprivileged and downtrodden sections of the Society and other stakeholders with an attempt to make a meaningful difference in people's lives and contribute towards sustainability of Society and Nation building.

**2. Composition of CSR Committee:**

Sl.	Member of the Committee	Category	Position	Number of meetings held during the tenure of the respective member	Number of meetings attended
a.	Shri Mallikarjunarao Bhyrisetty (Appointed as Chairman , CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Chairman	1	1
b.	Shri Shambhuprasad Tundiya (Appointed as Member , CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Member	1	1
c.	Smt Jagjeet Kaur Neeru Singh (Appointed as Member , CSR Committee w.e.f. 28 Dec 2021)	Independent Director	Member	1	1
d.	Cdr Jasbir Singh(Appointed as Member , CSR Committee w.e.f. 12 Feb 2021)	Whole-time Director	Member	1	1
e.	Shri Biju George (Appointed as Member , CSR Committee w.e.f. 28 Dec 2021)	Whole-time Director	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.mazagondock.in](http://www.mazagondock.in)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): The executive summary of impact study reports is enclosed at Annexure E(i), E (ii) and E(iii).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2	NA		
3			
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5): Rs 70629 Lakhs

(a) Two percent of average net profit of the company as per section 135(5): Rs 1567 Lakhs (i.e. Rs.1413 Lakhs as CSR Budget for FY 2020-21 + Rs. 154 Lakhs as carry forward from last FY).

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): 1567 Lakhs

7. (a) CSR amount spent or unspent for the financial year:

		Amount Unspent (in Rs.)		
Total Amount Spent for the Financial Year. (in Rs.)		Total Amount transferred to Unspent CSR Account as per Section 135(6).	Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5).	
		Amount.	Name of the Fund	Date of transfer.
1111 Lakhs		456 Lakhs	NA	NA
		27.04.2022	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration.	Amount allocated for the project (in Rs. Lakhs)	Amount Spent in the current financial year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Name	CSR Registration number.
1.	Comprehensive Proposal on COVID care in Nandurbar	I	No	Maharashtra	Nandurbar	15 Months	72.34	11.38	456.01	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
2.	Gift Milk Project at Gadchiroli	I	No	Maharashtra	Gadchiroli	13 Months	49.21	12.61		No	National Dairy Development Board Foundation for Nutrition	NA, Approved before 01.04.2021
3.	Establishment of Cross-Disability Early Identification & Intervention Centre and preparatory school.	I	Yes	Maharashtra	Mumbai	24 Months	6.58	6.28		No	Ali Yavar Jung Institute of Hearing & Speech Disabled (Under Ministry of Social Justice & Empowerment, GoI)	NA, Approved before 01.04.2021
4.	Paediatric Cataract Surgeries at Panvel	I	Yes	Maharashtra	Panvel/Raigad	21 Months	19.4	2.84		No	Laxmi Charitable Trust	NA, Approved before 01.04.2021
5.	Healthcare support to Govt. Hospitals in and around Mumbai/Aspirational District	I	No	Maharashtra	Nandurbar/Mumbai	12 Months	100.00	0		No	Govt. Hospitals/ District Administration - Aspirational Districts	In Process
6.	Improved Supply of Oxygen to hospital beds from Oxygen Tank at Cama & Albless Hospital	I	Yes	Maharashtra	Mumbai	12 Months	42.50	0		No	Cama & Albless Hospital	In Process



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration.	Amount allocated for the project (in Rs. Lakhs)	Amount Spent in the current financial year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
7.	Construction of Anganwadi Centres in Nandurbar district	I	No	Maharashtra	Nandurbar	12 Months	30.00	0		No	District Administration - Nandurbar	In Process
8.	Supply of Medical items/machines in BVPSS Hospital in Kota, Rajasthan	I	No	Rajasthan	Kota	12 Months	70.00	0		No	Bharat Vikas Parishad Sewa Sansthan, Kota	CSR00005568
9.	Eradication of Malnutrition/Anaemia from Rural Tribal belt/ Urban Region in identified district(s) of Maharashtra	I	No	Maharashtra	Mumbai, Palghar, Thane, Nagpur Nandurbar & Nashik	12 Months	10.00	0		No	Bharat Vikas Parishad	CSR00000558
10.	Medical Equipment & COVID-19 Medicines at PHCs & SCs in Satara	I	No	Maharashtra	Satara	12 Months	47.95	3.12		No	District Administration, Satara	NA, Approved before 01.04.2021
11.	Support for Education related activities in identified district of GJ	II	No	Gujarat	Rajkot	12 Months	10.00	0		No	Sewa Bharati Gujarat	CSR00021398
12.	Cleanliness in & around MDL & Other Swachh Bharat Activities	I	Yes	Maharashtra	Mumbai	24 Months	10.5	9.65		Yes	MDL	NA
13.	Village Adoption for overall Development & allied projects in Shahpur/Beed	X	No	Maharashtra	Beed	24 Months	75.0	55.81		No	Karve Institute of Social Service	NA, Approved before 01.04.2021
14.	Capacity Building Phase (CBP) of the Aatnur village of Jalgot block in Latur district	X	No	Maharashtra	Latur	18 Months	15.00	0		No	NISARG	CSR00013169

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration.	Amount allocated for the project (in Rs. Lakhs)	Amount Spent in the current financial year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementing Agency	
				State.	District.						Name	CSR Registration number.
15.	Integrated Village Development Project - Construction of Community Hall at Kadapagandi Thanda village in Yadadri Bhongir district (A.P.)	X	No	Andhra Pradesh	Yadadri Bhuvanagiri	6 Months	9.50	0		No	Bharat Vikas Parishad-	CSR00000558
16.	Water Conservation in Identified Villages of MP	X	No	Madhya Pradesh	Gwalior	12 Months	20.00	0		No	Jan Ujjawal Society	CSR00026694
17.	Skill Training by CIPET (Govt. Organisation) for 100 youths from Maharashtra	II	No	Maharashtra	Aurangabad/ Chandrapur	12 Months	20.00	0		No	Central Institute of Plastic Engineering & Technology	CSR00008481
18.	Driver Training/ Sewing Classes for urban poor in MP	II	No	Madhya Pradesh	Bhopal	12 Months	5.00	0		No	Sewa Bharti Madhya Bharat	CSR00003949
19.	Contribution towards Partner Incubators of IDEX for research/incubation	IX	No	Telangana,	Hyderabad,	12 Months	40.00	0.69		No	ITIC Foundation, IIT Hyderabad	CSR00003816
				Telangana,	Hyderabad,			4.84				
				Uttarakhand	Haridwar			5.00				
				Tamil Nadu	Coimbatore			10.00				
20.	Support to Indian 470 Sailing Team for participation in Asian Games and Olympics	VII	No	New Delhi	Delhi	12 Months	30.00	26.53			Coimbatore Innovation and Business Incubator Yachting Association of India	CSR00015223
	<b>Total</b>						<b>682.98</b>	<b>148.76</b>	<b>456</b>			



c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities In Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount Spent for the project (in Rs. Lakhs).	(7) Mode of Implementation Direct (Yes/No).	(8) Mode of implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1.	Support to Atal Bihari Vajpayee COVID Hospital at Lucknow	I	No	Uttar Pradesh	Lucknow	115.00	No	Defence Research & Development Organisation	In Process
2.	Support for Oxygen Plant at Rly Hospital Byculla	I	Yes	Maharashtra	Mumbai	89.00	No	Rly Hospital Byculla	CSR00016002
3.	Support for Oxygen Tank at Cama & Albless Hospital	I	Yes	Maharashtra	Mumbai	63.13	No	Cama & Albless Hospital, Mumbai	In Process
4.	100 Model Anganwadis in Nandurbar	I	No	Maharashtra	Nandurbar	17.15	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
5.	Construction of 06 New Anganwadi Centres/ Other Anganwadi related works	I	No	Maharashtra	Nandurbar	42.77	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
6.	Medical Equipment and Furniture at 09 Primary Health Centres in Nandurbar	I	No	Maharashtra	Nandurbar	2.49	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
7.	Supply of 04 Digital X-Ray Machines to Civil / Rural Hospitals in Nandurbar	I	No	Maharashtra	Nandurbar	39.42	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
8.	Support for COVID Medicines at Nandurbar Support for COVID Medicines at Nandurbar	I	No	Maharashtra	Nandurbar	16.66	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
9.	Assistive Aids to 400-450 PWDs in Nandurbar through ALIMCO	I	No	Maharashtra	Nandurbar	8.87	No	ALIMCO	NA, Approved before 01.04.2021
10.	Food for students of 07 Jeevanshalas and 01 Hostel in Nandurbar district	I	No	Maharashtra	Nandurbar	3.05	No	Narmada Nav Nirman Abhiyan	NA, Approved before 01.04.2021
11.	Support for COVID Medicines/ Equipment/ Items at other Govt. hospitals in / around Mumbai	I	Yes	Maharashtra	Mumbai	19.70	No	Govt. Hospitals/ Agencies	NA, Approved before 01.04.2021
12.	Supply of Computers in identified Schools in MP	II	No	Madhya Pradesh	Gwalior	4.95	No	Nikhil Computer Prashikshan and Samaj Kalyan Sanstha, Gwalior	CSR00023328

(1) SI. No.	(2) Name of the Project.	(3) Item from the list of activities In Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount Spent for the project (in Rs. Lakhs).	(7) Mode of Implementation Direct (Yes/No).	(8) Mode of implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
13.	Support for 2000 Dialysis Sessions for patients belonging to economically weaker sections from Sion & other areas (Phase III)	I	Yes	Maharashtra	Mumbai	9.50	No	Lion Tarachand Bapa Hospital & Research Centre	NA, Approved before 01.04.2021
14.	Supply of Equipment at Tata Memorial Hospital, Mumbai.	I	Yes	Maharashtra	Mumbai	0	No	Tata Memorial Hospital, under Department of Atomic Energy, Gol	NA, Approved before 01.04.2021
15.	Support to Balika Kalyan Nagri at Mankhurd	I	Yes	Maharashtra	Mumbai	15.72	No	Children Aid Society, Mankhurd	NA, Approved before 01.04.2021
16.	Support to Rochiram Thadhani High School for Hearing Handicapped	I	Yes	Maharashtra	Mumbai	2.91	No	Chembur Colony Yuvak Mandal	NA, Approved before 01.04.2021
17.	Infrastructure Improvement and support to indoor HIV Patients at Kolhapur	I	No	Maharashtra	Kolhapur	1.98	No	Lotus Medical Foundation Kolhapur	NA, Approved before 01.04.2021
18.	Support to Intellectually Disabled Children	I	Yes	Maharashtra	Mumbai	22.77	No	Children Aid Society, Mankhurd	CSR00010533
19.	Support & Counselling to Cancer Patients	I	No	Others	Across India	41.65	No	Sanjeevani Life Beyond Cancer	CSR00004972
20.	Support for COVID 19 Vaccines of local stakeholders	I	Yes	Maharashtra	Mumbai	4.84	Yes	MDL	NA
21.	Support to ACWORTH Leprosy Hospital	I	Yes	Maharashtra	Mumbai	4.92	Yes	MDL	NA
22.	Nutritious Food to Dialysis Patients at Lion Tarachand Bapa Hospital, Sion	I	Yes	Maharashtra	Mumbai	2.66	No	Enrich-A-Soul Foundation	NA, Approved before 01.04.2021
23.	Renovation of radiology department of GTB Hospital, Sewree	I	Yes	Maharashtra	Mumbai	2.66	No	Mumbai District TB Control Society	NA, Approved before 01.04.2021
24.	Super 10 (Sponsoring of 10 Students) from Kharade Area to BMS Nagpur	II	No	Maharashtra	Nagpur	41.70	No	Bhonsala Military School (BMS), Nagpur	CSR00007786
25.	Support to Eklavya School at Nandurbar	II	No	Maharashtra	Nandurbar	0	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
26.	Support for Football for Good program & Digital Learning Centre	II	Yes	Maharashtra	Mumbai	0	No	Oscar Foundation	NA



(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities In Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount Spent for the project (in Rs. Lakhs).	(7) Mode of Implementation Direct (Yes/No).	(8) Mode of implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
27.	Upgradation of School Infrastructure through supply of Digital Interactive Boards to 33 ZP Schools in Nandurbar district	II	No	Maharashtra	Nandurbar	49.36	No	District Administration, Nandurbar	NA, Approved before 01.04.2021
28.	Supply of Training Aids to Educational Institute	II	No	Maharashtra	Mumbai	0.96	No	Lion M.P.Bhuta School, Sion	NA, Approved before 01.04.2021
29.	Water connection at Jai Bheem Nagar Toilet	I	Yes	Maharashtra	Mumbai	2.54	Yes	MDL	NA
30.	Construction of Toilet Block at Alibagh	I	Yes	Maharashtra	Raigad	18.22	Yes	MDL	NA
31.	Apprenticeship trained under CSR	II	Yes	Maharashtra	Mumbai	126.56	Yes	MDL	NA
32.	Skill Training of 35 PWDs in Nandurbar	II	No	Maharashtra	Nandurbar	20.11	No	Grameen Shramik Pratisthan	NA, Approved before 01.04.2021
33.	Skill Training by CIPET (Govt. Organisation) for 100 youths from Maharashtra	II	No	Maharashtra	Aurangabad/ Chandrapur	37.54	No	Central Institute of Plastic Engineering & Technology	NA, Approved before 01.04.2021
34.	Contribution to Armed Forces Flag Day Fund	VI	No	Others	PAN India	5.00	No	MoD, Govt. of India	CSR00011199
35.	Adoption of 10 Athletes & equipping of Shooting Range	VII	No	Maharashtra	Pune	37.99	No	Gagan Narang Sports Promotion Foundation	CSR00001292
36.	Support to Wheelchair Basketball Team	VII	Yes	Maharashtra	Mumbai	14.86	No	Wheelchair Basketball Association, MH	NA, Approved before 01.04.2021
37.	Assisting SHGs for e-commerce platform during DIWALI	II	Yes	Maharashtra	Mumbai	0.47	Yes	MDL	NA
<b>TOTAL</b>						<b>887.11</b>			

- (d) Amount spent in Administrative Overheads: 52 Lakhs
- (e) Amount spent on Impact Assessment, if applicable: 23 Lakhs
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): 1111 Lakhs
- (g) Excess amount for set off, if any: NIL

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

## 8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs. Lakhs).	Amount spent in the reporting Financial Year (in Rs. Lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs Lakhs).
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2018-19	NA	2346	NA	NA	NA	578
2.	2019-20	NA	1562				534
3.	2020-21	154	1834				154

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs Lakhs).	Amount Spent for the project in the reporting Financial Year (in Rs. Lakhs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs. Lakhs).	Status of the project - Completed/ Ongoing
1.		Comprehensive Proposal on COVID care in Nandurbar	January 2021	15 Months	400	11.38	339.04	Ongoing
2.		Gift Milk Project at Gadchiroli	February 2021	13 Months	49.21	12.63	12.63	Ongoing
3.		Establishment of Cross-Disability Early Identification & Intervention Centre and preparatory school.	October 2020	24 Months	47.04	6.28	45.54	Ongoing
4.		Paediatric Cataract Surgeries at Panvel	February 2021	21 Months	20.00	2.84	3.44	Ongoing
5.		Healthcare support to Govt. Hospitals in and around Mumbai/ Aspirational District	February 2022	12 Months	190.00	0	0	Ongoing
6.		Improved Supply of Oxygen to hospital beds from Oxygen Tank at Cama & Albles Hospital	February 2022	12 Months	42.50	0	0	Ongoing
7.		Construction of Anganwadi Centres in Nandurbar district	February 2022	12 Months	95.00	0	0	Ongoing
8.		Supply of Medical items/machines in BVPSS Hospital in Kota, Rajasthan	February 2022	12 Months	197.00	0	0	Ongoing
9.		Eradication of Malnutrition/Anaemia from Rural Tribal belt/ Urban Region in identified district(s) of Maharashtra	February 2022	12 Months	300.00	0	0	Ongoing
10.		Medical Equipment & COVID-19 Medicines at PHCs & SCs in Satara	July 2021	12 Months	47.95	3.12	3.12	Ongoing



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs Lakhs).	Amount Spent for the project in the reporting Financial Year (in Rs. Lakhs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs. Lakhs).	Status of the project - Completed/ Ongoing
11.		Support for Education related activities in identified district of GJ	February 2022	12 Months	200.00	0	0	Ongoing
12.		Cleanship in & around MDL & Other Swachh Bharat Activities	December 2020	24 Months	22.39	9.65	12.45	Ongoing
13.		Village Adoption for overall Development & allied projects in Shahapur	February 2021	24 Months	194.89	51.35	51.35	Ongoing
14.		Capacity Building Phase (CBP) of the Aatnur village of Jalkot block in Latur district	November 2021	18 Months	49.35	0	0	Ongoing
15.		Integrated Village Development Project - Construction of Community Hall at Kadapagandi Thanda village in Yadadri Bhongir district (A.P.)	February 2022	6 Months	9.50	0	0	Ongoing
16.		Water Conservation in Identified Villages of MP	February 2022	12 Months	50.00	0	0	Ongoing
17.		Skill Training by CIPET (Govt. Organisation) for 100 youths from Maharashtra	February 2022	12 Months	99.09	0	0	Ongoing
18.		Driver Training/Sewing Classes for urban poor in MP	February 2022	12 Months	25.00	0	0	Ongoing
19.		Contribution to iDEX Partner for research/ incubation of defence technologies	February 2022	12 Months	40.00	20.54	20.54	Ongoing
20.		Support to Indian 470 Sailing Team for participation in Asian Games and olympics	March 2022	12 Months	30.00	26.53	26.53	Ongoing
		<b>Total</b>			2108.92	144.32	514.64	

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
- Date of creation or acquisition of the capital asset(s): NA
  - Amount of CSR spent for creation or acquisition of capital asset: NIL
  - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA
  - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

10. Specify the reason(s), if the company has failed to spend Two per cent of the average net profit as per section 135(5): The total amount budgeted for CSR could not be consumed, as following major projects earmarked for the financial year 2021-22 couldn't commence due to the reasons stated below :-

Sr. No.	Project	Amount Budgeted (In Rs. Lakhs)	Reasons
1	Comprehensive Proposal on COVID care in Nandurbar	72.34	Delay in receiving proposals
2	Gift Milk Project at Gadchiroli	49.21	Schools were closed for most part of the year due to COVID restrictions
3	Contribution to iDEX Partner for research/ incubation of defence technologies	40.00	Delay in project execution by implementing partner
4	Paediatric Cataract Surgeries at Panvel	19.40	Delay in project execution by implementing partner
5	Capacity Building Phase (CBP) of the Aatnur village of Jalkot block in Latur district	15.00	Delay in project execution by implementing partner
6	Skill Training by CIPET (Govt. Organisation) for 100 youths from Maharashtra	20.00	MoU signing with Implementing Partner got delayed.
7	Support to Govt. Hospitals in and around Mumbai/Aspirational District for Healthcare/COVID-19/Nutrition	100.00	Delay in submission of supporting documents/ other details by implementing partner(s).
8	Improved Supply of Oxygen to hospital beds from Oxygen Tank at Cama & Albles Hospital	42.50	
9	Construction of Anganwadi Centres in Nandurbar district	30.00	
10	Supply of Medical items/machines in BVPSS Hospital in Kota, Rajasthan	70.00	
11	Water Conservation in Identified Villages of MP	20.00	
12	Driver Training/Sewing Classes for urban poor in MP	4.30	
13	Support for Education related activities in identified district of GJ	10.00	
14	Eradication of Malnutrition/Anaemia from Rural Tribal belt/ Urban Region in identified district(s) of Maharashtra	10.00	
	<b>Total</b>	<b>502.75</b>	



## E1- Impact Assessment Study of CSR Project on Providing Skill Training To Apprentices under CSR, BY Apprentice Training SCHOOL (ATS)- AFC INDIA LIMITED

### PROVIDING SKILL TRAINING TO APPRENTICES UNDER CSR, BY APPRENTICE TRAINING SCHOOL (ATS)

#### EXECUTIVE SUMMARY

As per the Apprentices Act -1961 and rules/ policies framed thereunder, Industries having employee strength 30, it is obligatory for them to engage apprentices minimum 2.5% and maximum 15%. Hence any expenditure on Apprenticeship over and above 2.5% i.e. minimum mandate, can be booked under CSR funding. Accordingly, skill training of apprentices is being undertaken by MDL through its Apprentice Training School (ATS), as per the guidelines provided by Govt. time to time.

In order to assess the effectiveness of the aid project, MDL has entrusted the task of impact assessment of CSR activities to AFC India on 19 January 2021.

As per the list of apprentices provided by ATS department of MDL in the year 2017-18. ATS has trained 99 apprentices covering 4 different major trades namely Fitter, Pipe Fitter, Carpenter and Fitter Structural. Of which a sample of 16 apprentices (i.e., approx. 15%) is prescribed for the study and all 4 different trades were selected.

#### **The following are the key findings, conclusions, and recommendations from the study:**

1. A sample of 16 apprentices was selected, comprises majority from 25-27 age group with 78.85%, followed by 21.15% from age group 28-30 years of age.
2. During impact assessment study, no female apprentices was present. However total 10(10.10%)female apprentices have been trained by ATS under fitter and pipe fitter trade.
3. The percentage of ITI and 10th pass trained persons is 37.5% each and the balance of 18.75% is 12th pass. It is significant to note that around 6.25% are from graduates who were trained under this program. These graduates are mainly trained in Fitter trade.
4. The study on post stratification indicates that 100% of the trained apprentices are still unmarried.
5. Study found that all apprentices are trained during 2017-2018 and the average batch size is 20 apprentices,
6. There are 4 major trades selected by the apprentices and study is conducted from trainees of all trades under the skill training taken up by ATS. It was found that, majority of the apprentices opt for training in Pipe fitter trade with 39.44% followed by 23.94% in fitter and fitter structural trade each.
7. 68.5% apprentices replied that they have got placement in companies after completion of the training program.
8. 87.5% of the trainees responded that a placement cell was available at the ATS for guidance.
9. 100% apprentices stated that there is required infrastructure and instruments available at training center/ workshop.
10. All trained apprentices reported that after completion of the respective skill training, they gained the confidence to work in the companies.
11. 40% apprentices stated that they continued their jobs at MDL after completion of apprenticeship.
12. All apprentices were in receipt of stipend for the entire duration of training as per the norms decided.
13. All apprentices are reported that they have good career after completing this skill improvement training.
14. Cent 100% believe that there is enhancement of the soft and hard skills like knowledge of trades, understanding of the subject, basic computer skills, drawing skills etc. when compared before training.
15. Cent 100% believe that there is a positive change in standard of living when compared before training.
16. Majority i.e., 56.25% apprentices are working in the various companies in Mumbai. Below that i.e., 31.25% of the apprentices are becoming entrepreneur (like run own service center, care units etc.). And 12.5% are searching a job; as during Pandemic they lost their jobs.
17. 87.50% apprentices stated that the point of views of their family and community has been changed in a positive way after getting a placed in company or by starting their own business.
18. Based on the current status i.e., activity in which apprentices were involved has been analyzed for information on monthly earnings and around 14 were reported. The average monthly income is Rs. 16,169/- per person.
19. ATS may provide carrier counselling or hand-holding support to apprentices for 6 months to 1 year so that trainees can get information about various opportunities in Gov. and Non govt. agencies and organizations.

## E2- Impact Assessment Study of CSR Project on Construction of 30 skill development centers in Dhule and Nashik district - AFC INDIA LIMITED

### CONSTRUCTION OF 30 SKILL DEVELOPMENT CENTERS IN DHULE AND NASHIK DISTRICT

#### EXECUTIVE SUMMARY

A request from 30 Gram panchayats from Dhule and Nashik district was received to the MDL for construction of skill development centers at village. According after due examination, MDL accorded a financial assistance of INR. 300 lakhs as project for skilling Youth at gram panchayat to support for procuring various infrastructure items required for the construction of skill development centers.

Under the program 30 skill development centers has been constructed in 30 Gram panchayats of Dhule and Nashik Dist. The construction work like plinth construction, tile flooring, Structural steel column and truss, flooring tiles, GI sheeting and painting with Acrylic material, name board etc. has been undertaken while construction of SDCs.

At glance details of SDCs is given in following table

Sl. No.	No. of Village	Taluka	District	Agency Name/ PIA	No of Skill Dev. Centers	Work Start Date	Work End Date	Project Cost (Rs. Cr)	Actual Expenditure (Rs. Cr.)
1	3	Malegaon	Nashik	M/s. Borse Brother Engineers & Contractors	3	7/12/2018	5/9/2019	1.79	1.79
2	3	Sakri	Dhule		3	7/12/2018	5/9/2019		
3	12	Dhule	Dhule		12	7/12/2018	5/9/2019		
4	10	Sindhkheda	Dhule	M/s. Namrata Construction Co. Dhule	10	7/12/2018	30/8/2019	1.19	1.19
5	2	Dhule	Dhule		2	7/12/2018	30/8/2019		
<b>Total</b>	<b>30</b>	<b>4</b>	<b>2</b>		<b>30</b>	-	-	<b>2.98</b>	<b>2.98</b>

All 30 skill development centers have visited by team AFC under study.

#### The following are the key findings, conclusions, and recommendations from the study:

During impact assessment study the utilization of the constructed skill development centers was the focus area.

- It has been observed that at majority of villages use constructed skill development centers for various activities like common meetings, cultural activities (kirtan/bhajan, Marriage, school level program) etc.
- It has been reported that 5 skill development centers used for Gram Sabha, whereas all 30 used for the village level cultural/school level activities.
- In 4 villages namely Junvane, Anandkhede/Sutripada, Dhamne from Dhule Block and Methi from Sindhkheda block the constructed skill development centers are used as an additional source of income to Gram panchayat, where the constructed skill development centers give on a rent basis with nominal charges for marriage or other cultural activities.
- During the site visit some observations also marked regarding usage and accessibility of the skill development center. Based on the observation it has been observed that all 30 skill development centers are easily accessible to the students or villagers. 4 skill development center has other facilities like light and drinking water facility at the constructed skill development center.
- At Dhule block 14 skill development centers have been constructed in 14 villages.
- In all 14 villages of Dhule block skill development centers are being used for various activities like common meetings, cultural activities (kirtan/bhajan, Marriage, school level program) etc. At Nagaon village skill development center is also used for the conducting Gram Sabha.
- In 3 villages of Dhule block namely Junvane, Anandkhede/Sutripada, and Dhamne the constructed skill development centers are used as an additional source of income for Gram panchayat. Also, these 3 skill development center has other facilities like light and drinking water facility.
- At Sindhkheda block 10 skill development centers have been constructed in 10 villages.



9. In all 10 villages of Sindhkheda block skill development centers are used for various activities like village level meetings, cultural activities (kirtan/bhajan, Marriage, school level program) etc. At Navekholde, Nimgul and Pashtre villages the skill development centers are used for the conducting Gram Sabha.
10. In Methi village, the constructed skill development center is used as an additional source of income to Gram panchayat.
11. At Malegaon block 3 skill development centers have been constructed in 3 villages.
12. In all 3 villages of Malegaon block skill development centers are used for various activities like common village meetings, cultural activities (kirtan/bhajan, Marriage, school level program) etc. At Nilghavan village skill development centers are used for the conducting Gram Sabha.
13. At Sakari block 3 skill development centers has been constructed in 3 villages.
14. In all 3 villages of Sakari block skill development centers are used for various activities like common village meetings, cultural activities (kirtan/bhajan, Marriage, school level program) etc.
15. Gram panchayat may arrange the equipment or required material for skill development related activities at the village through GP fund or convergence of any scheme, which can be used in skill development centers.

### E3- Impact Assessment of MDL CSR Project in Sanitation Sector (2019-20) - teri, The Energy and Resources Institute

## IMPACT ASSESSMENT OF MDL CSR PROJECT IN SANITATION SECTOR (2019-20)



### EXECUTIVE SUMMARY

Mazagon Dock Ship Builders Limited (MDL), Mumbai, an ISO 9001: 2008 Company is one of the leading Defence Public Sector Undertaking ship building yard under the Ministry of Defence, Government of India. As per the CSR Act, MDL is also committed to undertake various programs for integrating social and business goals in a sustainable manner to create social impact through inclusive growth and to bring about positive impact on people and society at large.

In 2019-20, MDL had taken up project to support Swachh Bharat Mission of India with 100 percent investment from MDL, namely Mechanisation of five Urban Local Bodes (ULBs) in Nandurbar District, Maharashtra. The specific objective of the project was to improve the solid and liquid waste management in five ULBs of Nandurbar district through the provision of dust bins to households to segregate waste at source, machinery/equipment for better waste management and mobile toilets for ODF near melas and function areas. The Energy and Resources Institute (TERI) was assigned the task of assessing the effectiveness and impact of these projects on the target groups.

