



माझगांव डॉक शिपबिल्डर्स लिमिटेड  
MAZAGON DOCK SHIPBUILDERS LIMITED



Ship & Submarine Builders to the Nation

वार्षिक रिपोर्ट | ANNUAL REPORT 2020-21



## 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

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



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MAZAGON DOCK SHIPBUILDERS LIMITED

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

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Authenticated

Raksha Rajya Mantri

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[www.mazagondock.in/Financials.com](http://www.mazagondock.in/Financials.com)







**We are referred to as the 'Shipbuilder to the Nation' for a reason. Our expertise in building some of the most sophisticated warships and submarines is a testimony to our consistent track record of vigorous growth and relentless excellence.**

What differentiates us from the rest is our innovative capacity, the use of state-of-the-art technology and our expertise to develop modern methods of warfare.

With an undeterred focus on strengthening the country's defence portfolio, we are determined to shore up indigenous capacities to remain a progressive and profitable shipyard that is at par with global standards. Paying heed to the Prime Minister's clarion call for self-reliance through 'Make in India', we have successfully produced critical components for warships and submarines. Besides, our emphasis on Research & Development empower us to articulate ambitious projects that make the country proud of our remarkable achievements.

Backed by years of experience, we are embracing opportunities to redefine the maritime defence of our country - focusing on the development of products that secure the needs of the future.





# Introducing Mazagon Dock

**We build maritime capability to strengthen national security and help the nation sail through new economic heights. We are the ship builder to the nation.**

Mazagon Dock Shipbuilders Limited, is one of India's leading defence public sector undertaking shipyards under the Ministry of Defence. The company primarily undertakes construction of warships and submarines along with outfitting works in its workshops and facilities in Mumbai and Nhava.

Over the years, the company has institutionalised shipbuilding in the country and created opportunities for increasing production capacity by investing in modern technologies and sophistication of the product portfolio, to serve Indian and overseas clients. The company has the capability for integrated modular construction of warships which substantially reduces construction time. Subsequently, the ship building capacity has increased from eight to ten warships since 2014 and submarine capacity increased from six submarines to eleven submarines since 2016.

With its increased capacity and well-trained personnel, the company is poised to tap the export markets for marine platforms and heavy engineering products along with offering a wide range of services in shipbuilding, ship repairs and refits.



## Key Facts about MDL

### Only

MDL is the only shipyard in India to have built Destroyers and two different types of Submarines for the Indian Navy.

### P-15B

Destroyers have improved survivability, sea keeping, stealth and manoeuvrability.

### Upto **40,000** Dead Weight Tonnage (DWT)

Capacity of warships, submarines and merchant ships can be constructed.

### Scorpene Submarines (Project P-75)

Executing order for 6 such diesel-electric attack submarines in collaboration with Naval Group, France.

### P17-A

MDL is the lead ship builder for building 4 of the next generation guided missile Nilgiri Class stealth frigates in collaboration with Fincantieri, Italy.

### 300 Tonne Goliath Crane, Module workshop with retractable roof

Investments in modernisation of facilities for modular construction.

### Mumbai and Nhava **proposed for development based on the future order visibility**

Facilities for shipbuilding and ship repair services

### ISO 9001:2015

Certified company

### 797 Vessels

Delivered since 1960, of which

### 25

Warships from advanced destroyer to missile boats, and

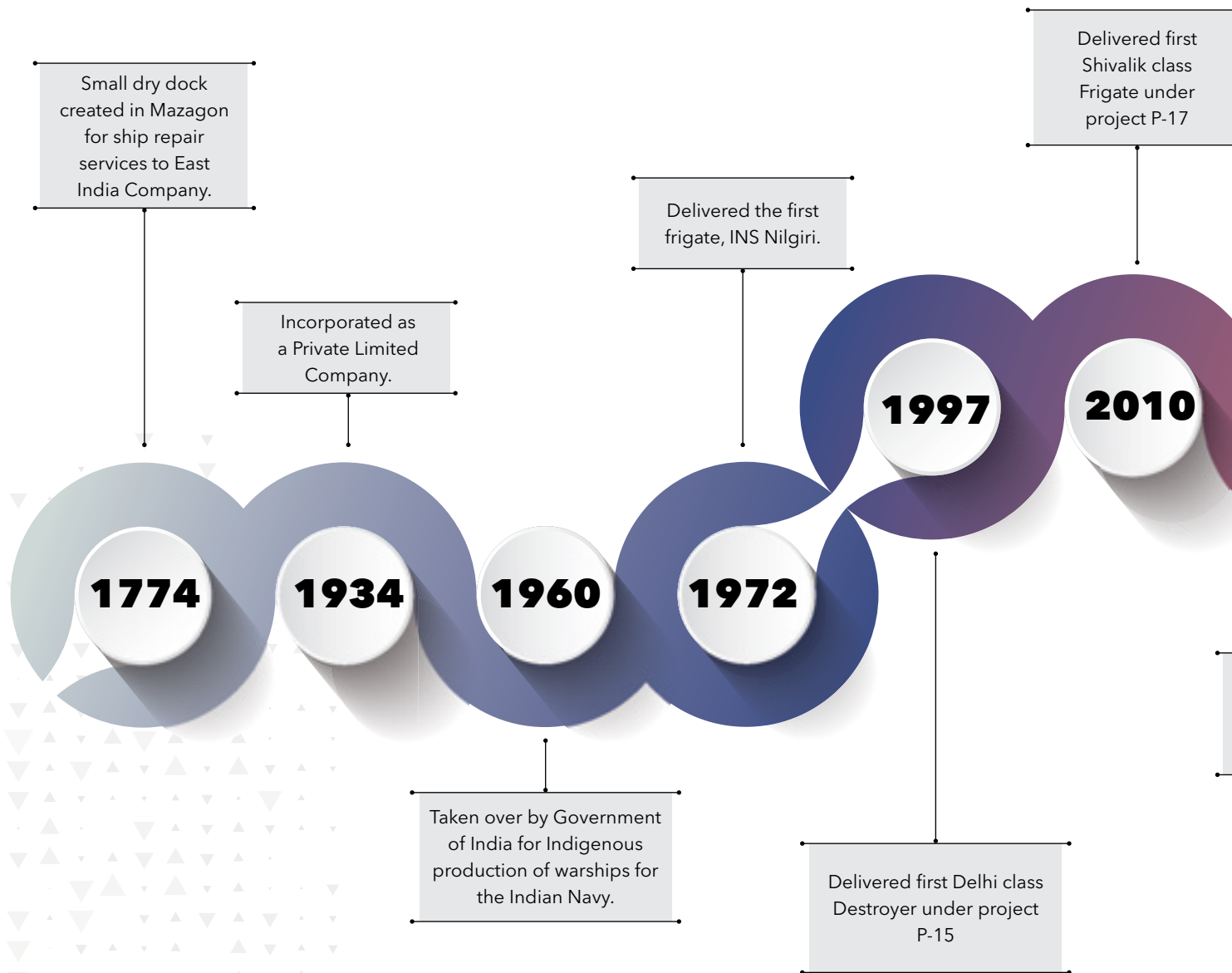
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Submarines

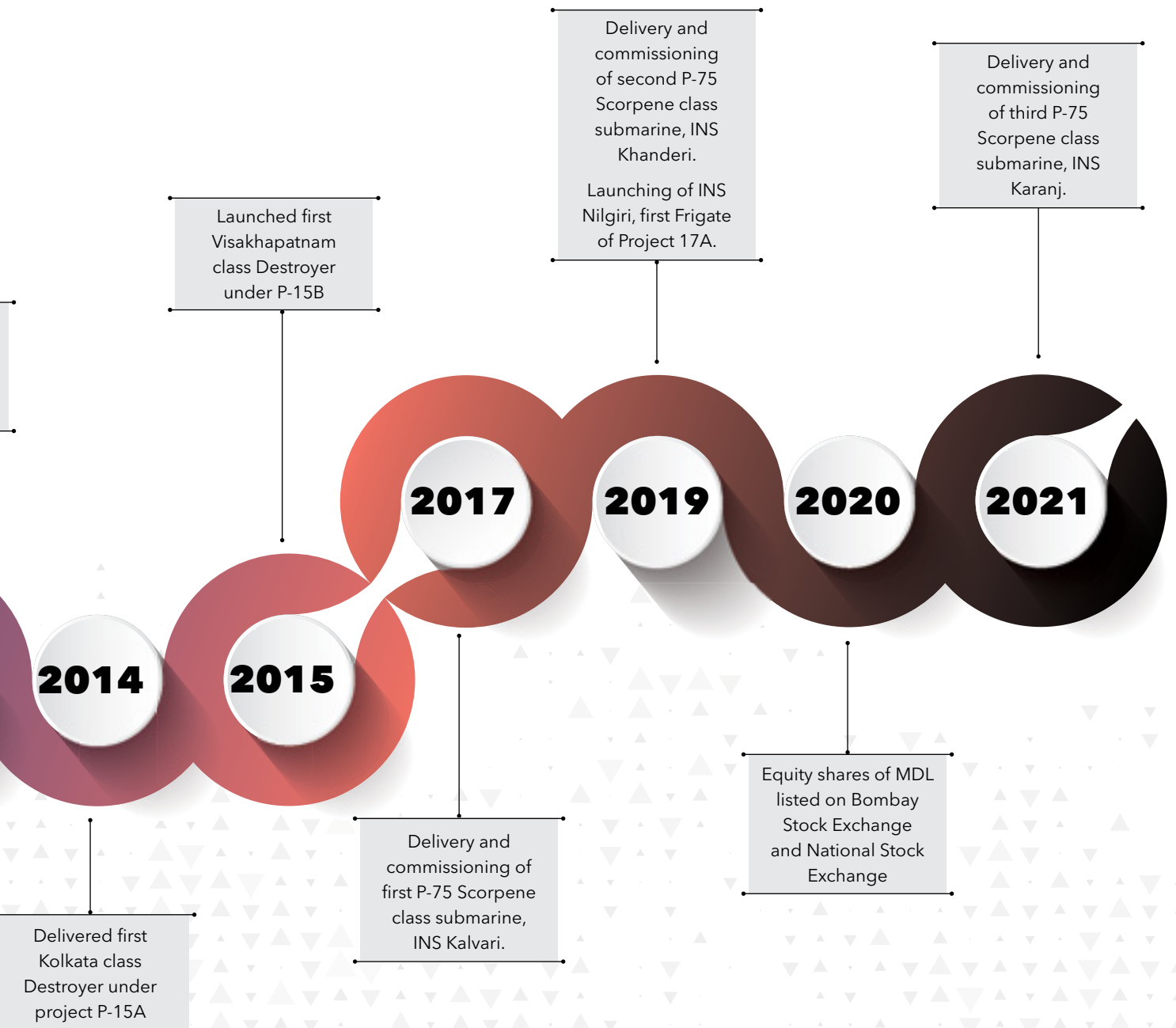


# Timeline

Over 200 years of experience in the shipbuilding industry, while traversing from a small single unit ship repair service to multi units, multi products Company.









# Products

## 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 Pontoon

## Oil Sector



### Platforms

- Offshore Platforms
- Jack-up rigs



# Marine Infrastructure

## Dry Dock

- **Ritchie Dry Dock**  
216 M X 18.9 M
- **Mogul Dry Dock**  
129.87 M X 16.76 M
- **EY Dry Dock**  
89.39 M X 17 M
- **Mazagon dry dock**  
41.15 M X 10.06 M

## Wet Basin

- **Kasara**  
274 M X 26.21 M X 9.14 M
- **Kanhoji Angre**  
225 M X 112 M X - 6 M

## Slipways

- **SY1**  
188 M X 26 M
- **SY2**  
188 M X 26 M
- **NY**  
190 M X 29 M

## Design facilities

MDL has a world class design centre equipped with cutting edge technologies such as Computer Aided Design Draughting facilities, latest hardware and software capable of feeding instructions to CNC machines directly, virtual reality centre and 3D software for more immersive design experience amongst others. The design centre has the capability to offer complete project execution services from concept to reality, on turnkey basis. MDL's Design Centre is equipped with latest software for ship production 3D CAD model, Finite Element Analysis (FEA), Computational Fluid Dynamics (CFD), Pipe Flow Calculations and for performing Naval Architectural Calculations

## Godavari Class Frigates, Khukri Class Corvettes, The Missile Boats, Offshore Patrol vessels, Delhi Class Destroyers, Kolkatta Class Destroyers & Shivalik Class Frigates.

Some of our successful projects for which detailed design was conceived at the MDL design centre

## Projects in hand - P15B Missile Destroyers, 17A Frigates & P75 Scorpene Submarines

## Major Machinery

- Heavy duty Underwater CNC Plasma cutting machines
- Light duty CNC Plasma Cutting machine with Oxy/Fuel cutting facility
- Gas cutting machine
- Haeusler Plate Bending Machine
- Shipyard Roll Press
- CNC Pipe Bending Machine

## Welding

- Manual Metal Arc Welding
- MIG/MAG Welding Machines
- Gauging Rectifier
- TIG Welding Machine.
- Submerged Arc Welding Machine
- Air Plasma Cutting Machine
- Fillet Welding Carriage
- Butt Welding Carriage
- STUD Welding Machines
- Welding Simulator





# Chairman's Statement



1. It is a matter of honour, pride and privilege for me to extend a very warm welcome to you all to the eighty-eighth Annual General Meeting(AGM) of the Company. I take this opportunity to share the achievements and financial highlights of your Company during the past year.