The impact assessment of the CSR initiatives was carried out using a multi-dimensional approach. The process included secondary data collection and analysis, primary data collection using methods that were appropriate for the initiative and field conditions such as survey, key informant interviews and

focus group discussions. Despite the COVID 19 pandemic, utmost effort was made to personally interact with various stakeholders like beneficiaries, officers of MDL, implementing agency, Government officials, operators of machineries etc. to obtain their views and opinions on the utility of the initiative, its impact and suggestions for future initiatives.

The project Mechanisation of 5 ULBs in Nandurbar district, the physical achievement of this component is 100 % while the financial achievement is 84%. The lower financial achievement is due to the post commercial procedure target which was revised and also MDL has received tax credit on revised financial target. Therefore only 84% of the project cost was finally booked as project expenditure.

**Dustbins for Waste Segregation:** MDL has supported the purchase of dustbins which benefitted 25,500 households in Navapur (8,000 houses), Taloda (4,000 houses), Shahada (10,000 houses) and Dhadgaon (3500 houses). Each household has received 2 dustbins (1 green & 1 Blue) Cello make with capacity of 10 litres. The dust bins have been effective in educating the importance of waste segregation at source to all the households and nearly 70-80% of the households are following the practice regularly. This has reduced work load at the waste segregation area. Recyclable dry waste is sold to the scrap dealers and the remaining dry and wet waste is dumped after treatment at the dumping yard.



Three Road sweepers in Nandurbar (2) and Navapur (1): The purpose of procuring 3 sweeper machines was to clean the broader roads in a short time and to reduce man power usage. The machine was used for some time initially, but due to technical problem these machines are not used for long time. MDL Project was limited to procurement of machinery only but not AMC component, during proposal submission itself AMC was not involved by ULBs, because ULBs have its own arrangement for AMC for all the vehicles. During meeting ULBs assured to make AMC contract with supplier shortly to fix the problem and reuse the machines. If problem is not solved, other option may be other ULBs with in the same district can get it repaired so that they will get equipment to use in their ULBs.

Vacuum emptier machine for clearing clogged drains in Taloda, Shahada and Dhadgaon: These machines have attended 460 complaints (total all) and it is estimated that this vehicle has saved Rs 16.56 lakhs (460 services X Rs.3600/service) to the public since commissioning of the machine. The vehicle in Taloda and Shahada travelled a distance of 1780km & 4424 km respectively. In Dhadgaon the machine will be operated by using a hired tractor.

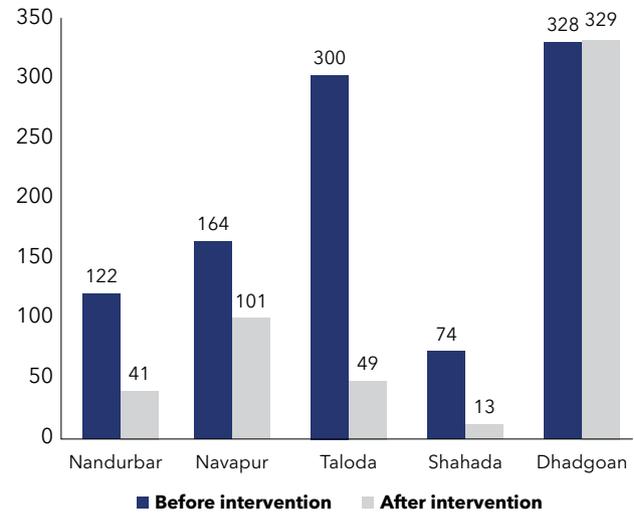
Machine for drain and pipe cleaning at household level in Taloda: This is a free service to public. This machine has attended 10 complaints and it is estimated that this machine has saved Rs 10000 ( 10 services X Rs 1000/service) to the public.

One mobile toilet in Taloda and Shahada: The Mobile toilets have been effective in avoiding urination and defecating in the open during events, thus maintaining hygienic surroundings at the event location. ULBs provided mobile toilets to 47 functions (total all) and it is estimated that the mobile toilets has saved Rs 47000 ( 47 services X Rs 1000/service) to the public.

Four Ghanta Gadi (Auto Tipper with segregated compartment) in Dhadgaon: The Ghanta Gadies have been using very effectively since from the beginning. Every day these vehicles transport two batches of waste, approximately 1.2 tonne of dry waste and 0.4 tonne of wet waste. These 4 vehicles have saved around Rs 50000 per month. Earlier the Nagar Panchay at was paying Rs 1 lakh/month to the contractors for collecting garbage from the city.

MDL’s intervention has aided in improving the solid and liquid waste management in 5 ULBs. With respect to Swachh Survekshan ranking it was observed that MDL’s intervention has contributed to change the ranking of Nandurbar district as a whole and also contributed to better ranking of the other 4ULBs along with other interventions.

The figure below provides Swachh Survekshan ranking before and after (2018 & 2020) the MDL intervention.



Source: 5 ULBS

The machinery and dustbins provided are being used and the ULB stated that they can sustainably operated the same. In Nandurbar and Navapur, the sweeper machine has been kept idle due to technical issues. Therefore ULB authorities, MDL and machine supplier should discuss the problem and execute a solution to resume functioning of the machine. In Shahada, two more mobile toilets could be provided to avoid open defecation and urination at public events and melas since the demand is high. In Dhadgaon Nagar Panchayat, officials put forth the need for one tractor for pulling the vacuum emptier machine, bigger dust bins (20 litre capacity) - 50 nos, Ghanta Gadhi of bigger capacity - 2nos (5 m3) and Road sweeper machine ( tractor fitting small capacity )

In terms of facilitating better waste management in ULBs, in each of the ULB wet waste ranging from 250 kgs to 2000 kgs is available per day which is currently being dumped. There is a potential for installing Bio-methanation plants for generating Biogas energy (either for Thermal/ Power) from the wet waste.

MDL has invested in activities that are useful to the larger public. The impact has been significant in terms of educating the public about the importance of segregating waste at source and they have been motivated to follow it by providing separate dust bins. Investing in expensive machinery for waste management at ULBs was a well-intended activity. The drainage clearing machines are being put to full use and has contributed to a more hygienic environment through timely troubleshooting. However, lack of proper technical support and trained support has rendered the road sweeping machines idle. Overall the investment in waste management, sanitation and hygiene has been in the right spirit.

# Appendix 'F' To The Directors' Report

## ADDITIONAL INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT 2013.

### 1. CONSERVATION OF ENERGY

Expenditure incurred by your Company towards Sustainable Development and Energy Conservation projects for the FY 2021-22 was as under:

#### A. Sustainable Development Projects

Sr. No.	Item Description	Qty	Order No.	Order Date	Order Value(Rs)
1	NIL				

#### b. Energy Conservation Projects

1	Procurement of Inverter based TIG welding machines	05 Nos.	3020002122	28/8/2021	15,12,285
2	Procurement of inverter based SMAW welding machine.	40 Nos	3020002128	20/12/2021	14,00,000
3	Procurement of energy efficient motors	02	3010007487	16/07/2021	8,56,385
4	Procurement of 150W LED flood lights.	70	3010007863	11/01/2022	1,92,500
	<b>Total</b>				<b>39,31,170</b>

#### c. Renewal Energy Projects

1	Nil (MDL had given commitment to the Ministry of Defence to install 1.85 MWp Roof Top Solar Photovoltaic Power Plants on the workshop roofs / building terrace at MDL which was achieved in 2018-19)	-	-	-	-
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### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Your Company has carried out trials of three projects with IIT Madras, Chennai for developing three Artificial Intelligence enabled products. The first product AI enabled Radiography inspection is based on Computed radiography which can replace imaging plates and provides immediate results, post inspection. The second product AI enabled Ultrasonic Non-destructive inspection uses ultrasound in phased array mode, providing high resolution digital images. This product is a safe alternative to the Radiographic inspections of welds. The third product AI enabled Remotely Operated Vehicles (ROV) that can carry out functionalities of underwater imaging, underwater thickness measurement of Ship's hull and underwater cleaning of Ship's hull. The AI enablement of these three products trains the neural network which improves the reliability and efficiency and eliminates human errors resulting in fast and accurate results.

Your Company had launched these products during Defexpo held at Lucknow in Feb 2020.

2. Your Company has validated an innovative shaft alignment procedure where in the propeller shaft line assembly is completed in the dry dock itself. In the conventional shaft alignment method, the time required to achieve alignment condition was more than a year which is the waiting time for shaft alignment activity. In the improvised alignment procedure, shaft line axis is derived using shaft designer software by simulating alignment condition with the estimated weight distribution and hull deflection values. The Plummer blocks and thrust bearing are loaded as per the calculations. Your Company has validated the procedure for Y12705 and this new procedure is implemented in all the other vessels under construction at MDL, yielding huge monetary benefits to the Yard and compress the built period of the vessel, which enable the yard to meet the delivery schedule of the vessel.



3. Development of Basic design of Naval Ships: Your Company has leveraged its experience in the building of various type of warships to develop state-of-the-art basic design of vessels like Next Generation Missile vessels, Next Generation Corvette, Next Generation Destroyers, Cadet training ships, Multi purpose vessels, Survey training Ships etc. As a next step towards this, your Company will carry out the model test of selected hulls of the above mentioned vessels to enable finalisation of propulsion system and fine tune the design.
4. Product Data Management/Product lifecycle Management (PDM/PLM): Your Company is implementing PDM/PLM in the under construction ships. PDM enables to manage the entire lifecycle of the ship through its design, production and service life. The PDM will serve as an information management system to foster seamless collaboration between various disciplines associated with the production of the ship including planning, design, production, procurement, maintenance and QA. PLM is an integrated information driven approach comprised of people, processes/practices and technology to all aspects of a product's life, from its design through manufacture, deployment and maintenance culminating in the product's removal from service and final disposal. PDM/PLM enables the yard to develop and maintain a digital replica of ships and makes the data accessible to the various agencies involved in the entire lifecycle of the ships.
5. Diving to Maximum Operating Depth (MOD) in a single sortie:
  - i) The diving of submarines to Maximum Operating Depth (MOD) were done in two or more sea sorties until the third Submarine. Dive to Half MOD used to be done in one sea sortie and boat have to return back to harbour for analysis of the strain gauge readings (A1 trial results) and further defect rectification. Dive to MOD were undertaken in the next sea sortie post defect rectification and strain gauge measurement analysis.
  - ii) Your Company analysed the feasibility of combining the half MOD and MOD in one sea sortie. With a thorough study, it was realised that dive to half MOD and MOD can easily be combined in one sea sortie with better readiness of the vital system and positioning of the competent team onboard.
  - iii) Finally, your Company achieved this goal and dive to MOD of SM4 was achieved in one sea sortie successfully. This has resulted in early opening the Safe Operating Envelope (SOE) for further trials thereby saving of time and cost to a great extent.
6. Setting up of in-house Fluid Testing Laboratory:
  - i) The submarine Division of your Company have setup an in-house Fluid Testing Laboratory in Alcock Yard for testing the cleanliness, pH and water content of hydraulic oil (FHARI 7311) used in Submarine Project.
  - ii) Initially, due to lack of facility, oil samples were sent to CETEC laboratory, France through Naval Group which used to take approx. 30-45 days to get test results resulting in production delay specially when a sample was failed in first attempt, another 45 days were lost.
  - iii) Your Company has set up its own facility by procuring an advanced version of Leica optical microscope DM4M and constructing an ISO Class-5 clean room apart from training and qualification of the operator. This has resulted in immediate testing of oil samples collected from boat and result is known within 2-4 hrs. thereby avoiding consequential project delay.
  - iv) All test procedures for determination of Particulate Contamination, pH, Chloride content, Water content etc. were developed based on Indian and International Standards.
7. Self-Reliance on Acoustic Measurements: MDL has acquired self-reliance in acoustic measurement and its analysis for various equipment which used to be performed by the collaborator in the beginning.
8. Your Company houses ultra-modern, state-of-the-art Virtual Reality Lab facility for validating 3 D models of the ship and its compartment layouts. This tool is very effective both economically and technologically since it reduces immense physical efforts on board. The facility is now augmented and updated with newer technologies like Augmented Reality, Avevanet and information hub. With Augmented reality modules and the gadgets, the 3D model can be ported to IPAD and Holo lens and can be viewed on board for possible evaluation and correction. The 3D model can be overlapped and calibrated on the actual site views to understand the mismatches and to evaluate the final fit arrangement. Aveva-net provides access to the latest model data to users at Navy and Production, by browsing through Intranet. Information hub can be browsed anywhere in the yard through a dedicated server and all the information regarding each equipment and attributes can be obtained at one click of a button.

# Appendix ' G'

## FORWARD LOOKING STATEMENTS

Statements in this management discussion and analysis of financial condition and results of operations of the company describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2021-22

### (A) INDUSTRY STRUCTURE AND DEVELOPMENTS, STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS, MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH:

India being a maritime nation its economic resurgence is directly linked to her overseas trade and energy needs, most of which are transported by sea. India being a rapidly growing economy seeking new markets worldwide, the volume of maritime trade will only grow in times to come.

The changing global geo-political dynamics presents the Nation with multiple security challenges. The Indian Navy(IN) due to its multi-dimensional capabilities and active presence has been playing a maritime leadership role in the Indian Ocean Region. The Indian Navy discharges its role of military, diplomatic, constabulary and benign. A high degree of Maritime Domain Awareness is maintained by utilizing IN assets and resources. A new Mission-based deployment concept has been implemented. Mission ready ships and aircraft are being deployed in 'pole-positions' along critical sea lanes of communications and choke points. The new Transition cycle that allows focused and gradual transition of ships from periods of maintenance layoffs to full scale operations has been implemented. 'Combat readiness' and 'Safety Standards' on board the ships are enhanced due to the new transition cycle which focuses efforts of Operational Commanders

on the training and safety inspection of ships prior to their deployment for operations.

Naval shipbuilding is characterized by value addition of 65% during construction of ships, which is contributed by ancillary industries such as steel producers, main engine builders, and equipment suppliers. Growth of the domestic shipbuilding sector, which imports 45% of its input requirement, can provide a major trigger for large-scale indigenisation of heavy-engineering products and ancillaries. This is in accordance with Government's focus on greater indigenisation of defence equipment over the years.

In December 2015, the Cabinet approved the new Shipbuilding Policy, which aims to provide financial assistance to shipbuilders and grant infrastructure status for the industry. The government has set aside Rs 40 billion to implement the scheme over 10 years. The domestic shipbuilding industry primarily caters to two sub-segments: the Indian Navy and Indian Coast Guard.

Pursuant to the government's vision of 'Make in India' the 'Indian Naval Indigenization Plan (INIP), 2015-2030 a guidance document by Indian Navy for developing various advanced systems for its platforms, states that the domestic industry can play a vital role in meeting the sophisticated needs of the armed forces through cost-effective utilization of its know-how and existing infrastructure.

The Indian Navy's fleet in conjunction with the Indian Coast Guard and other Central and State agencies consists of aircraft carriers, amphibious transport dock, landing ship tanks, destroyers, frigates, nuclear-powered attack submarine, conventionally powered attack submarines, corvettes, mine countermeasure vessels (MCMVs), large offshore patrol vessels, fleet tankers and various auxiliary vessels and small patrol boats.

Your Company is engaged in the construction and repair of warships and submarines for the Ministry of Defence, for use by the Indian Navy and other vessels for commercial clients, is a Defence Public Sector Undertaking shipyard under the Department of Defence Production, Ministry of Defence (MoD). Your Company is a Govt. of India (GOI) Company, conferred with the 'Mini-Ratna-I' status in 2006, by the Department of Public Enterprises. Your Company is India's only shipyard to have built destroyers and conventional submarines for the Indian Navy and are also one of the initial shipyards to manufacture Corvettes (Veer



and Khukri Class) in India. Your Company with modern infrastructure, highly skilled workforce and a group of dedicated engineers has collectively transferred the yard into a 'Center of Excellence.'

Your Company plays a vital role in fulfilling the aspirations of the Indian Navy as major contributor to the Indian defence shipbuilding and submarine construction requirements. Your Company has a rich legacy of building wide variety of high-tech warships and has adopted the motto "Building Quality Ships On Time". Some of the vessels built and delivered by your Company in the past include, six Leander class frigates, three Godavari class frigates, three corvettes, four missile boats, six destroyers, four submarines and three Shivalik class frigates for the MoD for use by the Indian Navy and constructed and delivered seven offshore patrol vessels to the Indian Coast Guard. Your Company in the past has also fabricated and delivered jackets, main decks of wellhead platforms, process platforms and jack up rigs, etc.

The business in which your Company operates are (i) Shipbuilding and (ii) Submarine and Heavy Engineering. The shipbuilding division includes the building and repair of Commercial vessels and refit of Naval ships. The submarine and heavy engineering division includes building, repair and refits of diesel and electric submarines. Since 1960, your Company has built a total of 799 vessels including 25 warships, from advanced destroyers to missile boats and three submarines. Your Company has also delivered cargo ships, passenger ships, supply vessels, multipurpose support vessels, water tankers, tugs, dredgers, fishing trawlers, barges and border outposts for various customers in India as well as abroad.

## (B) SWOT ANALYSIS

### 2. STRENGTHS

- Your Company has completed a modernization programme aiming at a paradigm shift in warship construction, i.e., construction from unit assembly to block assembly, enabling integrated modular construction. This would substantially reduce the construction/building period. MDL capacity for ship building has increased to 10 warships and submarine capacity has increased to 11 submarines which included the following facilities:
  - Module workshop with two 50T EOT crane and retractable roof designed for fabrication of large hull blocks, substantially pre-outfitted within a covered environment.
  - Goliath crane with a capacity of 300 tonne with a span of 138 meter straddling over two slipways and the module shop.
  - New wet basin equipped with about 27,000 sq. meters of area to accommodate two large frigates and two submarines for outfitting.
  - Cradle assembly shop, used for fabrication and pre-outfitting of cradle structure in unit block assemblies.
- Your Company, continuously endeavors to increase the quantum of indigenized components for warships and submarines in order to give an impetus to the Govt's "Make in India" campaign. Your company has successfully indigenised some of the critical equipment/items required for warships and submarines. The major items indigenized till date include Main Batteries, Battery Loading Trolley, Air-Conditioning Plants, Sacrificial Zinc Anode flanges, Non-HLES Electrode & filler Wire, Self Adhesive E-Glass Fibre Cloth, NBR O-Ring, Annealed Copper Gasket for Scorpene Submarines and Sonar Dome, SICADS, Bridge Window Glass, MCT-Glands, Remote Controlled Valves, Helo Landing Grid, Honeycomb Filters, Pressure Reducing Station, NBC Filters, High Temperature Gaskets, Flame/Control/Smoke Dampers for HVAC System, Magazine fire fighting system, Chladon Gas for MFFS for Ships through a dedicated department of indigenization set up in November 2015.
- Your customers such as the Indian Navy, the Indian Coast Guard and vendors are based in Mumbai, and this results in closer co-ordination and greater efficiencies. Further, a majority of our sub-contractors are based in and around Mumbai, which provides us with an ease of access to labour. The shipyard is strategically located on the west coast of India, on the sea route connecting Europe, West Asia and the Pacific Rim, a busy international maritime route and is headquartered in Mumbai which is also the headquarters of the Western Naval Command of the Indian Navy.
- Company's experienced senior management team in the industry and a large pool of experienced Naval Architects, Engineers and Draftsmen and technical capabilities, quality and efficiency of vessels constructed by the Company, enhanced maturity in design and equipment available at the time of commencement of production provides an impetus to the pace of construction.
- Your Company is the only public sector defence shipyard constructing conventional submarines and destroyers for the Indian Navy and also one of the initial shipyards to manufacture Corvettes (Veer and Khukri Class) in India.

- Your shipyard has a freehold land spread over an area of 40 acres at Nhava, Navi Mumbai which can be developed into a greenfield shipyard at Nhava, Navi Mumbai with a shiplift, wet basin, workshops, stores and buildings and a ship repair facility as per the operational requirement of the Company.

### 3. WEAKNESSES

- We are required to incur additional expenditure as the waterfront of our Company which is prone to siltation and involves regular maintenance of dredging to maintain the water depth this may affect our cost of operations and financial condition.
- The manufacturing processes for our products are complex and involve some hazards. In addition, defects in or malfunctioning of our products could cause severe damage to property and death or serious injury to our customers' personnel, which could expose us to litigation and damages.
- We are dependent on the MbPT for certain basic services required for daily operations. With our present infrastructure, we are unable to dry dock a vessel with all the appendages fitted on it which may adversely affect our future orders, growth and business prospects. Further, if our relationship with the MbPT is negatively affected in any manner or if the MbPT is unable to provide these services in the future, it may have an adverse impact on our operations.
- Dependency on suppliers for timely delivery of raw materials, equipment and components and non - adherence to the agreed timelines may adversely affect our delivery timelines.
- Critical dependency on foreign sources for equipment, weapons, sensors and propulsion systems.
- We are subject to stringent labour laws and our workmen are unionised under a number of trade unions. Any labour disputes or unrests could lead to lost production, increased costs or delays which could lead to penalties.
- Imposition of liquidated damages and invocation of performance bank guarantees/ indemnity bonds by customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.
- Warship building industry is highly capital intensive with the requirement of highly skilled workforce and involves integration of high technology, weapon-sensor platforms to meet the strategic mission requirements of the Navy.

- The general downturns in the commercial shipbuilding industry, cutting edge price competition presented by some of the developing nations continues to be ground realities that impede export volumes.

### 4. OPPORTUNITIES

- The Indigenisation Plan of the Indian Navy up to 2015-2030 states that the industry, including the private sector, can play a vital role in parts to meet the sophisticated needs of the armed forces through cost-effective utilisation of its know-how and existing infrastructure, in pursuance of the Government of India's vision of Make in India.
- India's strategic position along the east bound and west bound international trade routes offers an opportunity to undertake repairs of the vessels plying on these routes. A main container route connecting America and Europe to the East passes very close to the Indian coastline, presenting a major opportunity for repairs.
- The Financial Assistance Policy of 2015 coupled with exemption from customs and central excise duties on all raw material and parts for use in the manufacture of ships/vessels/tugs, pusher crafts etc. shall reduce the cost of manufacturing ships in India, thus improving the competitiveness of Indian shipbuilders. The government has set aside Rs. 40 billion to implement the scheme over 10 years under the shipbuilding policy 2015, which aims to provide financial assistance to shipbuilders and grant infrastructure status for the industry.
- Indian shipbuilding industry's order book is expected to receive a boost on account of Indian Navy and Coast Guard's ambitious ship acquisition plans.
- As per the national perspective plan of Sagarmala project, coastal and inland waterways traffic is expected to shoot up 15 times over the next 20 years. Similarly, capacity augmentation is expected to result in a five times rise in traffic capacity, from the existing 350 million tonnes. This is expected to bring in additional ship repair business.
- Ministry of Shipping at the India Maritime Summit 2016, published a report which estimates Indian ship repair industry's market potential to be around USD 1.5 billion (~ Rs 102 billion).
- Government of India (GOI) introduced a strategic partnership model under DPP 2016 (the "DPP Strategic Partnership Model") in 2017 under which the GoI seeks to identify a few Indian private companies as 'strategic partners' who would enter



into collaboration arrangements with a few shortlisted foreign original equipment manufacturers ("OEMs") to initially manufacture fighter aircrafts, helicopters, submarines and armoured fighting vehicles / main battle tanks in order to encourage indigenisation of defence procurement.

- MoD has released the draft Defence Production Policy 2018 ("Draft DPP 2018") which aims to create a robust and competitive defence industry as part of "Make in India" initiative. The Draft DPP 2018 also seeks to achieve self-reliance in development and manufacture of platforms such as warships and liberalise FDI in the defence sector, with up to 74% under automatic route in niche technology areas.
- Your Company as the lead shipyard for construction of frontline warships and submarines could be highly potential contender to build warships and submarines envisaged to meet Indian Navy's acquisition plan.
- Your Company has unique strengths and skill sets that have been meticulously developed in the past eight decades and are adapted in the complex activities of weapon integration sensors for export of high tech defence platforms for the defence needs in the international market which continues to rise. Artificial Intelligence (AI) presents opportunities to complement and supplement human intelligence and enrich the way people live and work. AI a key component of the Ind 4.0 revolution is poised to disrupt our world.

## 5. THREATS

- Any decline, delay or re-prioritisation of funding under the Indian defence budget or that of customers including the MoD for use by the Indian Navy could adversely affect our ability to grow or maintain our sales, earnings, and cash flow.
- Our Company or its technical collaborators may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.
- Our revenues from the MoD contracts including the submarine refit contracts are subject to the timely completion of certain milestones and are subject to termination.
- Any delays in procurement, nomination or any other decision - making by our customers and collaborators may result in time and cost overruns in completion of our shipbuilding and submarine projects, which may have an adverse effect on our business, financial condition and results of operations.

- Our earnings and margins may vary based on the mix of our contracts and programs, our performance, and our ability to control costs. We may incur losses as a result of cost overruns, time overruns, lack of clarity in standards and specifications and stringent defence procurement procedures which may have an adverse effect on our business, financial condition and results of operations.
- All our premises, including our Registered and Corporate Office is situated on land which is not entirely owned by us but is a combination of various parcels of land leased or acquired by us. There may be certain deficiencies in title on account of the acquired land. Further, if we fail to extend the lease period on lease expiry on reasonable terms, it may have a material adverse effect on the business, financial condition and results of operations of our Company.
- As we are dependent on foreign suppliers for weapons and propulsion systems to be fitted on the warships and the submarines, it may not be commercially viable to continue with telescopic designing of warship. Frozen design which ensures design and procurement maturities become inevitable for honouring contractual timelines and price.
- Measures taken by the Company to contain the spread of the COVID 19 virus, including social distancing and closure of the facilities has triggered disruption to the operation of the Company. The spread of COVID 19 pandemic since December 2019, has impacted many local economies, businesses in many countries are being forced to cease or limit operations for a long or indefinite periods.
- India has reiterated, at a number of bilateral and multilateral platforms, its resolve to combat terrorism in all its forms. Manifestations of terrorism and radicalization are the biggest threats to peace and security that the world is facing today.

## C. BUSINESS RISKS AND CONCERNS

6. Your Company has developed an appropriate risk management framework to strategize, monitor, identify, assess and mitigate risks that may potentially impact the Company's performance and barriers to success. The risks that may affect the Company include:
  - Delay in the deliveries may materially and adversely affect our reputation, operations and financial condition and unsatisfactory quality of work performed by subcontractors could result in a negative impact on our business, reputation, financial

condition and results of operations. Non-availability of critical imported raw material in the international market coupled with exchange rate fluctuation and volatile prices play adversely on the competitive edge of the Company.

- The waterfront of our Company is prone to siltation and involves constant maintenance of dredging to maintain the water depth. Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.
- Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, results of operations and cash flows. The changing policy framework governing defence procurement and manufacturing in India may result in our Company no longer being given such orders
- Labour is a major cost, accounting for about 10-15% of total cost. Lower labour cost compared with China, South Korea and Japan can improve competitiveness along with greater indigenization of the Company. Indian shipbuilders import 65-70% of equipment, due to absence of manufacturing equipment in the country and equipment costs constitute 50-55% of shipbuilding cost. This increases the cost of ships.
- Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could adversely affect our results of operations, therefore our current Order Book may not necessarily translate into future income in its entirety.
- Material disruptions to businesses around the world, leading to global economic slowdown was caused due to the outbreak of COVID 19 since December 2019, and related global responses. While government and central banks have reacted with revival policies and monetary interventions designed to stabilize economic conditions, the duration and extent of the COVID 19 outbreak, as well as the effectiveness of government measures has an impact on the operations of our Company as well.

## 7. THE PERFORMANCE HIGHLIGHTS OF THE COMPANY DURING THE YEAR ENDED 31 MARCH 2022 ARE AS FOLLOWS:

Financial Year	₹ in lakhs)	
	As on 31 March 2022	As on 31 March 2021
Total Income	616691	464802
Revenue from Operations	573328	404782
Gross Margin (EBIDTA)	86833	82407

Financial Year	₹ in lakhs)	
	As on 31 March 2022	As on 31 March 2021
Profit Before Exceptional Items & Tax	78666	75606
Exceptional Item	1397	12614
Profit Before Tax After Exceptional Items	77269	62992
Tax Expense	18622	15035
Profit After Tax	58647	47957
Net Worth	332136	291906
Book Value per share (in ₹)	164.48	144.73
Earnings per share (in ₹)	29.08	23.78
Dividend per share (in ₹)	8.73	7.24

Efficiency Ratios (%)	FY 2022	FY 2021
PBT Margin	13.72	18.67
PAT Margin	10.23	11.85
Debtors Turnover	1.43	0.83
Basic EPS	29.08	23.78

- Total Income has increased by 32.68% from ₹4648 lakhs in 2020-2021 to ₹6167 lakh in 2021-22.
- Revenue from Operations has increased from ₹ 4048 lakhs in 2020-2021 to ₹ 5733 lakhs in 2021-22.
- Profit Before Tax (PBT) has increased from ₹ 756 lakhs in 2020-21 to ₹ 787 lakhs in 2021-22.
- Book Value per Share has increased from ₹144.73 in 2020 -21 to ₹164.68 in 2021-22.
- Net Worth has increased by 13.78% from ₹2,91,906 lakhs in 2020-2021 to ₹3,32,136 lakh in 2021-22.

## 8. CORPORATE INITIATIVES FOR ENSURING SUSTAINED PERFORMANCE AND GROWTH :

- Your Company has restarted refit and repairs of warships, submarines and plans to enter commercial ship refits in near future. To generate revenue from ship repair stream, MDL aim to increase ship repair/refit business activities in the coming years.
- Your Company is also looking to diversify in the field of underwater equipment and platform, Marine equipment, heavy engineering equipment, offshore platform etc. For this in addition to Design and marketing team, additional project team is formed in East Yard (submarine division) and a separate marketing manual is also in the process of approval to give boost to our diversification programme.
- Your Company has bagged an order for manufacturing of 2500 cargo containers for Container Corporation



of India Limited augmenting one of the activities of the Heavy Engineering division of the Company.

- Your Company continue to modernise the equipment and infrastructure to keep pace with emerging shipbuilding process and technologies.
- Export has been identified as a thrust area and dedicated efforts are on to enter the highly competitive market. Indigenisation of equipment and systems have also been given priority in tune with GOI initiatives for self-reliance.

## 9. INFORMATION TECHNOLOGY

The company has institutionalized SAP / ERP to support its operations. The details are provided in the Directors' Report.

## 10. MARKETING AND BUSINESS DEVELOPMENT

The company has participated in various Naval/ Defence related exhibitions in India as well as abroad in order to project its capability and to assimilate the product range. The details are provided in the Directors' Report.

## 11. HUMAN RESOURCE INITIATIVES

Your company has taken a number of initiatives on the Human Resource Management (HRM) front. Some of the initiatives are as below:

### COVID Management

- In view of the Government Guidelines, during the second wave of COVID, imposing severe restrictions from 23 Apr 2021 to 01 May 2021, MDL has got approval from the Maharashtra Government for operating with not less than 50% of manpower. In view of the Government of Maharashtra guidelines on 'Levels of restrictions for Breaking the Chain', MDL resumed with 100% attendance from 07 June 2021. Employees were provided with face mask, hand sanitizers and sanitizers were kept at the gates of all offices and shop floors. During this period of Covid19 pandemic, the employees were made aware about health and safety measures as well as self-hygiene, social distancing norms were followed and MDL has ensured COVID appropriate behaviour for prevention of coronavirus by issuing guidelines and SOPs from time to time. Employees were provided with medical assistance and hospitalization.
- MDL provided non-refundable PF Loan to 1689 members, disbursing a total amount of Rs. 18.70 crore during the pandemic.
- MDL started COVID Vaccination camp from 24th Jun 2021 in MDL premises for vaccination of all the on roll

Permanent and Fixed Term employees. Around 99% of the employees have already got vaccinated. MDL also extended the COVID vaccination facility to the family members of the employees. MDL also arranged for free vaccination for Contract / Outsourced employees as CSR initiative at Cama Hospital and Railway Hospital, Byculla, Mumbai providing 629 doses to Contract/Outsourced employees. All 700 Apprentices in MDL Apprentice Training School have also been vaccinated.

- Ex-gratia payment for death due to COVID & Natural causes was also released to employees on 01 Oct 2021.
- In the wake of the 'Omicron' outbreak during the 3rd Wave of COVID employees were temporarily exempted from Biometric Punching for attendance and were allowed to mark their attendance through Card Punch as one of the most common methods of transmission of the virus seems to be through infected surface. Thermal imaging of all employees/ visitors to the company is being carried out regularly. Apart from above, preventative measures such as use of Sanitizers, Hygienic Practices, Social Distancing, frequent hand washing has been promulgated across the yard. Care is being taken as precautionary measure to avoid assembly and gathering of employees in the yard. The MDL Dispensary with its Doctors and Medical Staff monitored closely the Covid cases reported in MDL providing all medical support. MDL coordinates with hospitals on its panel and ensured bed availability for COVID positive employees and their dependent family members needing hospitalization.
- Settlement of PF & Gratuity on the last day of the month has been initiated. Pension Payment Order (PPO) has been handed to 62 employees on the last date of the month in which they attain the age of superannuation.
- Important events like the 'International Yoga Day' was celebrated in virtual mode on 21 Jun 2021, Samvidhan Diwas (Constitution Day) on 26 Nov 2021 and 'Satyanarayan Mahapooja' was celebrated in Dec '21 following COVID protocols.
- The Departmental Promotion for executives in June 2021 and Dec 2021 and for non-executives w.e.f. 01 Oct 2021 were completed in time.
- MDL launched online web portal for employees named MDL e-Connect where employees can access static employee details like Pay Slip, PF Slip, Contributory Pension details, Leave balance, Procedures/Manuals and Recent Circulars digitally. The process is a green

initiative aimed at reducing the use of paper thereby the carbon footprint of MDL. The online system is simple and user-friendly and this will make the process hassle free for employees. It will also optimize the workload of HR by helping in compliance and reporting. The launch of these initiatives seeks to realize the goal of inclusive development by adopting to the technology. This will further consolidate MDL's initiative of digital transformation and MDL's commitment in participating with the Government of India's flagship initiative of Digital India.

- Payroll in SAP system has been merged to single payroll area from three different payroll areas having two different timelines for running of payroll with effect from 01 Jan 2022. This has streamlined the payroll process bringing down the number of man-days required for running of payroll. This has also brought efficiency in payment of statutory dues, reconciliation of payroll data and posting of payroll data in finance module.
- HR Department has been complying to all applicable Industrial & Labour Laws, local laws like The Municipal Corporation Act and Other laws viz. RTI Act and Official Languages Act.
- Recruitment of 1093 non-executives was completed in time for various ongoing projects.

## 12. SKILL INDIA INITIATIVES:

Your company in line with the Skill India Mission of Government of India, MDL has set up an ambitious target for Skill Development Projects. MDL has adopted three pronged approach to attain the same:

- (a) Through the Company run Apprentice Training School: Your Company has trained 873 Apprentices in various designated trades at the Apprentice Training School during the FY 2021-22. This, not only, provides skilled manpower to MDL but also to other industries.
- (b) MDL has continued its support for the last year project i.e. vocational training to 100 youths as Machine Operator in Plastics Processing and Injection Moulding trade in Aurangabad and Chandrapur through Central Institute of Petrochemicals Engineering & Technology (CIPET). The project was completed in Oct 2021 and 89 % of candidates were provided with employment/self-employment under the said project.
- (c) MDL has also supported skill training of 19 visually impaired youths in body massage and therapist

trade in Nandurbar District through Gramin Shramik Pratishthan. The project was completed in March 2022.

## 13. RESEARCH & DEVELOPMENT

DURING THE YEAR UNDER REVIEW YOUR COMPANY ACHIEVED THE FOLLOWING PROGRESS IN RESEARCH AND DEVELOPMENT AS DETAILED IN ANNEXURE F:

- Your Company has commissioned three projects with IIT Madras, Chennai for developing three Artificial Intelligence enabled products. The AI enablement of these products trains the neural network which improves the reliability and efficiency and eliminates human errors resulting in fast and accurate results. MDL had launched these products during Defexpo held at Lucknow in Feb 2020.
- Your Company established an innovative shaft alignment procedure where in the propeller shaft line assembly is completed in the dry dock itself which would enable the yard to meet the delivery schedule of the vessel.
- Your Company has developed in-house capabilities in adapting to two niche performance prediction methods in warship design viz. CFD analysis and RCS prediction. Thus MDL is moving towards establishing a self-reliant design department for design of complex platforms.

## 14. INTERNAL CONTROL SYSTEM

- i. The Company has an Internal control system commensurate with the nature and size of business which monitors efficient use and safeguarding of resources, compliance with statutes, policies and procedure and maintains accuracy of recording transactions and reporting the same to the Audit Committee and Board. The system of Internal Control comprises well defined organization structures, pre-identified authority level and procedure issued by management covering all vital and important areas of activities which includes Purchase, Inventory consumption, Fixed Assets, Cash & Bank management and Treasury, Payroll, Statutory Compliance, Personnel & all other activities involved in financial statement closing process.
- ii. The Internal Audit function is headed at the level of Deputy General Manager who is reporting directly to the Chairman & Managing Director. Internal audit of specific areas of the Company's operations has been outsourced to Chartered Accountant firm.
- iii. The implementation of SAP/ERP system has helped to strengthen the Internal Control Systems with its in-built checks and balances at various level of operations.



# Appendix 1

## Form AOC-I

(₹ in Lakh)

**Part 'A' Subsidiaries**

Sl. No	Particulars	
1	Name of the Subsidiary	MDL has no subsidiaries
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	NA
4	Share Capital	NA
5	Reserve & Surplus	NA
6	Total Asset	NA
7	Total Liabilities	NA
8	Investment	NA
9	Turnover	NA
10	Profit Before taxation	NA
11	Provision for taxation	NA
12	Profit after taxation	NA
13	Proposed Dividend	NA
14	%of Shareholding	NA
1	Name of subsidiaries which are yet to commence operations	NA
2	Names of subsidiaries which have been liquidated or sold during the year	NA

(₹ in Lakh)

**Part 'B' Associates & Joint Ventures**

Sl. No	Name of Associates	GOA SHIPYARD LIMITED
1	Latest audited Balance Sheet Date	31 March 2022
2	Shares of Associates held by the company on the year end	
	Numbers	54957600
	Amount of Investment in Associates	600
	Extend of Holding %	47.21%
3	Description of how there is significant influence	Voting Rights

# Appendix 2

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the companies Act, 2013 and Rule 8(2) of the companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/agreements entered into by the company with related parties referred to in sub-section (1) of section 188 of the companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1.	Details of contracts of arrangements or transaction not at arm's length basis	
	(a) Name (s) of the related party and nature of relationship	: Not Applicable
	(b) Nature of contracts /agreements/transactions	: Not Applicable
	(c) Duration of the contracts/agreements/transaction	: Not Applicable
	(d) Salient terms of the contracts or agreements or transaction including the value, if any	: Not Applicable
	(e) Justification for entering into such contracts or arrangements or transactions	: Not Applicable
	(f) Date (s) of approval by the Board	: Not Applicable
	(g) Amount paid as advances, if any	: Not Applicable
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	: Not Applicable
2.	Details of material contract or arrangements or transaction at arm's length basis	
2.1		
	(a) Name (s) of the related party and nature of relationship	: Indian Navy
	(b) Nature of contracts /agreements/transactions	: Various Naval vessel construction and repair
	(c) Duration of the contracts/agreements/transaction	: various
	(d) Salient terms of the contracts or agreements or transaction including the value, if any	: -Not Applicable
	(e) Date (s) of approval by the Board	: Not Applicable
	(f) Amount paid as advances, if any	: Not Applicable
2.2		
	(a) Name (s) of the related party and nature of relationship	: Not Applicable
	(b) Nature of contracts /agreements/transactions	: Not Applicable
	(c) Duration of the contracts/agreements/transaction	: Not Applicable
	(d) Salient terms of the contracts or agreements or transaction including the value, if any	: Not Applicable
	(e) Date (s) of approval by the Board	: Not Applicable
	(f) Amount paid as advances, if any	: Not Applicable



# Appendix 3

## FORM NO MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

To,  
The Members  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
Dockyard Road,  
Mumbai - 400010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAZAGON DOCK SHIPBUILDERS LIMITED** (CIN: L35100MH1934GOI002079) (hereinafter called "the Company") for the year ended on March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022 (Audit Period) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)

- 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. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018. (To the extent applicable).
- (vi) We are of the opinion that the management has complied with the following laws specifically applicable to the Company:
1. Factories Act, 1948;
  2. Industrial Disputes Act, 1947
  3. Environment Protection Act, 1986
  4. Water (Prevention and control of pollution) Act, 1981
  5. Air (Prevention and control of pollution) Act, 1974
  6. Hazardous Waste (Management and handling) Rules, 1989
  7. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.
  8. Guidelines on Corporate Social Responsibility and sustainability for Central Public Sector Enterprises.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The Company being a Government Company under the administrative control of the Ministry of Defence ("MoD"), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment, including remuneration and evaluation, vests with the Government of India.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India;
2. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulation 2015.

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

- As per Regulation 17 of the SEBI (LODR), 2015, Section 149 (1) & (4) of the Companies Act, 2013 and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
  - a. Fifty percent of Board of Directors as Non-Executive Directors including Women Director wef April, 01 2021 to December 27, 2021.
  - b. Fifty percent of the Board of Directors as Independent Directors
  - c. Minimum number of Directors w.e.f April, 01 2021 to December 24, 2021.
- As per Regulation 18(1) and 19(1) of the SEBI (LODR), 2015, Section 177, 178 of the Companies Act, 2013 respectively and the DPE Guidelines on Corporate Governance, the constitution of the Audit Committee and the Nomination & Remuneration Committee w.e.f April 01, 2021 to December 27, 2021 are not in accordance with the requirement of the provisions.
- As per Regulation 20 of the LODR and Section 178(5) of the Companies Act, 2013, the constitution of the Stakeholders Relationship Committee was incomplete due to non-availability of Independent Directors w.e.f April, 01 2021 to December 27, 2021. However the new Chairperson will be appointed in the ensuing meeting of the Committee.



## We further report that:

The Board of Directors of the Company is duly constituted and 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. However, the Company has not been able to appoint requisite number of Independent Directors, Non-Executive Directors and Women Director as required under the provisions of the Act, Rules and Regulations.

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.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period, the company had following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc and the Company has complied with Companies Act and other Secretarial requirements.

1. The Shareholders of the Company at Annual General Meeting held on September 28, 2021 has declared final dividend of 18.30% i.e. Rs.1.83 per equity shares of face value of Rs. 10/- each aggregating to Rs. 36.91 crores for the Financial Year 2020-21;
2. The Board of Directors of the Company at its Meeting held on December, 2021 has declared Interim Dividend of 71.00% i.e. Rs. 7.10 per equity share of face value of Rs.10/- each aggregating to Rs. 143.20 crores for Financial Year 2021-22.

For **Ragini Chokshi and Co.**  
(Company Secretaries)

**Makarand Patwardhan**  
(Partner)

C.P.NO: 9031

ACS NO: 11872

UDIN: A011872D000468581

PR Certificate no.: 659/2020

Place: Mumbai

Date: May 30, 2022

# Appendix 4

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**MAZAGON DOCK SHIPBUILDERS LIMITED**  
Dockyard Road,  
Mumbai - 400010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MAZAGON DOCK SHIPBUILDERS LIMITED** having CIN:L35100MH1934GOI002079 and having registered office at **DOCKYARD ROAD, MUMBAI MH 400010 IN** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of Associates	DIN	Date of Appointment in Company
1.	VAdm. Narayan Prasad, IN (Retd)	08644492	30/12/2019
2.	Shri Sanjay Jaju	01671018	24/11/2020
3.	Cdr. Jasbir Singh, IN (Retd)	08556592	01/11/2019
4.	Shri Sanjeev Singhal	07642358	08/01/2020
5.	Shri Biju George	09343562	27/10/2021
6.	Shri Mallikarjunarao Bhyrisetty	06557777	24/12/2021
7.	Shri Shambhuprasad Baldevdas Tundiya	03245725	24/12/2021
8.	Smt Jagjeet Kaur Neeru Singh	09449410	27/12/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For **Ragini Chokshi & Co.**  
(Company Secretaries)

**Makarand Patwardhan**  
(Partner)

Membership No: 11872

C. P. No: 9031

UDIN: A011872D000468603

PR Certificate no.: 659/2020

Place: Mumbai  
Date: May 30, 2022



# Appendix 5

## CEO and CFO Certificate under regulation 33 (2) (a) of SEBI (LODR) Regulation 2015

To  
The Board of Directors of  
**Mazagon Dock Shipbuilders Ltd**

- A. We have reviewed financial statements and the cash flow statement of Mazagon Dock Shipbuilders Ltd for the quarter/year ended on 31st March 2022 and to the best of our knowledge and belief:
- (1) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - (2) These statements together present a true and fair view of the listed entity affair and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief no transactions entered in to by the listed entity, during the quarter/year ended on 31st March 2022 which are fraudulent, illegal or violative of companies' code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors the deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps we have taken or proposes to take to rectify these deficiencies.
- D. We have indicated to the auditors;
- I. significant changes in internal control over financial reporting during the quarter/year.
  - II. significant changes in accounting policies during the quarter/year and that the same have been disclosed in the notes to the financial statements and
  - III. instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

**VAdm. Narayan Prasad, AVSM, NM, IN (Retd)**  
Chairman & Managing Director

Place: Mumbai  
Date: 30 May, 2022

**Sanjeev Singhal**  
Director (Finance)

# APPENDIX 6

## Business Responsibility Report

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L35100MH1934GOI002079
2	Name of the Company	Mazagon Dock Shipbuilders Limited
3	Registered address	Dockyard Road, Mumbai 400 010
4	Website	https://mazagondock.in
5	e-mail id	investor@mazdock.com
6	Financial Year reported	FY 2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Shipbuilding NIC code: 89061000
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i) Shipbuilding ii) Submarines and Heavy Engineering iii) Refits and repairs of Ships and Submarines
9	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	In Mazagaon, Mumbai, the north yard and south yard are shipbuilding yards, while east yard is a submarine construction yard. The Alcock yard, is located above the north yard of Mazagaon. The land adjacent to the south yard is available for construction and accommodation of ships and submarines viz. modular workshop for shipbuilding, cradle workshop for submarine building, goliath crane, wet basin.
10	Markets served by the Company - Local/ State/ National/ International/	National

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs. 2,016,900,000
2	Total Turnover (INR)	Rs. 573328 Lakhs
3	Total profit after taxes (INR)	Rs. 58647 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of average Net Profits of the Company during the last three preceding years. The amount spent during 2021-22 was Rs. 11.11 crore. Details are at Appendix E to the Directors' Report
5	List of activities in which expenditure in 4 above has been incurred.	Refer Appendix E to the Directors' Report

### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Nil
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No



**SECTION D: BR INFORMATION**

1	Details of Director/ Directors responsible for BR	
	(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	
	DIN Number	07978819
	Name	Cmde. T.V.Thomas, IN (Retd)
	Designation	Director (Corporate Planning and Personnel)
	(b) Details of the BR head	
	DIN Number (if applicable)	07978819
	Name	Cmde. T.V.Thomas, IN (Retd)*
	Designation	Director (Corporate Planning and Personnel)
	Telephone number	022 2376 4022
	e-mail id	dcpp@mazdock.com

Superannuated on 30.06.2021

**2. Principle-wise (as per NVGs) BR Policy/policies**

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Principle 3: Businesses should promote the well-being of all employees
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Business should respect, protect and make efforts to restore the environment
- Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Principle 8: Businesses should support inclusive growth and equitable development
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of Conduct; Whistle Blower Policy P2: HSE Management Policy, Corporate Social Responsibility and Sustainable Development Policy P3: Whistle Blower Policy and Internal Human Resource Manual. P4: Corporate Social Responsibility and Sustainable Development Policy P5: CDA Rules, Internal Human Resource Manual. P6: HSE Policy P7 & 8: Corporate Social Responsibility and Sustainable Development Policy P9: Corporate Social Responsibility and Sustainable Development Policy, Citizen's Charter, Internal Quality Control Management								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated are in accordance with relevant Statutory laws, guidelines issued by the Government of India, Regulatory Bodies and internal consultations.								
3	Does the policy conform to any national / international standards?	Policy conforms to the Ministry of Corporate Affairs' National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' and the SEBI guidelines on BR Reports.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies are approved by Board/Competent Authorities as per the delegated powers.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://mazagondock.in">https://mazagondock.in</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Sufficient awareness has been created amongst all stakeholders through website and Company's portal								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The Company has constituted a 'Corporate Social Responsibility and Sustainable Development Committee' for periodic review, discussion and guidance on various Corporate Social Responsibility and Sustainable Development measures. Annual Review is conducted by the committee.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	MDL is publishing the BRR as part of the Annual Report from FY 2020-21 onwards

## SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Yes, MDL's policy related to ethics, bribery and corruption covers the Company i.e. MDL. In addition, the Company has adopted Integrity Pact with all vendors/ suppliers/contractors/service providers for tender value above Rs. 5 crore. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.
During the year, MDL received the following complaints from: <ol style="list-style-type: none"> <li>Shareholders: 3 complaints were received and resolved.</li> <li>Vigilance department: 08 complaints carried forward from FY 2020-21 and 45 complaints in FY 2021-22. 42 complaints were resolved and 11 complaints were pending for investigation as on 31 March 2022.</li> <li>Public Grievance (CPGRAMS portal) are settled with proper feedback by the nodal officer</li> <li>Vendors: complaints received from vendors were referred to and resolved by the Independent External Monitors.</li> </ol>



<b>Principle 2</b>		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	None
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):	<p>a) Reduction during sourcing/ production/ distribution achieved since previous year throughout the value chain? Not Applicable.</p> <p>b) Reduction during the usage by the consumers (energy, water) has been achieved since previous year? Not Applicable.</p>
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	The Company follows procurement plan to cater the firm order received, by entering into long business agreements with suppliers to secure timely delivery.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	<p>Yes, the Company is engaged with various local and small vendor for procurement activities:</p> <p>Your Company had conducted two vendor development programs, out of which one was exclusively for MSEs and also arranged supplier meet (Buyer-Seller) during the year. To further enhance the vendor base, your Company had participated in three online national level programs conducted by MSME-Development Institute (DI) across India.</p> <p>Your Company is complying with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012. Accordingly, out of the total annual procurement, 25 % procurement is to be made from MSEs. During the FY 2021-22, your Company has achieved 26.40% procurement from MSEs.</p>
5	Does the company have a mechanism to recycle products and waste?	<p>The main products of the Company are Shipbuilding and Submarines and other accessories for use of strategic/national security applications primarily to the Ministry of Defence. The products once delivered would not come back to the Company except for refit and repairs, hence the Company is not in a position to recycle the products.</p> <p>The Company has well established mechanism for disposal (as per the rules and regulations authorized by the respective pollution boards) of the waste generated in the facility during various activities including medical waste.</p>

<b>Principle 3</b>		
1	Total number of permanent employees as on 31.03.2022.	3343 as on 31.03.2022
2	Total number of employees hired on temporary/ contractual/ casual basis.	1629 Fixed Term Contract Employees + 5703 Other Contract Employees as on 31.03.2022
3	Number of permanent women employees.	121 as on 31.03.2022
4	Number of permanent employees with disabilities	73 as on 31.03.2022
5	Employee association	Yes, the Company has 9 Unions on the Bargaining Council for representing non-executives. The Company also has Employee Welfare Association representing SC/ST & OBC employees.
6	What percentage of your permanent employees is members of this recognized employee association?	71.04% (2375 non-executives) of permanent non-executives are members of Bargaining Council

<b>Principle 3</b>		
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	01 (One) complaint of Sexual Harassment was received during the fiscal year which was disposed-off.
8	Brief details of training Programme held for employees with respect to safety & skill up gradation training in the last year	Training related to Health and safety was organized on the topics like Safety, First Aid, Session by Gynecologists', Session by Oncologist, Lifestyle Diseases, Cancer Day, Session by Cardiologist wherein a total of 1687 employees participated. A total of 133 training programs were conducted on the above said topics in the FY 2021-22 and a total of 4879 Employees participated
<b>Principle 4</b>		
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, the Company has identified the disadvantaged & marginalized stakeholders as indicated below: i) SC/ST employees ii) Employees with Disabilities iii) Women employees
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	There are liaison officers for SC/ST and Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment. In addition, MDL has various Standing Committees for SC/ST, Employees with Disability and Women employees to engage with them.
<b>Principle 5</b>		
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Policies addressing human rights cover only MDL.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the FY 2021-22, no complaint pertaining to Human Rights was received from the employees.
<b>Principle 6</b>		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Yes. MDL's HSE Policy covers MDL's employees, Contractors, Customers, Visitors, Suppliers & other stakeholders.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, The Company is addressing issues pertaining to climate change and global warming through energy conservation and energy substitution measures such as: i) The Company has installed 1.85 MWp Roof Top Solar Photovoltaic Power Plants on the workshop roofs / building terrace at MDL. Annual energy generation from 1.85 MWp SPV power plants is approximately 24 Lakh units per year which is 12% of total consumption. ii) Changing conventional lights into LED lights. <a href="https://mazagondock.in/images/pdf/mazdock-annual-report-agm-notice-2020-2021.pdf">https://mazagondock.in/images/pdf/mazdock-annual-report-agm-notice-2020-2021.pdf</a>



<b>Principle 6</b>		
3	Does the company identify and assess potential environmental risks? Y/N	Yes. MDL being a ISO 14001:2015 and OHSAS 18001:2007 certified company, committed to provide healthy, safe and pollution free environment to its employees and all the stakeholders while manufacturing the world class Warships and Submarines.  Company has a documented process for identification of potential health hazards/ risks, environmental aspects and their mitigation measures.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No initiatives other than those already mentioned at sl. No. 2 of Principle 6 above.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Yes. MDL is committed to provide pollution free environment within its premises. Towards this, quarterly monitoring of environmental parameters i.e. Ambient Air, Water and noise has been conducted through NABL accredited agency within MDL premises. All the parameters of the same are within acceptable limits for financial year being reported.
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No Show Cause/ Legal Notice received from CPCB/SPCB.
<b>Principle 7</b>		
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a. Standing Conference of Public Enterprises(SCOPE). b. Confederation of Indian Industry(CII) c. Society of Defence Technologists (SODET) d. Indian Shipbuilders Association (ISBA)
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Whenever Policy guidelines are issued, suggestions are being provided. In addition, seminars/workshops are also attended for conveying our views on the policies.
<b>Principle 8</b>		
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes. MDL has specified programmes/initiatives/Projects in pursuit of the policy related to Principle 8. The list of such projects/initiatives carried out under CSR during 2021-22 are provided in Appendix E to the Directors' Report.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Most of the CSR projects/ activities are executed through external NGOs/ government structures.

<b>Principle 8</b>		
3	What is your company's direct contribution to community development projects.	An amount of Rs.1111 lakhs was spent by the company on various CSR initiatives to support disadvantaged/ marginalized/ vulnerable communities in FY 2021-22. This is MDL's direct contribution towards community development projects. The details of the same are provided at Appendix E to the Director's Report.
4	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes, adequate steps have been taken (e.g. need assessment, meeting with stakeholders etc.) while designing the CSR project/activities to ensure that community development initiatives are successfully adopted by the community.

<b>Principle 9</b>		
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	NIL Complaints from Customer
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	The final products(viz. Warships and Submarines) are primarily meant for Defence requirement. The final product was on unique identity.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	Nil
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The products are primarily meant for defence requirement and customer satisfaction survey is carried out.



Supported Cama & Albless Hospital, Mumbai in setting up of 13 KL Liquid Medical Oxygen (LMO) Tank for COVID 19 wards.



# Independent Auditor's Report

To the members of MAZAGON DOCK SHIPBUILDERS LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of Mazagon Dock Shipbuilders Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit

of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to the following matters in the notes to the Standalone Ind AS financial statements:

1. Registration formalities and Renewals of certain Leasehold properties are pending. (Refer Note 2 Point no. (x))
2. Balance due from / to Indian Navy is subject to reconciliation and confirmation. (Refer Note 34 Point no. 2)
3. Balance of Advances to Vendors and balances outstanding in Trade Payables are subject to confirmation. (Refer Note 34 Point no. 1)

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming an opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report:

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Revenue Recognition for Ship Construction &amp; repair contracts</b></p> <p>Referred to in <b>Note No. 1 - 2.2(j)</b> of the Financials Statements</p> <p>The company recognizes the revenue from Ship Construction/ repair contracts when the company satisfies a performance obligation by transferring goods or service to a customer.</p> <p>The company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.</p> <p>When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.</p> <p>For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)</p>	<ul style="list-style-type: none"> <li>• We have perused the contractual terms with respect to performance obligations and criteria for transfer of control of asset to the customer.</li> <li>• Studied the Cost cycle process for allocating the actual expenses incurred on various projects.</li> <li>• Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs.</li> <li>• Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

### Other Matter

The Company has adequate resources to continue in operational existence for the foreseeable future. But going forward the uncertainties resulting from COVID-19 will result into delay in completion of projects and may increase the exceptional losses. (Refer Note 49 of the Financial Statement)

Our opinion is not modified in respect of above matter.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure I**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the directions issued by the office of the Comptroller & Auditor General of India under Section 143(5) of the Act, we give in "**Annexure II**", a statement on the matters referred to in those directions.
3. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) In view of the exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Companies Act, 2013 regarding disqualification of the directors are not applicable to the Government 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 III"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the exemption has been given for the said section vide notification no. G.S.R 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 33 to the standalone financial statements.
  - The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 37 to the standalone financial statements.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 51 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
  - The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023 vide MCA notification G.S.R. 235E dated 31st March, 2022. Therefore, reporting under Rule 11(g) of Companies (Audit & Auditor) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

**For M/s. JCR & Co.**

Chartered Accountants

FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFSW8872

Date: 30th May, 2022

Place: Mumbai



## Annexure 'I' To The Independent Auditor's Report

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

i. In respect of the Company's Property, Plant & Equipment and Intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;

(B) The Company has maintained proper records showing full particulars of Intangible assets;

(b) The Company has a program of verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of

its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management through an External Auditor during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;

(c) The Title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreement is duly executed in favor of the lessee) are held in the name of the Company except for the list of immovable properties and the lease agreements expired but yet to be renewed disclosed as follows:

(₹ in lakhs)

Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in name of company*
					Indicate if in dispute
<b>Lease hold Land</b>					
North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S. N. Co)	NO	1966	In Year 1960, Mazagon Dock private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the president of India and M/s British Steam Navigation company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O S. N.Co.) to acquire the shares of MDPL held by them. Later, the company's name was changed to 'Mazagon Dock Limited' (MDL) and thereafter to Mazagon Dock Shipbuilders limited. The updation with respect to the name of the company in the land records/lease agreement and the renewal of lease agreement for south yard land are under process.
North Yard, Near Residential Colony, MDL, Mumbai	-			1975	
South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)		1959	
South Yard, Near Mogul House, MDL, Mumbai	-			1947	
355 Phase North yard	9699	Mumbai Port Trust (MBPT)		1976	Land at Mumbai taken from MBPT, Mumbai on lease. Renewal of lease agreements is under process. MDL is regularly paying rent according to the terms and condition of the old lease agreement.
Extension of Phase II	3051			1979	
Extension of Slipway in SY	5136			1995	
Additional water area for Extension of Slipway	2539			2003	
Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)		1984	The company is in possession of approx. 10-acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights co-terminus with the leasehold rights of ONGC with the CIDCO land in their possession.
<b>Building</b>					
Flats at Vashi	14	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)		1985	Registration of Deed of apartments is pending. However, the share certificates and other documents are in the name of the Company.