2. Over the past year, our efforts have been wide ranging and holistic to ensure the safety and well-being of our employees. During the second wave of the Covid-19 pandemic, MDL as a responsible organization has contributed immensely in support of the nation's effort to tide over the crisis. The second wave of the Covid pandemic has disrupted the normal life and work environment across India and the situation in Maharashtra in general and Mumbai is particular, has been very precarious. The pandemic coupled with restrictions on supply of Oxygen, other than for medical purposes, also adversely affected the normal functioning of the Company. On account of the pandemic situation, the supply of industrial oxygen was totally stopped for a considerable period of time and only part supply was restored subsequently w.e.f 24 May 2021. With reduced number of cases, now being reported in and around Mumbai, the Yard has been operationalised whilst maintaining all Covid-19 norms. In order to bolster productivity and still have a corona free ecosystem, MDL has also initiated a drive for the vaccination of all the permanent employees of the company free of cost.

## Performance in FY 21

3. In-spite of the challenges of the



Covid-19 pandemic, the Company's performance in terms of revenue, margins as well as operations has been satisfactory. Revenue from Operations of Rs. 4047.82 crore in FY 2020-21 from Rs. 4904.84 crore in FY 2019-20 i.e. a decrease of 17.47% due to the impact of the Covid lockdown in the first Quarter. The Operating Profit for the FY 2020-21 is Rs.155.86 crore, as compared to Rs.180.94 crore in FY 2019-20. Profit after Tax for FY 2020-21 is Rs. 479.57 crore as against Rs. 408.48 crore for FY 2019-20 an increase by 17.40% mainly due to refund towards Liquidated damages received during the year. EPS increased from Rs.18.29 to Rs.23.78 in FY 2020-21.

4. The Company has been consistently making profit and distributing dividend for past more than 10 years. As per Government directive, Company has paid Interim dividend of Rs. 5.41 per equity share, amounting to Rs. 109.11 crore, as approved by the Board of Directors in their meeting held on 12 Feb 2021. The Board of Directors recommended a Final Dividend of Rs. 36.91 crore for FY 2020-21.

### Significant Achievements

5. 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 equity shares including 3,45,517 equity shares reserved for eligible employees. 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.

6. Despite pandemic situation in Mumbai, third Submarine of Scorpene project INS Karanj was successfully delivered to the Indian Navy in Feb 2021.

7. Your Company has successfully put to use its infrastructure under Mazdock Modernisation Project (MMP) comprising of a new Wet Basin, Heavy Duty Goliath Crane, Module Workshop, Cradle Assembly Shop, Store Building and associated ancillary structures. Submarine Section Assembly (SSA) workshop, an eco-friendly green concept building has already been completed and put to use.

8. Your Company constructs the ship by 'Mega block outsourcing methodology' with maximum pre-launch outfitting. Further the infrastructure of your Company has been modernised for realizing 'Integrated Construction Methodology' in line with global best practices for warship building".

9. Quality Management and Product Lifecycle Management (PLM) initiated by your Company, are both proven disciplines that help companies improve Quality and Product Profitability. PLM

offers potential cost savings and simplicity of a single system. It will create opportunity to consolidate and integrate information. More importantly it will also lead to Quality Assurance, Compliance and Customer Satisfaction.

10. Your Company in partnership with IIT Madras, Chennai(IITM) has designed and developed two Artificial Intelligence enabled product.

A. AI enabled Computerized radiography

B. AI enabled advance phase array ultrasonic testing(APAUT).

These products are being developed for improved quality assurance of weld with less time, less labour consumption & higher efficiency.

11. The submarine Division have setup an in-house Fluid Testing Laboratory for testing the cleanliness, pH and water content of hydraulic oil used in P75 submarine.

12. 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.

**Company has a strong future outlook as per the Maritime Capability Perspective Plan of Indian Navy and the Coast Guard, which comprises of some bids that we have already submitted to the Indian Navy and the Coast Guard.**



# Chairman's Statement

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

Thus, we have been able to demonstrate our technological capabilities a class above what we have been doing traditionally.

## Performance Against MOU

14. During the year, your Company had signed Memorandum of Understanding (MoU) with the Ministry of Defence, Government of India for the financial year 2020-21. The MoU outlines targets and various performance parameters for the Company. Significant milestones were required to be achieved under Project 75 (submarines) and shipbuilding projects of 15B and 17A during FY 2020-21. Your Company performed well during the last fiscal year and expects a "Very Good" rating against the MOU parameters.

## Human Resources

15. Your Company has been accentuating on the human resource development for updating the competencies of our personnel through exposure to various Learning & Development programs organized by Institutes of National Importance and through sponsoring function-based Seminar / Conferences / workshops. Due to the Covid 19 Pandemic, majority of the training programmes were conducted in online mode during 2020-21. Training on proposed Labour

Codes was conducted by Management Development Institute (MDI), Mursidabad where in 06 Executives actively participated. Training related to Health and safety was also organized on the topic Hazardous Area Classification in online mode and 26 Executives had participated in the program.

16. During the FY 2020-21 a 'Strategic Conclave for Board Level Executives' was organized wherein CMD, Functional Directors & CVO participated. Orientation Program for Director(s) of listed companies was organized by National Institute for Securities Market for CMD & Board Level Executives after MDL being listed on NSE. D(F) attended the Strategic Conclave for Board Members and a training on Forensic Accounting and Fraud Analytics for detecting Financial Shenanigans.

17. Flagship programs of Govt. of India such as IPR was conducted for 225 Employees with the aim to spread awareness on Intellectual Property Rights (IPR) and to create an IPR driven Innovation Culture. MDL has also received a training module on "Preventive Vigilance" from CVC with a target of 300 employees to be trained in the given module. MDL has achieved the target by the end of March 2021.

A total of 36 trainings were conducted in the FY 2020-21 through online and offline mode. A total of 1092 Employees were benefited.

## Indigenisation Efforts

18. Your Company has a focused impetus to the Hon'ble Prime Minister's "Make-in-India" initiative and has

been successfully able to partner with the Indian industry to undertake indigenization/import substitution of various equipment/items which have been imported.

19. Your Company has been able to successfully indigenise some of the critical equipment/items required for Warships and Submarines. During the year 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, Chladon Gas for MFFS for Ships.

20. 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 Magazine Fire Fighting System, RSS Screen for ships and Refrigeration Plants, Polychropene Rubber Bands, Shock Mount, Soda Lime, GRP Panel, Static Frequency Converter etc. for submarines, are presently in progress.

## Research & Development

21. Your Company has adopted a R & D Policy approved by the Board on 24 Jun 2013.

MDL is recognised as 'In-house R&D

unit' by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology from 30 Jan 2017. The R&D efforts are aimed at developing in-house practices and capabilities that can reduce build periods of warships and submarines imbibing 'Industry best practices' customized and adopted for the key processes of warship building. 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 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.

22. 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, i.e., AI enabled weld inspection tool with computerized radiography to replace manual radiography (RT), was 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 also 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.

23. 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 reduction in the build period of the vessel and saving cost. In addition to the above, MDL has developed the 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 P17A ships.

## Exports

24. Your Company has carried out a broad spectrum of exports in the past, comprising of more than 250 vessels. The impeccable quality of the products delivered has been internationally acclaimed and is being leveraged in a concerted manner for promoting 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 in the past.

25. 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 worldwide 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 to MDL against their competitors and MDL is all set to cash-in this scenario.

26. 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. 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 also being explored. Your Company also intends to undertake infrastructure development and become part of the global supply chain for products.

## Repairs and Refits

27. In order to diversify the revenue streams, MDL intends to increase ship repair activities in future as such activities are of a shorter period of time and result in the early booking of revenues. Apart from Medium Refit and Life Certification of one number submarine that is currently under execution, MDL has successfully bagged Ship repair orders of three ships from Indian Coast Guard. This will help augment revenues, increase client base and reduce single client dependency for future orders.

## Swachh Bharat Initiative

28. 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 behavioral 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 pandemic situation of Covid-19 launched initiatives to create awareness to control the spread of Corona Virus through Cleanliness, Social Distancing and Use of Mask.



# Chairman's Statement

**The R&D efforts are aimed at developing in-house practices and capabilities that can reduce build periods of warships and submarines imbibing 'Industry best practices' customized and adopted for the key processes of warship building.**

## Corporate Governance

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

## Green Initiatives

30. Your Company, in alignment with the Government of India's policy to increase the quantum of renewable energy and to reduce energy consumption, undertook various projects. The Installation of Solar Power Plant, changing of conventional lights into LED lights, procurement of energy efficient welding machines etc. are some of the areas where your Company has rolled out projects effectively.

31. Your Company has already installed 1.85 MWp Solar Power plant. Annual energy generation from 1.85 MWp SPV power plants is approximately 24 Lakh units per year which is around 12% of total consumption per annum.

## Corporate Social Responsibility

32. Your Company has executed 100 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. Your Company has spent Rs.18.34 crores towards CSR activities during FY 2020-21. A sum of Rs.1.54 crore remains unspent as several projects/

programs due to delay in the execution of some projects by the implementing agencies, mainly owing to the Covid-19 pandemic. 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.

## Future Outlook

33. Your Company has a strong future outlook as per the Maritime Capability Perspective Plan of Indian Navy and the Coast Guard, which comprises of some bids that we have already submitted to the Indian Navy and the Coast Guard. Besides that, in a medium horizon, we are expecting and going to submit our bids for the Next Generation Offshore Patrol Vessels, Next Generation Corvettes, some High-Speed Landing Crafts, a Polar Research Vessel, a Survey Training Vessel and also an Acoustic Research Ship for NPOL, Cochin.

On the export front, we have submitted our bids to two different authorities that is Argentina Coast Guard and the Suez Canal Authorities. The construction of 6 in number conventional submarines under Project P 75 (India) valued at about Rs. 43,000 crore, where Indian Navy has shortlisted MDL and M/s. L&T as prospective bidders along with 5 technology OEMs from 5 different countries is a prime focus area for MDL.

## Concluding Remarks

34. MDL has been and shall play a pivotal role in the maritime defence of our great nation. The Board of Directors join me in expressing our deep appreciation to all the stakeholders. I



wish to place on record my gratitude to my fellow Directors for all the support, in maintaining a professional image and prestige of your company. The Ministry of Defence, Government of India, provided timely guidance and necessary wisdom in framing the policies and also helped us in implementing them. The high standard of professional acumen, patronage and support displayed by the Indian Navy and other clients of the company is extremely valued and I would like to place on record my appreciation for them. On behalf of

the Board of Directors, I must heartily congratulate and compliment all the employees of MDL without whose dedication and commitment we would not have travelled thus far in our journey towards success.

35. We have to keep stride with the dynamic technological leaps and seize every opportunity for your Company to play a crucial role in shaping the maritime defence of our country. We are committed to create and sustain a technology-enabled, capable of

building and delivering quality Warships and Submarines in keeping with the motto of your Company. Our endeavour shall be to continuously enhance our human skills and Innovate, Reform, Perform and Transform as required to meet the challenges of the future.

Jai Hind!

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

Chairman & Managing Director

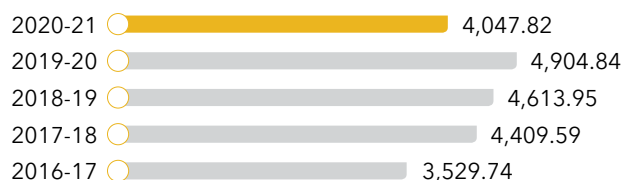




# Financial Highlights

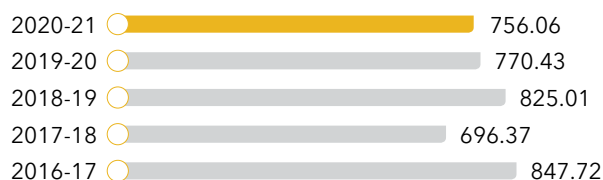
## Revenue From Operations

(₹ in crores)



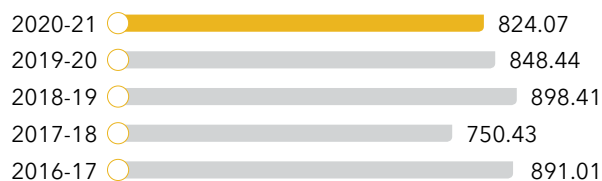
## PBT

(₹ in crores)



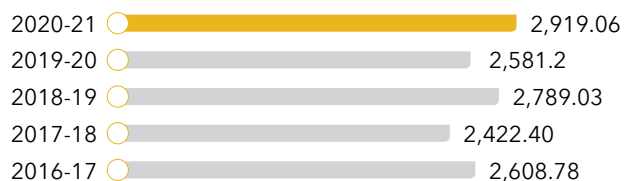
## Gross Margins (EBIDTA)

(₹ in crores)



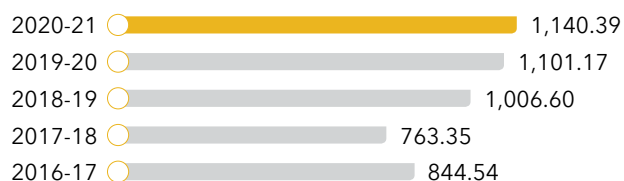
## Net Worth

(₹ in crores)