- (d) The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) According to the information and explanations given to us, there are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- ii. In respect of the Company's Inventory:
- (a) As per the information and explanations given to us, the Inventory (except those held with third parties) has been physically verified by the management and the external auditor during the year at reasonable intervals. The coverage and procedures of the verification carried out by the management are appropriate. The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of accounts. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) As per the information, explanations and supporting given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The monthly statements filed by the company with banks are not in agreement with the books of account of the Company, the details with reasons are as follows;

Month	Drawing Power (DP) calculation as per DP statement submitted to bank ₹ In Lakhs	Drawing Power (DP) calculation as per Books of accounts ₹ In Lakhs	Difference in Amounts ₹ In Lakhs	Variance (%)
Jun-21	(6,15,121)	(6,24,080)	8,959	(1.46%)
Sep-21	(6,83,423)	(6,95,891)	12,468	(1.82%)
Dec-21	(7,15,264)	(7,12,539)	(2,725)	0.38%
Mar-22	(8,11,678)	(8,25,501)	13,823	(1.70%)

- Our observations with regards to variance are as follows:
- The stock statement is required to be submitted to the bank by the prescribed due date. As per the explanation given by the company, a provisional statement is submitted to the bank by the due date and the actual figures vary in certain cases after finalization of accounts. The Company has not availed any fund-based facility during the year and has availed only non-fund-based facility from the bank during the year.
- iii. According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of clause 3(iii)(a) to 3(iii)(f) of the order are not applicable to the Company;
- iv. The Company has not granted any loan, given any guarantee or provided any security covered under Section 185 of the Act. Section 186 of the Act relating to investments, loans granted, guarantees given and security provided is not applicable to the Company being a Government Company engaged in Defense production;
- v. According to the explanation and information given to us, the Company has not accepted deposits or amounts which are deemed to be deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi. We have broadly reviewed the cost records maintained by the Company, as prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate and complete;
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.



- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

Name of the Statute	Period	Amount (₹ In Lakhs)	Forum where dispute is pending	Part-payment made under protest (₹ In Lakhs)
Central Excise Act, 1944	FY 2001-02 to FY 2003-04 and FY 2007-08	242.10	CESTAT, Mumbai	Nil
	FY 2000-01	15.00	Additional Commissioner, Mumbai	Nil
BST Act, 1959	FY 1980-81 to FY 2004-05	1,08,428.37	Maharashtra Sales Tax Tribunal, Mumbai	442.67
MVAT Act, 2002	FY 2005-06 to FY 2013-14, FY 2016-17, FY 2017-18	8,870.75	Jt. Commissioner of Sales Tax	229.00
Karnataka Sales Tax Act	FY 1989-90, FY 1990-91, FY 1992-93, FY 1995-96 to FY 1996-97	316.40	Karnataka Sales Tax Appellate Tribunal	12.60
Service Tax	FY 2001-02 to FY 2003-04	4,426.42	Bombay High Court	Nil
Custom Duty	FY 2007-08	8.00	Assistant Commissioner of Customs	Nil

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. According to the information and explanation given to us,
- (a) The Company has not taken any loans or borrowings from any lender. Accordingly, the provisions of clause 3(ix)(a) of the order is not applicable to the Company;
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority;
- (c) The Company has not obtained any term loans during the year. Accordingly, the provision of clause 3(ix)(c) of the Order is not applicable.
- (d) No funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has not taken any funds from the entity or person on account of or to meet the obligations of its associate. The company does not hold any investment in any subsidiary or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its associates. The company does not hold any investment in any subsidiary or joint venture. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, clause 3(x)(b) of the order is not applicable to the company;
- xi. To the best of our knowledge and according to the information and explanations given to us:
- (a) No fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle-blower complaints were received during the year by the company;
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(x)(a) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance

with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards;

xiv. (a) According to the information and explanations given and based on our examination, the company has an Internal Audit system commensurate with the size and nature of its business;

(b) We have considered the reports of the internal Auditors for the period under audit;

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. According to the information & explanation given to us and as per the records examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 xvi (a), (b), (c) & (d) of the Order are not applicable to the company;

xvii. According the information and records examined by us the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, clause 3 xvii of the Order is not applicable to the company;

xviii. There has been no resignation of the Statutory Auditors during the year, Accordingly, clause 3 xviii of the Order is not applicable to the company;

xix. In our opinion and according to the information and explanations given to us, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

xx. (a) CSR activities and expenses are pertaining to Ongoing projects only. Accordingly, clause 3 xx (a) of the Order is not applicable to the company;

(b) Yes, an amount of ₹ 4.56 Crores which is unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing projects, has been transferred to special account which is in compliance with the provision of sub-section (6) of section 135 of the said Act;

xxi. There is no qualifications or adverse remarks in the CARO Report of the Associate Company namely, Goa Shipyard Limited, which is included in the Consolidated Financial Statements.

**For M/s. JCR & Co.**

Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFSW8872

Date: 30th May, 2022

Place: Mumbai



## Annexure 'II' To The Independent Auditor's Report

### To the Members of Mazagon Dock Shipbuilders Limited

As referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in our Auditor's Report of even date and as required by the directions issued by the Office of the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, we give below our comments on the matters referred therein:

**1. Whether the Company has a System in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.**

- According to the information and explanations given to us and based on the records of the Company examined by us, the Company has an ERP system in place to process all the transactions through the IT System. All the processes and transactions are mapped through ERP.

**2. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debt/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).**

- According to the information and explanations given to us and based on the records of the Company examined by us, there were no cases of waiver/ write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loans in FY 2021-22.
- 3. Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.**
- According to the information and explanations given to us and based on the records of the Company examined by us, there were no such cases of any funds received by the Company during FY 2021-22 from Central/State governments under any schemes.

**For M/s. JCR & Co.**

Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFSW8872

Date: 30th May, 2022

Place: Mumbai

# Annexure 'III' To The Independent Auditor's Report

(Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

## 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 **MAZAGON DOCK SHIPBUILDERS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material



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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 M/s. JCR & Co.**

Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFSW8872

Date: 30th May, 2022

Place: Mumbai

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2022.**

The preparation of standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2022.

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

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

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



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

**Bangalore**

**Date: 27.07.2022**



# Standalone Balance Sheet

as at March 31, 2022

₹ in lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	71,354	74,285
Right-of-use assets	2	24,302	5,208
Capital work-in-progress	3	8,694	8,015
Other intangible assets	2	806	1,192
		<b>1,05,156</b>	<b>88,700</b>
<b>Financial assets</b>			
Investments	4	600	600
Trade receivable	5	1,773	1,544
Other financial assets	6	14,116	14,869
Deferred tax assets (net)	7	44,683	42,361
Non-current tax assets (net)		31,320	21,882
Other non-current assets	8	72,792	84,206
<b>Total non-current assets</b>		<b>2,70,440</b>	<b>2,54,162</b>
<b>Current assets</b>			
Inventories	9	7,70,010	5,88,861
<b>Financial assets</b>			
Trade receivables	10	1,00,541	96,594
Cash and cash equivalents	11	72,047	73,991
Bank balances other than cash and cash equivalents	12	10,76,000	7,28,800
Other financial assets	13	14,066	13,959
Contract assets		40,700	21,370
Assets held for sale		44	35
Other current assets	14	5,79,536	6,84,814
<b>Total current assets</b>		<b>26,52,944</b>	<b>22,08,424</b>
<b>TOTAL ASSETS</b>		<b>29,23,384</b>	<b>24,62,586</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	20,169	20,169
Other equity		3,11,967	2,71,737
<b>Total equity</b>		<b>3,32,136</b>	<b>2,91,906</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	16	1,773	1,544
Other financial liabilities	17	97	75
Lease Liability		474	2,303
Other long-term liabilities	18	14,037	14,802
Long-term provisions	19	56,473	73,016
<b>Total non-current liabilities</b>		<b>72,854</b>	<b>91,740</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
i. total outstanding dues of micro and small enterprises		15	3,936
ii. total outstanding dues other than (i) above	20	6,16,550	6,32,246
Other financial liabilities	21	16,973	15,811
Lease Liability		690	663
Contract liability		18,70,776	14,17,608
Other current liabilities	22	1,923	1,649
Short-term provisions	23	11,467	7,027
<b>Total current liabilities</b>		<b>25,18,394</b>	<b>20,78,940</b>
<b>Total liabilities</b>		<b>25,91,248</b>	<b>21,70,680</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,23,384</b>	<b>24,62,586</b>
Significant accounting policies and notes to the financial statements	1 to 55		

As per our report of even date

**JCR & Co**Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary

# Statement of Standalone Audited Profit & Loss

for the year ended March 31, 2022

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
	<b>INCOME</b>			
1	Revenue from operations	24	5,73,328	4,04,782
2	Other income	25	43,363	60,020
<b>3</b>	<b>Total income</b>		<b>6,16,691</b>	<b>4,64,802</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	26	2,69,307	1,88,191
	Procurement of base and depot spares		91,365	57,833
	Employee benefit expenses	27	79,873	65,281
	Finance costs	28	716	836
	Depreciation and amortization expenses		7,451	5,965
	Sub-contract		42,935	39,716
	Power and fuel		1,473	1,137
	Other expenses - project related	29	16,434	16,835
	Other expenses	30	18,216	11,420
	Provisions	31	10,255	1,982
	<b>Total expenses</b>		<b>5,38,025</b>	<b>3,89,196</b>
<b>5</b>	<b>Profit before tax but before exceptional items</b>		<b>78,666</b>	<b>75,606</b>
6	Exceptional items		1,397	12,614
<b>7</b>	<b>Profit before tax but after exceptional items</b>		<b>77,269</b>	<b>62,992</b>
<b>8</b>	<b>Tax expense</b>			
	Current tax		20,944	14,863
	Deferred tax (credit) / charge		(2,322)	(888)
	Adjustment of tax relating to earlier years		-	1,060
<b>9</b>	<b>Profit for the year / period</b>		<b>58,647</b>	<b>47,957</b>
<b>10</b>	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	Remeasurement of defined employee benefit plan		(543)	1,814
	Income tax effect		137	(457)
<b>11</b>	<b>Total comprehensive income for the period</b>		<b>58,241</b>	<b>49,314</b>
<b>12</b>	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>29.08</b>	<b>23.78</b>
	Significant accounting policies and notes to the financial statements	1 to 55		

As per our report of even date

## JCR & Co

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



# Statement of Standalone Cash Flows

for the year ended March 31, 2022

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2022 Audited	Year Ended March 31, 2021 Audited
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax but after exceptional items</b>	77,269	62,992
	<b>Adjustments for :</b>		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation / amortization	7,451	7,108
	Finance cost	716	836
	Amortization of prepaid rentals	15	15
	<b>(-) Non operating income</b>		
	(Profit) / Loss on sale of fixed assets	256	-
	Interest income	(34,748)	(36,824)
	Dividend received	(2,336)	(2,610)
	Amortization gain on deferred deposits of vendors	(7)	(9)
	Amortization of deferred revenue (customer funded assets)	(763)	(804)
	Interest Income on deferred payment liability to foreign supplier	(398)	(371)
	Interest Income on deferred deposit with MbPT	(22)	(20)
	<b>Operating profit before working capital changes</b>	<b>47,433</b>	<b>30,313</b>
	<b>Movement in working capital</b>		
	Decrease / (Increase) in Inventories	(1,81,149)	(1,26,592)
	Decrease / (Increase) in Trade receivables and loans and advances	(3,756)	47,096
	Decrease / (Increase) Other current and non current assets	(2,48,961)	(3,13,627)
	(Decrease) / Increase in Trade payables and provisions	(52,866)	1,10,634
	(Decrease) / Increase in Other current and non current liabilities	4,53,281	2,74,665
	<b>Cash flow from operations</b>	<b>13,982</b>	<b>22,489</b>
	<b>Direct tax paid (net of refunds)</b>	(30,245)	(15,668)
	<b>Net cash from (used in) operating activities (A)</b>	<b>(16,263)</b>	<b>6,821</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	(3,201)	(4,190)
	Capital work in progress	(679)	(19)
	Proceeds from sale of property, plant and equipment	127	16
	Capital advance	(239)	103
	Interest received	34,748	36,824
	Dividend received	2,336	2,610
	Principal portion of lease payments	(452)	(519)
	<b>Net cash from / (used in) investing activities (B)</b>	<b>32,640</b>	<b>34,825</b>

Note: Figure in bracket indicate outflow

# Statement of Standalone Cash Flows

for the year ended March 31, 2022 (Contd..)

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2022 Audited	Year Ended March 31, 2021 Audited
<b>C</b>	<b>Cash flow from financing activities</b>		
	Dividend paid	(18,011)	(15,528)
	Finance costs - Lease	(310)	(455)
	<b>Net cash from / (used in) financing activities (C)</b>	<b>(18,321)</b>	<b>(15,983)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,944)</b>	<b>25,663</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>73,991</b>	<b>48,328</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>72,047</b>	<b>73,991</b>
	<b>Components of cash and cash equivalents:</b>		
	<b>Balances with banks:-</b>		
	- In Current accounts		
	i) In India	4,191	11,011
	ii) Outside India	32	81
	- In flexi deposit accounts	67,824	62,899
	<b>Total</b>	<b>72,047</b>	<b>73,991</b>

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



# Statement of Changes In Equity

for the year ended March 31, 2022

## (A) Equity share capital

For the year ended March 31, 2022

₹ in lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
20,169	-	20,169	-	20,169

For the year ended March 31, 2021

₹ in lakhs

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the period	Balance as at March 31, 2021
20,169	-	20,169	-	20,169

## (B) Other equity

For the year ended March 31, 2022

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2021</b>	32,807	2,31,244	5	1,039	12,123	(5,481)	2,71,737
Profit / (loss) for the year	58,647						58,647
Other comprehensive income / (loss) for the year						(406)	(406)
Dividends							
Interim	(14,320)						(14,320)
Final	(3,691)						(3,691)
<b>Balance as at March 31, 2022</b>	<b>73,443</b>	<b>2,31,244</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,887)</b>	<b>3,11,967</b>

For the year ended March 31, 2021

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2020</b>	<b>378</b>	<b>2,31,244</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(6,838)</b>	<b>2,37,951</b>
Profit / (loss) for the year	47,957						47,957
Other comprehensive income / (loss) for the year						1,357	1,357
Dividends							
Interim	(10,911)						(10,911)
Final	(4,617)						(4,617)
<b>Balance as at March 31, 2021</b>	<b>32,807</b>	<b>2,31,244</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,481)</b>	<b>2,71,737</b>

# Statement of Changes In Equity

for the year ended March 31, 2022 (Contd..)

The description of the nature and purpose of reserve within equity is as follows:

**Capital reserve:** The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

**Capital redemption reserve:** These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

**Other Comprehensive Income:** These reserves are created on account of actuarial valuation of defined employee benefit plan.

**Indigenisation Fund:** These fund is created as per Indigenisation policy for providing support for future indigenisation.

**Dividend:** The Board has recommended the final dividend for FY 2021-22 of ₹ 3288 lakhs (i.e ₹ 1.63 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



## Note 1: Statement of Significant Accounting Policies

### 1) Corporate information:

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

### 2) Significant accounting policies:

#### 2.1 Basis of preparation:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

#### 2.2 Summary of significant accounting policies:

##### a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

**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 against which the deductible temporary difference and the unused tax losses can be utilized. The management assumes that 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 vary.

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

### b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

#### i. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or

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

All other assets are classified as non - current.

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

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

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

**c) Property, plant and equipment:**

- i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.
- When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

**ii. Depreciation:**

- (a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

- (b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.



- (c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.
- (d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.
- (e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.
- (f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (g) Depreciation on property, plant and equipment commences when the assets are ready for intended use
- (h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.
- (i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.
- (j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

**d) Intangible assets:**

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

**e) Impairment of assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f) Investment in associate:**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

**Exemption availed under Ind AS 101:** On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

**g) Foreign currency transactions:**

The financial statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

**h) Borrowing costs:**

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 consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**i) Inventory valuation**

- i. Raw materials and stores and general spares are valued at weighted average cost.
- ii. Equipment for specific projects are valued at cost.
- iii. Stock-in-transit is valued at cost.
- iv. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- v. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.
- vi. Scrap is valued at estimated net realizable value.
- vii. Work in progress and finished goods other than construction contracts & ship repair contracts have been valued at lower of cost and net realisable value.

**j) Revenue recognition****i. Ship construction & repair contracts**

Revenue from Ship Construction / repair Contracts shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met-

- (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs
- (b) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

**Fixed Price Contract:**

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

**Cost Plus Contract:**

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

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

**Contract Asset:**

The company's right to consideration in exchange for goods or services that the company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

**Contract Liability:**

The company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

**Revenue from supply of Base & Depot (B&D) spares:**

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

**Revenue for contract is yet to be finalized or under revision:**

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/ determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

**Significant financing component:**

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

**ii. Dividend income**

Dividend income from investments is recognized when the Company's right to receive payment has been established.

**iii. Interest income**

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

**iv. Insurance claims:**

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the company's estimate of the realisable value.

**k) Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:****i. Classification:**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**ii. Initial recognition and measurement:**

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.

**iii. Financial assets measured at amortised cost:**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

**iv. Financial assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**v. Financial assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

**vi. Investment in equity instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

**vii. Investment in debt instruments:**

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

**viii. Impairment of financial asset:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

**ix. Derecognition of financial assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities:**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

**i. Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

**ii. Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost

using the EIR method. In each financial year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

**iii. De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

**iv. Retentions**

Retention amount payable / receivable under the terms of the contracts with the vendors / customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

**v. Security deposit**

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

**l) Leases**

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 "Leases", Appendix A of Ind AS 17 "Operating Leases-Incentives", Appendix B of Ind AS 17 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". and Appendix C of Ind AS 17 "Determining Whether an Arrangement Contains a Lease".

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Company adopted the new standard Ind AS 116 for accounting period beginning on or after April 1, 2019 using retrospective method and therefore the



cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

### Identifying a lease

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

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease" is maintained for existing contracts.

#### i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1,2018..
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1,2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1,2018 have been treated as short term.

#### Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.
- b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of ₹1,00,000/- has been utilised to define "low value".

The Company's operating leases mainly relate to real estate assets, company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31, 2019, measured under Ind AS 17.

#### ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### m) Employee benefits

#### i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### iii. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Provident Fund and post-retirement medical scheme for non-executives; and
- (b) defined contribution plans such as pension and post-retirement medical scheme for executives.

#### Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions based on actuarial valuation are charged to revenue. Any additional provision as may be required is provided for on the basis of actuarial valuation as per Ind AS 19 on Employee Benefits.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### Post-retirement medical scheme

The post-retirement medical scheme to the non executives employees is a defined benefit plan and is determined based on actuarial valuation as per Ind AS 19 on Employee Benefits using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.



The post-retirement medical scheme liability towards executives is recognised on accrual basis and charged to statement of profit and loss, which is a contribution plan.

#### **Provident fund**

The Provident Fund Trust of Company has to declare interest on the Provident Fund at a rate not less than notified by the Employee Provident Fund Organization. Company has obligation to make good the shortfall, if any, in case trust is not able to meet the interest liability. Obligation of Company is calculated annually by actuaries using projected Unit Credit method.

#### **Pension Fund**

Defined contribution to Superannuation Pension Scheme is charged to statement of Profit & Loss at the applicable contribution rate as per approved Pension scheme.

#### **n) Dividend to equity shareholders**

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

#### **o) Provision for current & deferred tax**

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **Current income tax:**

Current tax comprises of the expected tax payable on the taxable income for the year. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

#### **p) Provision for doubtful debts and loans and advances:**

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

#### **q) Warranty provision:**

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

#### **r) Provision, 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.

### Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021	As on 31-03-22
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	-	10,772
2	Buildings:												
	i) Factory Building	6,134	143	-	6	6,271	660	273	-	6	927	-	5,344
	ii) Office and Staff Quarters												
	a) RCC	5,174	26	-	-	5,200	708	280	-	-	988	-	4,212
	b) Non RCC	1,435	97	-	-	1,532	163	60	-	-	223	-	1,309
	iii) Others (Temporary structure)	102	7	-	-	109	65	32	-	-	97	-	12
3	Road	673	437	-	-	1,110	637	24	-	-	661	-	449
4	Plant and Equipment	24,833	1,314	-	306	25,842	6,672	1,818	-	281	8,209	-	17,633
5	Furniture and Fixtures	1,898	50	-	30	1,918	890	173	-	15	1,048	-	870
6	Vehicles	2,006	15	-	10	2,011	1,386	257	-	10	1,633	-	378
7	Office Equipment	3,822	279	-	41	4,061	1,817	643	-	44	2,416	-	1,645
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	782	1	-	79	704	619	89	-	79	629	-	75
	ii) Server and Network	4,249	321	-	37	4,534	2,353	714	-	25	3,042	-	1,492
9	Loose Tools	622	5	-	1	626	483	70	-	1	552	-	74
10	Ship - Launches and Boats	4,917	-	-	-	4,917	413	174	-	-	587	-	4,330
11	Electrical Installation and Equipments	2,569	266	-	20	2,816	966	239	-	19	1,186	-	1,630
12	Right to use asset - Leasehold land	8,719	20,426	-	782	28,363	3,704	827	-	425	4,106	-	24,257
13	Right to use asset - Vehicles	449	-	-	-	449	256	148	-	-	404	-	45
	<b>Sub-total</b>	<b>79,156</b>	<b>23,389</b>	<b>-</b>	<b>1,310</b>	<b>1,01,238</b>	<b>21,792</b>	<b>5,821</b>	<b>-</b>	<b>905</b>	<b>26,708</b>	<b>-</b>	<b>74,530</b>
	Previous Year's Figures	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	-	57,364

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2021 - ₹ 4917 lakhs) out of which ₹ 4917 lakhs (2021 - ₹ 4917 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.



**Note 2 - Property, Plant and Equipment (Contd..)**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
<b>B</b>	<b>Jointly Funded Assets</b>											
1	Buildings:											
	i) Factory Building	16,244	-	-	-	16,244	2,753	461	-	-	3,214	13,491
	ii) Office and Staff Quarters											
	a) RCC	1,646	-	-	-	1,646	117	29	-	-	1,500	1,529
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	102	19	-	-	121	31
3	Plant and Equipment	7,491	42	-	-	7,533	2,002	344	-	-	2,346	5,489
4	Electrical Installation and Equipments	649	-	-	-	649	253	61	-	-	314	396
5	Furniture and Fixtures	216	-	-	-	216	85	20	-	-	105	131
6	Office Equipment	153	-	-	-	153	119	25	-	-	144	34
7	Computers and Data Processing Units						-	-				
	i) Server and Network	338	-	-	-	338	286	52	-	-	338	52
8	Ship - Launches and Boats	1,143	-	-	-	1,143	167	37	-	-	204	976
	<b>Sub-total</b>	<b>28,013</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>5,884</b>	<b>1,048</b>	<b>-</b>	<b>-</b>	<b>6,932</b>	<b>22,129</b>
	Previous Year's Figures	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	23,289
	<b>Total Tangibles Assets (A+B)</b>	<b>1,07,169</b>	<b>23,431</b>	<b>-</b>	<b>1,310</b>	<b>1,29,296</b>	<b>27,676</b>	<b>6,869</b>	<b>-</b>	<b>905</b>	<b>33,640</b>	<b>79,493</b>
	Previous Year's Figures	1,03,514	3,923	-	268	1,07,169	21,592	6,320	-	236	27,676	81,922

**Intangible Assets**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
<b>A</b>	<b>Assets Owned by MDL</b>											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	833	72	-	-	905	256
2	Other than SAP-ERP	4,600	196	-	-	4,796	3,664	510	-	-	4,174	936
	<b>Sub-total</b>	<b>5,689</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>5,885</b>	<b>4,497</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>5,079</b>	<b>1,192</b>
	Previous Year's Figures	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,680

## Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK				
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021	As on 31-03-22
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-
2	Other than SAP-ERP	181	-	-	-	181	-	-	-	181	-	-	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,148	33	-	-	1,181	-	-	33
	<b>Total Intangible Assets (A+B)</b>	<b>6,870</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>7,066</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>6,260</b>	<b>806</b>	<b>1,192</b>	<b>1,192</b>
	Previous Year's Figures	6,603	267	-	-	6,870	788	-	-	5,678	1,192	1,713	1,713
	<b>Total Assets (i-ii)</b>	<b>1,14,039</b>	<b>23,627</b>	<b>-</b>	<b>1,310</b>	<b>33,354</b>	<b>7,451</b>	<b>-</b>	<b>905</b>	<b>39,900</b>	<b>96,462</b>	<b>80,685</b>	<b>80,685</b>
	Previous Year's Figures	1,10,117	4,190	-	268	26,482	7,108	-	236	33,354	80,685	83,635	83,635

(i) Depreciation of ₹ Nil pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 1143 lakhs)

(ii) Government of Kerala has assigned "Free of Cost" 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.

(iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.

(iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.

(v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

(vi) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements of FY 2021-22.

(vii) Building as at 31st March 2022 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(viii) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of ₹ Nil. (previous year: ₹ 2282 lakhs)

### (ix) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	₹ in lakhs										Total as on 31-03-2021	
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads		Total as on 31-03-2022
1	Total Cost upto 31.03.2022	34,053	649	65,253	345	96	1,142	166	241	1,418	133	1,03,496	1,03,479
2	Less: Funded By Navy	28,013	628	61,141	345	96	983	158	241	1,181	-	92,786	92,744
3	Funded By MDL	6,040	21	4,112	-	-	159	8	-	237	133	10,710	10,735
	<b>Previous Year's Figures</b>	<b>6,065</b>	<b>21</b>	<b>4,112</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,735</b>	<b>10,735</b>



**Note 2 - Property, Plant and Equipment (Contd..)**

x) Title deeds of immovable properties not held in the name of the company as on 31.03.2022

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	<b>Lease hold Land</b>					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-			1975	
	South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1959	
	South Yard, Near Mogul House, MDL, Mumbai	-			1947	
	355 Phase North yard	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process. MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	Extension of Phase II	3,051			1979	
	Extension of Slipway in SY	5,136			1995	
	Additional water area for	2,539			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	<b>Building</b>					
	Flats at Vashi	14.00	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Deed of apartment is pending, however share certificates and other documents are in the name of the Company.
Investment Property	Land	-			-	
	Building	-			-	
Noncurrent asset held for sale	Land	-			-	
	Building	-			-	
Others	-	-			-	

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### Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings:												
	i) Factory Building	5,842	292	-	-	6,134	440	220	-	-	660	5,474	5,402
	ii) Office and Staff Quarters												
	a) RCC	2,799	2,376	-	1	5,174	468	241	-	1	708	4,466	2,331
	b) Non RCC	1,429	6	-	-	1,435	105	58	-	-	163	1,272	1,324
	iii) Others (Temporary structure)	102	-	-	-	102	30	35	-	-	65	37	72
3	Road	673	-	-	-	673	610	27	-	-	637	36	63
4	Plant and Equipment	24,772	175	-	114	24,833	5,072	1,704	-	104	6,672	18,161	19,700
5	Furniture and Fixtures	1,697	238	-	37	1,898	739	171	-	20	890	1,008	958
6	Vehicles	1,942	68	-	4	2,006	1,137	252	-	3	1,386	620	805
7	Office Equipment	3,554	273	-	5	3,822	1,171	655	-	9	1,817	2,005	2,383
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	716	90	-	24	782	429	214	-	24	619	163	287
	ii) Server and Network	4,194	71	-	16	4,249	1,665	699	-	11	2,353	1,896	2,529
9	Loose Tools	616	6	-	-	622	410	73	-	-	483	139	206
10	Ship - Launches and Boats	4,936	-	-	19	4,917	259	172	-	18	413	4,504	4,677
11	Electrical Installation and Equipments	2,289	328	-	48	2,569	812	200	-	46	966	1,603	1,477
12	Right to use asset - Leasehold land	8,719	-	-	-	8,719	3,415	289	-	-	3,704	5,015	5,304
13	Right to use asset - Vehicles	449	-	-	-	449	106	150	-	-	256	193	343
	<b>Sub-total</b>	<b>75,501</b>	<b>3,923</b>	<b>-</b>	<b>268</b>	<b>79,156</b>	<b>16,868</b>	<b>5,160</b>	<b>-</b>	<b>236</b>	<b>21,792</b>	<b>57,364</b>	<b>58,633</b>
	Previous Year's Figures	65,225	10,586	-	310	75,501	12,106	5,036	-	274	16,868	58,633	53,119

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2020 - ₹ 4936 lakhs) out of which ₹ 4917 lakhs (2020 - ₹ 4936 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1938 / Indian Vessels Act, 1917.