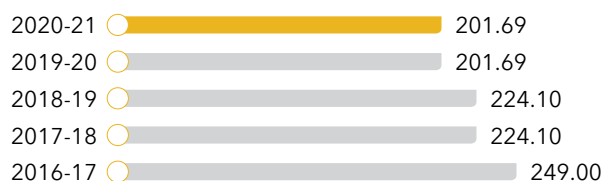
## Gross Block

(₹ in crores)



## Equity Share Capital

(₹ in crores)



# Ten years at a Glance

₹ in Cr

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>(A) FINANCIAL POSITION :</b>										
Equity Share Capital	201.69	201.69	224.10	224.10	249.00	199.20	199.20	199.20	199.20	199.20
Preference Share Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	2717.37	2379.51	2564.93	2198.30	2359.78	2647.03	2260.65	1894.04	1615.09	1319.37
Net Worth	2919.06	2581.20	2789.03	2422.40	2608.78	2846.23	2459.85	2093.24	1814.29	1518.57
Gross Block	1140.39	1101.17	1006.60	763.35	844.54	594.20	493.37	375.20	312.79	314.81
Net Fixed Assets (Net Block)	806.85	836.35	810.29	646.37	546.27	344.58	265.81	176.12	126.03	123.36
Capital Employed	2919.06	2581.20	2789.03	2422.40	2608.78	2846.23	2459.85	2093.24	1814.29	1518.57
Working Capital	1301.47	1612.05	1847.50	1937.32	2522.63	2188.39	1937.62	1597.39	1312.26	1362.71
<b>(B) OPERATING RESULTS :</b>										
Revenue from Operations	4047.82	4904.84	4613.95	4409.59	3529.74	4141.83	3618.91	2886.72	2331.39	2538.40
Value Added	1179.05	1329.62	1253.62	1358.26	1228.50	1287.99	1338.47	1358.30	1217.14	1157.61
Gross Margin (EBIDTA)	824.07	848.44	898.41	750.43	891.01	925.42	776.33	606.03	631.17	731.56
Gross Profit	764.42	779.69	834.08	700.22	851.62	893.92	745.47	587.80	616.53	718.42
Profit before tax and exceptional items	756.06	770.43	825.01	696.37	847.72	925.59	746.00	587.57	638.89	691.78
Provision for Tax	150.35	349.63	307.73	256.57	314.23	319.51	254.41	189.96	226.17	197.47
Profit for the year	479.57	408.48	517.28	439.80	533.49	637.82	491.59	397.61	412.72	494.31
Total Comprehensive Income	493.14	391.37	501.80	400.61	525.12	637.82	491.59	397.61	412.72	494.31
<b>(C) APPROPRIATION:</b>										
Dividend-Equity Shares (Declared)	146.02	207.51	155.82	180.00	165.41	199.20	100.00	100.00	100.00	99.60
Tax on Dividend	-	44.64	20.56	49.96	40.55	20.36	19.99	17.00	17.00	16.16
<b>(D) RATIOS :</b>										
Gross Profit : Capital Employed	0.262	0.302	0.299	0.289	0.326	0.314	0.303	0.281	0.340	0.473
Total Comprehensive Income : Net Worth	0.169	0.152	0.180	0.165	0.201	0.224	0.200	0.190	0.227	0.326
Gross Margin : Gross Block	0.723	0.770	0.893	0.983	1.055	1.557	1.574	1.615	2.018	2.324
Profit Before Tax : Revenue from Operations	0.187	0.157	0.179	0.158	0.240	0.223	0.206	0.204	0.274	0.273
Revenue from Operations : Gross Block	3.550	4.454	4.584	5.777	4.179	6.970	7.335	7.694	7.454	8.063
Value Added : Revenue from Operations	0.291	0.271	0.272	0.308	0.348	0.311	0.370	0.471	0.522	0.456
Current Ratio	1.063	1.098	1.114	1.125	1.169	1.072	1.069	1.062	1.056	1.061
<b>No. of Employees :</b>										
Gross Margin per employee	0.138	0.128	0.130	0.085	0.103	0.103	0.085	0.070	0.073	0.088

Note- From FY 2011-12 to 2017-18 figures are as per published financial statement and figures mentioned in FY 2018-19 & FY 2019-20 are as per restated 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



**Cmde T V Thomas, NM, IN (Retd)**  
Director (Corporate Planning &  
Personnel)



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



**Shri Sanjeev Singhal**  
Director (Finance)





# 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

### Cmde T V Thomas,

NM, IN (Retd)  
Director (Corporate Planning & Personnel)  
w.e.f 02.11.2017 till 30.06.2021

### 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 V. L. Kantha Rao,

IAS, Addl Secretary (DP)  
Government Nominee Director  
w.e.f 16.03.2020 till 24.11.2020

### RAdm A. K. Saxena,

NM, IN, (Retd)  
Director (Shipbuilding)  
w.e.f 21.03.2018 till 31.01.2021

### Shri. Devi Prasad Pande

Independent Director  
w.e.f 13.09.2017 till 12.09.2020

### Prof. B. Kamaiah

Independent Director  
w.e.f 10.10.2017 till 09.10.2020

### Dr. Mailareshwar Jeevannavar

Independent Director  
w.e.f 09.03.2018 till 08.03.2021

## Company Secretary

### Mrs. 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 Eighth 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 28, 2021 at 11.00 A.M. (IST) to transact the following businesses:

## ORDINARY BUSINESS:

- (1) To receive, consider and adopt:
  - (a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Boards' Report and Auditors' Report thereon and Comments of the Comptroller & Auditor General of India.
  - (b) Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Auditors' Report thereon and Comments of the Comptroller & Auditor General of India.
- (2) To confirm payment of Interim Dividend of Rs. 5.41 per equity share of Rs. 10/- each (i.e. @ 54.10%) paid in March 2021 and to declare final dividend of Rs. 1.83 per equity share of Rs. 10/- each (i.e. @ 18.30 %) for the financial year ended on March 31, 2021.
- (3) To appoint a Director in place of Cdr. Jasbir Singh, IN (Retd) (DIN- 08556592) 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 2021-2022 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 2021-22 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 & Associates, Mumbai, Cost Accountants, for conducting cost audit of the Company for the financial year 2021-22, as approved by the Board of Directors of the Company be and is hereby ratified."

- (6) To appoint Shri Sanjay Jaju, AS(DP) (DIN:01671018), as Government Nominee Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, Shri Sanjay Jaju (DIN:01671018), Additional Secretary (Defence Production), Ministry of Defence, who was appointed as a Government Nominee Director of the Company by the Board with effect from November 24, 2020, as per Government of India, Ministry of Defence letter No. F. No. 08(12)/2007-D(Coord)/DDP dated November 24, 2020 be and is hereby appointed as Government Nominee Director of the Company on same terms & conditions as determined by the Government of India"

BY ORDER OF THE BOARD  
Mazagon Dock Shipbuilders Limited

(Vijayalakshmi Kumar)  
COMPANY SECRETARY

Dockyard Road  
Mumbai 400 010  
Dated: 10 August 2021

**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 EGM/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 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 and January 13, 2021 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 Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 6 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 22 September, 2021 to 28 September, 2021 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2020-2021, 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, 21 September, 2021 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, 21 September, 2021.
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 is sent to the Members with TDS requirements and also uploaded in the Company's website. 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\\_md@alankit.com](mailto:alankit_md@alankit.com) on or before September 21, 2021 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 September 21, 2021.

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.

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\\_md@alankit.com](mailto:alankit_md@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 House, 4E/2, Jhandewalan Extension,  
New Delhi - 110055

Phone: 011-4254 1100, 4254 1957; Fax: 011- 2355 2001

Email : [alankit\\_md@alankit.com](mailto:alankit_md@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 & Associates., 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 2021-2022.

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 Sanjay Jaju (DIN:01671018), Additional Secretary (Defence Production), Ministry of Defence, was appointed as a Government Nominee Director, by the President of India vide MoD letter No. F. No. 08(12)/2007-D(Coord)/DDP dated November 24, 2020 in place of Shri V. L Kantha Rao.

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 Sanjay Jaju, as Government Nominee Director on same terms and conditions as determined by Government of India. Shri Sanjay Jaju is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Shri Sanjay Jaju was appointed as a Government Nominee Director on 24 Nov 2020. Shri Sanjay Jaju, comes from Indian Administrative Service and is presently working on Central Deputation as Additional Secretary in the Department of Defence Production in the Ministry of Defence in the Government of India and looks after the policies for bringing in investments and growth in Defence and Aerospace sectors to advance the "Make in India" resolve. He has also been instrumental in setting up Defence Innovation Organisation for creating a collaborative platform for Startups to meet Defence requirements.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Sanjay Jaju, 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**

**(Vijayalakshmi Kumar)**  
COMPANY SECRETARY

Dockyard Road  
Mumbai 400 010  
Dated: 10 August 2021



**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. Sanjay Jaju, IAS, AS(DP)</b>	<b>Cdr. Jasbir Singh, IN (Retd)</b>
DIN	01671018	08556592
Date of Birth	26 Feb 1969	13 April 1967
Date of appointment	24 Nov 2020	01 Nov 2019
Brief Resume	<p>Shri. Sanjay Jaju, Government Nominee Director is an Indian Administrative Service and is presently working as Additional Secretary in the Department of Defence Production in the Ministry of Defence in the Government of India. He looks after the policies for bringing in investments and growth in Defence and Aerospace sectors to advance the "Make in India" resolve. A Post Graduate Mechanical Engineer and a Cost &amp; Management Accountant by background and has completed MBA in Finance. He has worked in diverse areas like Urban, Infrastructure, Civil Supplies, Education &amp; Tribal Welfare. He has been an ardent advocate of Information Technology for Development and Governance. He earlier worked as the founding Director (A&amp;F) in the National Highways Infrastructure Development Corporation Limited (NHIDCL) in the Ministry of Road Transport &amp; Highways, Govt. He could transform NHIDCL as an e Company with initiatives like INAMPRO, INFRACON, ePACE and BIMS. These IT platforms have been awarded National e-Governance Gold Award by Government of India for the year 2018. He had earlier worked as Secretary to Government of Andhra Pradesh in Information Technology &amp; Communications Department. <b>'MeeSeva'</b> a comprehensive flagship initiative for delivering host of G2C services through an integrated architecture in AP (2011), conceptualized and successfully implemented by him, has been awarded National e-Governance Gold Award by Government of India for the year 2014.</p>	<p>An alumnus of National Defence Academy and Rashtriya Indian Military College, he holds a bachelor's degree in science from Jawaharlal Nehru University (National Defence Academy, Pune), a bachelor's degree in technology (mechanical engineering) from Jawaharlal Nehru University, New Delhi. He has also completed Masters in Business Administration from the Faculty of Management Studies, New Delhi. He has completed a course in modeling and simulation from the Institute of Armament Technology, Pune. Previously, he has served in the Indian Navy for over 22 years and has held several assignments afloat and onboard such as INS Mumbai and INS Kuthar and various appointments in warship overseeing team, Directorate of Naval Design, Directorate of Ship Production and Naval Dockyard, Vishakhapatnam. He has received various commendations from the flag officer commander in chief, Eastern Naval Command as well as Western Naval Command.</p>
Directorship held in other Listed Companies	NIL	NIL
Membership/ Chairmanship in other listed Companies	NIL	NIL
Shareholding in the Company	NIL	NIL
Relationship with other directors and Key Managerial Personnel of the Company	NIL	NIL

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

The remote e-voting period begins on Friday, 24 September, 2021 at 09:00 A.M. and ends on Monday, 27 September, 2021 at 05:00 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, 21 September, 2021, 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, 21 September, 2021.

### 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.nsdl.com">https://eservices.nsdl.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.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com/">https://www.evoting.nsdl.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 hold 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 "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><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;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </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 NSDL 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. NSDL 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:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.
  - 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:

- 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).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 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.
- 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)
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Tuesday, 21 September, 2021**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990** and **1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Tuesday, 21 September, 2021** may follow steps mentioned in the Notice of the AGM under "**Access to NSDL e-Voting system**".

**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 [rta@alankit.com](mailto:rta@alankit.com) or [investor@mazdock.com](mailto:investor@mazdock.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 [rta@alankit.com](mailto:rta@alankit.com) or [investor@mazdock.com](mailto:investor@mazdock.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 EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/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 [rta@alankit.com](mailto:rta@alankit.com) or [investor@mazdock.com](mailto:investor@mazdock.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, 21 September, 2021. 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,

Your Directors have the pleasure to present the 88th Annual Report together with the audited financial statements of the Company for the year ended 31 Mar 2021 and reports of the Statutory Auditors' and the Auditor General of India thereon.

## Important Events:

- a) Keel laying of 3rd Ship under Project P-17A by VAdm. S R Sarma and Shri V L Kantha Rao on 10 Sep 2020.



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



- c) The Fifth Scorpene class Submarine 'Vagir' of Project P-75 was launched by late Smt. Vijaya Shripad Naik, wife of Shri Shripad Yesso Naik, Honorable Rajya Raksha Mantri on 12 Nov 2020.



- d) Third Scorpene Submarine of Project P-75, 'Karanj' was delivered to Indian Navy on 15 Feb 2021 and commissioned on 10 Mar 2021 by Ex Naval Chief Admiral V.S.Shekawat, PVSM, AVSM, VrC.



- e) Basin Trials of the 1st Ship of P-15B Destroyer was completed on 17 Dec 2020 and sea trials commenced on 11 Mar 2021.