**Note 2 - Property, Plant and Equipment (Contd..)**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Buildings:												
	i) Factory Building	16,244	-	-	-	16,244	2,246	507	-	-	2,753	13,491	13,998
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	88	29	-	-	117	1,529	1,558
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	77	25	-	-	102	31	56
3	Plant and Equipment	7,491	-	-	-	7,491	1,609	393	-	-	2,002	5,489	5,882
4	Electrical Installation and Equipments	649	-	-	-	649	191	62	-	-	253	396	458
5	Furniture and Fixtures	216	-	-	-	216	65	20	-	-	85	131	151
6	Office Equipment	153	-	-	-	153	91	28	-	-	119	34	62
7	Computers and Data Processing Units	-	-	-	-	-	-	-	-	-	-	-	-
	i) Server and Network	338	-	-	-	338	229	57	-	-	286	52	109
8	Ship - Launches and Boats	1,143	-	-	-	1,143	128	39	-	-	167	976	1,015
	<b>Sub-total</b>	<b>28,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,013</b>	<b>4,724</b>	<b>1,160</b>	<b>-</b>	<b>-</b>	<b>5,884</b>	<b>22,129</b>	<b>23,289</b>
	Previous Year's Figures	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	<b>Total Tangibles Assets (A+B)</b>	<b>1,03,514</b>	<b>3,923</b>	<b>-</b>	<b>268</b>	<b>1,07,169</b>	<b>21,592</b>	<b>6,320</b>	<b>-</b>	<b>236</b>	<b>27,676</b>	<b>79,493</b>	<b>81,922</b>
	Previous Year's Figures	93,213	10,611	-	310	1,03,514	15,676	6,190	-	274	21,592	81,922	77,537

**Intangible Assets**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	965	124	-	-	1,089	724	109	-	-	833	256	241
2	Other than SAP-ERP	4,457	143	-	-	4,600	3,018	646	-	-	3,664	936	1,439
	<b>Sub Total</b>	<b>5,422</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>5,689</b>	<b>3,742</b>	<b>755</b>	<b>-</b>	<b>-</b>	<b>4,497</b>	<b>1,192</b>	<b>1,680</b>
	Previous Year's Figures	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229

## Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK					
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 31-03-2021	As on 31-03-2020
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	-	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	148	33	-	-	-	181	-	33
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,148</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>33</b>
	Previous Year's Figures	1,181	-	-	-	1,112	36	-	-	-	1,148	33	69
	<b>Total Intangible Assets (A+B)</b>	<b>6,603</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>4,890</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,678</b>	<b>1,192</b>	<b>1,713</b>
	Previous Year's Figures	6,264	339	-	-	3,966	924	-	-	-	4,890	1,713	2,298
	<b>Total Assets (i+ii)</b>	<b>1,10,117</b>	<b>4,190</b>	<b>-</b>	<b>268</b>	<b>26,482</b>	<b>7,108</b>	<b>-</b>	<b>236</b>	<b>-</b>	<b>33,354</b>	<b>80,685</b>	<b>83,635</b>
	Previous Year's Figures	99,477	10,950	-	310	19,642	7,114	-	-	-	26,482	83,635	79,835

₹ in lakhs

- (i) Depreciation of ₹ 1143 lakhs pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 239 lakhs)
- (ii) Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 14 lakhs (previous year: ₹ 14 lakhs)
- (iii) Government of Kerala has assigned "Free of Cost" 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iv) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (v) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (vi) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vii) Lease agreements have not been executed in the cases of:-
1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.
  2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 20 lakhs. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.

**Note 2 - Property, Plant and Equipment (Contd..)**

(viii) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has proposed the renewal of expired leases of four plots for a period of 30 years by an upfront payment of around ₹ 27214 lakhs plus applicable taxes towards the lease premium and ₹ 4183 lakhs plus applicable taxes towards the arrears of rent for the period from Fiscal 2006 onwards. This proposal of lease renewal also provides the option of annual payment of lease rent for a period of 10 years amounting to approximately 1944 lakhs per annum plus applicable taxes. MDL has contested MbPT proposal and has recognised estimated reasonable lease rent in financial statements.

(ix) Building as at 31st March 2021 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(xi) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of ₹2282 lakhs.

**(xii) Assets jointly funded by MDL and Indian Navy**

Sr. No.	Particulars	₹ in lakhs										Total as on 31-03-2020
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	
1	Total Cost upto 31.03.2021	34,078	649	65,211	345	96	1,142	166	241	1,418	133	<b>1,03,479</b>
2	Less: Funded By Navy	28,013	628	61,099	345	96	983	158	241	1,181	-	<b>92,744</b>
3	Funded By MDL	6,065	21	4,112	-	-	159	8	-	237	133	<b>10,735</b>
	<b>Previous Year's Figures</b>	<b>6,065</b>	<b>21</b>	<b>4,112</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,735</b>

**Note 3 - Capital work-in-progress**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Capital work-in-progress</b>				
<b>1. Own resources</b>				
<b>A. Tangible assets</b>				
Opening balance	7,974		7,955	
Add: Expenditure during the period	24,110		3,942	
Less: Capitalisation during the period	(23,390)	8,694	(3,923)	7,974
<b>B. Intangible assets under development</b>				
Opening balance	-		-	
Add: Expenditure during the period	196		267	
Less: Capitalisation/adjustments during the period	(196)	-	(267)	-
<b>2. Funded by Indian Navy</b>				
<b>Submarine facilities upgradation project</b>				
Opening balance	41		41	
Add: Expenditure/adjustments during the period	2		-	
Less: Capitalisation/adjustments during the period	(43)	-	-	41
		<b>8,694</b>		<b>8,015</b>

**Ageing for capital work-in-progress as at March 31, 2022 as follows:**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	395	107	5284	2908	8,694
Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development ageing schedule:**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

\*The capital work-in-progress does not include items whose completion is overdue or has exceeded its cost compared to its original plan

**Note 4 - Non-current investments**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Investments in equity instruments (At cost, unquoted) in Associate</b>				
Equity shares of Goa Shipyard Limited		600		600
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)				
		<b>600</b>		<b>600</b>

**Note 5 - Trade receivables - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>(Unsecured, considered good)</b>			
Deferred debts		2,231		1,935
Less: Amount receivable within 12 months		(458)		(391)
		<b>1,773</b>		<b>1,544</b>

**Ageing for trade receivables-non-current outstanding as at March 31, 2022 is as follows:**

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,773	1,773
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Ageing for trade receivables-non-current outstanding as at March 31, 2021 is as follows:**

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,544	1,544
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 6 - Other financial assets - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>(Unsecured, considered good)</b>			
<b>Security deposits:</b>				
Security deposits with Mumbai Port Trust		403		382
Other deposits		338		328
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)		340		340
Leave encashment fund		13,035		13,819
		<b>14,116</b>		<b>14,869</b>

**Note 7 - Deferred tax assets (net)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Deferred tax assets / (liabilities)</b>				
<b>Deferred tax assets</b>				
Provisions	51,063		48,925	
Others	-	51,063	-	48,925
<b>Deferred tax liabilities</b>				
Depreciation	(6,380)	(6,380)	(6,564)	(6,564)
<b>Deferred tax assets (net)</b>		<b>44,683</b>		<b>42,361</b>

**Note 8 - Other non-current assets**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Capital advances		343		104
Deposits with custom and excise authorities		20		20
Other receivables - considered good	742		296	
Other receivables - considered doubtful	2,791		2,791	
Less: Allowance for doubtful receivables	(2,791)	742	(2,791)	296
Advances paid to vendors - considered doubtful	4		62	
Less: Allowance for doubtful advances	(4)	-	(62)	-
VAT / sales tax receivable		6,516		9,481
GST input tax credit				
Services	16,091		12,560	
Materials	48,758	64,849	61,474	74,034
Export incentive receivable				
Considered good	-		3	
Considered doubtful	-		107	
	-		110	
Less: Allowance for doubtful receivables	-	-	(107)	3
Prepaid expenses				
Prepaid deposits (MbPT)	57		61	
Less: amortisation / unwinding of prepaid deposits	(15)		(15)	
Less: current	(15)	27	(15)	31
Others		295		237
		<b>72,792</b>		<b>84,206</b>

**Note 9 - Inventories**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Raw materials</b>				
Material in stores	11,860		11,388	
Less: Provision for obsolescence	(125)	11,735	(123)	11,265
<b>Stores and spares</b>				
Material in stores	2,300		1,886	
Less: Provision for obsolescence	(143)	2,157	(69)	1,817
<b>Equipment for specific projects</b>				
Material in stores/site	6,00,026		5,57,126	
Less: Provision for obsolescence	-			
	6,00,026		5,57,126	
Stock in transit	6,892		18,470	
Materials pending inspection	1,48,798	7,55,716	-	5,75,596
Scrap		402		183
		<b>7,70,010</b>		<b>5,88,861</b>

**Note 9 - Inventories (Contd..)****Note:**

- (i) Inventory costing ₹ 18,565 lakhs (Previous year: 4,103 lakhs) is held with other vendors.
- (ii) Inventory costing ₹ Nil (Previous year: ₹ 576 lakhs) is held at customer's store.
- (iii) As on 31st March, 2022, Inventory held on behalf of Navy is ₹ 1,499 lakhs (Previous year - ₹ 2,168 lakhs) which is excluded from above inventory.

**Note 10 - Trade receivables - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>(Unsecured)</b>				
<b>Against sale and repair of ships and submarines</b>				
Considered good	98,755		94,808	
Considered doubtful	76,744		55,924	
	1,75,499		1,50,732	
Less: Loss allowance	(76,744)	98,755	(55,924)	94,808
<b>Against B&amp;D Spares</b>				
Considered good	1,786		1,786	
Considered doubtful	3,171		3,226	
	4,957		5,012	
Less: Loss allowance	(3,171)	1,786	(3,226)	1,786
		<b>1,00,541</b>		<b>96,594</b>

**Breakup of Trade receivables**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Trade receivables considered good - unsecured		1,00,541		96,594
Trade receivables considered doubtful - unsecured		79,915		59,150
<b>Total</b>		<b>1,80,456</b>		<b>1,55,744</b>
Loss allowance		(79,915)		(59,150)
<b>Total trade receivables (current)</b>		<b>1,00,541</b>		<b>96,594</b>

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	92,827	3,334	891	90	3,399	1,00,541
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 10 - Trade receivables - current (Contd..)**

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	68,382	235	2,911	3,815	22,794	98,137
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 11 - Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Cash and cash equivalents</b>				
<b>Balances with banks:-</b>				
- In current accounts				
i. In India	4,191		11,011	
ii. Outside India	32	4,223	81	11,092
- In flexi deposit accounts		67,824		62,899
		<b>72,047</b>		<b>73,991</b>

**Note 12 - Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		10,76,000		7,28,800
		<b>10,76,000</b>		<b>7,28,800</b>

**Note 13 - Other financial assets - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Insurance claims receivable				719
Interest accrued on deposits and advances		14,066		13,240
		<b>14,066</b>		<b>13,959</b>

**Note 14 - Other current assets**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>(Unsecured, considered good, unless otherwise specified)</b>				
<b>Advances</b>				
Advances paid to vendors	5,78,872		6,83,675	
Travel advance to employees	12		2	
Employee related	137		115	
Others	151	5,79,172	169	6,83,961
<b>Prepaid expenses</b>				
Prepaid deposits (MbPT)	15		15	
Others	349	364	838	853
		<b>5,79,536</b>		<b>6,84,814</b>

**Note 15 - Share Capital**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Authorized share capital</b>				
32,37,20,000 (Previous year - 32,37,20,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each		32,372		32,372
		<b>32,372</b>		<b>32,372</b>
<b>Issued, subscribed and fully paid-up shares</b>				
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.		20,169		20,169
		<b>20,169</b>		<b>20,169</b>

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
<b>Shareholder</b>				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%

**Disclosure of shareholding of promoters as at March 31, 2022 is as follows:**

Particulars	March 31, 2022		March 31, 2021		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

**Disclosure of shareholding of promoters as at March 31, 2021 is as follows:**

Particulars	March 31, 2021		March 31, 2020		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	20,16,90,000	100.00%	15.17%

In October, 2020, the Company had completed the Initial Public Offering (IPO) of 3,05,99,017 Equity shares of ₹ 10 each through an Offer for Sale (OFS) at an issue price of ₹ 145 per share. The Equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 12th October, 2020.

**Note 16 - Trade payables - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
Deferred payment liability to a foreign supplier		2,231		1,935
Less: Amount payable within 12 months		(458)		(391)
		<b>1,773</b>		<b>1,544</b>

**Ageing for trade payables-non-current outstanding as at March 31, 2022 is as follows:**

**Note 16 - Trade payables - non-current (Contd..)**

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	1,773	1,773
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Ageing for trade payables-non-current outstanding as at March 31, 2021 is as follows:**

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	1,544	1,544
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Note 17 - Other financial liabilities - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Security and other deposits		97	
		<b>97</b>		<b>75</b>

**Note 18 - Other long-term liabilities**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>Funds received from customer for infrastructure projects</b>	92,761		92,642
Add: Received during the period	-		119	-
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	-
Less: Amortisation of deferred revenue	(5,308)	14,034	(4,545)	14,797
Deferred deposits		3		5
		<b>14,037</b>		<b>14,802</b>

**Note 19 - Provisions - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>Employee benefits</b>			
Post retirement benefit schemes				
Medical	9,720		8,486	-
Gift card	191	9,911	268	8,754
Leave salary encashment		10,475		11,063
<b>Other provisions</b>				
Provision for liquidated damages	35,821		52,933	-
Others	266	36,087	266	53,199
		<b>56,473</b>		<b>73,016</b>

**Note 20 - Trade payables - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Other vendors		6,16,092	
Deferred payment liability to a foreign supplier		458		391
		<b>6,16,550</b>		<b>6,32,246</b>

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	15	-	-	-	-	15
Others	5,66,526	49,630	343	28	23	6,16,550
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3,936	-	-	-	-	3,936
Others	5,99,167	32,608	330	54	87	6,32,246
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Note 21 - Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Retention money payable		216	
Liquidated damages payable		2,704		2,788
Interest payable on advances received from customer		1,820		1,739
Employee related		11,839		10,055
Others		46		47
Security and other deposits		347		341
Dividend Payable		1		-
		<b>16,973</b>		<b>15,811</b>

**Note 22 - Other current liabilities**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Statutory dues		1,917	
Deferred deposits		6		7
		<b>1,923</b>		<b>1,649</b>

**Note 23 - Provisions - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Employee benefits</b>				
Post retirement benefit				
Medical	1,039		605	-
Gift card	117	1,156	107	712
Leave salary encashment		2,533		3,389
Gratuity		1,393		1,541
<b>Other provisions</b>				
Guarantee repairs	5,959		959	-
Custom duty	426	6,385	426	1,385
		<b>11,467</b>		<b>7,027</b>

**Note 24 - Revenue from operations**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Contract revenue</b>				
Ship construction		4,34,026		2,98,862
<b>Sale of goods</b>				
Sale of base and depot spares		98,367		62,033
<b>Sale of Services</b>				
Ship Repair		39,368		43,263
<b>Other operating revenue</b>				
Sale of scrap and stores	623		339	
Sale of services (others)	725		179	
Changes in Inventory of Scrap	219	1,567	106	624
		<b>5,73,328</b>		<b>4,04,782</b>

**Contract Revenue Recognition with Respect to Projects / Vessels in WIP:**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
The amount of contract revenue recognised as revenue for the period		5,71,761		4,04,158
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		16,23,805		21,36,023
The amount of advances received (gross)		34,53,884		35,32,267
The amount of retentions by customers		26,788		80,706

- The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- Company has delivered Ship and Submarine in October, 2021 and November, 2021. The total sale value of the ship & Submarine is ₹ 6,24,332 lakhs and ₹ 3,43,844 lakhs respectively of which amount of ₹ 1,42,367 lakhs and ₹ 21,025 lakhs respectively is recognised in the contract revenue for the year ended 31st March, 2022. Differential sale on account of Submarines sold in earlier years is ₹ 14,158 lakhs. Sale Value of ₹ 3,275 lakhs pertaining to Shipbuilding activity is included in Contract Revenue for the year ended 31st March, 2022. Balance amount pertains to accretion to Work in Progress inventory.
- Revenue from operations includes revenue from Export of goods/services is ₹ 326 Lakhs that is 0.06% of Revenue from operation.

**Note 25 - Other Income**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Interest from</b>				
Deposits with banks	34,787		36,651	
Less: Interest liability to customer on advances	(1,820)		(1,739)	
	32,967		34,912	
On income tax refund	275		576	
Other interest	1,506	34,748	1,336	36,824
Dividend from Goa Shipyard Ltd.		2,336		2,610
Liabilities / provisions no longer required written back		1,496		934
Insurance claims		259		17
Profit on Sale / scrapping of fixed assets (net)		101		4
<b>Liquidated damages recovered</b>				
Capital		30		28
Others		1,558		1,339
Miscellaneous income / recoveries		577		683
Refund of LD from Customer		-		16,142
Amortisation gain on deferred deposits of vendors		7		9
Unwinding of lease charges - Land		889		54
Unwinding of lease charges - Vehicles		179		180
Amortisation of deferred revenue (customer funded assets)		763		804
Interest Income on deferred payment liability to foreign supplier		398		371
Interest Income on deferred deposit with MbPT		22		20
<b>Foreign exchange variation (net)</b>				
Income	-		36	
Less: Loss	-	-	(35)	1
		<b>43,363</b>		<b>60,020</b>

**Note 26 - Cost of materials consumed**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Opening stock</b>				
Raw materials, stores and spares	13,274		14,531	
Equipment for specific projects	5,57,126		3,68,167	
Stock-in-transit and materials pending inspection	18,470	5,88,870	79,685	4,62,383
<b>Add: Purchases</b>		4,52,135		3,16,077
		10,41,005		7,78,460
<b>Less: Closing stock</b>				
Raw materials, stores and spares	(14,160)		(13,274)	
Equipment for specific projects	(6,00,026)		(5,57,126)	
Stock-in-transit and materials pending inspection	(1,55,690)	(7,69,876)	(18,470)	(5,88,870)
		2,71,129		1,89,590
Less: Provision for obsolete stock		(76)		(2)
Less: Stores and spares consumption included in other expenses		(1,746)		(1,397)
		<b>2,69,307</b>		<b>1,88,191</b>

**Note 27 - Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Salaries, wages, allowances and bonus		61,590		47,021
Pension		2,083		1,916
Contribution to provident fund		4,111		4,199
Contribution to employees state insurance scheme		49		-
Workmen and staff welfare expenses		8,369		7,367
Gratuity		895		2,043
Encashment of privilege leave		2,776		2,735
		<b>79,873</b>		<b>65,281</b>

The total Employee benefit expenses incurred amounting to ₹ 1,397 lakhs (Previous year : ₹ 10,995 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2021-22.

**Note 28 - Finance cost**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Interest cost on deferred deposits of vendors		8		10
Interest cost on deferred payment liability to foreign supplier		398		371
Interest cost on lease		310		455
		<b>716</b>		<b>836</b>

**Note 29 - Other expenses - Projects related**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Technician fees and other expenses		4,500		4,022
Advising team fees and other expenses		6,925		2,166
Facility hire		2,283		1,560
Bank charges and guarantee commission		128		161
Travelling expenses		78		71
Sea trial, launching and commissioning expenses		2,160		1,837
Legal, professional and consultant fees		173		6,830
Miscellaneous expenses		187		188
		<b>16,434</b>		<b>16,835</b>

**Note 30 - Other expenses**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Repairs and maintenance:				
Buildings	465		202	
Plant and machinery	376		221	
Steam launches and boats, motor cars, lorries, etc.	1,527		209	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(82)	2,286	(47)	585
Facility hire	498		478	
Water expenses	300		326	
Rent	4,524		48	
Insurance	867		781	
Rates and taxes	711		689	
Bank charges and guarantee commission	18		18	
Printing and stationery	40		13	
Travelling expenses	520		416	
Business promotion expenses	278		560	
Sea trial, launching and commissioning expenses	3		6	
Corporate membership expenses	48		72	
Foreign exchange variation (net)	14		-	
Miscellaneous expenses	813		720	
Audit fees	12		11	
Vehicle hire charges	59		49	
Legal, professional and consultant fees	788		125	
Books and periodicals	45		53	
Postage, telegrams and phones	141		151	
Training expenses	69		26	
CISF and security board expenses	2,594		2,975	
Directors fees and expenses	7		7	
Provision for obsolete stock	76		2	
Consumption of stores and spares etc.	1,746		1,397	
Other interest	632		63	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,112	15,930	1,834	10,835
		<b>18,216</b>		<b>11,420</b>

Foreign Exchange gain for the year ended 31st March, 2022 is ₹ 2004 lakhs and foreign exchange loss for previous year is ₹ 1435 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Expenditure on Research and Development and allied expenses aggregating to ₹ 7,524 lakhs (Previous year - ₹ 8,241 lakhs) is reflected under respective various heads in the above note.

**Note 31 - Provisions**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Doubtful debts / receivable		3,707		-
Guarantee repairs		5,000		-
Others		1,548		1,982
		<b>10,255</b>		<b>1,982</b>

### Note 32 - Business Segment Reporting

- a) The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- b) For management purposes, the Company is organized into two major segments - Shipbuilding (New Construction and Ship Repairs) and Submarine.
- c) There are no geographical segments within the business segments.

### Note 33 - Contingent Liabilities and Commitments:

#### 33.1 Amounts for which Company may be contingently liable:

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account.*	3,003	6,062
(ii)	b) Estimated amount of liquidated damages on contracts under execution.**	1,04,485	83,431
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	33,680	1,03,426
	(b) Guarantees and counter guarantees	1,955	1,120
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	50,48,406	50,49,137
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

\*\*Company has received an extension in delivery of Project Destroyer. During FY 2021-22, Company has delivered one ship of Project Destroyer within the revised contractual delivery date. Company is confident to deliver the balance ships of the Project Destroyer with in revised delivery schedule. The sanction for extension of delivery dates of Project Frigate is under approval with customer. The total financial implication is ₹1045 cr in the event of not considering deferment of deliveries by customer.

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

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Suppliers and sub-contractors	4162	1297
(ii)	Others	2369	2384
(iii)	Interest on (i) and (ii) above	2408	734
		<b>8,938</b>	<b>4,415</b>

#### 33.3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Sales Tax *	1,17,616	1,16,617
(ii)	Excise Duty		
	(a) On Vendors	210	204
	(b) On MDL	32	31
		<b>242</b>	<b>235</b>
		<b>1,17,858</b>	<b>1,16,852</b>

\* Against the above claim, part payments of ₹ 684 lakhs (Previous year - ₹ 684 lakhs) have been made under protest.

**Note 33 - Contingent Liabilities and Commitments: (Contd..)****33.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:**

		₹ in lakhs	
Sr no.	Particulars	March 31, 2022	March 31, 2021
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4426	4,331
(iii)	Income Tax	2055	-
		<b>6,496</b>	<b>4,346</b>

**33.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities**

		₹ in lakhs	
Particulars		March 31, 2022	March 31, 2021
Custom Duty		8	8

**Note 34 -**

**34.1** Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

**34.2** Balances due to / from Indian Navy included in current assets / current liabilities are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

**Note 35 - Normal Operating Cycle**

1. The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

- a) In case of ship / submarine building and ship/submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/Letter of Intent (LOI) to the date of expiry of guarantee period.
- b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

**Note 36 - Employee Benefits****36.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

		₹ in lakhs	
Particulars		March 31, 2022	March 31, 2021
(a) State Defined Contribution Plans			
(i) Employers' Contribution to Employees' State Insurance			
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.			
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.			
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-			
1. Employers' Contribution to Provident Fund		4058	4,184
2. Employers' Contribution to Employees' State Insurance		49	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)		2083	1,916
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme		53	15

### Note 36 - Employee Benefits (Contd..)

Retirement benefits in the form of Pension is defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

#### (II) Defined Benefit Plans

<b>Contribution to Gratuity Fund (Funded Scheme)</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Actuarial valuation was performed by an insurer in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.14%	6.96%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation and is provided for, on the basis of an actuarial valuation on projected net credit method made at the end of each financial year. The Gratuity Fund is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

<b>Particulars</b>	₹ in lakhs	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Opening Balance	23,145	23,627
Add : Credit from Company	1,044	4,236
Less : Amount paid towards claims	(5,197)	(6,424)
Add : Interest credited	1,372	1,706
Closing Balance	20,364	23,145
Present value of past service benefit	20,377	22,929

The actuarial liability excludes the fixed term employees, for which separate provision exists.