- f) Sea Trials of Fourth Scorpene class Submarine under Project P-75 commenced on 04 Nov 2020.





## 1. Financial Review

### 1.1 Financial Results and Performance Highlights:

(₹ in crore)		
Particulars	2020-21	2019-20
Revenue from operations	4047.82	4904.84
Profit before Tax (Before Exceptional Items)	756.06	770.43
Profit for the year	479.57	408.48
Gross Block	1140.39	1101.17
Net Block	806.85	836.35
Working Capital	1301.47	1612.05
Net Worth	2919.06	2581.20
Finance Cost	8.36	9.26

During the year under review, the Company achieved the Revenue from Operations of Rs. 4047.82 crore as compared to the previous year Rs. 4904.84 crore. The Profit before tax and exceptional items is Rs. 756.06 crore for 2020-21 as against Rs. 770.43 crore in the previous year.

Income Distribution for the year 2020-21 as against previous year is summarised as under:-

(₹ in crore)		
INCOME DISTRIBUTION	%	%
	2020-21	2019-20
Cost of materials consumed	52.93	51.23
Employee benefit expenses	14.04	14.21
Finance costs	0.18	0.17
Depreciation and amortization expenses	1.28	1.25
Sub-Contracting charges	8.54	13.54
Power & Fuel	0.24	0.30
Expenses related to Projects	3.62	2.06
Other Expenses	2.46	2.52
Provisions	0.43	0.70
Exceptional Items	2.71	0.22
Tax Expense	3.23	6.36
Other Comprehensive Income	-0.29	0.31
Total Comprehensive Income	10.61	7.12
<b>Total</b>	<b>100</b>	<b>100</b>

### 1.2 Consolidated Financial Statement:

The audited standalone and consolidated financial statements for financial year 2020-21 duly approved by the Board shall be laid before the Annual General Meeting for approval of the Members of the Company.

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 2021 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 2021 is Rs.201.69 crore comprising of 20,16,90,000 (Twenty crore sixteen lakh ninety thousand) shares of Rs. 10 each in view of the Buy-back of 2,24,10,000 Equity Share of Rs 10/- each during the previous year. 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:

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 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 the 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. 5.41 per equity share (54.10%), amounting to Rs. 109.11 crore was paid in the year 2020-21 in accordance with the provisions of the Income Tax Act, 1961, as approved by the Board of Directors in their meeting held on 12 Feb 2021. The Board of Directors recommended a Final Dividend of Rs. 36.91 crore which is 18.30% of the paid up share capital. The total Dividend declared for F.Y. 2020-21 is Rs.146.02 crore, which is 72.40 % of the paid up share capital including the interim dividend amounting to Rs. 109.11 crore.



## 1.6 Contribution to Central Exchequer:

Your Company's contribution during 2020- 21 to the Central Exchequer by way of income tax, GST, IGST on imports and custom duty was Rs. 722.69 crore.

## 1.7 Public Deposits:

The Company has not accepted any deposits from 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. 4047.82 crore for 2020-21 as against Rs. 4904.84 crore of the previous year.

At present MDL is handling two Shipbuilding projects for Indian Navy, comprising of four ships of P15B & four ships of P17A each. Besides, MDL is also handling construction of six Scorpene class Submarines for the Indian Navy, out of which three Submarines have already been delivered.

### a) Project P15B:

P15B ships are potent combatants which are contemporary and state of the art platforms. First and Second ships of P15B series were launched on 20 Apr 2015 and 17 Sep 2016. Third ship's keel was laid on 19 May 2017 and was launched on 20 April 2019. Production of fourth Ship commenced on 19 Jul 2018 and its keel was laid on 07 Nov 2019.

PMT-15B was to suggest an alternate plan so that Yard meets the contractual timelines with available infrastructure resources and constructs the ship by 'Mega block outsourcing methodology' with maximum pre-launch outfitting. Accordingly, PMT-P15B came up with a solution of fabricating and erecting unit/blocks in-house at MDL as well as through outsourcing at contractor's premises simultaneously. This erected hull structure at contractor's premises will be transported to MDL and then integrated with other blocks that will be built at MDL thereby further facilitating launching of ship. In line with the above methodology, MDL has placed order on M/s SSPL, Bharuch for mega block outsourcing for last two P 15B ships."

Post announcement of lockdown by the state/central government, the yard was operating with limited workforce where project personnel were called on special duty to perform essential project activities. Following activities were undertaken after announcement of lockdown:

- Manning of the ship 24 X 7;
- Preservation / keep alive for all equipment installed onboard the ship;
- Monsoon protection related all major activities;
- Completion of project activities pertaining to account closure of FY 2019-20.

Your Company had reached its optimum utilization of marine infrastructure and to further increase production, MDL has augmented new method of mega block outsourcing where units/blocks are being constructed simultaneously at two different geographical locations and brought to MDL and joined together.

### b) Project P17A:

Production of first ship had commenced on 16 Feb 2017 and keel was laid on 28 Dec 2017. The first ship was Launched on 28 Sep 2019. Production of second and third ships were commenced on 27 Feb 2018 and 31 Jan 2019. Keel of second and third ship was laid on 07 May 2019 and 10 Sep 2020. The infrastructure of the yard has been modernised for realizing 'Integrated Construction Methodology' in line with global best practices for warship building".

### c) Project P 75:

The P75 Scorpene Submarines under construction are state-of-the art conventional submarines in collaboration with Naval Group (NG), France. First Scorpene Submarine of P75 'INS Kalvari' was delivered by MDL to Indian Navy on 21 Sep 2017 which was commissioned into Indian Navy on 14 Dec 2017. Second Scorpene Submarine of P75 'INS Khanderi' was delivered by MDL to Indian Navy on 19 Sep 2019 which was commissioned into Indian Navy on 28 Sep 2019. Third Scorpene Submarine of P75 'INS Karanj' was delivered by MDL to Indian Navy on 15 Feb 2021 which was commissioned into Indian Navy on 10 Mar 2021. Fourth submarine 'INS Vela' and fifth submarine 'Vagir' were launched on 06 May 2019 and 12 Nov 2020 respectively and are undergoing trials. Boot-together of sixth submarine was completed in Jan 2021 and presently engineering outfitting of the submarine is in progress.

### d) MRLC:

Medium Refit Life Certification(MRLC) of IN Submarine is currently at advanced stage of outfitting. Boot together has been successfully completed and major equipment have been embarked.

## 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 at an estimated cost of Rs. 29.10 Cr. This G+Two storey building will be equipped with latest security equipment, gadgets, access control etc. This Complex will be the centralised 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 Mar 2022.

- b) Your Company has undertaken the work of Submarine Launch Facility to facilitate load out/launch of fully constructed submarine from the Submarine Assembly Workshop at Alcock Yard at an estimated cost of Rs. 174.84 Cr. The project is expected to be completed by Dec 2021.
- c) Your Company is committed towards upgradation / modernisation of existing facilities from time to time. The company has decided to replace existing 12 nos. vintage LL cranes by new cranes in a phased manner. In 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 by new Caisson gate.

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

## 2.2 Mazdock Modernisation Project:

Your Company has successfully put in to use its infrastructure under Mazdock Modernisation Project (MMP) comprising of a new Wet Basin, Heavy Duty Goliath Crane, Module Workshop, Cradle Assembly Shop, Store Building and associated ancillary structures.

Submarine Section Assembly (SSA) workshop, an eco-friendly green concept building has already been completed and put into use.

### a) Other infrastructure projects:

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) along with residential accommodation for security staff and associated development work at Gavhan village, Navi Mumbai at an estimated cost of Rs. 150.00 Cr.

Your Company is committed towards fire safety of the Yard and towards this, the company has initiated the work of installation of the state-of-the-art Fire Fighting System of Anik Chembur yard which will enable to protect the valuable material stored at Anik Chembur Yard at an estimated cost of Rs. 15.50 Cr. Company has also replaced piped services of Mumbai Yard towards fire safety.

Recently, Your Company has commissioned a new Canteen facility with a seating capacity of 500 workers a major infrastructure addition undertaken in the current year.

The progress of all the ongoing projects has been severely 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, your Company had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India MoD for the financial year 2020-21. The MoU outlines targets and various performance parameters for the Company. The revenue from operations was targeted at Rs. 4,977 crore. Significant milestones were required to be achieved under Project 75 (Scorpene class submarines) and shipbuilding projects of 15B and 17A.

In spite of practically losing out the entire first Quarter to Covid 19 lock down and subsequent local restrictions continuing till end of Oct 2020, the performance of your Company for the last fiscal year has been praiseworthy. The achievement vis-à-vis the MoU targets set with the Ministry of Defence during the year is rated as "Very Good" (Provisional). During the year, your Company achieved a Profit Before Tax (PBT) before exceptional items of Rs. 756.06 crore, and the Revenue from Operation of Rs. 4047.82 crore .

## 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. The R&D team is headed by Director (Shipbuilding) and General Manager (Design) is one of the members in the team. MDL is recognised as 'In-house R&D unit' by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology from 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 NIID 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.

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 the 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 P17A ships.

Your Company has spent approximately 1.7% of the revenue expenditures as expenditure towards R&D during the FY 2020-21. The various projects undertaken under R&D are elaborated in Appendix 'F'.

## 2.5 Quality Concepts

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

Your Company is committed to conduct 5S internal audits for sustenance of 5S in the 22 Workshops/Stores/Offices where 5S was implemented.

5S internal audits are carried out on quarterly basis by the internal auditors trained by your Company. In addition to above, Certification, 1st Surveillance and 2nd Surveillance audits are conducted in a span of one year by external agency to assess the effectiveness of 5S implemented in these 22 workshops/offices/stores.

### 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 2020-2021 are as under:

- 18 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2020) held virtually in Sept 2020, and all the 18 QC teams won Gold (highest) Award.
- 11 QC teams from MDL participated in National Convention on Quality Concepts (NCQC - 2020) held virtually in Dec-2020, out of which 10 QC teams won Par Excellence (highest) Award and 01 QC team won Excellent Award.

- 02 Quality Circle Teams from MDL participated in International Convention on Quality Control Circles (ICQCC - 2020) Dhaka, Bangladesh held virtually in Dec 2020. 01 QC team won Platinum (highest) Award and 01 QC team won Gold Award.

## 2.6 Quality Management System

### Shipbuilding Section

Your Company is committed to implement Quality Management Systems (QMS) as per ISO 9001:2015 standard. 58 Lead Auditors and 74 Internal Auditors were trained for carrying out the Internal Audits for sustenance of QMS in Shipbuilding Division. The Renewal Audit (Remote) of Shipbuilding Division was carried out on 25th and 26th Mar 2021 by M/s IRQS audit team. The NCs reported was "NIL" and the 'Certificate of Approval' has been recommended by M/s IRQS audit team to Shipbuilding Division as per the ISO 9001:2015 Standard.

### Benchmarking

MDL has a long Legacy of producing about 800 ships of various types. Over the year Quality inspection procedure has evolved to suit the latest construction methodology for Ships & Submarine.

Presently the 3 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 representative (WOT/THIRD PARTY) leaves no scope for any error post completion of any process. The non-conformity management with 3 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 & 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 & design detail.

P17A Ships are being built for the very first time as per "Integrated Construction (IC)" methodology which differ 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/Facts

#### a) Coordination for PDM/PLM:

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



All activities for P17A will be managed through PLM which offers potential cost savings and simplicity of a single system. It will create opportunity to consolidate and integrate information. And perhaps more importantly it will provide the quality assurance, compliance, and customer satisfaction. All basic QIP (42 nos.) & one project QAP has been converted into PDM/PLM format with their relevant context parameter.

Total amount of old data migration is very big (lakhs of scanned inspection reports). In order to avoid a major migration problem all data were divided in several logical groups that can be processed serially and progressively.

**b) Speeding of HVAC inspection Process:**

SQC section modified the Inspection process of HVAC balancing which leads to less rejections and reworks occurred at Harbor acceptance trial (HATS) of the first of P15 B destroyers and helped MDL to clear the 88% HVAC balancing inspection in the first attempt within stipulated time. For the first time 128 out of 144 of HVAC systems were cleared in MDL basin before the start of sea trials. This has tremendously helped the ship trial team in an efficient sea sortie of the ship.

**c) Anti-corrosion procedure for steel plates/profile:**

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.

The mill scale is a flaky bluish grey surface layer of usually 0.1 mm thickness formed on the outer surface of plates, sheets, profile while being produced by rolling mills. Mill scale will cause accelerated corrosion of steel. These scales become nuisance when the steel is to be processed and any paint applied over it is a futile exercise as presence of mill scales on the steel surface accelerates the corrosion of the underlying steel which is more severe. All mill scales must be removed from steel surface by abrasive blasting and must be checked.

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 will determine any presence of 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 & IC Inspection:**

Inspection carried out for Integrated construction/ Block Inspection of project P-15B and P17A including Hull and Engineering improves in several level of build plan. More complex & lengthy activities like seats, sea tubes, piping, systems take more time on berth than compared to the shop level. Material, space, manpower & time all can be saved if many of such work is carried out parallel right from the unit level. In IC build plan activities were carried out with a block level projection in decentralized way in different location i.e. M/s SSPL, Bharuch & M/s CCPL Goa, Nhava yard. We also took proactive measure for inspection activities during covid -19 by deputing some dedicated Quality team which helped in reduction in non-conformities and reworks considerably.

**e) AI Enabled Inventions**

MDL in partnership with IIT Madras, Chennai(IITM) has designed and developed two Artificial Intelligence enabled product.