### 36.2 Actuarial valuation of liability towards Gratuity

#### Defined Benefit Plans Gratuity - as per actuarial valuation

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

<b>Particulars</b>	₹ in lakhs	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>i) Assumptions</b>		
a) Discount Rate	7.14%	6.96%
b) Salary Escalation	7.00%	7.00%
c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	6.96%
d) Expected average remaining working lives of employees (years)	15	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	22,929	27,864
Add: Transfer of canteen employees liability	-	-
	22,929	27,864
Interest cost	1,401	1,811
Current service cost	897	1,321
Benefits paid	(5,197)	(6,424)
Actuarial (gain) / loss on obligations	348	(1,643)
Present value of obligations as at end of year	20,377	22,929



**Note 36 - Employee Benefits (Contd..)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>iii) Table showing changes in the fair value of plan assets</b>				
Fair value of plan assets at beginning of year		23,145		23,627
Expected return on plan assets		1,611		1,535
Contributions		1,044		4,236
Benefits paid		(5,197)		(6,424)
Actuarial (gain) / loss on plan assets		(239)		171
Fair value of plan assets at the end of year		20,364		23,145
<b>iv) Table showing fair value of plan assets</b>				
Fair value of plan assets at beginning of year		23,145		23,627
Actual return on plan assets		1,611		1,535
Contributions		1,044		4,236
Benefits paid		(5,197)		(6,424)
Fair value of plan assets at the end of year		20,364		23,145
Funded status		13		(216)
Excess of Actual over estimated return on plan assets		-		-
<b>v) Actuarial gain / loss recognized</b>				
Actuarial (gain) / loss for the year - obligation		587		(1,814)
Actuarial (gain) / loss for the year - plan assets		-		-
Total (gain) / loss for the year		587		(1,814)
Actuarial (gain) / loss recognised in the year		587		(1,814)
Un-recognised actuarial (gains) / losses at the end of year				
<b>vi) The amounts to be recognized in the balance sheet</b>				
Present value of obligations as at the end of year		20,377		22,929
Fair value of plan assets as at the end of the year		20,364		23,145
Funded status		(13)		216
Net Asset / (Liability) recognized in balance sheet		(13)		216
<b>vii) Expenses recognized in statement of Profit and Loss</b>				
Current service cost		897		1,321
Interest cost		(210)		276
Expected return on plan assets				
Expenses recognized in statement of profit and loss		687		1,597
<b>viii) Expenses recognized in Other Comprehensive Income</b>				
Actuarial (gain) / loss recognised in the year		587		(1,814)
<b>ix) Current/Non-current Liability</b>				
Current Liability		5,950		5,605
Non-current Liability		14,427		17,324
Present Value of the Defined Gratuity Benefit Obligation		20,377		22,929

**Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46% (Previous year - 6%)	573 2.81%		582 2.54%	
if Discount rate is increased to 7.46% (Previous year - 7%)		534 2.62%		543 2.37%

**Note 36 - Employee Benefits (Contd..)**

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50% (Previous year - 7.50%)	335 1.64%		343 1.50%	
if Discount rate is decreased to 6.50% (Previous year - 6.50%)		328 1.61%		341 1.49%

₹ in lakhs

**36.3 Actuarial valuation of liability towards Leave Encashment****Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

Particulars	March 31, 2022		March 31, 2021	
<b>i) Assumptions</b>				
Discount rate		7.14%		6.96%
Rate of increase in compensation levels		7.00%		7.00%
Expected average remaining working lives of employees (years)		15		14
<b>ii) Table showing changes in present value of obligations</b>				
Present value of obligation as at the beginning of the year		13,434		15,024
Add : Liability Transfer from Canteen Employees		-		-
		13,434		15,024
Interest cost		852		977
Current service cost		1,024		883
Benefits paid		(1,944)		(2,214)
Actuarial (gain) / loss on obligations		(359)		(1,236)
Present value of obligation as at the end of the year		13,007		13,434
<b>iii) Table showing changes in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year		13,819		15,005
Expected return on plan assets		962		1,077
Contributions		-		-
Benefits paid		(1,944)		(2,214)
Actuarial gain / (loss) on plan assets		198		(49)
Fair value of plan assets at the end of the year		13,035		13,819
<b>iv) Tables showing fair value of plan assets</b>				
Fair value of plan asset at the beginning of the year		13,819		15,005
Actual return on plan assets		962		1,077
Contributions / (withdrawals)		-		-
Benefits paid		(1,944)		(2,214)
Actuarial gain / (loss) on plan assets		198		(49)
Fair value of plan asset at the end of the year		13,035		13,819
Funded status		(28)		(385)
<b>v) Actuarial gain / loss recognized</b>				
Actuarial (gain) / loss for the year - obligation		(359)		(1,236)
Actuarial (gain) / loss for the year - plan assets				
Total (gain) / loss for the year		(359)		(1,236)
Actuarial (gain) / loss recognised in the year		(359)		(1,236)
Un-recognised actuarial (gains) / losses at the end of year		-		-

₹ in lakhs

**Note 36 - Employee Benefits (Contd..)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>vi) The amounts to be recognized in the balance sheet</b>				
Present value of obligation as at the end of the year		13,007		13,434
Fair value of plan assets as at end of the year		13,035		13,819
Funded status		(28)		(385)
Unrecognized actuarial (gains) / losses		-		-
Net asset / (liability) recognized in balance sheet		(28)		(385)
<b>vii) Expenses recognized in statement of profit and loss</b>				
Current service cost		1,024		883
Interest cost		852		977
Actuarial (gain) / loss recognised in the year		(359)		(1,236)
Expenses recognized in the statement of profit and loss		1,518		624
<b>viii) Current/Non-current Liability</b>				
Current Liability		2,533		2,371
Non-current Liability		10,474		11,063
Present Value of the Defined Leave Encashment Benefit Obligation		13,007		13,434

**Sensitivity of Leave Encashment Benefit Liability to key assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46% (Previous year - 6.00%)	516 3.97%		504 3.75%	
if Discount rate is increased to 7.46% (Previous year - 7.00%)		478 3.67%		466 3.47%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50% (Previous year - 7.50%)	515 3.96%		502 3.73%	
if Discount rate is decreased to 6.50% (Previous year - 6.50%)		481 3.70%		468 3.49%

**36.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

In the Financial Year 2020-21, the Company has changed its accounting policy regarding classification of Provident Fund contribution from Defined Contribution Plan to Defined Benefit Plan. This change in accounting policy was applied and observed that the net assets available for the benefits are in excess in comparison to the present value of retirement benefits. Hence, there is no impact on accounts of the company during the current year.

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate

**Note 36 - Employee Benefits (Contd..)**

declared by Government administered provident fund. The contributions made by Company and the shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
Fair value of plan assets	80,409	85,289
Present value of defined benefit obligations	(80,409)	(85,289)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government, public sector and corporate bonds

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	March 31, 2022	March 31, 2021
Provident Fund interest rate guarantee	8.10%	8.50%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.14%	6.96%
Govt. of India - Bond yield for the outstanding term of assets	6.61%	6.02%
Expected average remaining working lives of employees (years)	15	15

**Note 37 - Provisions made, utilised, written back :**

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>a) Provision for Custom Duty Demand:</b>		
Opening Balance	426	426
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>426</b>	<b>426</b>
<b>b) Provision for Liquidated Damages:</b>		
Opening Balance	52,934	1,02,415
Additions	-	-
Adjusted	(17,113)	(49,481)
Closing Balance	<b>35,821</b>	<b>52,934</b>
<b>c) Provision for Guarantee Repairs:</b>		
Opening Balance	959	1,899
Additions	5,000	-
Utilised/Adjusted	-	(940)
Closing Balance	<b>5,959</b>	<b>959</b>
<b>d) Other Provisions:</b>		
Opening Balance	107	107
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>107</b>	<b>107</b>

**Note 38**

Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2022 based on available information with the Company are as under:

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
Principal amount due and remaining unpaid	15	11
Interest due on above and the unpaid interest	5	3
Payment made beyond the appointed day during the year	1,573	694
Interest accrued and remaining unpaid on above	20	8

**Note 39 - Other Expenses include:**

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>Remuneration to the Statutory Auditors</b>		
i) Audit fees	12	11
ii) Tax audit fees	2	1
	<b>14</b>	<b>12</b>

**Note 40 - Russian (USSR) deferred State Credit**

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9628 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₹ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 458 lakhs (Previous year - ₹ 391 lakhs) includes yearly installment of ₹214 (Previous year - ₹ 214 lakhs) and ₹ 244 lakhs (Previous year - ₹ 177 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2022. These payments are reimbursable by Indian Navy. Accordingly, ₹ 5803 lakhs (amortised costs of ₹ 2232 lakhs) held at foreign supplier deferred credit as on 31st March 2022.

**Note 41**

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

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

**Note 42 - Related Party Disclosure****i) Key Managerial Personnel****a) Functional Directors**

		₹ in lakhs		
Particulars		Designation	Remuneration*	
			31st March, 2022	31st March, 2021
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	56	52
Cmde T V Thomas (Retd)	(Upto 30.06.2021)	Director (Corporate Planning & Personnel)	54	49
RAdm A K Saxena (Retd)	(Upto 31.01.2021)	Director (Shipbuilding)	-	55
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	49	41
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	47	41
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	19	-

\* As per Statement of Profit and Loss Account.

Besides the remuneration indicated above, the Chairman and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.

**b) Part Time Non-Official Directors**

		₹ in lakhs		
Particulars		Designation	Sitting Fees	
			31st March, 2022	31st March, 2021
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	2	-
Shri Shambhuprasad Baldevdas Tundiya	(From 24.12.2021)	Independent Director	2	-
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	2	-

**ii) Other Related Parties**

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

**a) Ministry of Defence**

		₹ in lakhs		
Particulars	Year ended	Revenue from related party	Amounts receivable / (payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2022	5,71,761	1,80,456	15,278
	31st March,2021	4,04,158	1,55,744	13,873

**b) Goa Shipyard Ltd. (Associate Company)**

		₹ in lakhs	
Particulars	Year ended	Dividend	
Goa Shipyard Ltd.***	31st March,2022	2,336	
	31st March,2021	2,610	

\*\*\*Other transaction includes rent, sales & amount receivable are not significant in nature.

The transactions are conducted in the ordinary course of the company business.



### Note 43 - Earnings per share (EPS)

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	58,647	47,957
Adjustment to Restated Net Profit / (Loss):		
None		
<b>A Net Profit / (Loss) for calculation of basic EPS (H in lakhs)</b>	58,647	47,957
<b>B Weighted average number of equity shares for calculating basic EPS</b>	20,16,90,000	20,16,90,000
<b>C EPS (₹) - Basic (A/B)</b>	<b>29.08</b>	<b>23.78</b>
<b>D Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)</b>	58,647	47,957
Weighted average number of equity shares	20,16,90,000	20,16,90,000
Effect of dilution:	-	-
<b>E Weighted average number of equity shares for calculating diluted EPS</b>	20,16,90,000	20,16,90,000
<b>F EPS (₹) - Diluted (D/E)</b>	<b>29.08</b>	<b>23.78</b>

### Note 44 - Statement of Income tax expense and accounting

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>A Profit Before Tax as per Statement of Profit &amp; Loss</b>	<b>77,269</b>	<b>62,992</b>
<b>B Tax at statutory rate (%)</b>	25.168%	25.168%
<b>C Tax expenses at statutory rate</b>	19,447	15,854
Prior year tax	-	1,060
	<b>19,447</b>	<b>16,914</b>
<b>Adjustment for permanent difference</b>		
1 Expenses disallowed/Income allowed	1,111	1,834
2 Income exempt under Income Tax Act	(30)	(28)
3 Others	(2,872)	(1,850)
<b>D Total Permanent Difference</b>	<b>(1,791)</b>	<b>(43)</b>
<b>Adjustment for timing difference</b>		
1 Difference between book depreciation and income tax depreciation	1,682	955
2 Provision for anticipated losses and gains	11,296	2,365
3 Disallowances under Sec 43B	49	1,543
4 Others	(5,289)	(8,753)
<b>E Total timing difference</b>	<b>7,739</b>	<b>(3,890)</b>
<b>F Net Adjustments</b>	<b>5,948</b>	<b>(3,934)</b>
<b>G=F*B Tax expenses/(Savings) thereon</b>	1,497	(991)
<b>H Current Tax (C+G)</b>	20,944	14,863
Current Tax as per Books	20,944	14,863
<b>I Deferred Tax charge /(Credit)</b>	(2,322)	(888)
<b>J Short (excess provision for earlier year)</b>	-	1,060
<b>K Total Tax expenses (H+I+J)</b>	<b>18,622</b>	<b>15,035</b>

### Note 45 - Fair Value Measurement

#### Financial Instruments by Category

Particulars	₹ in lakhs					
	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	403	-	-	382
Russian Deferred Debit	-	-	2233	-	-	1935
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	2233	-	-	1935
Security Deposits	-	-	97	-	-	75

## Note 45 - Fair Value Measurement (Contd..)

### Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

### Financial assets and liabilities measured at amortised cost

₹ in lakhs

Particulars	Fair value Hierarchy	31st March 2022		March 31, 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	451	403	451	382
Russian Deferred Debit	Level 3	5803	2233	6261	1935
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	5803	2233	6261	1935
Security Deposits	Level 3	106	97	89	75

## Note 46 - Financial risk management

### a) Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities ( primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### i) Trade Receivables and contract asset

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

#### ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemtn of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

**Note 46 - Financial risk management (Contd..)****b) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

**c) Market Risk****i) Foreign currency risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency ('). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

**ii) Foreign Currency Risk Exposure**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

Particulars	₹ in lakhs				
	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31st March 2022	11,981	14	16	1	761
31st March 2021	29,865	13	4	2	1,429

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	₹ in lakhs	
	Impact on Profit Before Tax	
	March 31, 2022	March 31, 2021
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	599	1,493
INR/EUR decreases by 5%	(599)	(1,493)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	1	1
INR/GBP decreases by 5%	(1)	(1)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	38	71
INR/USD decreases by 5%	(38)	(71)

\* Holding all other variables constant

## Note 47 - Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

## Note 48 - Expenditure on Corporate Social Responsibilities (CSR) Activities

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

		₹ in lakhs	
Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2021-22	2020-21
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	593	1,311
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	282	302
Clause (iv)	Ensuring environment sustainability, ecological balance, protection of flora & fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air & water.	-	5
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	5	11
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	79	10
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	21	40
Clause (x)	Rural development projects;	56	74
<b>Total</b>		<b>1,036</b>	<b>1,753</b>

		₹ in lakhs	
Particulars	2021-22	2020-21	
Unspent amount brought forward	154	534	
Amount required to be spent by the Company during the period	1,413	1,454	
Amount spent during the period (incl. Administration Expenses)	1,111	1,834	

		₹ in lakhs			
		Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
Total Amount spent for the year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,111	456	27.04.2022	-	-	-

**Note 49**

The delays in the completion of the projects due to pandemic situation is taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ 1397 lakhs (Previous year ₹ 10995 lakhs) towards employee benefits, ₹ Nil (Previous year ₹ 1143 lakhs) towards depreciation, and ₹ Nil (Previous year - 476 lakhs ) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2021-22. The Company doesn't foresee any change in the orders under execution due pandemic.

**Note 50**

MDL maintains independent PF Trust for employees. In FY 2021-22, MDSL employee PF trust has recognised capital loss of ₹ 1545 lakhs against the investment made in previous years. As per the terms & condition provided under employee PF scheme 1952, employer shall be liable to bear the loss of the trust. Consequently, provision of ₹ 1545 lakhs (Previous year ₹ 1982 lakhs) is recognised in accounts of FY 2021-22.

**Note 51**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**52 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under**

₹ in lakhs				
Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-21	(6,15,121.00)	(6,24,080.43)	8,959.43	(1.46%)
Sep-21	(6,83,423.00)	(6,95,890.51)	12,467.51	(1.82%)
Dec-21	(7,15,264.00)	(7,12,538.92)	(2,725.08)	0.38%
Mar-22	(8,11,678.00)	(8,25,501.07)	13,823.07	(1.70%)

The stock statement is required to be submit in the bank with in schedule due date. Therefore, the provisional stock statement is submitted to bank. However, the actual figures may vary after finalisation of account. MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

**53 Disclosure of Relationship with Struck off Companies is as under**

₹ in lakhs				
Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2022	31st March, 2021	
Vidhan Marketing Private Limited.***	Shares held by stuck off Company	-	-	-

\*\*\* The Amount of shares held at Face Value is ₹ 1000

## Note 54 - Financial Ratios:

Sr No.	Particulars	Quarter Ended			Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
		Audited March 31, 2022	Unaudited December 31, 2021	Audited March 31, 2021	Audited March 31, 2022	Audited March 31, 2021		
a	<b>Current Ratio (in times)</b> (Current Assets / Current Liabilities)	1.05	1.07	1.06	1.05	1.06	(0.83%)	
b	<b>Debt - Equity Ratio (in times)</b> (Total long - term debt / Shareholder's funds)	N.A	N.A	N.A	N.A	N.A	N.A	
c	<b>Debt Service Coverage Ratio (in times)</b> (NPAT+Dep+Int on loan / Int on loan + Loan repayment in a year)	N.A	N.A	N.A	N.A	N.A	N.A	
d	<b>Return on Equity Ratio (%)</b> (Net Earnings / Shareholder's Equity)	4.36%	6.86%	7.90%	17.66%	16.43%	7.48%	
e	<b>Inventory Turnover Ratio (in times)</b> (Cost of Goods sold / Average Inventory)	0.02	0.03	0.03	0.10	0.09	10.69%	
f	<b>Trade Receivables turnover Ratio (in times)</b> (Credit sales / Average Account Receivables)	0.35	0.39	0.23	1.43	0.83	71.69%	Change is due to increase in Revenue from operation by 41.64%
g	<b>Trade Payables turnover Ratio (in times)</b> (Credit Purchases / Average Account Payables)	0.08	0.05	0.07	0.18	0.14	26.65%	Change is due to increase in purchases by 43%
h	<b>Net capital turnover Ratio (%)</b> (Net Sales / Net worth)	0.42	48.87%	37.79%	172.62%	138.67%	24.48%	
i	<b>Net profit Ratio (%)</b> (NPAT / Net sales)	10.38%	14.03%	20.89%	10.23%	11.85%	(13.66%)	
j	<b>Return on Capital Employed (%)</b> (EBIT / Capital Employed)	5.52%	9.63%	10.23%	23.48%	21.87%	7.38%	
k	<b>Return on Investment (%)</b> (Operating profit / Capital Employed)	1.60%	5.76%	0.81%	10.63%	5.34%	99.07%	Increase in operating profit is due to delivery of one Ship and submarine during the year.



## Note 55

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.

As per our report of even date

**JCR & Co**

Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner  
Membership No. 187779

30th May, 2022  
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

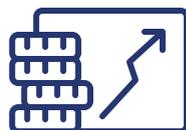
Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary

# Consolidated Financial Statements





# Independent Auditor's Report

To the members of MAZAGON DOCK SHIPBUILDERS LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of Mazagon Dock Shipbuilders Limited ("the Company") and its associate (the Company and its associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued

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

### Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Ind AS financial statements:

1. Registration formalities and Renewals of certain Leasehold properties are pending. (Refer Note 2 Point no. (x))
2. Balance due from / to Indian Navy is subject to reconciliation and confirmation. (Refer Note 34 Point no. 2)
3. Balance of Advances to Vendors and balances outstanding in Trade Payables are subject to confirmation. (Refer Note 34 Point no. 1)

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming an opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report:

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Revenue Recognition for Ship Construction &amp; repair contracts</b></p> <p>Referred to in <b>Note No. 1 - 2.2(j)</b> of the Financials Statements</p> <p>The company recognizes the revenue from Ship Construction/ repair contracts when the company satisfies a performance obligation by transferring goods or service to a customer.</p> <p>The company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.</p> <p>When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.</p> <p>For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)</p>	<ul style="list-style-type: none"> <li>• We have perused the contractual terms with respect to performance obligations and criteria for transfer of control of asset to the customer.</li> <li>• Studied the Cost cycle process for allocating the actual expenses incurred on various projects.</li> <li>• Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs.</li> <li>• Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

### Other Matters

1. The Consolidated Ind AS Financial Statements include the Company's share of Net Profit (including other comprehensive income) of Rs 4,704 Lakhs for the year

ended 31st March, 2022, as considered in the Consolidated Ind AS Financial Statements in respect of its Associate, whose Financial Statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amount and disclosure included in respect of this associate and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

2. Our opinion on the Consolidated Ind AS Financial Statements and our audit report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and report of the other auditor.

The Company has adequate resources to continue in operational existence for the foreseeable future. But going forward the uncertainties resulting from COVID-19 will results into delay in completion of projects and may increase the exceptional losses. (Refer Note 48 of the Financial Statement)

Our opinion is not modified in respect of the above matters.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial



performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Government 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 I"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- a. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements. Refer Note 33 to the consolidated financial statements.
- b. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 37 to the consolidated financial statements.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 51 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 51 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide



- any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement
- e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act
- f. The requirement to the use of accounting software for maintaining Company's books of account which has a feature of recording audit trail (edit log)

facility is deferred to financial years commencing on or after April 1, 2023 vide MCA notification G.S.R. 235E dated 31st March, 2022. Therefore, reporting under Rule 11(g) of Companies (Audit & Auditor) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

**For M/s. JCR & Co.**

Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFNB2327

Date: 30th May, 2022

Place: Mumbai

## Annexure 'I' to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

### 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 **MAZAGON DOCK SHIPBUILDERS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material



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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 M/s. JCR & Co.**

Chartered Accountants

FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

UDIN: 22187779AJWFNB2327

Date: 30th May, 2022

Place: Mumbai

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2022.**

The preparation of Consolidated Financial Statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** and its associate, **Goa Shipyard Limited, Goa**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



**(Santosh Kumar, IA&AS)**

**Pr. Director of Commercial Audit  
& Ex-Officio Member Audit Board, Bangalore**

**Place: Bangalore**

**Date: 27.07.2022**



# Consolidated Balance Sheet

as at March 31, 2022

₹ in lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	71,354	74,285
Right-of-use assets	2	24,302	5,208
Capital work-in-progress	3	8,694	8,015
Other intangible assets	2	806	1,192
		<b>1,05,156</b>	<b>88,700</b>
<b>Financial assets</b>			
Investments	4	54,232	51,865
Trade receivable	5	1,773	1,544
Other financial assets	6	14,116	14,869
Deferred tax assets (net)	7	44,683	42,361
Non-current tax assets (net)		31,320	21,882
Other non-current assets	8	72,792	84,206
<b>Total non-current assets</b>		<b>3,24,072</b>	<b>3,05,427</b>
<b>Current assets</b>			
Inventories	9	7,70,010	5,88,861
<b>Financial assets</b>			
Trade receivables	10	1,00,541	96,594
Cash and cash equivalents	11	72,047	73,991
Bank balances other than cash and cash equivalents	12	10,76,000	7,28,800
Other financial assets	13	14,066	13,959
Contract assets		40,700	21,370
Assets held for sale		44	35
Other current assets	14	5,79,536	6,84,814
<b>Total current assets</b>		<b>26,52,944</b>	<b>22,08,424</b>
<b>TOTAL ASSETS</b>		<b>29,77,016</b>	<b>25,13,851</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	20,169	20,169
Other equity		3,65,599	3,23,002
<b>Total equity</b>		<b>3,85,768</b>	<b>3,43,171</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	16	1,773	1,544
Other financial liabilities	17	97	75
Lease Liability		474	2,303
Other long-term liabilities	18	14,037	14,802
Long-term provisions	19	56,473	73,016
<b>Total non-current liabilities</b>		<b>72,854</b>	<b>91,740</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
i. total outstanding dues of micro and small enterprises		15	3,936
ii. total outstanding dues other than (i) above	20	6,16,550	6,32,246
Other financial liabilities	21	16,973	15,811
Lease Liability		690	663
Contract liability		18,70,776	14,17,608
Other current liabilities	22	1,923	1,649
Short-term provisions	23	11,467	7,027
<b>Total current liabilities</b>		<b>25,18,394</b>	<b>20,78,940</b>
<b>Total liabilities</b>		<b>25,91,248</b>	<b>21,70,680</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,77,016</b>	<b>25,13,851</b>
Significant accounting policies and notes to the financial statements	1 to 55		

As per our report of even date

**JCR & Co**Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**Partner  
Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary

# Statement of Consolidated Audited Profit & Loss

for the year ended March 31, 2022

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
	<b>INCOME</b>			
1	Revenue from operations	24	5,73,328	4,04,782
2	Other income	25	41,027	57,410
<b>3</b>	<b>Total income</b>		<b>6,14,355</b>	<b>4,62,192</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	26	2,69,307	1,88,191
	Procurement of base and depot spares		91,365	57,833
	Employee benefit expenses	27	79,873	65,281
	Finance costs	28	716	836
	Depreciation and amortization expenses		7,451	5,965
	Sub-contract		42,935	39,716
	Power and fuel		1,473	1,137
	Other expenses - project related	29	16,434	16,835
	Other expenses	30	18,216	11,420
	Provisions	31	10,255	1,982
	<b>Total expenses</b>		<b>5,38,025</b>	<b>3,89,196</b>
<b>5</b>	<b>Profit before tax but before exceptional items</b>		<b>76,330</b>	<b>72,996</b>
6	Exceptional items		1,397	12,614
<b>7</b>	<b>Profit before tax but after exceptional items</b>		<b>74,933</b>	<b>60,382</b>
<b>8</b>	<b>Tax expense</b>			
	Current tax		20,944	14,863
	Deferred tax (credit) / charge		(2,322)	(888)
	Adjustment of tax relating to earlier years		-	1,060
<b>9</b>	<b>Profit for the year / period (excluding associate)</b>		<b>56,311</b>	<b>45,347</b>
<b>10</b>	<b>Share of Net Profit/(loss) of associate</b>		<b>4,773</b>	<b>6,039</b>
<b>11</b>	<b>Profit for the year</b>		<b>61,084</b>	<b>51,386</b>
<b>12</b>	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	Remeasurement of defined employee benefit plan		(543)	1,814
	Income tax effect		137	(457)
	Remeasurement of post employment benefit obligation of associate		(69)	19
<b>13</b>	<b>Total comprehensive income for the period</b>		<b>60,609</b>	<b>52,762</b>
<b>14</b>	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>30.29</b>	<b>25.48</b>
	Significant accounting policies and notes to the financial statements	1 to 55		

As per our report of even date

## JCR & Co

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



# Statement of Consolidated Cash Flows

for the year ended March 31, 2022

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2022 Audited	Year Ended March 31, 2021 Audited
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax but after exceptional items</b>	74,933	60,382
	<b>Adjustments for :</b>		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation / amortization	7,451	7,108
	Finance cost	716	836
	Amortization of prepaid rentals	15	15
	<b>(-) Non operating income</b>		
	Profit / Loss on sale of fixed assets	256	-
	Interest income	(34,748)	(36,824)
	Amortization gain on deferred deposits of vendors	(7)	(9)
	Amortization of deferred revenue (customer funded assets)	(763)	(804)
	Interest Income on deferred payment liability to foreign supplier	(398)	(371)
	Interest Income on deferred deposit with MbPT	(22)	(20)
	<b>Operating profit before working capital changes</b>	<b>47,433</b>	<b>30,313</b>
	<b>Movement in working capital</b>		
	Decrease / (Increase) in Inventories	(1,81,149)	(1,26,592)
	Decrease / (Increase) in Trade receivables and loans and advances	(3,756)	47,096
	Decrease / (Increase) Other current and non current assets	(2,48,961)	(3,13,627)
	(Decrease) / Increase in Trade payables and provisions	(52,866)	1,10,634
	(Decrease) / Increase in Other current and non current liabilities	4,53,281	2,74,665
	<b>Cash flow from operations</b>	<b>13,982</b>	<b>22,489</b>
	<b>Direct tax paid (net of refunds)</b>	(30,245)	(15,668)
	<b>Net cash from (used in) operating activities (A)</b>	<b>(16,263)</b>	<b>6,821</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	(3,201)	(4,190)
	Capital work in progress	(679)	(19)
	Proceeds from sale of property, plant and equipment	127	16
	Capital advance	(239)	103
	Interest received	34,748	36,824
	Dividend received	2,336	2,610
	Principal portion of lease payments	(452)	(519)
	<b>Net cash from / (used in) investing activities (B)</b>	<b>32,640</b>	<b>34,825</b>

Note: Figure in bracket indicate outflow

# Statement of Consolidated Cash Flows

for the year ended March 31, 2022 (Contd..)

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2022 Audited	Year Ended March 31, 2021 Audited
<b>C</b>	<b>Cash flow from financing activities</b>		
	Dividend paid	(18,011)	(15,528)
	Finance costs - Lease	(310)	(455)
	<b>Net cash from / (used in) financing activities (C)</b>	<b>(18,321)</b>	<b>(15,983)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,944)</b>	<b>25,663</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>73,991</b>	<b>48,328</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>72,047</b>	<b>73,991</b>
	<b>Components of cash and cash equivalents:</b>		
	<b>Balances with banks:-</b>		
	- In Current accounts		
	i) In India	4,191	11,011
	ii) Outside India	32	81
	- In flexi deposit accounts	67,824	62,899
	<b>Total</b>	<b>72,047</b>	<b>73,991</b>

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



# Consolidated Statement of Changes In Equity

for the year ended March 31, 2022

## (A) Equity share capital

### For the year ended March 31, 2022

₹ in lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
20,169	-	20,169	-	20,169

### For the year ended March 31, 2021

₹ in lakhs

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the period	Balance as at March, 2021
20,169	-	20,169	-	20,169

## (B) Other equity

### For the year ended March 31, 2022

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indige-nisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2021</b>	83,299	2,32,017	5	1,039	12,123	(5,481)	3,23,002
Profit / (loss) for the year	56,311						56,311
Share of change in reserves of associate	4,703						4,703
Other comprehensive income / (loss) for the year						(406)	(406)
Dividends							
Interim	(14,320)						(14,320)
Final	(3,691)						(3,691)
<b>Balance as at March 31, 2022</b>	<b>1,26,302</b>	<b>2,32,017</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,887)</b>	<b>3,65,599</b>

### For the year ended March 31, 2021

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indige-nisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at April 1, 2020</b>	<b>47,423</b>	<b>2,32,017</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(6,838)</b>	<b>2,85,769</b>
Profit / (loss) for the year	45,347						45,347
Share of change in reserves of associate	6,057						6,057
Other comprehensive income / (loss) for the year						1,357	1,357
Dividends							
Interim	(10,911)						(10,911)
Final	(4,617)						(4,617)
<b>Balance as at March 31, 2021</b>	<b>83,299</b>	<b>2,32,017</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,481)</b>	<b>3,23,002</b>

# Consolidated Statement of Changes In Equity

for the year ended March 31, 2022 (Contd..)

The description of the nature and purpose of reserve within equity is as follows:

**Capital reserve:** The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

**Capital redemption reserve:** These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

**Other Comprehensive Income:** These reserves are created on account of actuarial valuation of defined employee benefit plan.

**Indigenisation Fund:** These fund is created as per Indigenisation policy for providing support for future indigenisation.

**Dividend:** The Board has recommended the final dividend for FY 2021-22 of ₹ 3288 lakhs (i.e ₹ 1.63 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

As per our report of even date

**JCR & Co**

Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner  
Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



## Note 1: Statement of Significant Accounting Policies

### 1) Principles of Consolidation

**The consolidated financial Statements consist of Mazagon Dock Shipbuilders Limited ("The Company") and its associate company. The Consolidated Financial Statements are prepared on the following basis:**

Investments in associates where the Company holds more than 20% of equity are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28- "Investments in Associates and Joint Ventures".

The consolidated financial statements are prepared using uniform accounting policies and are presented to the extent possible in the same manner as the Company's separate financial statement except where adjustment for the differences are immaterial/ impractical.

The goodwill/capital reserve arising on acquisition of Associate is included in the carrying amount of the investment and disclosed separately. The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

### 2) Corporate information:

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

### 3) Significant accounting policies:

#### 3.1 Basis of preparation:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

#### 3.2 Summary of significant accounting policies:

##### a) Use of estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates.

Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

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 against which the deductible temporary difference and the unused tax losses can be utilized. The management assumes that 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 vary.