A. AI enabled Computerized radiography

B. AI enabled advance phase array ultrasonic testing(APAUT).

These products are developing for improved quality assurance of weld with less time, less labour consumption & higher efficiency. Both the product are more safer than the conventional methods in many ways. With data migration they will become more smart and can altogether replace Y (gamma) rays. Brief introduction of both the product is given below:

**A. Artificial Intelligence (AI) enabled weld inspection with computerized radiography:**

In Computerized radiography, when imaging plates (IP) are exposed to X-rays, the energy of the incoming radiation is stored in a special phosphor layer. A specialized machine known as a scanner is then used to read out the latent image from the plate by stimulating it with a very finely focused laser beam. When stimulated, the plates emit blue light with intensity proportional to the amount of radiation received during the exposure. The light is then detected by a highly sensitive analog device known as a photomultiplier (PMT) and converted to a digital signal using an analog-to-digital converter (ADC). The generated digital X-ray image can then be viewed on a computer monitor and evaluated.

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

Phased Array Ultrasound Technology along with Advanced Full Matrix Capture (FMC) /Total Focusing Method (TFM) shall be implemented for this project.

The simulation assisted AI tools involved will include automated defect recognition features from the data sets obtained for improving the robustness and reliability of inspection. Also, the Ultrasound Testing can be performed along with the welding and hence will significantly improve productivity. The use of robotics will enable the inspection to be performed on difficult areas of ship hull more reliably and reduce time of inspection by avoiding the need for scaffolding. An ultrasonic phased-array probe is composed of multiple elements, usually between 32 and 128, each of which can act as a single ultrasonic transducer.

### Submarine Section

1. Second Surveillance Audit for Submarine Division as per QMS ISO 9001:2015 was conducted and successfully completed with 'NIL' (Non-conformity) by IR Class on 27 & 28 Aug 2020 with the scope of "Design, Development, Construction, Refit, Test & Trials of Submarines.
2. M/s IR Class certified that Submarine Division of Mazagon Dock Shipbuilders Ltd was found conforming to the requirements of standard ISO 9001:2015 and had awarded the "Certificate of Approval" on 30 May 2018 with expiry date 29 May 2021 as per ISO 9001:2015 QMS Standard

### Other Achievements/Facts

- a. Diving to Maximum Operating Depth (MOD) in a single sortie:
  - i. The diving of P75 submarines to maximum operating depth were done in two or more sea sorties until SM3. Dive to Half MOD used to be done in one sea sortie and the submarine 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. MDL 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 systems and positioning of competent team onboard.
  - iii. Finally, MDL achieved this goal and dive to MOD of SM4 was achieved in one sea sortie successfully. This has resulted in early opening of the Safe Operating Envelope (SOE) for further trials thereby saving of time and cost to a great extent.
- b. Setting up of in-house Fluid Testing Laboratory:
  - i. The Submarine Division 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 P75 submarine.
  - 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 and loss of 45 days especially when a sample failed in the first attempt.
  - iii. MDL 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.
- c. **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.

## 2.7 Information Technology

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

### SAP implementation

- MDL Intranet Portal database migrated to SAP-HANA database in Jan 2021.
- Digital Signature has been implemented in SAP FLM (File lifecycle Management) system in Aug 2020.
- Development of SAP Fiori applications are under progress.

### Latest know how on IT

- MDL implemented Work from Home (WFH) during the Lockdown period for business continuity in Jul 2020.

### MoD guidelines on Safety measures adopted / safety measures followed

- MoD guidelines relating to Information Security are complied with.

- Your Company has achieved the following during the year under review:
  - Implemented Video Conferencing system in Board & Conference Room in Mar 2021.
  - Primary Data center revamped in Mar 2021.

## 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 2020- 21, your Company has achieved 26.40% procurement from MSEs.

During the FY 2020-21, your Company had conducted two vendor development programs, out of which one was exclusively 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 three online national level programs conducted by MSME-Development Institute (DI) across India.

## 2.9 Marketing initiatives

During the financial Year 2020-21, MDL participated in Aero India 2021 and one international exhibition IDEX, UAE 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 signed MoUs and obtained various leads for potential future projects. MDL have signed four (04) MoUs during the Aero India 2021. 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.

During the FY 2020-21, your Company had conducted one online Vendor Development Program exclusively for MSEs owned by SC/ST. Your Company had 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. During the meets, MDL displayed posters and backdrops on requirement of our indigenisation items and also issued booklet on MDL's indigenization programme. Your Company's efforts were noted and appreciated by the local/indigenous material suppliers.

## 2.10 Health Safety & Environment Management System

MDL 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 will cease to exist beyond Sept 2021. Hence, MDL is currently in process of transition of its HSEMS system from OHSAS 18001:2007 to ISO 45001:2018. The transition activity will be completed prior to 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.

During the FY 2020-21 a 'Strategic Conclave for Board Level Executives' was organized wherein CMD, Functional Directors & CVO participated. Orientation Program for Director of listed companies was organized by National Institutes for Securities Market for CMD & Board Level Executives after MDL being listed on BSE and NSE.

Due to the Covid 19 Pandemic, majority of the training programmes were conducted in online mode during 2020-21. Training on proposed Labour Codes was conducted by Management Development Institute (MDI), Mursidabad where in 06 Executives actively participated. Training related to Health and safety was also organized on the topic Hazardous Area Classification in online mode and 26 Executives had participated in the program.

In order to ensure safety and dignity of women employees, MDL had conducted a sensitization program on "Prevention of Sexual Harassment of Women at Workplace". A total of 60 Employees had participated in it.

Other regular training programs on various topics like Lead & Internal auditors, Cyber Security awareness, Contract Management, Costing & Bidding for High Value project, Commercial Procedure in MDL were organized by MDL either in Online mode or In-House keeping in view the social distancing norms and COVID-19 protocols.

Flagship programs of Government of India such as IPR was conducted for 225 Employees with the aim to spread awareness on Intellectual Property Rights (IPR) and to create an IPR driven Innovation Culture. MDL has also received a training module on "Preventive Vigilance" from CVC with a target of 300 employees to be trained in the given module. MDL has achieved the target by the end of March 2021.

MDL has imparted training on Public Procurement through GeM in order to spread awareness on procurement through Government e-market place(GeM) and help in ease of doing business.

As part of encouraging higher education, 6 (Six) executives have been sent to DIAT, Pune for M. Tech courses for the academic year 2019-2021. MDL has sent 01 Executive to NWC, Goa for pursuing training on Technical Management Course.

Some important events like Safety Week and Vigilance Awareness Week, were also celebrated via video mode and quiz competition in order to spread awareness amongst Executives & Non-Executives.

A total of 36 trainings were conducted in the FY 2020-21 through online and offline mode. A total of 1092 Employees were benefited.

### 3.1 Welfare Activities

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



COVID-19 Vaccination Programme at MDL

#### 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. 30.64 Crore were disbursed towards treatment to the employees and their dependent family members during the FY 2020-21.

#### 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.

#### 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. MDL 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 March 2021 is at 5969 (including functional directors) out of which the number of persons on temporary rolls was 2282. Of the total strength, 101 are Ex-servicemen, 826 are of Schedule Caste and 439 are



of Scheduled Tribes. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees was at 13.84% and 7.35% respectively.

Number of persons on temporary rolls as on 31 March 2021 is 2282, out of which 334 belong to Scheduled Caste and 200 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 2020 and 01 Jan 2021 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 2021 is given below as directed by the Ministry of Defence, vide their letter Nos. 39(6)/99/D(B&C), dated 27 Aug 1999.

#### I. Executives

Grade	No. of Employees	Women	Percentage
0	1	0	0
I	21	3	14.29
II	156	15	9.62
III	107	12	11.21
IV	341	18	5.28
V	202	6	2.97
VI	105	10	9.52
VII	43	5	11.63
VIII	18	-	0
IX	5	-	0
CVO on deputation	1	-	0
Functional Directors	3	-	0
CMD	1	-	0
<b>Total</b>	<b>1004</b>	<b>69</b>	<b>6.87</b>

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

Grade	No. of Employees	Women	Percentage
WG-0	0	0	0
WG-1	21	0	0
WG-2	215	0	0
WG-3	13	0	0
WG-4	153	0	0
WG-5	2191	52	2.32
WG-6	812	18	2.17
WG-7	339	9	2.59
WG-8	347	0	0
WG-9	164	0	0
WG-10	36	0	0

WG-3A	8	0	0
WG-4A	133	0	0
<b>Total</b>	<b>4432</b>	<b>79</b>	<b>1.78</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	223	27	12.11
SI-06	53	8	15.09
SI-07	22	4	18.18
SI-08	31	1	3.23
SI-09	28	2	7.14
SI-10	62	9	14.52
SI-3A	3	0	0
SI-4A	29	0	0
<b>Total</b>	<b>454</b>	<b>51</b>	<b>11.23</b>

#### 3.4 Persons with Disabilities (PWD) As On 31 Mar 2021:

The total number of physically challenged employees as on 31 Mar 2021 was 110 and its percentage to total employees works out to 1.84%.

	HI	LD	VI	Total
Group-A	8	13	8	29
Group-B	0	0	0	0
Group-C	9	67	5	81
<b>Total</b>	<b>17</b>	<b>80</b>	<b>13</b>	<b>110</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 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.

The various issues raised by the Unions on Bargaining Council regarding Covid19 pandemic Attendance/Leave Management/ Rotational deployment of manpower has been



resolved 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 2020 and the representation of SCs / STs / Ex-servicemen as on 01 Jan 2021 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, 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 Magazine Fire Fighting System, RSS Screen for ships and Refrigeration Plants, Polychropene Rubber Bands, Shock Mount, Soda Lime, GRP Panel, Static Frequency Converter etc. for submarines, are presently in progress.

## 5. Awards and Recognitions:

S. No	Awarding Authority	Awards For
1	Indian Chamber of Commerce	MDL was conferred 10th PSE Excellence Award for being the Runner up in Corporate Social Responsibility under Miniratna I, II & others category. The award was presented on 12 th October 2020.
2	Bangladesh Society for Total Quality Management	Two Quality Control Circle teams "Prerna" from EY-Pipe Shop and "Bhaskar" from P&A Shop (SY) participated virtually in the International Convention on Quality Control Circles (ICQCC-20) held at Dhaka, Bangladesh from 01 to 03 Dec 2020.  'Prerna' QCC team won Platinum (highest) award and 'Bhaskar' QCC team won Gold award.
3	M/s Quality Circle Forum of India (QCFI), Hyderabad	11 MDL Quality Circle teams participated virtually at National Convention on Quality Concepts (NCQC-2020) held in Dec - 2020. 10 QC teams won Par Excellence (highest) award and 01 QC team won Excellent award.
4	M/s Quality Circle Forum of India (QCFI), Mumbai Chapter	18 MDL Quality Circle teams participated virtually at Chapter Convention on Quality Concepts (CCQC-20) in Sep 2020. All 18 QC teams won GOLD (highest) Award.
5	Mumbai PSU TOLIC.	MDL was awarded 2nd Prize for Rajbhasha Patrika 'Jal Tarang' and 3rd Prize for Rajbhasha Implementation on 12 July 2020 by Mumbai PSU TOLIC.



## 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 has been following all the directives issued by Rajbhasha Vibhag, Gruh Mantralaya, Government of India from time to time for progressive use of Hindi for official purposes. MDL's efforts towards progressive use of Official Language are detailed below:

- Quarterly Departmental Official Language Implementation Committee meetings are chaired by the Chairman & Managing Director and Sub-Committees under the chairmanship of the respective Directors. Departmental O/L Implementation Committee Meeting for June, Sept. and Dec. 2020 quarters were not organized due to COVID-19 Pandemic.
- All the Formats / Manuals of MDL are bilingual.
- 06 Digital Boards have been installed at conspicuous places displaying 'Aajka Shabd' and 'Aaj Ka Suvichar' to develop the Hindi among the employees.
- Many cash prizes are given on writing and Typing Hindi letters.
- Three prizes of Rs.3000/-, Rs.2000/- and Rs.1000/- for writing Articles for Jaltarang Rajbhasha Patrika.

- Employees have been given prize on passing 'Praveen', 'Pragya' and 'Parangat' examinations respectively Rs. 8,000/-, Rs. 10,000/- and Rs. 12,000/-
- Unicode is installed on all the PCs. All the executives and staff have been trained to type Hindi on Computer.
- MDL awarded 2nd Prize for Rajbhasha Patrika 'Jal Tarang' and 3rd Prize for Rajbhasha Implementation on 12 July 2020 by Mumbai PSU TOLIC.
- 'Hindi Diwas' was celebrated on 14th Sep '20 and "Hindi Pakhwada" having 06 competitions was celebrated from 07 September to 18 September 2020.
- Hindi Correspondence and Hindi Notings are about 96% and 95% respectively.

## 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/spotchecks/CTE type examination and also



ensures that integrity is maintained in all functions of the organization.

### 1. CTE Type Examination:

As a part of Preventive Vigilance, CTE type intensive examination of Purchase/Subcontracts/Outsourcing orders are taken to verify compliance to prescribed procedures and statutory norms/regulations. During the period 01 April 2020 to 31 March 2021, 05 such CTE type examinations have been carried out by Vigilance department.