##### 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 amortized cost, interest is accrued using the effective interest method.

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

**b) Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

**i. An asset is treated as current when it is:**

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

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

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

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

**c) Property, plant and equipment:**

- i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes

the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.

- When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.



## ii. Depreciation:

- (a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

- (b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.
- (c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.
- (d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.
- (e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.
- (f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (g) Depreciation on property, plant and equipment commences when the assets are ready for intended use
- (h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.
- (i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.
- (j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

**d) Intangible assets:**

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated

impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

**e) Impairment of assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f) Investment in associate:**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

**Exemption availed under Ind AS 101:** On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

**g) Foreign currency transactions:**

The financial statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

**h) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

**i) Inventory valuation**

- i. Raw materials and stores and general spares are valued at weighted average cost.
- ii. Equipment for specific projects are valued at cost.
- iii. Stock-in-transit is valued at cost.
- iv. Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- v. Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.
- vi. Scrap is valued at estimated net realizable value.
- vii. Work in progress and finished goods other than construction contracts & ship repair contracts have been valued at lower of cost and net realizable value.

**j) Revenue recognition****i. Ship construction & repair contracts**

Revenue from Ship Construction / repair Contracts shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met-

- (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs
- (b) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time under the percentage of completion method (PoC). Penalties, if any, will be reduced from the revenue.

For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

**Fixed Price Contract:**

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

**Cost Plus Contract:**

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably. Penalties, if any will be reduced from the revenue.

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

**Contract Asset:**

The company's right to consideration in exchange for goods or services that the company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

**Contract Liability:**

The company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

**Revenue from supply of Base & Depot (B&D) spares:**

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

**Revenue for contract is yet to be finalized or under revision:**

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/ determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

**Significant financing component:**

Stage payments received towards execution of defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on case to case basis.

**ii. Dividend income**

Dividend income from investments is recognized when the Company's right to receive payment has been established.

**iii. Interest income**

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

**iv. Insurance claims:**

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the company's estimate of the realisable value.

**k) Financial Assets:****i. Classification:**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**ii. Initial recognition and measurement:**

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.

**iii. Financial assets measured at amortized cost:**

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

**iv. Financial assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**v. Financial assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

**vi. Investment in equity instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments

are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

**vii. Investment in debt instruments:**

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

**viii. Impairment of financial asset:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

**ix. Derecognition of financial assets:**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities:**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

**i. Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

**ii. Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each financial year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

**iii. De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

**iv. Retentions**

Retention amount payable / receivable under the terms of the contracts with the vendors / customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

**v. Security deposit**

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

**l) Leases**

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 "Leases", Appendix A of Ind AS 17 "Operating Leases-Incentives", Appendix B of Ind AS 17 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". and Appendix C of Ind AS 17 "Determining Whether an Arrangement Contains a Lease".

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments.

There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.



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

### Identifying a lease

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

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease" is maintained for existing contracts.

#### i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical

expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1, 2018..
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1, 2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1, 2018 have been treated as short term.

Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.
- b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be

recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of ₹1,00,000/- has been utilised to define "low value".

The Company's operating leases mainly relate to real estate assets, company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31, 2019, measured under Ind AS 17.

## ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## m) Employee benefits

### i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

### iii. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Provident Fund and post-retirement medical scheme for non-executives; and
- (b) defined contribution plans such as pension and post-retirement medical scheme for executives.

#### Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions based on actuarial valuation are charged to revenue. Any additional provision as may be required is provided for on the basis of actuarial valuation as per Ind AS 19 on Employee Benefits.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### Post-retirement medical scheme

The post-retirement medical scheme to the non executives employees is a defined benefit plan and is determined based on actuarial valuation as per Ind AS 19 on Employee Benefits using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which



they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The post-retirement medical scheme liability towards executives is recognised on accrual basis and charged to statement of profit and loss, which is a contribution plan.

#### **Provident fund**

The Provident Fund Trust of Company has to declare interest on the Provident Fund at a rate not less than notified by the Employee Provident Fund Organization. Company has obligation to make good the shortfall, if any, in case trust is not able to meet the interest liability. Obligation of Company is calculated annually by actuaries using projected Unit Credit method.

#### **Pension Fund**

Defined contribution to Superannuation Pension Scheme is charged to statement of Profit & Loss at the applicable contribution rate as per approved Pension scheme.

#### **n) Dividend to equity shareholders**

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

#### **o) Provision for current & deferred tax**

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **Current income tax:**

Current tax comprises of the expected tax payable on the taxable income for the year. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and

- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax:**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

#### **p) Provision for doubtful debts and loans and advances:**

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

#### **q) Warranty provision:**

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

#### **r) Provision, 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.

## Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021	As on 31-03-22
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings:												
	i) Factory Building	6,134	143	-	6	6,271	660	273	-	6	927	5,344	5,474
	ii) Office and Staff Quarters												
	a) RCC	5,174	26	-	-	5,200	708	280	-	-	988	4,212	4,466
	b) Non RCC	1,435	97	-	-	1,532	163	60	-	-	223	1,309	1,272
	iii) Others (Temporary structure)	102	7	-	-	109	65	32	-	-	97	12	37
3	Road	673	437	-	-	1,110	637	24	-	-	661	449	36
4	Plant and Equipment	24,833	1,314	-	306	25,842	6,672	1,818	-	281	8,209	17,633	18,161
5	Furniture and Fixtures	1,898	50	-	30	1,918	890	173	-	15	1,048	870	1,008
6	Vehicles	2,006	15	-	10	2,011	1,386	257	-	10	1,633	378	620
7	Office Equipment	3,822	279	-	41	4,061	1,817	643	-	44	2,416	1,645	2,005
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	782	1	-	79	704	619	89	-	79	629	75	163
	ii) Server and Network	4,249	321	-	37	4,534	2,353	714	-	25	3,042	1,492	1,896
9	Loose Tools	622	5	-	1	626	483	70	-	1	552	74	139
10	Ship - Launches and Boats	4,917	-	-	-	4,917	413	174	-	-	587	4,330	4,504
11	Electrical Installation and Equipments	2,569	266	-	20	2,816	966	239	-	19	1,186	1,630	1,603
12	Right to use asset - Leasehold land	8,719	20,426	-	782	28,363	3,704	827	-	425	4,106	24,257	5,015
13	Right to use asset - Vehicles	449				449	256	148			404	45	193
	<b>Sub-total</b>	<b>79,156</b>	<b>23,389</b>	<b>-</b>	<b>1,310</b>	<b>1,01,238</b>	<b>21,792</b>	<b>5,821</b>	<b>-</b>	<b>905</b>	<b>26,708</b>	<b>74,530</b>	<b>57,364</b>
	Previous Year's Figures	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	57,364	58,633

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2021 - ₹ 4917 lakhs) out of which ₹ 4917 lakhs (2021 - ₹ 4917 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1938 / Indian Vessels Act, 1917.



**Note 2 - Property, Plant and Equipment (Contd..)**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
<b>B</b>	<b>Jointly Funded Assets</b>											
1	Buildings:											
	i) Factory Building	16,244	-	-	-	16,244	2,753	461	-	-	3,214	13,491
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	117	29	-	-	1,500	1,529
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	102	19	-	-	121	31
3	Plant and Equipment	7,491	42	-	-	7,533	2,002	344	-	-	2,346	5,489
4	Electrical Installation and Equipments	649	-	-	-	649	253	61	-	-	314	396
5	Furniture and Fixtures	216	-	-	-	216	85	20	-	-	105	131
6	Office Equipment	153	-	-	-	153	119	25	-	-	144	34
7	Computers and Data Processing Units						-					
	i) Server and Network	338	-	-	-	338	286	52	-	-	338	52
8	Ship - Launches and Boats	1,143	-	-	-	1,143	167	37	-	-	204	976
	<b>Sub-total</b>	<b>28,013</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>28,059</b>	<b>5,884</b>	<b>1,048</b>	<b>-</b>	<b>-</b>	<b>6,932</b>	<b>22,129</b>
	Previous Year's Figures	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	23,289
	<b>Total Tangibles Assets (A+B)</b>	<b>1,07,169</b>	<b>23,431</b>	<b>-</b>	<b>1,310</b>	<b>1,29,296</b>	<b>27,676</b>	<b>6,869</b>	<b>-</b>	<b>905</b>	<b>33,640</b>	<b>79,493</b>
	Previous Year's Figures	1,03,514	3,923	-	268	1,07,169	21,592	6,320	-	236	27,676	81,922

**Intangible Assets**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
<b>A</b>	<b>Assets Owned by MDL</b>											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	833	72	-	-	905	256
2	Other than SAP-ERP	4,600	196	-	-	4,796	3,664	510	-	-	4,174	936
	<b>Sub Total</b>	<b>5,689</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>5,885</b>	<b>4,497</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>5,079</b>	<b>1,192</b>
	Previous Year's Figures	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,680

## Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK				
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021	As on 31-03-22
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-
2	Other than SAP-ERP	181	-	-	-	181	-	-	-	181	-	-	-
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Previous Year's Figures	1,181	-	-	-	1,181	33	-	-	1,181	-	33	-
	<b>Total Intangible Assets (A+B)</b>	<b>6,870</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>7,066</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>6,260</b>	<b>806</b>	<b>1,192</b>	<b>1,192</b>
	Previous Year's Figures	6,603	267	-	-	6,870	788	-	-	5,678	1,192	1,713	-
	<b>Total Assets (i-ii)</b>	<b>1,14,039</b>	<b>23,627</b>	<b>-</b>	<b>1,310</b>	<b>33,354</b>	<b>7,451</b>	<b>-</b>	<b>905</b>	<b>39,900</b>	<b>96,462</b>	<b>80,685</b>	<b>80,685</b>
	Previous Year's Figures	1,10,117	4,190	-	268	26,482	7,108	-	236	33,354	80,685	83,635	-

- (i) Depreciation of ₹ Nil pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 1143 lakhs)
- (ii) Government of Kerala has assigned "Free of Cost" 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vi) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements of FY 2021-22.
- (vii) Building as at 31st March 2022 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.
- (viii) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of ₹ Nil. (previous year: ₹ 2282 lakhs)

### (ix) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	Assets jointly funded by MDL and Indian Navy							Total as on 31-03-2022	Total as on 31-03-2021			
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment			Furniture and Fixtures	Intangible assets	Roads
1	Total Cost upto 31.03.2022	34,053	649	65,253	345	96	1,142	166	241	1,418	133	<b>1,03,496</b>	<b>1,03,479</b>
2	Less: Funded By Navy	28,013	628	61,141	345	96	983	158	241	1,181	-	<b>92,786</b>	<b>92,744</b>
3	Funded By MDL	6,040	21	4,112	-	-	159	8	-	237	133	<b>10,710</b>	<b>10,735</b>
	<b>Previous Year's Figures</b>	<b>6,065</b>	<b>21</b>	<b>4,112</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,735</b>	<b>10,735</b>



**Note 2 - Property, Plant and Equipment (Contd..)**

(x) Title deeds of immovable properties not held in the name of the company as on 31.03.2022

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	<b>Lease hold Land</b>					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-			1959	
	South Yard, Near Mogul House, MDL, Mumbai	-			1947	
	355 Phase North yard	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process. MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	Extension of Phase II	3,051			1979	
	Extension of Slipway in SY	5,136			1995	
	Additional water area for	2,539			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	<b>Building</b>					
	Flats at Vashi	14.00	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Deed of apartment is pending, however share certificates and other documents are in the name of the Company.
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others	-	-	-	-	-	-

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## Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings:												
	i) Factory Building	5,842	292	-	-	6,134	440	220	-	-	660	5,474	5,402
	ii) Office and Staff Quarters												
	a) RCC	2,799	2,376	-	1	5,174	468	241	-	1	708	4,466	2,331
	b) Non RCC	1,429	6	-	-	1,435	105	58	-	-	163	1,272	1,324
	iii) Others (Temporary structure)	102	-	-	-	102	30	35	-	-	65	37	72
3	Road	673	-	-	-	673	610	27	-	-	637	36	63
4	Plant and Equipment	24,772	175	-	114	24,833	5,072	1,704	-	104	6,672	18,161	19,700
5	Furniture and Fixtures	1,697	238	-	37	1,898	739	171	-	20	890	1,008	958
6	Vehicles	1,942	68	-	4	2,006	1,137	252	-	3	1,386	620	805
7	Office Equipment	3,554	273	-	5	3,822	1,171	655	-	9	1,817	2,005	2,383
8	Computers and Data Processing Units	-	-	-	-	-	-	-	-	-	-	-	-
	i) Desktops, Laptops etc.	716	90	-	24	782	429	214	-	24	619	163	287
	ii) Server and Network	4,194	71	-	16	4,249	1,665	699	-	11	2,353	1,896	2,529
9	Loose Tools	616	6	-	-	622	410	73	-	-	483	139	206
10	Ship - Launches and Boats	4,936	-	-	19	4,917	259	172	-	18	413	4,504	4,677
11	Electrical Installation and Equipments	2,289	328	-	48	2,569	812	200	-	46	966	1,603	1,477
12	Right to use asset - Leasehold land	8,719				8,719	3,415	289			3,704	5,015	5,304
13	Right to use asset - Vehicles	449				449	106	150			256	193	343
	<b>Sub-total</b>	<b>75,501</b>	<b>3,923</b>	<b>-</b>	<b>268</b>	<b>79,156</b>	<b>16,868</b>	<b>5,160</b>	<b>-</b>	<b>236</b>	<b>21,792</b>	<b>57,364</b>	<b>58,633</b>
	Previous Year's Figures	65,225	10,586	-	310	75,501	12,106	5,036	-	274	16,868	58,633	53,119

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2020 - ₹ 4936 lakhs) out of which ₹ 4917 lakhs (2020 - ₹ 4936 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1938 / Indian Vessels Act, 1917.



**Note 2 - Property, Plant and Equipment (Contd..)**

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK				
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Buildings:												
	i) Factory Building	16,244	-	-	-	16,244	2,246	507	-	-	2,753	13,491	13,998
	ii) Office and Staff Quarters												
	a) RCC	1,646	-	-	-	1,646	88	29	-	-	117	1,529	1,558
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	77	25	-	-	102	31	56
3	Plant and Equipment	7,491	-	-	-	7,491	1,609	393	-	-	2,002	5,489	5,882
4	Electrical Installation and Equipments	649	-	-	-	649	191	62	-	-	253	396	458
5	Furniture and Fixtures	216	-	-	-	216	65	20	-	-	85	131	151
6	Office Equipment	153	-	-	-	153	91	28	-	-	119	34	62
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	229	57	-	-	286	52	109
8	Ship - Launches and Boats	1,143	-	-	-	1,143	128	39	-	-	167	976	1,015
	<b>Sub-total</b>	<b>28,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,013</b>	<b>4,724</b>	<b>1,160</b>	<b>-</b>	<b>-</b>	<b>5,884</b>	<b>22,129</b>	<b>23,289</b>
	Previous Year's Figures	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	<b>Total Tangibles Assets (A+B)</b>	<b>1,03,514</b>	<b>3,923</b>	<b>-</b>	<b>268</b>	<b>1,07,169</b>	<b>21,592</b>	<b>6,320</b>	<b>-</b>	<b>236</b>	<b>27,676</b>	<b>79,493</b>	<b>81,922</b>
	Previous Year's Figures	93,213	10,611	-	310	1,03,514	15,676	6,190	-	274	21,592	81,922	77,537

**Intangible Assets**

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK				
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	965	124	-	-	1,089	724	109	-	-	833	256	241
2	Other than SAP-ERP	4,457	143	-	-	4,600	3,018	646	-	-	3,664	936	1,439
	<b>Sub Total</b>	<b>5,422</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>5,689</b>	<b>3,742</b>	<b>755</b>	<b>-</b>	<b>-</b>	<b>4,497</b>	<b>1,192</b>	<b>1,680</b>
	Previous Year's Figures	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229

### Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK					
		Cost as on 01-04-20	Additions	Adjustments	Disposal	Balance 31-03-21	Opening 01-04-20	For the period	Adjustments	Disposal	Balance 31-03-21	As on 03-2021	As on 31-03-2020
<b>B</b>	<b>Jointly Funded Assets</b>												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	-	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	148	33	-	-	-	181	-	33
	<b>Sub Total</b>	<b>1,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,148</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>-</b>	<b>33</b>
	Previous Year's Figures	1,181	-	-	-	1,112	36	-	-	-	1,148	33	69
	<b>Total Intangible Assets (A+B)</b>	<b>6,603</b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>4,890</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,678</b>	<b>1,192</b>	<b>1,713</b>
	Previous Year's Figures	6,264	339	-	-	3,966	924	-	-	-	4,890	1,713	2,298
	<b>Total Assets (i+ii)</b>	<b>1,10,117</b>	<b>4,190</b>	<b>-</b>	<b>268</b>	<b>26,482</b>	<b>7,108</b>	<b>-</b>	<b>236</b>	<b>-</b>	<b>33,354</b>	<b>80,685</b>	<b>83,635</b>
	Previous Year's Figures	99,477	10,950	-	310	19,642	7,114	-	-	-	26,482	83,635	79,835

- (i) Depreciation of ₹ 1143 lakhs pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 239 lakhs)
- (ii) Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 14 lakhs (previous year: ₹ 14 lakhs)
- (iii) Government of Kerala has assigned "Free of Cost" 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iv) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (v) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (vi) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vii) Lease agreements have not been executed in the cases of:-
1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.
  2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 20 lakhs. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.



**Note 2 - Property, Plant and Equipment (Contd..)**

(viii) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has proposed the renewal of expired leases of four plots for a period of 30 years by an upfront payment of around ₹ 27214 lakhs plus applicable taxes towards the lease premium and ₹ 4183 lakhs plus applicable taxes towards the arrears of rent for the period from Fiscal 2006 onwards. This proposal of lease renewal also provides the option of annual payment of lease rent for a period of 10 years amounting to approximately 1944 lakhs per annum plus applicable taxes. MDL has contested MbPT proposal and has recognised estimated reasonable lease rent in financial statements.

(ix) Building as at 31st March 2021 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.

(xi) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of ₹ 2282 lakhs.

**(xii) Assets jointly funded by MDL and Indian Navy**

Sr. No.	Particulars	₹ in lakhs											
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2021	Total as on 31-03-2020
1	Total Cost upto 31.03.2021	34,078	649	65,211	345	96	1,142	166	241	1,418	133	1,03,479	1,03,479
2	Less: Funded By Navy	28,013	628	61,099	345	96	983	158	241	1,181	-	92,744	92,744
3	Funded By MDL	6,065	21	4,112	-	-	159	8	-	237	133	10,735	10,735
	<b>Previous Year's Figures</b>	<b>6,065</b>	<b>21</b>	<b>4,112</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>8</b>	<b>-</b>	<b>237</b>	<b>133</b>	<b>10,735</b>	<b>10,735</b>

**Note 3 - Capital work-in-progress**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Capital work-in-progress</b>				
<b>1. Own resources</b>				
<b>A. Tangible assets</b>				
Opening balance	7,974		7,955	-
Add: Expenditure during the period	24,110		3,942	-
Less: Capitalisation during the period	(23,390)	8,694	(3,923)	7,974
<b>B. Intangible assets under development</b>				
Opening balance	-		-	-
Add: Expenditure during the period	196		267	-
Less: Capitalisation/adjustments during the period	(196)	-	(267)	-
<b>2. Funded by Indian Navy</b>				
<b>Submarine facilities upgradation project</b>				
Opening balance	41		41	-
Add: Expenditure/adjustments during the period	2		-	-
Less: Capitalisation/adjustments during the period	(43)	-	-	41
		<b>8,694</b>		<b>8,015</b>

**Ageing for capital work-in-progress as at March 31, 2022 as follows:**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	395	107	5284	2908	8694
Projects temporarily suspended	-	-	-	-	-

**Intangible Assets under development ageing schedule:**

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

\*The capital work-in-progress does not include items whose completion is overdue or has exceeded its cost compared to its original plan

**Note 4 - Non-current investments**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Investments in equity instruments (At cost, unquoted) in Associate</b>				
Equity shares of Goa Shipyard Limited		54,232		51,865
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)				
		<b>54,232</b>		<b>51,865</b>

**Note 5 - Trade receivables - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>(Unsecured, considered good)</b>			
Deferred debts		2,231		1,935
Less: Amount receivable within 12 months		(458)		(391)
		<b>1,773</b>		<b>1,544</b>

**Ageing for trade receivables-non-current outstanding as at March 31, 2022 is as follows:**

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,773	1,773
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Ageing for trade receivables-non-current outstanding as at March 31, 2021 is as follows:**

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,544	1,544
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 6 - Other financial assets - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>(Unsecured, considered good)</b>			
<b>Security deposits:</b>				
Security deposits with Mumbai Port Trust		403		382
Other deposits		338		328
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)		340		340
Leave encashment fund		13,035		13,819
		<b>14,116</b>		<b>14,869</b>

**Note 7 - Deferred tax assets (net)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Deferred tax assets / (liabilities)</b>				
<b>Deferred tax assets</b>				
Provisions	51,063		48,925	-
Others	-	51,063	-	48,925
<b>Deferred tax liabilities</b>				
Depreciation	(6,380)	(6,380)	(6,564)	(6,564)
<b>Deferred tax assets (net)</b>		<b>44,683</b>		<b>42,361</b>

**Note 8 - Other non-current assets**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Capital advances		343		104
Deposits with custom and excise authorities		20		20
Other receivables - considered good	742		296	-
Other receivables - considered doubtful	2,791		2,791	-
Less: Allowance for doubtful receivables	(2,791)	742	(2,791)	296
Advances paid to vendors - considered doubtful	4		62	-
Less: Allowance for doubtful advances	(4)	-	(62)	-
VAT / sales tax receivable		6,516		9,481
GST input tax credit				
Services	16,091		12,560	-
Materials	48,758	64,849	61,474	74,034
Export incentive receivable				
Considered good	-		3	-
Considered doubtful	-		107	-
	-		110	-
Less: Allowance for doubtful receivables	-	-	(107)	3
Prepaid expenses				
Prepaid deposits (MbPT)	57		61	-
Less: amortisation / unwinding of prepaid deposits	(15)		(15)	-
Less: current	(15)	27	(15)	31
Others		295		237
		<b>72,792</b>		<b>84,206</b>

**Note 9 - Inventories**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Raw materials</b>				
Material in stores	11,860		11,388	-
Less: Provision for obsolescence	(125)	11,735	(123)	11,265
<b>Stores and spares</b>				
Material in stores	2,300		1,886	-
Less: Provision for obsolescence	(143)	2,157	(69)	1,817
<b>Equipment for specific projects</b>				
Material in stores/site	6,00,026		5,57,126	-
Less: Provision for obsolescence	-		-	-
	6,00,026		5,57,126	-
Stock in transit	6,892		18,470	-
Materials pending inspection	1,48,798	7,55,716	-	5,75,596
Scrap		402		183
		<b>7,70,010</b>		<b>5,88,861</b>

**Note 9 - Inventories (Contd..)****Note:**

- (i) Inventory costing ₹ 18,565 lakhs (Previous year: ₹ 4,103 lakhs) is held with other vendors.
- (ii) Inventory costing ₹ Nil (Previous year: ₹ 576 lakhs) is held at customer's store.
- (iii) As on 31st March, 2022, Inventory held on behalf of Navy is ₹ 1,499 lakhs (Previous year - ₹ 2,168 lakhs) which is excluded from above inventory.

**Note 10 - Trade receivables - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>(Unsecured)</b>				
<b>Against sale and repair of ships and submarines</b>				
Considered good	98,755		94,808	-
Considered doubtful	76,744		55,924	-
	1,75,499		1,50,732	-
Less: Loss allowance	(76,744)	98,755	(55,924)	94,808
<b>Against B&amp;D Spares</b>				
Considered good	1,786		1,786	-
Considered doubtful	3,171		3,226	-
	4,957		5,012	-
Less: Loss allowance	(3,171)	1,786	(3,226)	1,786
		<b>1,00,541</b>		<b>96,594</b>

**Breakup of Trade receivables**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Trade receivables considered good - unsecured		1,00,541		96,594
Trade receivables considered doubtful - unsecured		79,915		59,150
<b>Total</b>		<b>1,80,456</b>		<b>1,55,744</b>
Loss allowance		(79,915)		(59,150)
<b>Total trade receivables (current)</b>		<b>1,00,541</b>		<b>96,594</b>

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Undisputed Trade receivables-considered good	92,827	3,334	891	90	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 10 - Trade receivables - current (Contd..)**

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	68,382	235	2,911	3,815	22,794	98,137
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Note 11 - Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>Cash and cash equivalents</b>			
<b>Balances with banks</b>				
- In current accounts				
i. In India	4,191		11,011	-
ii. Outside India	32	4,223	81	11,092
- In flexi deposit accounts		67,824		62,899
		<b>72,047</b>		<b>73,991</b>

**Note 12 - Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	In fixed deposit accounts - more than 3 months but not more than 12 months maturity		10,76,000	
		<b>10,76,000</b>		<b>7,28,800</b>

**Note 13 - Other financial assets - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Insurance claims receivable		-	
Interest accrued on deposits and advances		14,066		13,240
		<b>14,066</b>		<b>13,959</b>

**Note 14 - Other current assets**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	<b>(Unsecured, considered good, unless otherwise specified)</b>			
<b>Advances</b>				
Advances paid to vendors	5,78,872		6,83,675	-
Travel advance to employees	12		2	-
Employee related	137		115	
Others	151	5,79,172	169	6,83,961
<b>Prepaid expenses</b>				
Prepaid deposits (MbPT)	15		15	-
Others	349	364	838	853
		<b>5,79,536</b>		<b>6,84,814</b>

**Note 15 - Share Capital**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Authorized share capital</b>				
32,37,20,000 (Previous year - 32,37,20,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each		32,372		32,372
		<b>32,372</b>		<b>32,372</b>
<b>Issued, subscribed and fully paid-up shares</b>				
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.		20,169		20,169
		<b>20,169</b>		<b>20,169</b>

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Details of shareholding more than 5% shares in the Company</b>				
<b>Shareholder</b>				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%

**Disclosure of shareholding of promoters as at March 31, 2022 is as follows:**

Particulars	March 31, 2022		March 31, 2021		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

**Disclosure of shareholding of promoters as at March 31, 2021 is as follows:**

Particulars	March 31, 2021		March 31, 2020		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
<b>Shareholder</b>					
President of India and his nominees	17,10,90,983	84.83%	20,16,90,000	100.00%	15.17%

In October, 2020, the Company had completed the Initial Public Offering (IPO) of 3,05,99,017 Equity shares of ₹ 10 each through an Offer for Sale (OFS) at an issue price of ₹ 145 per share. The Equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 12th October, 2020.

**Note 16 - Trade payables - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	Percentage holding	No. of shares	Percentage holding
Deferred payment liability to a foreign supplier		2,231		1,935
Less: Amount payable within 12 months		(458)		(391)
		<b>1,773</b>		<b>1,544</b>

**Note 16 - Trade payables - non-current (Contd..)**

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	1,773	1,773
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	1,544	1,544
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Note 17 - Other financial liabilities - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Security and other deposits		97		75
		<b>97</b>		<b>75</b>

**Note 18 - Other long-term liabilities**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Funds received from customer for infrastructure projects</b>	92,761		92,642	-
Add: Received during the period	-		119	-
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	-
Less: Amortisation of deferred revenue	(5,308)	14,034	(4,545)	14,797
Deferred deposits		3		5
		<b>14,037</b>		<b>14,802</b>

**Note 19 - Provisions - non-current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Employee benefits</b>				
Post retirement benefit schemes				
Medical	9,720		8,486	-
Gift card	191	9,911	268	8,754
Leave salary encashment		10,475		11,063
<b>Other provisions</b>				
Provision for liquidated damages	35,821		52,933	-
Others	266	36,087	266	53,199
		<b>56,473</b>		<b>73,016</b>

**Note 20 - Trade payables - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Other vendors		6,16,092	
Deferred payment liability to a foreign supplier		458		391
		<b>6,16,550</b>		<b>6,32,246</b>

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	15	-	-	-	-	15
Others	5,66,526	49,630	343	28	23	6,16,550
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3,936	-	-	-	-	3,936
Others	5,99,167	32,608	330	54	87	6,32,246
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Note 21 - Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Retention money payable		216	
Liquidated damages payable		2,704		2,788
Interest payable on advances received from customer		1,820		1,739
Employee related		11,839		10,055
Others		46		47
Security and other deposits		347		341
Dividend Payable		1		-
		<b>16,973</b>		<b>15,811</b>

**Note 22 - Other current liabilities**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Statutory dues		1,917	
Deferred deposits		6		7
		<b>1,923</b>		<b>1,649</b>

**Note 23 - Provisions - current**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Employee benefits</b>				
Post retirement benefit				
Medical	1,039		605	-
Gift card	117	1,156	107	712
Leave salary encashment		2,533		3,389
Gratuity		1,393		1,541
<b>Other provisions</b>				
Guarantee repairs	5,959		959	-
Custom duty	426	6,385	426	1,385
		<b>11,467</b>		<b>7,027</b>

**Note 24 - Revenue from operations**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Contract revenue</b>				
Ship construction		4,34,026		2,98,862
<b>Sale of goods</b>				
Sale of base and depot spares		98,367		62,033
<b>Sale of Services</b>				
Ship Repair		39,368		43,263
<b>Other operating revenue</b>				
Sale of scrap and stores	623		339	
Sale of services (others)	725		179	
Changes in Inventory of Scrap	219	1,567	106	624
		<b>5,73,328</b>		<b>4,04,782</b>

**Contract Revenue Recognition with Respect to Projects / Vessels in WIP:**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
The amount of contract revenue recognised as revenue for the period		5,71,761		4,04,158
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		16,23,805		21,36,023
The amount of advances received (gross)		34,53,884		35,32,267
The amount of retentions by customers		26,788		80,706

- The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- Company has delivered Ship and Submarine in October, 2021 and November, 2021. The total sale value of the ship & Submarine is ₹ 6,24,332 lakhs and ₹ 3,43,844 lakhs respectively of which amount of ₹ 1,42,367 lakhs and ₹ 21,025 lakhs respectively is recognised in the contract revenue for the year ended 31st March, 2022. Differential sale on account of Submarines sold in earlier years is ₹ 14,158 lakhs. Sale Value of ₹ 3,275 lakhs pertaining to Shipbuilding activity is included in Contract Revenue for the year ended 31st March, 2022. Balance amount pertains to accretion to Work in Progress inventory.
- Revenue from operations includes revenue from Export of goods/services is ₹ 326 Lakhs that is 0.06% of Revenue from operation.



## Note 25 - Other Income

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Interest from</b>				
Deposits with banks	34,787		36,651	
Less: Interest liability to customer on advances	(1,820)		(1,739)	
	32,967		34,912	
On income tax refund	275		576	
Other interest	1,506	34,748	1,336	36,824
Liabilities / provisions no longer required written back		1,496		934
Insurance claims		259		17
Profit on Sale / scrapping of fixed assets (net)		101		4
<b>Liquidated damages recovered</b>				
Capital		30		28
Others		1,558		1,339
Miscellaneous income / recoveries		577		683
Refund of LD from Customer		-		16,142
Amortisation gain on deferred deposits of vendors		7		9
Unwinding of lease charges - Land		889		54
Unwinding of lease charges - Vehicles		179		180
Amortisation of deferred revenue (customer funded assets)		763		804
Interest Income on deferred payment liability to foreign supplier		398		371
Interest Income on deferred deposit with MbPT		22		20
<b>Foreign exchange variation (net)</b>				
Income	-		36	
Less: Loss	-	-	(35)	1
		<b>41,027</b>		<b>57,410</b>

## Note 26 - Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
<b>Opening stock</b>				
Raw materials, stores and spares	13,274		14,531	
Equipment for specific projects	5,57,126		3,68,167	
Stock-in-transit and materials pending inspection	18,470	5,88,870	79,685	4,62,383
<b>Add: Purchases</b>		4,52,135		3,16,077
		10,41,005		7,78,460
<b>Less: Closing stock</b>				
Raw materials, stores and spares	(14,160)		(13,274)	
Equipment for specific projects	(6,00,026)		(5,57,126)	
Stock-in-transit and materials pending inspection	(1,55,690)	(7,69,876)	(18,470)	(5,88,870)
		2,71,129		1,89,590
Less: Reduction in Value-included in Other Expenses				
Less: Provision for obsolete stock		(76)		(2)
Less: Stores and spares consumption included in other expenses		(1,746)		(1,397)
		<b>2,69,307</b>		<b>1,88,191</b>

**Note 27 - Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Salaries, wages, allowances and bonus		61,590		47,021
Pension		2,083		1,916
Contribution to provident fund		4,111		4,199
Contribution to employee state insurance scheme		49		-
Workmen and staff welfare expenses		8,369		7,367
Gratuity		895		2,043
Encashment of privilege leave		2,776		2,735
		<b>79,873</b>		<b>65,281</b>

The total Employee benefit expenses incurred amounting to ₹ 1,397 lakhs (Previous year : ₹ 10,995 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2021-22.

**Note 28 - Finance cost**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Interest cost on deferred deposits of vendors		8		10
Interest cost on deferred payment liability to foreign supplier		398		371
Interest cost on lease		310		455
		<b>716</b>		<b>836</b>

**Note 29 - Other expenses - Projects related**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Technician fees and other expenses		4,500		4,022
Advising team fees and other expenses		6,925		2,166
Facility hire		2,283		1,560
Bank charges and guarantee commission		128		161
Travelling expenses		78		71
Sea trial, launching and commissioning expenses		2,160		1,837
Legal, professional and consultant fees		173		6,830
Miscellaneous expenses		187		188
		<b>16,434</b>		<b>16,835</b>

**Note 30 - Other expenses**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Repairs and maintenance:				
Buildings	465		202	
Plant and machinery	376		221	
Steam launches and boats, motor cars, lorries, etc.	1,527		209	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(82)	2,286	(47)	585
Facility hire	498		478	
Water expenses	300		326	
Rent	4,524		48	
Insurance	867		781	
Rates and taxes	711		689	
Bank charges and guarantee commission	18		18	
Printing and stationery	40		13	
Travelling expenses	520		416	
Business promotion expenses	278		560	
Sea trial, launching and commissioning expenses	3		6	
Corporate membership expenses	48		72	
Foreign exchange variation (net)	14		-	
Miscellaneous expenses	813		720	
Audit fees	12		11	
Vehicle hire charges	59		49	
Legal, professional and consultant fees	788		125	
Books and periodicals	45		53	
Postage, telegrams and phones	141		151	
Training expenses	69		26	
CISF and security board expenses	2,594		2,975	
Directors fees and expenses	7		7	
Provision for obsolete stock	76		2	
Consumption of stores and spares etc.	1,746		1,397	
Other interest	632		63	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,112	15,930	1,834	10,835
		<b>18,216</b>		<b>11,420</b>

Foreign Exchange gain for the year ended 31st March, 2022 is ₹ 2004 lakhs and foreign exchange loss for previous year is ₹ 1435 lakhs on raw materials and project specific equipments has been considered in cost of material consumed.

Expenditure on Research and Development and allied expenses aggregating to ₹ 7,524 lakhs (Previous year - ₹ 8,241 lakhs) is reflected under respective various heads in the above note.

**Note 31 - Provisions**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
Doubtful debts / receivable		3,707		-
Guarantee Repairs		5,000		-
Others		1,543		1,982
		<b>10,255</b>		<b>1,982</b>

## 32 Business Segment Reporting

- a) The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.
- b) For management purposes, the Company is organized into two major segments - Shipbuilding (New Construction and Ship Repairs) and Submarine.
- c) There are no geographical segments within the business segments.

## 33 Contingent Liabilities and Commitments:

### 33.1 Amounts for which Company may be contingently liable:

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account.*	3,003	6,062
(ii)	b) Estimated amount of liquidated damages on contracts under execution.**	1,04,485	83,431
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	33,680	1,03,426
	(b) Guarantees and counter guarantees	1,955	1,120
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	50,48,406	50,49,137
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

\*\*Company has received an extension in delivery of Project Destroyer. During FY 2021-22, Company has delivered one ship of Project Destroyer within the revised contractual delivery date. Company is confident to deliver the balance ships of the Project Destroyer with in revised delivery schedule. The sanction for extension of delivery date of Project Frigate is under approval with customer. The total financial implication is ₹1045 cr in the event of not considering deferment of deliveries by customer.

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

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Suppliers and sub-contractors	4162	1297
(ii)	Others	2369	2384
(iii)	Interest on (i) and (ii) above	2408	734
		<b>8,938</b>	<b>4,415</b>

### 33.3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

Sr no.	Particulars	₹ in lakhs	
		March 31, 2022	March 31, 2021
(i)	Sales Tax *	1,17,616	1,16,617
(ii)	Excise Duty		
	(a) On Vendors	210	204
	(b) On MDL	32	31
		242	235
		<b>1,17,858</b>	<b>1,16,852</b>

\* Against the above claim, part payments of ₹ 684 lakhs (Previous year - ₹ 684 lakhs) have been made under protest.

**Note 33 - Contingent Liabilities and Commitments: (Contd..)****33.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:**

		₹ in lakhs	
Sr no.	Particulars	March 31, 2022	March 31, 2021
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4426	4,331
(iii)	Income Tax	2055	-
		<b>6,496</b>	<b>4,346</b>

**33.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities**

		₹ in lakhs	
Particulars		March 31, 2022	March 31, 2021
Custom Duty		8	8

**Note 34 -**

**34.1** Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

**34.2** Balances due to / from Indian Navy included in current assets / current liabilities are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

**Note 35 - Normal Operating Cycle**

1. The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

- a) In case of ship / submarine building and ship/submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/Letter of Intent (LOI) to the date of expiry of guarantee period.
- b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

**Note 36 - Employee Benefits****36.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

		₹ in lakhs	
Particulars		March 31, 2022	March 31, 2021
(a) State Defined Contribution Plans			
(i) Employers' Contribution to Employees' State Insurance			
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.			
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.			
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-			
1. Employers' Contribution to Provident Fund		4058	4,184
2. Employers' Contribution to Employees' State Insurance		49	-
3. Employers' Contribution to EPS (Employees' Pension Scheme)		2083	1,916
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme		53	15

### Note 36 - Employee Benefits (Contd..)

Retirement benefits in the form of Pension is defined contribution scheme and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There are no obligations other than the contribution payable to the respective funds.

#### (II) Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme)	31st March, 2022	31st March, 2021
Actuarial valuation was performed by an insurer in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.14%	6.96%
2 Rate of increase in compensation levels	7.00%	7.00%

Gratuity liability is a defined benefit obligation and is provided for, on the basis of an actuarial valuation on projected net credit method made at the end of each financial year. The Gratuity Fund is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
Opening Balance	23,145	23,627
Add : Credit from Company	1,044	4,236
Less : Amount paid towards claims	(5,197)	(6,424)
Add : Interest credited	1,372	1,706
Closing Balance	20,364	23,145
Present value of past service benefit	20,377	22,929

The actuarial liability excludes the fixed term employees, for which separate provision exists.

### 36.2 Actuarial valuation of liability towards Gratuity

#### Defined Benefit Plans Gratuity - as per actuarial valuation

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>i) Assumptions</b>		
a) Discount Rate	7.14%	6.96%
b) Salary Escalation	7.00%	7.00%
c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	6.96%
d) Expected average remaining working lives of employees (years)	15	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	22,929	27,864
Add: Transfer of canteen employees liability	-	-
	22,929	27,864
Interest cost	1,401	1,811
Current service cost	897	1,321
Benefits paid	(5,197)	(6,424)
Actuarial (gain) / loss on obligations	348	(1,643)
Present value of obligations as at end of year	20,377	22,929



**Note 36 - Employee Benefits (Contd..)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>iii) Table showing changes in the fair value of plan assets</b>				
Fair value of plan assets at beginning of year		23,145		23,627
Expected return on plan assets		1,611		1,535
Contributions		1,044		4,236
Benefits paid		(5,197)		(6,424)
Actuarial (gain) / loss on plan assets		(239)		171
Fair value of plan assets at the end of year		20,364		23,145
<b>iv) Table showing fair value of plan assets</b>				
Fair value of plan assets at beginning of year		23,145		23,627
Actual return on plan assets		1,611		1,535
Contributions		1,044		4,236
Benefits paid		(5,197)		(6,424)
Fair value of plan assets at the end of year		20,364		23,145
Funded status		13		(216)
Excess of Actual over estimated return on plan assets		-		-
<b>v) Actuarial gain / loss recognized</b>				
Actuarial (gain) / loss for the year - obligation		587		(1,814)
Actuarial (gain) / loss for the year - plan assets		-		-
Total (gain) / loss for the year		587		(1,814)
Actuarial (gain) / loss recognised in the year		587		(1,814)
Un-recognised actuarial (gains) / losses at the end of year				
<b>vi) The amounts to be recognized in the balance sheet</b>				
Present value of obligations as at the end of year		20,377		22,929
Fair value of plan assets as at the end of the year		20,364		23,145
Funded status		(13)		216
Net Asset / (Liability) recognized in balance sheet		(13)		216
<b>vii) Expenses recognized in statement of Profit and Loss</b>				
Current service cost		897		1,321
Interest cost		(210)		276
Expected return on plan assets				
Expenses recognized in statement of profit and loss		687		1,597
<b>viii) Expenses recognized in Other Comprehensive Income</b>				
Actuarial (gain) / loss recognised in the year		587		(1,814)
<b>ix) Current/Non-current Liability</b>				
Current Liability		5,950		5,605
Non-current Liability		14,427		17,324
Present Value of the Defined Gratuity Benefit Obligation		20,377		22,929

**Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46% (Previous year - 6%)	573 2.81%		582 2.54%	
if Discount rate is increased to 7.46% (Previous year - 7%)		534 2.62%		543 2.37%

**Note 36 - Employee Benefits (Contd..)**

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50% (Previous year - 7.50%)	335 1.64%		343 1.50%	
if Discount rate is decreased to 6.50% (Previous year - 6.50%)		328 1.61%		341 1.49%

₹ in lakhs

**36.3 Actuarial valuation of liability towards Leave Encashment****Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

Particulars	March 31, 2022		March 31, 2021	
<b>i) Assumptions</b>				
Discount rate		7.14%		6.96%
Rate of increase in compensation levels		7.00%		7.00%
Expected average remaining working lives of employees (years)		15		14
<b>ii) Table showing changes in present value of obligations</b>				
Present value of obligation as at the beginning of the year		13,434		15,024
Add : Liability Transfer from Canteen Employees		-		-
		13,434		15,024
Interest cost		852		977
Current service cost		1,024		883
Benefits paid		(1,944)		(2,214)
Actuarial (gain) / loss on obligations		(359)		(1,236)
Present value of obligation as at the end of the year		13,007		13,434
<b>iii) Table showing changes in the fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year		13,819		15,005
Expected return on plan assets		962		1,077
Contributions		-		-
Benefits paid		(1,944)		(2,214)
Actuarial gain / (loss) on plan assets		198		(49)
Fair value of plan assets at the end of the year		13,035		13,819
<b>iv) Tables showing fair value of plan assets</b>				
Fair value of plan asset at the beginning of the year		13,819		15,005
Actual return on plan assets		962		1,077
Contributions / (withdrawals)		-		-
Benefits paid		(1,944)		(2,214)
Actuarial gain / (loss) on plan assets		198		(49)
Fair value of plan asset at the end of the year		13,035		13,819
Funded status		(28)		(385)
<b>v) Actuarial gain / loss recognized</b>				
Actuarial (gain) / loss for the year - obligation		(359)		(1,236)
Actuarial (gain) / loss for the year - plan assets				
Total (gain) / loss for the year		(359)		(1,236)
Actuarial (gain) / loss recognised in the year		(359)		(1,236)
Un-recognised actuarial (gains) / losses at the end of year				

₹ in lakhs

**Note 36 - Employee Benefits (Contd..)**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>vi) The amounts to be recognized in the balance sheet</b>				
Present value of obligation as at the end of the year		13,007		13,434
Fair value of plan assets as at end of the year		13,035		13,819
Funded status		(28)		(385)
Unrecognized actuarial (gains) / losses		-		-
Net asset / (liability) recognized in balance sheet		(28)		(385)
<b>vii) Expenses recognized in statement of profit and loss</b>				
Current service cost		1,024		883
Interest cost		852		977
Actuarial (gain) / loss recognised in the year		(359)		(1,236)
Expenses recognized in the statement of profit and loss		1,518		624
<b>viii) Current/Non-current Liability</b>				
Current Liability		2,533		2,371
Non-current Liability		10,474		11,063
Present Value of the Defined Leave Encashment Benefit Obligation		13,007		13,434

**Sensitivity of Leave Encashment Benefit Liability to key assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46% (Previous year - 6.00%)	516 3.97%		504 3.75%	
if Discount rate is increased to 7.46% (Previous year - 7.00%)		478 3.67%		466 3.47%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50% (Previous year - 7.50%)	515 3.96%		502 3.73%	
if Discount rate is decreased to 6.50% (Previous year - 6.50%)		481 3.70%		468 3.49%

**36.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

In the Financial Year 2020-21, the Company has changed its accounting policy regarding classification of Provident Fund contribution from Defined Contribution Plan to Defined Benefit Plan. This change in accounting policy was applied and observed that the net assets available for the benefits are in excess in comparison to the present value of retirement benefits. Hence, there is no impact on accounts of the company during the current year.

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit

**Note 36 - Employee Benefits (Contd..)**

plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by Company and the shortfall of interest, if any are recognised as an expense in the statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
Fair value of plan assets	80,409	85,289
Present value of defined benefit obligations	(80,409)	(85,289)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government, public sector and corporate bonds

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	March 31, 2022	March 31, 2021
Provident Fund interest rate guarantee	8.10%	8.50%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.14%	6.96%
Govt. of India - Bond yield for the outstanding term of assets	6.61%	6.02%
Expected average remaining working lives of employees (years)	15	15

**Note 37 - Provisions made, utilised, written back :**

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>a) Provision for Custom Duty Demand:</b>		
Opening Balance	426	426
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>426</b>	<b>426</b>
<b>b) Provision for Liquidated Damages:</b>		
Opening Balance	52,934	1,02,415
Additions	-	-
Adjusted	(17,113)	(49,481)
Closing Balance	<b>35,821</b>	<b>52,934</b>
<b>c) Provision for Guarantee Repairs:</b>		
Opening Balance	959	1,899
Additions	5,000	-
Utilised/Adjusted	-	(940)
Closing Balance	<b>5,959</b>	<b>959</b>
<b>d) Other Provisions:</b>		
Opening Balance	107	107
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>107</b>	<b>107</b>

**Note 38**

Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2022 based on available information with the Company are as under:

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
Principal amount due and remaining unpaid	15	11
Interest due on above and the unpaid interest	5	3
Payment made beyond the appointed day during the year	1,573	694
Interest accrued and remaining unpaid on above	20	8

**Note 39 - Other Expenses include:**

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>Remuneration to the Statutory Auditors</b>		
i) Audit fees	12	11
ii) Tax audit fees	2	1
	<b>14</b>	<b>12</b>

**Note 40 - Russian (USSR) deferred State Credit**

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9628 Lakhs, payable over 45 years from 1992-93, in equal annual installments of ₹ 214 Lakhs was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 458 lakhs (Previous year - ₹ 391 lakhs) includes yearly installment of ₹214 (Previous year - ₹ 214 lakhs) and ₹ 244 lakhs (Previous year - ₹ 177 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2022. These payments are reimbursable by Indian Navy. Accordingly, ₹ 5803 lakhs (amortised costs of ₹ 2232 lakhs) held at foreign supplier deferred credit as on 31st March 2022.

**Note 41**

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

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

## Note 42 - Related Party Disclosure

### i) Key Managerial Personnel

#### a) Functional Directors

Particulars		Designation	Remuneration*	
			31st March, 2022	31st March, 2021
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	56	52
Cmde T V Thomas (Retd)	(Upto 30.06.2021)	Director (Corporate Planning & Personnel)	54	49
RAdm A K Saxena (Retd)	(Upto 31.01.2021)	Director (Shipbuilding)	-	55
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	49	41
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	47	41
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	19	-

\* As per Statement of Profit and Loss Account.

Besides the remuneration indicated above, the Chairman and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.

#### b) Part Time Non-Official Directors

Particulars		Designation	Sitting Fees	
			31st March, 2022	31st March, 2021
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	2	-
Shri Shambhuprasad Baldevdas Tundiya	(From 24.12.2021)	Independent Director	2	-
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	2	-

### ii) Other Related Parties

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

#### a) Ministry of Defence

Particulars	Year ended	Revenue from related party	Amounts receivable / (payable) by related parties	
			Dividend paid/ payable	
Ministry of Defence	31st March,2022	5,71,761	1,80,456	15,278
	31st March,2021	4,04,158	1,55,744	13,873

b) Transaction with Goa Shipyard Limited which includes rent, sales & amount receivable are not significant in nature.

c) The transactions are conducted in the ordinary course of the company business.

**Note 43 - Earnings per share (EPS)**

Particulars	₹ in lakhs	
	March 31, 2022	March 31, 2021
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	61,084	51,386
Adjustment to Restated Net Profit / (Loss):		
None		
<b>A Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)</b>	61,084	51,386
<b>B Weighted average number of equity shares for calculating basic EPS</b>	20,16,90,000	20,16,90,000
<b>C EPS (₹) - Basic (A/B)</b>	<b>30.29</b>	<b>25.48</b>
<b>D Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)</b>	61,084	51,386
Weighted average number of equity shares	20,16,90,000	20,16,90,000
Effect of dilution:	-	-
<b>E Weighted average number of equity shares for calculating diluted EPS</b>	20,16,90,000	20,16,90,000
<b>F EPS (₹) - Diluted (D/E)</b>	<b>30.29</b>	<b>25.48</b>

**Note 44 - Fair Value Measurement****Financial Instruments by Category**

Particulars	₹ in lakhs					
	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	403	-	-	382
Russian Deferred Debit	-	-	2233	-	-	1935
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	2233	-	-	1935
Security Deposits	-	-	97	-	-	75

**Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

**Note 44 - Fair Value Measurement (Contd..)****Financial assets and liabilities measured at amortised cost**

₹ in lakhs

Particulars	Fair value Hierarchy	31st March 2022		March 31, 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	451	403	451	382
Russian Deferred Debit	Level 3	5803	2233	6261	1935
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	5803	2233	6261	1935
Security Deposits	Level 3	106	97	89	75

**Note 45 - Financial risk management****a) Credit Risk**

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities ( primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**i) Trade Receivables and contract asset**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

**ii) Financial Instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemnt of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

**b) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any."

**c) Market Risk****i) Foreign currency risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Note 46 - Financial risk management (Contd..)**

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

**ii) Foreign Currency Risk Exposure**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

Particulars	₹ in lakhs				
	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31st March 2022	11,981	14	16	1	761
31st March 2021	29,865	13	4	2	1,429

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	₹ in lakhs	
	Impact on Profit Before Tax	
	March 31, 2022	March 31, 2021
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	599	1,493
INR/EUR decreases by 5%	(599)	(1,493)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	1	1
INR/GBP decreases by 5%	(1)	(1)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	38	71
INR/USD decreases by 5%	(38)	(71)

\* Holding all other variables constant

**Note 46 - Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

## Note 47 - Expenditure on Corporate Social Responsibilities (CSR) Activities

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

		₹ in lakhs	
Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2021-22	2020-21
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	593	1,311
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	282	302
Clause (iv)	Ensuring environment sustainability, ecological balance, protection of flora & fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air & water.	-	5
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	5	11
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	79	10
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	21	40
Clause (x)	Rural development projects;	56	74
<b>Total</b>		<b>1,036</b>	<b>1,753</b>

		₹ in lakhs	
Particulars	2021-22	2020-21	
Unspent amount brought forward	154	534	
Amount required to be spent by the Company during the period	1,413	1,454	
Amount spent during the period (incl. Administration Expenses)	1,111	1,834	

		₹ in lakhs			
		Amount Unspent		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
Total Amount spent for the year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Name of the Fund		Date of transfer
	Amount	Date of transfer	Amount	Date of transfer	
1,111	456	27.04.2022	-	-	-

## Note 48

The delays in the completion of the projects due to pandemic situation is taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ 1397 lakhs (Previous year ₹ 10995 lakhs) towards employee benefits, ₹ Nil (Previous year ₹ 1143 lakhs) towards depreciation, and ₹ Nil (Previous year - 476 lakhs) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2021-22. The Company doesn't foresee any change in the orders under execution due pandemic.

## Note 49

MDL maintains independent PF Trust for employees. In FY 2021-22, MDSL employee PF trust has recognised capital loss of ₹ 1545 lakhs against the investment made in previous years. As per the terms & condition provided under employee PF scheme 1952, employer shall be liable to bear the loss of the trust. Consequently, provision of ₹ 1545 lakhs (Previous year ₹ 1982 lakhs) is recognised in accounts of FY 2021-22.

**Note 50 - Additional Notes to the Consolidated Financial Statements****50.1 Interest in Associate**

Name of the Company	Country of Incorporation	% of Ownership as at 31st March 2022	% of Ownership as at 31st March 2021
Goa Shipyard Limited	India	47.21%	47.21%

**50.2 Disclosure of Additional Information pertaining to the Parent Company and Associate**

Name of the Company	Share of Profit/(Loss)					
	31st March, 2022					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	92.19%	56311	85.47%	(406)	92.24%	55905
Goa Shipyard Limited	7.81%	4773	14.53%	(69)	7.76%	4704
<b>Total</b>	<b>100%</b>	<b>61,084</b>	<b>100%</b>	<b>(475)</b>	<b>100%</b>	<b>60,609</b>

Name of the Company	Share of Profit/(Loss)					
	31st March, 2021					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	88.25%	45347	98.62%	1357	88.52%	46704
Goa Shipyard Limited	11.75%	6039	1.38%	19	11.48%	6058
<b>Total</b>	<b>100.00%</b>	<b>51,386</b>	<b>100.00%</b>	<b>1,376</b>	<b>100.00%</b>	<b>52,762</b>

**Note 51**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 52 Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-21	(6,15,121.00)	(6,24,080.43)	8,959.43	(1.46%)
Sep-21	(6,83,423.00)	(6,95,890.51)	12,467.51	(1.82%)
Dec-21	(7,15,264.00)	(7,12,538.92)	(2,725.08)	0.38%
Mar-22	(8,11,678.00)	(8,25,501.07)	13,823.07	(1.70%)

The stock statement is required to be submit in the bank with in schedule due date. Therefore, the provisional stock statement is submitted to bank. However, the actual figures may vary after finalisation of account. MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

## 53 Disclosure of Relationship with Struck off Companies is as under

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2022	31st March, 2021	
* Vidhan Marketing Private Limited	Shares held by stuck off Company	-	-	-

\* The Amount of shares held at Face Value is ₹ 1000



**54. Financial Ratios-Consolidation**

Sr No.	Particulars	Quarter Ended			Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
		Audited March 31, 2022	Unaudited December 31, 2021	Audited March 31, 2021	Audited March 31, 2022	Audited March 31, 2021		
a.	<b>Current Ratio (in times)</b> (Current Assets / Current Liabilities)	1.05	1.07	1.06	1.05	1.06	(0.83%)	-
b.	<b>Debt - Equity Ratio (in times)</b> (Total long - term debt / Shareholder's funds)	N.A	N.A	N.A	N.A	N.A	N.A	-
c.	<b>Debt Service Coverage Ratio (in times)</b> (NPAT + Dep + Int on loan / Int on loan + Loan repayment in a year)	N.A	N.A	N.A	N.A	N.A	N.A	-
d.	<b>Return on Equity Ratio (%)</b> (Net Earnings / Shareholder's Equity)	4.12%	6.77%	8.88%	15.83%	14.97%	5.75%	-
e.	<b>Inventory Turnover Ratio (in times)</b> (Cost of Goods sold / Average Inventory)	0.02	0.03	0.03	0.10	0.09	10.69%	-
f.	<b>Trade Receivables turnover Ratio (in times)</b> (Credit sales / Average Account Receivables)	0.35	0.39	0.23	1.43	0.83	71.69%	Change is due to increase in Revenue from operation by 41.64%
g.	<b>Trade Payables turnover Ratio (in times)</b> (Credit Purchases / Average Account Payables)	0.08	0.05	0.07	0.18	0.14	26.65%	Change is due to increase in purchases by 43%
h.	<b>Net capital turnover Ratio (%)</b> (Net Sales / Net worth)	36.20%	45.24%	32.15%	148.62%	117.95%	26.00%	Change is due to increase in sales by 41.66%
i.	<b>Net profit Ratio (%)</b> (NPAT / Net sales)	11.39%	13.86%	23.49%	10.65%	11.85%	(10.07%)	-
j.	<b>Return on Capital Employed (%)</b> (EBIT / Capital Employed)	4.75%	8.39%	8.70%	19.61%	17.84%	9.93%	-
k.	<b>Return on Investment (%)</b> (Operating profit / Capital Employed)	1.37%	5.33%	0.69%	9.15%	4.54%	101.49%	Increase in operating profit is due to delivery of one ship and submarine during the year.

**Note 55**

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.

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

30th May, 2022

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singhal**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary







# Awards



Par Excellence Certificate - ICQCC 2021



Par Excellence Certificate - NCQC 2021



GOLD CCQC-2021



11th PSE Excellence Award in Human Resource Management on 25-02-22



First Prize for Hindi Patrika 'Jal Tarang' from TOLIC on 16-07-21



CSR award



HR Leadership Award



Par Excellence Award NCQC - 2021



MAZAGON DOCK LIMITED  SHIPBUILDERS TO THE NATION



**MAZAGON DOCK SHIPBUILDERS LIMITED**  
(Government Of India Enterprise, Ministry of Defence)  
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