### 2. Complaints:

During the period 01 April 2020 to 31 March 2021, Vigilance department received 21 complaints. Investigation of 21 complaints were pending from 2019-20. Investigation has been completed for 34 complaints including 1 Public Interest Disclosure and Protection of Informers Resolution (PIDPIR) complaint and is in progress for the remaining 8 complaints as on 31 March 2021.

### 3. Spot check/Surprise Checks:

Surprise/Spot checks are also being conducted by Vigilance department. During the period 01 April 2020 to 31 March 2021, 03 nos surprise/spot checks have been conducted and suggestions/corrective measures were recommended for systemic improvements.

### 4. Disciplinary Proceedings:

The pending Disciplinary proceedings against delinquent executives are being closely monitored by Vigilance Department. As on 31 March 2021, 2 Disciplinary Proceedings are pending.

### 5. 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.

### 6. Scrutiny of Annual Property Returns(APRs) of executives:

During the period of 1 April 2020 to 31 March 2021, 245 APRs of MDL Executives were scrutinized by Vigilance department.

### 7. Preventive Vigilance:

Seven (07) Systemic improvements in the area of procurement and five (05) systemic improvements in other administrative functions of the organisation were suggested to management as an initiative for Preventive Vigilance and the same were accepted and promulgated

by management. 7 nos SIs related to Procurement/Administrative functions are awaiting Approval by Management.

### 8. Vigilance Awareness Week Activities:

- (i) Vigilance Awareness Week-2020 (VAW 2020) was observed in MDL from 27 October to 02 November 2020. CMD, MDL inaugurated VAW-2020 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. XXIII, 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.
- (ii) The following activities were carried out as a part of observance of Vigilance Awareness Week 2020.
  - (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 conducted on MDL intranet portal during Vigilance Awareness week 2020 among the MDL Employees.
  - (c) In-house sensitization programme to MDL Executives on topic "Preventive Vigilance Measures on Procurement" was conducted on 25 Sep 2020 by MDL Vigilance team.
  - (d) Motivational Talk on Integrity was delivered by MDL Vigilance team to the ATS students & Integrity Pledge was administered on 29 Sep 2020 at Apprentice Training School (ATS), MDL.
  - (e) PPT presentation "Overview on Vigilance" was given by CVO to MDL Senior Management, Directors/CMD on 20 Oct 2020.
  - (f) Training Session on the topic "Procurement on GeM" was conducted to MDL Executives by Eminent Speaker Shri Kamalakant Meena, IRSS on 22 Oct 2020.
  - (g) Sensitising program for CISF MDL unit was conducted by MDL Vigilance Executives on 03 Oct 2020.
  - (h) MDL Vigilance team has conducted a Virtual Training Programme to GOA Shipyard Executives on the topic "Preventive Vigilance & Commercial Procedures" on 30 Oct 2020.

- (i) An interactive session between CVO and MDL executives was organised on 05 Nov 2020, where various case studies depicting nature of irregularities were also discussed.
- (j) MDL Vigilance team has conducted a Programme to RCF Executives on the topic "Vigilance Aspects in Commercial Procedures" at RCF, Chembur on 06 Nov 2020.
- (k) A "Vendors / Suppliers Meet" was conducted through virtual mode on 10 Nov 2020. CVO, Senior Executives and other executives of the commercial departments of the organisation besides a host of vendors /suppliers in which various issues raised by vendors/suppliers were discussed. CVO addressed the Vendors/suppliers during the meet.
- (l) Certificates/Prize awards were given away to the winners of various competitions organised for MDL employees and their family members during VAW 2020 on 09 Mar 2021.

## 9. 2-Days Training module on Preventive Vigilance as part of Induction/Mid-Career Training:

As per CVC guidelines to all CPSE's, 2-Days training module has been effectively implemented for MDL Executives at the Induction/Mid-Career level. Training has been imparted to a total of 105 executives in 4 such batches in co-ordination with MDC.

## 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, 2021 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 78 applications and 04 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 2021, eight meetings of the Board of Directors of the Company were held. These were on 22 Apr 2020, 15 July 2020, 27 Aug 2020, 11 Sep 2020, 19 Sep 2020, 05 Oct 2020, 12 Nov 2020 and 12 Feb 2021.

### 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 5th 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:-

Shri Sanjay Jaju, AS (DP) was appointed as the Government Nominee Director w.e.f. 24 Nov 2020 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 24 Nov 2020.





Shri V. L. Kantha Rao, ex-AS (DP) was appointed as the Government Nominee Director w.e.f. 16 Mar 2020 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 16 Mar 2020. He ceased to be a Director w.e.f 24 Nov 2020. The Board placed on record its appreciation for the valuable support, contribution and guidance provided by Shri V. L. Kantha Rao during his tenure.

RArm. Anil Kumar Saxena, IN(Retd) was appointed as the Director (Shipbuilding) w.e.f. 21 Mar 2018 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 31 Jan 2018. He superannuated on 31 Jan 2021, the Board placed on record its appreciation for the valuable support, contribution and guidance provided by RArm. Anil Kumar Saxena during his tenure

Shri. Devi Prasad Pande was appointed as Independent Director (Part Time Non- Official) pursuant to appointment letter dated 13 Sep 2017 ceased to be a Director w.e.f 12 Sep 2020. The Board placed on record its appreciation for the valuable support, contribution and guidance provided by Shri. Devi Prasad Pande during his tenure.

Prof. Kamaiah Bandi was appointed as Independent Director (Part Time Non- Official) pursuant to appointment letter dated 13 Sep 2017 ceased to be a Director w.e.f 09 Oct 2020. The Board placed on record its appreciation for the valuable support, contribution and guidance provided by Prof. Kamaiah Bandi during his tenure

Dr. M. J. Jeevanavar was appointed as Independent Director (Part Time Non- Official) pursuant to appointment letter dated 09 Mar 2018 ceased to be a Director w.e.f 08 Mar 2021. The Board placed on record its appreciation for the valuable support, contribution and guidance provided by Dr. M J Jeevanavar during his tenure

## 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 Given by the Independent Directors

All Independent Directors of your Company have given declaration of Independence as specified under section 149(6) of the Companies Act, 2013 during their tenure.

## 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 2020-21 was Rs.14.54 crore (2% of average profit of the previous three financial years as per section 198 of Companies Act - 2013). In addition, a sum of Rs.5.34 crore were carried forward from the last financial year. Out of this, your Company has spent Rs.18.34 crores towards CSR activities during FY 2020-21. A sum of Rs.1.54 crore remains unspent as several projects/programs due to delay in the execution of some projects by the implementing agencies, mainly owing to the Covid-19 pandemic.

Your Company has executed 100 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 2020-21 are as under: -

- a) Education Sector: In line with guidelines from DPE on Aspirational District Transformation Program (ADTP), your Company has provided support to Govt. Ashram School for tribal students at Talai in Dhadgaon block of Nandurbar by upgrading the school facilities. Your Company has also upgraded the facilities at Rukmabai Balika Ashram in Nandurbar which is an aspirational district in Maharashtra.

MDL has continued its support for Tribal Girls' Residential School at Kharade Gram Panchayat, Shahapur. With MDL's support, the school has been successfully running for the past six years and thereby providing quality school education to girl students of Kathkari community of Shahapur block, Thane. "MDL Super 10" project has stepped into its 3rd successful year and this year also 5 students from Shahapur area have been supported to get quality education at Bhonsala Military School, Nagpur.

Your Company has also continued to support children of Ambedkar Nagar slum in Colaba, Mumbai, by

encouraging them to attend school regularly, using football as a motivating tool.

- b) Village Development: Your Company has continued its support for Kharade Gram Panchayat under Model Village Development project and several new initiatives were taken in this year including beautification of four Anganwadis, health awareness on COVID 19 and village awareness program on panchayat administration and enhancing Mushroom production units. MDL has developed pedagogy park cum open gym in the village schools to promote healthy lifestyle.



Model Village Project Kharade Gram Panchayat, Thane , District

- c) Health & Sanitation: Your Company has continued to transform 100 Anganwadis into Model Anganwadis in the aspirational district of Nandurbar. MDL has successfully funded 3 ICUs for Trauma Care Hospital in Vellore, provided support for establishment of cross-disability Early Identification & Intervention Centre at Ali Yavar Jung National Institute of Speech & Hearing Disabilities (Divyangjan) in Bandra (Mumbai). MDL has also funded procurement of modern physiotherapy equipment at the Paraplegic Rehabilitation Centre, Khadki, Pune.



Opening Ceremony of MDL Sponsored Units of Cross Disability Early Identification cum Intervention Centre & Preparatory School on 23.07.2021 , Chief Guest Smt Jaishree Prasad

MDL has continued its project of supporting and counseling more than 39000 cancer patients at nine Regional Cancer Centres in 5 different States/UTs. Further, MDL continued its support for mentally challenged children and adults at Children's Home in Mankhurd and additionally supported Bal Kalyan Nagari for the benefit of children who are victims of natural calamity, social apathy and death of parents. MDL is also supporting infrastructure upgradation and indoor treatment of persons living with HIV at Kolhapur.

In line with the Swachh Bharat Mission of Government of India, your company has continued the clean-ship of peripheral areas around MDL. Further, MDL has supported for construction of toilet blocks in Nhava Gram Panchayat and Dafodils School, Karjat together with new toilet block at Bus Depot in Alibagh, Raigad District of Maharashtra.

- d) Skill Development: Your Company has successfully completed its flagship project i.e. construction of state-of-the-art Vocational Training Centre (VTC) at Anandvan (Chandrapur) for skill training of PWD youths. MDL is also supporting training of apprentices through the in-house Apprentice Training School (ATS).

Your company has also imparted vocational training to 100 youths as Machine Operator in Plastics Processing and Injection Moulding trade in Aurangabad and Chandrapur through Central Institute of Plastics Engineering & Technology. The project not only provides training to youths but also ensures their placement in reputed organizations.

Besides this, MDL has also supported skill training of 16 visually impaired youths in body massage and therapist trade in Nandurbar District through Gramin Shramik Pratisthan.

- e) COVID Management: Keeping MDL's commitment to support the nation's fight against the Covid-19 pandemic, your company has supplied one Refrigerated Truck of capacity 36 cu metre for COVID-19 vaccination programme costing Rs. 32.05 lakh and the same was handed over to Government Medical Store Depot, Mumbai.

MDL has also supported District Administration (Nandurbar) for medical equipment's, medicines etc., amounting to Rs. 440 Lakhs. Besides this, MDL has supported Government Hospitals in and around Mumbai for medical equipment, medicines amounting to Rs. 260 Lakhs and supplied dry ration and cooked food for the needy amounting to Rs. 100 Lakhs.



Handing over of refrigerated truck to Government Medical Store Depot, Mumbai, Cold Chain Equipment for Covid-19 vaccination programme

- f) Sports Development: MDL has supported the Wheelchair Basketball Association of Maharashtra for development of Maharashtra Women and Men Wheelchair Basketball Team. With this support, the Maharashtra men's and women's teams of Wheelchair Basketball could participate in the International Wheelchair Basketball Championship, Paralympics Qualifiers, national tournaments and represent India. This project has empowered disabled players through basketball.

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'.

## 8.10 Environment and Pollution Control:

Your Company has taken 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. The Installation of Solar Power Plant, changing of conventional lights into LED lights, procurement of energy efficient welding machines etc. are some of the areas where your Company had focused.

- 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 solar power plant. Annual energy generation from 1.85 MWp SPV power plants is approximately 24 Lakh units per year which is 12% of total consumption.
- Procurement of 12,489 Nos. 110V LED bulbs, LED office lights and LED flood lights in MDL. Total 80,042 units will be saved annually.

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 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.



Health Awareness Talk on 'Importance of cleanliness in daily life to prevent spread of Covid-19' held on 14.12.2020

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

As a part of the Abhiyan, your company has observed Swachhata Pakhwada. The Abhiyaan was undertaken at three levels i) within the Shipyard, ii) adjacent areas and iii) rural areas.

### a) Activities Within MDL Premises: -

Your Company has created awareness about cleanliness in pandemic situation amongst employees to control the spread of Corona Virus through Cleanliness, Social Distancing and Use of Mask. The same was done by displaying posters, signage, boards, standees etc. During Swachhata Pakhwada, awareness was created by "Swachhta Doots" in different workshops and Offices of MDL with emphasis on 'Wearing Mask, Maintaining Physical Distancing and Maintaining Hand Hygiene'. Further, regular sanitization activity is being carried out at Workshops, Offices, Executive Mess & Industrial Canteens. Removal of e-waste, heavy debris, repairs of drainage lines continue to be a regular activity. Your company has appointed Facility Management

Services for bringing professionalism in the cleanliness of the yard.

**b) Activities outside MDL Premises: -**

Your Company, keeping its commitment to keep the surrounding area clean, engaged an agency for carrying out daily cleaning of 4.5km roads surrounding MDL. Your Company also created awareness to stop spread of Covid - 19 Virus in surrounding community by running mobile van. Shramdan by all employees, led by CMD and Directors is carried out at regular intervals. MDL has also supplied garbage bins to Nhava Gram Panchayat so as ensure that Waste management is carried out in an effective manner by the gram panchayat.

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

In line with the Swachh Bharat Abhiyaan of Government of India, Your Company has also undertaken construction of toilet block at Alibaug Bus Station and same would benefit the common passengers at the Bus Station. MDL is also constructing a school toilet at Karjat block of Raigad district. Further, MDL has handed-over cleaning equipment to Government Paraplegic Rehabilitation Centre at Khadki, Pune.

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

## 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 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 2021 and of the Profit and Loss of the Company for the year ending on 31 March 2021;

- (c) The Directors had 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 had prepared the Annual Accounts for the financial year ended on 31 March 2021 on a going concern basis;
- (e) The Directors had 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 had 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 year 2020-21. 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 any 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 in this report after the report of the Statutory Auditors on standalone and consolidated financial statements.

## 8.17 Cost Auditors

M/s. ABK & Associates., Mumbai., were appointed as Cost Auditors for conducting cost Audit of the Company under section 148 of the Companies Act, 2013 for the year 2020-21 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 2020-2021 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 the minimum number of Independent Directors on the Board and did not have Woman Director 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/Woman Director have 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**

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 Addl. General Manager who is reporting directly to the Chairman & Managing Director.

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.

The system of Internal Control comprises well defined organisation 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.

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 as Appendix '6'.

## **11. Future Outlook**

Your Company has envisaged following measures of future outlook.

### **i. Infrastructure**

- a) MDL has long been looking for a Graving Dry Dock (GDD) capable to undertake constructions /repairs of various naval platforms.
- i. To meet the above requirement MDL has already been exploring option to develop Greenfield shipyard at MDL owned land at Nhava Yard over an area of 40 acres, which would be based around a ship lift and wet basin/dry dock. This facility would also aim for construction of commercial ships.
- ii. MDL is currently undertaking capital expenditure by way of construction of a submarine launch facility, for the newly built Submarine Assembly Workshop. This would enable creation of capacity and launching of two independent lines of submarines

### **ii. Project 75 (I):**

MDL has been shortlisted as one of the Strategic Partners (SP) for future submarine project P 75(I). RFP from MoD has been issued on 20 July 2021. MDL has also expressed interest to MoD, to participate in the construction of strategic Submarine project.

### **iii. MRLC of SSK submarines**

Construction of two new SSK class submarines, modernization & refit of four SSK class submarines, present construction of Scorpene class submarines and Medium Refit Life with Certification of IN Submarine has forged MDL's position as the only Indian Shipyard with capabilities to build & provide Life Cycle Support for conventional submarines.



Medium Refit with Life Certification (MRLC) of one SSK class Submarine is currently in progress. There is a likelihood of IN placing refit order for balance SSK class submarines on MDL, post completion of refit of the SSK class Submarine at MDL, currently under progress. MDL is fully poised to render life cycle support for Submarines of Indian and Foreign navies.

#### iv. Parallel lines for Submarine Construction

MDL 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. Post infrastructure augmentation, MDL submarine building capacity has been enhanced substantially to cater for two parallel submarine construction lines.

#### v. Construction of Non-Conventional Submarines

With sound knowledge in various aspects of submarine construction & trials and with augmentation of submarine construction facilities, MDL is ready to take on construction of non-conventional submarines as per requirements of Indian Navy.

#### vi. Diversification.

MDL 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.

##### a) Domestic RFPs:

MDL has participated in domestic RFPs (CTS, FPV, ACV) for the Indian Navy and Coast Guard. MDL expects positive responses against these RFPs.

##### b) Focus on repair:

In order to diversify the revenue streams, MDL intend to increase ship repair activities in the future as such activities are for a shorter period of time and result in the early booking of revenues. MDL has successfully bagged Ship repair orders of three ships from Indian Coast Guard. This will help augment revenues, increase client base and reduce single client dependency for future orders.

#### vii. 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. 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 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.
- 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, Excise, Service Tax and Sales Tax.

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)**

Chairman & Managing Director

DIN: 08644492

Place: Mumbai

Date: 10 August, 2021



# 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 2020 and 1st January 2021

Classification of Posts / services	As on 01st January 2020			As on 01st January 2021		
	Total Strength	Schedule Caste	Schedule Tribe	Total Strength	Schedule Caste	Schedule Tribe
Permanent:						
Group "A"	1052*	197	70	1013*	191	69
Group "B"	0	0	0	1	0	0
* Includes Board level executives						
Group "C" (Excluding Safaiwala)	3104	333	182	2724	301	171
Group "C" Safaiwala	5	4	0	5	4	0
Temporary:						
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)	509	79	32	189	30	12
Fixed Term Contract for Two Years:						
Group "A"	0	0	0	0	0	0
Group "B"	0	0	0	0	0	0
Group "C" (Excluding Safaiwala)	1778	279	201	2927	429	294
Group "C" Safaiwala	0	0	0	0	0	0



## APPENDIX 'B' TO THE DIRECTORS' REPORT

Particulars of Recruitment made during the Calendar Year 2020. 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"	01	0	0	01	0	No Candidate found suitable
Group "B"	19	03	0	01	0	No Candidates found suitable
Group "C" (Excluding Safaiwala)	0	0	0	0	0	
Group "C" Safaiwala	0	0	0	0	0	
<b>Fixed Term Contract for Two Years:</b>						
Group "A"	3	1	0	0	0	Recruitment process is going on
Group "B"	0	0	0	0	0	
Group "C" (Excluding Safaiwala)	70	7	2	3	1	Selection in process. Shortfall of 01 ST for the post of " Electric Crane Operator" due to non-availability of candidate. Post to be notified in next recruitment cycle.
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 2021

Classification of Posts / services	Total Strength	Ex-service men		Women Employees	
		No	%	No	%
<b>Permanent</b>					
Group "A"	1013	98	9.67	69	6.81
Group "B"	1	0	0	0	0
Group "C"(Excluding Safaiwala)	2724	3	0.01	63	2.31
Group "C" Safaiwala	5	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)	2927	1	0.001	76	2.60
Group "C" Safaiwala	0	0	0	0	0





# APPENDIX 'D' TO THE DIRECTORS REPORT

## CORPORATE GOVERNANCE

### 1 PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company endeavours towards creating long-term value for all its stakeholders while focusing on the core principles of accountability, transparency, integrity, social responsibility, environment and regulatory compliances. The Board and its Committees guide, support and complement the Management team, which undertakes to achieve the set objectives and enhancing stakeholder value.

Your Company's work culture 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 highest degree of professionalism and integrity within the Organization.

Your Directors have formulated and uploaded the following policies/codes on its 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.

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), the Corporate Governance disclosures are as under:

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of Board of Directors as on 31 March 2021

As on 31 March 2021 the Board of Directors of the Company comprised of four Whole time/Functional Directors including the Chairman and Managing Director and one Government Nominee Director as under:

##### Whole-time Directors

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

Cmdr. T V Thomas, IN (Retd) - Director (Corporate Planning & Personnel)

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

Shri Sanjeev Singhal- Director (Finance)

##### Government Nominee Director

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

Note:

- Shri Sanjay Jaju, AS (DP) was appointed as the Government Nominee Director w.e.f. 24 Nov 2020.
- Shri V. L Kantha Rao, ex-AS (DP) ceased to be a Director w.e.f 24 Nov 2020.
- 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 09 Oct 2020.
- Dr. M. J. Jeevanavar an Independent Director ceased to be a Director w.e.f 08 Mar 2021.

Your Company being a Government Company, the appointment of all Directors is done by the President of India, through the Ministry of Defence. As on 31 March 2021, the positions of the Woman Director and the Independent Directors are lying vacant due to completion of their tenures.

The Company became a listed Company on 12 Oct 2020. At the time of listing, the Company has 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.

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 2020-21

Sl.	Directors	No of Board Meeting(s) held during respective tenure of Director	No. of Board Meeting(s) Attended	Attendance in the last AGM held on 25 Sep 2020	No of Directorship in other Companies	Details of Directorship in other Listed Companies & category	No. of Committee Memberships across all Companies as on 31 March 2021	
							As Chairman	As Member
Whole-time/ Functional (Executive) Director								
1	VAdm. Narayan Prasad, IN (Retd)	8	8	Yes	Nil	Nil	1	Nil
2	Cmde. T V Thomas, IN (Retd)	8	8	Yes	Nil	Nil	Nil	2
3	RAdm. Anil K Saxena, IN (Retd) (Ceased to be a Director w.e.f. 31 Jan 2021)	7	7	Yes	Nil	Nil	Nil	Nil
4	Cdr. Jasbir Singh, IN (Retd)	8	8	Yes	Nil	Nil	Nil	Nil
5	Shri Sanjeev Singhal	8	8	Yes	Nil	Nil	Nil	1
Government Nominee Director(Non-Executive)								
6	Shri Sanjay Jaju, IAS, AS(DP) (Appointed as Director w.e.f. 24 Nov 2020)	1	1	NA	Nil	Nil	Nil	Nil
7	Shri V. L. Kantha Rao, IAS, ex AS(DP) (Ceased to be a Director on 24 Nov 2020)	7	0	No	NA	Nil	Nil	Nil
Independent (Non-Executive) Director								
8	Shri Devi Prasad Pande (Ceased to be a Director w.e.f. 12 Sep 2020)	4	4	NA	Nil	Nil	Nil	Nil
9	Prof. Kamaiah Bandi (Ceased to be a Director w.e.f. 09 Oct 2020)	6	6	Yes	Nil	Nil	Nil	Nil
10	Dr. M. J. Jeevannavar (Ceased to be a Director w.e.f. 08 Mar 2021)	8	7	No	Nil	Nil	Nil	Nil

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

Notes:

- 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.
- 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;
- None of the Directors serves as a Director in more than 7 listed Companies and as Independent Director in more than 7 listed Companies;
- As of 31 March 2021, none of the Directors is holding any share in the Company;
- 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;
- No Independent Director has resigned during the financial year 2020-21 before the expiry of his tenure.



## 2.3 Meetings of the Board of Directors

During the financial year ended 31 March 2021, eight meetings of the Board of Directors of the Company were held as under:

Sl.No.	Date of Board Meeting
1	22 April 2020
2	15 July 2020
3	28 August 2020
4	11 September 2020
5	19 September 2020
6	05 October 2020
7	12 November 2020
8	12 February 2021

## 2.4 Skill/Expertise/Competence of the Board

Mazagon Dock Shipbuilders Limited, is a Government Company, under the administrative control of the Ministry of Defence, Department of Defence Production,

the power to appoint/re-appoint Directors (including Independent Directors) on our Board 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. As such, the Board Members of the Company have the skill, expertise and competency as per Industry requirement.

## 2.5 Familiarisation Programmes to Independent Directors

The Company undertakes various familiarization/training programmes 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., as detailed in the familiarization programme for Independent Directors uploaded on the Company's website at <http://mazagondock.in>

# 3 SUB-COMMITTEES OF BOARD OF DIRECTORS

## 3.1 AUDIT COMMITTEE:

- During the financial year ending 31 Mar 2021, the Audit Committee met five times i.e on 22 April 2020, 15 July 2020, 27 Aug 2020, 11 Sep 2020 and 18 Sep 2020.
- Composition of the Committee and Meetings attended by each Members of the Audit Committee for financial year 2020-21 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 Devi Prasad Pande (Ceased to be a Director w.e.f. 12 Sep 2020)	Independent Director	Chairman	4	4
b.	Cmde T. V. Thomas IN (Retd)	Whole-time Director	Member	5	5
c.	Prof Kamaiah Bandi (Ceased to be a Director w.e.f. 09 Oct 2020)	Independent Director	Member & Chairman w.e.f 18 Sep 2020	5	5
d.	Dr. M. J. Jeevanavar (Ceased to be a Director w.e.f. 08 Mar 2021)	Independent Director	Member	1	1

- The Director (Finance) & CFO is a permanent invitee to the Committee
- The terms of reference to the Audit Committee consists the following:-
    - The role of the Audit Committee shall include the following:
      - 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;
      - 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:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- management letters/letters of internal control weaknesses issued by the statutory auditors;
- 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:

- 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.
- 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) Composition of the Committee and Meetings attended by each Member of the Nomination and Remuneration Committee for financial year 2020-21 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 Devi Prasad Pande (Ceased to be a Director w.e.f. 12 Sep 2020)	Independent Director	Chairman	1	1
b.	Prof. Kamaiah Bandi (Ceased to be a Director w.e.f. 09 Oct 2020)	Independent Director	Member & Chairman w.e.f. 05 Oct 2020	2	2
c.	Dr. M. J. Jeevannavar (Ceased to be a Director w.e.f. 08 Mar 2021)	Independent Director	Member	2	2

- The Director (Corporate Planning & Personnel) is a permanent invitee to the Committee

b) The terms of reference of the Nomination and Remuneration Committee consists of the following:

- 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;
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
- To recommend on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
- Formulation and modification of schemes for providing perks and allowances for executives;
- Any new scheme of compensation to executives and non-executives as the case may be;
- 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.

c) During the year, the Nomination and Remuneration Committee had two meetings.

### 3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Composition of the Committee and Meetings attended by each Member of the Stakeholders Relationship Committee for financial year 2020-21 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	1	1
b.	Cmde T. V. Thomas IN (Retd)	Whole-time Director	Member	1	1
c.	Shri. Sanjeev Singhal	Whole-time Director	Member	1	1
d.	Dr. M. J. Jeevannavar (Ceased to be a Director w.e.f. 08 Mar 2021)	Independent Director	Member & Chairman of the meeting held on 12 Feb 2021	1	1

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 12 Feb 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 2021 : 42

f) Number of shareholders' complaints resolved upto 31 March 2021 : 42

g) Number of shareholders' complaints pending upto 31 March 2021 : Nil

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

- a) Composition of the Committee and Meetings attended by each Member of the CSR Committee for financial year 2020-21 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 Devi Prasad Pande (Ceased to be a Director w.e.f. 12 Sep 2020)	Independent Director	Chairman	1	1
b.	Prof. Kamaiah Bandi (Ceased to be a Director w.e.f. 09 Oct 2020)	Independent Director	Chairman w.e.f 25 Sep 2020	1	1
c.	Dr. M. J. Jeevannavar (Ceased to be a Director w.e.f. 08 Mar 2021)	Independent Director	Member & Chairman w.e.f 12 Feb 2021	3	2
d.	Cmde T. V. Thomas, IN (Retd)	Whole-time Director	Member	3	3
e.	Radm Anil K. Saxena, IN (Retd) (Ceased to be a director w.e.f 31 Jan 2021)	Whole-time Director	Member	2	2

- 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:
1. To recommend the amount of expenditure to be incurred on the activities referred under Schedule VII of the Companies Act, 2013; and
  2. To monitor the Corporate Social Responsibility Policy of our Company from time to time.
- c) During the year, the Corporate Social Responsibility Committee had three meetings.

**3.5 RISK MANAGEMENT COMMITTEE:**

- A) Composition of the Committee and Meeting attended by each Member of the Risk Management Committee for financial year 2020-21 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.	Cmde T. V. Thomas IN (Retd)	Whole-time Director	Chairman	1	1
b.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director	Member	1	1
c.	Shri. Sanjeev Singhal	Whole-time Director	Member	1	1
d.	Cdr. V. R. Puranik, IN (Retd)	General Manager	Member	1	1

- B) Scope and terms of reference:
- (a) To formulate a detailed Risk Management Policy which shall include:
    - i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (Particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - ii) Measures for risk mitigation including systems and processes for internal control or identified risks.

- iii) Business continuity plan.
- (b) To ensure that appropriate methodology, process and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

C) During the year, the Risk Management Committee had one meeting.

### Other Non-Statutory Committees

#### 3.6 IPO committee:

The IPO committee was constituted for considering matters related to the IPO of the Company and consisted of following Directors in the financial year ended on 31 Mar 2021.

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

#### 3.7 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 2021.

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.

#### 3.8 PROCUREMENT SUB COMMITTEE(PSC):

The Procurement Sub Committee consisted of the following Directors as on 31 Mar 2021:

VAdm. Narayan Prasad, IN (Retd) - Chairman  
Cmde. T V Thomas, IN (Retd) - Member  
Cdr. Jasbir Singh, IN (Retd) - Member  
Shri. Sanjeev Singhal - 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 2020-21 were as follows:

(Amount in ₹)

SI No	Name/Designation of Directors	Salary & perquisites as per section 17(1) & (2) of the Income Tax Act 1961	Retirement & other benefits	Total
1	VAdm. Narayan Prasad, IN (Retd), CMD	50,95,959.00	84,851.00	51,80,810.00
2	Cmde. T.V.Thomas, IN (Retd), Director (Corporate Planning & Personnel)	48,23,188.00	84,043.00	49,07,231.00
3	*RAdm. Anil Kumar Saxena, IN (Retd), Director (Shipbuilding)	54,26,683.00	92,693.00	55,19,376.00
4	Cdr. Jasbir Singh, IN (Retd), Director ( Submarine & Heavy Engineering)	40,73,263.00	72,395.00	41,45,658.00
5	Shri Sanjeev Singhal, Director (Finance)	40,70,651.00	72,473.00	41,43,124.00

\*RAdm. Anil Kumar Saxena, IN (Retd), Director (Shipbuilding) of the Company ceased to be a Director upon superannuation on 31 Jan 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 2020-21, sitting fees paid to the Part-time Non-Official Directors (Independent Directors) for attending the Meetings of the Board:

(Amount in ₹)

SI No	Name/Designation of Directors	Board Meetings	Committee Meetings	Total Remuneration
1	Shri. Devi Prasad Pande	80,000	1,20,000	2,00,000
2	Prof. Kamaiah Bandi	1,20,000	1,20,000	2,40,000
3	Dr. M. J. Jeevannavar	1,40,000	75,000	2,15,000

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

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 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, 2015.

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 2021.

## 6. INSIDER TRADING POLICY

In pursuance of SEBI (Prohibition of Insider Trading Regulations) 2015, 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.

## 7. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (LODR) Regulations the Compliance Certificate issued by the CEO & CFO on the financial statements and internal controls related to the financial reporting for the year 2020-21 was submitted to the Board at the meeting held on 10 August, 2021 and is attached to this Report.

## 8. SHAREHOLDING PATTERN AS ON 31 MARCH 2021:

SI No	Category	Number of shares	% of total holding
1	PROMOTERS (GOI through the President of India)	171090983	84.83
2	INDIVIDUALS	20771299	10.30

SI No	Category	Number of shares	% of total holding
3	DOMESTIC COMPANIES	4374818	2.17
4	FOREIGN PORTFOLIO - CORP.	1414742	0.70
5	HUF	1078366	0.53
6	OTHER MUTUAL FUND	877073	0.43
7	INSURANCE COMPANIES	717079	0.36
8	CLEARING MEMBERS	683797	0.34
9	NRI REP	427236	0.21
10	NRI NON REP	115719	0.06
11	EMPLOYEES	133783	0.07
12	TRUSTS	5105	0
	<b>Total</b>	<b>201690000</b>	<b>100.00</b>

## 9. TOP 10 SHAREHOLDERS AS ON 31 MARCH 2021 (Based on PAN)

SI No	Nme of the shareholders	Number of shares held	% of total holding
1	THE PRESIDENT OF INDIA	171090923	84.8287
2	DAMANI ESTATE AND FINANCE PVT LTD	1200000	0.5950
3	MKT CAPITAL LP	1125346	0.5580
4	RADHAKISHAN SHIVKISHAN DAMANI	950000	0.4710
5	RAMESH DAMANI	914581	0.4535
6	GOPIKISHAN SHIVKISHAN DAMANI	760000	0.3768
7	BRIGHT STAR INVESTMENTS PVT LTD	690000	0.3421
8	TATA AIG GENERAL INSURANCE COMPANY LIMITED	505878	0.2508
9	SBI PSU FUND	310723	0.1541
10	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED ADVANTAGE FUND	298667	0.1481

## 10. ANNUAL GENERAL MEETINGS

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

FY	Place of Meeting	Date and time
2017-18	Registered Office of the Company at Dockyard Road, Mumbai-400 010	25 Sep 2018 at 1200 hrs
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

- 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.

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

### iv) Annual Report:

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.

## 12. SHAREHOLDERS INFORMATION

### a) Annual General Meeting

The 88th Annual General Meeting of the Company for the year 2020-21 will be held through video conferencing as per the MCA circular No 20/2020 dated May 5, 2020 and SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and dated January 15, 2021 on 28 September 2021 at 11 00 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 2021-22 is as under:

Approval of quarterly/annual audited financial results	Tentative date of the Meeting of the Board
30 June 2021	On or before 13 August 2021
30 September 2021	On or before 15 November 2021
31 December 2021	On or before 15 February 2022
31 March 2022	On or before 27 May 2022

### d) Book Closure Date(s) for the purpose of AGM and Final Equity Dividend for FY 2020-21:

22 Sep 2021 to 28 Sep, 2021(Both days inclusive)

### e) Dividend Payment Date

During the year, your Company has declared and paid Interim dividend of Rs. 5.41 per share of Rs. 10/- each on 12 Feb 2021. The Final dividend of Rs. 1.83 Per Equity Share 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 2021:

#### 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 2021-22 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 2021 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)
October, 2020	216.65	164.00	216.95	164.00
November, 2020	192.85	165.10	192.80	165.10
December, 2020	227.85	180.00	227.90	180.00
January, 2021	234.75	201.00	234.85	200.90
February, 2021	242.40	205.80	242.60	205.60
March, 2021	241.00	200.05	241.35	200.25
Month	SENSEX		NIFTY 50	
	High	Low	High	Low
October, 2020	41,048.05	38,410.20	12025.45	11347.05
November, 2020	44,825.37	39,334.92	13145.85	11557.40
December, 2020	47,896.97	44,118.10	14024.85	12962.80
January, 2021	50,184.01	46,160.46	14753.55	13596.75
February, 2021	52,516.76	46,433.65	15431.75	13661.75
March, 2021	51,821.84	48,236.35	15336.30	14264.40

**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,  
Jhandewalan Extension,  
New Delhi - 110055

Tel: +911- 42541100, 42541957

Fax: +911-2355 2001

Emailid: 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 2021**

Category	Number of Shareholders	% of Shareholders	Total Number of Shares	% of Shareholding
1 - 500	103224	95.87	8439033	4.18
501 - 1000	2311	2.15	1898919	0.94
1001 - 2000	993	0.92	1519637	0.75
2001 - 3000	364	0.34	942002	0.47
3001 - 4000	152	0.14	552190	0.27
4001 - 5000	174	0.16	836493	0.41
5001 - 10000	211	0.19	1556607	0.77
10001 - 20000	124	0.12	1772547	0.88
20001 - 9999999999	118	0.11	184172572	91.33
<b>Total</b>	<b>107671</b>	<b>100.00</b>	<b>201690000</b>	<b>100.00</b>

**m) Dematerialisation of shares and liquidity**

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. The Equity Shares of the Company are admitted in the depository systems of the NSDL & CDSL.

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 2021 is as follows:

	No of shares	% of paid up equity shares
Shares dematerialized with NSDL	186501339	92.47
Shares dematerialized with CDSL	15188601	7.53
Physical shares	60	0.00
<b>Total no. of shares</b>	<b>201690000</b>	<b>100.00</b>

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

Relevant information in this regard is given in note no. 48 of Notes to the Financial Statements provided in this Annual Report.

**o) Plant/Facility Location:**

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.

**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

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

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. Transactions with related parties that were entered into during the financial year were in the ordinary course of business. A policy on Related Party Transactions (RPT) has been approved by the Board as per the SEBI (LODR) Regulations and Companies Act and 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).

#### **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 ended 31 March 2021 the composition of the Board and Committee(s) of your Company was not in line with Regulation 17, 18, 19 and 20 of SEBI Listing Regulations.

During the year ended 31 March 2021, National Stock Exchange (NSE) vide their letters dated 15 Feb 2021 and 17 May 2021 have imposed penalty of Rs. 20,11,900 (including GST @ 18%) on your Company for purported non-compliance with provisions of Regulations 17(1), 18, 19 & 20. Bombay Stock Exchange vide email dated 17 May 2021 have imposed penalty of Rs. 11,51,680 (including GST @ 18%) on your Company for purported non-compliance with provisions of Regulations 17(1), 18, 19 & 20. The total penalty levied by both the stock exchanges for the year ended 31 March 2021 is Rs. 31,63,580 (including GST @ 18%) on your Company for purported non-compliance with provisions of Regulations 17(1), 18, 19 & 20 of the SEBI LODR.

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.

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

The Company has a vigil mechanism named Whistle

Blowers Policy establishing a mechanism for the Directors and 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.

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: <https://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, 2021

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.

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2021.

#### 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 physical and 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. 34(a) 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	13.73
Tax audit fees	1.38

Other Services	2.00
Reimbursement of expenses	Nil

#### m) Prohibition of Sexual Harassment of Women at Workplace

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

02 (Two) complaints were received during the fiscal year out of which 01 was disposed-off and 01 was referred to Ministry.

#### n) Public Grievance Committee

a) Your Company constituted a Public Grievance Committee headed by an executive of the rank of Executive Director. 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 CPSUs 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 2021.

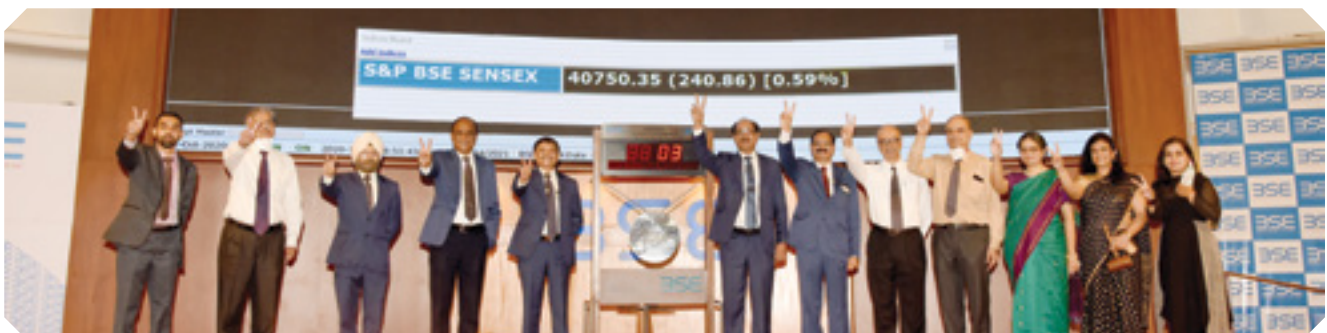
**VAdm. Narayan Prasad IN (Retd)**

Chairman & Managing Director

DIN: 08644492

Place: Mumbai

Date: 10 August, 2021





# 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 Ltd ("the Company") for the year ended on 31st March, 2021, 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 the 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 our 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 our 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 LODR Regulations 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 Independent Directors including woman director.
  - b. Fifty percent of the Board of Directors as Non-Executive Directors.
  - c. Minimum number of Directors from March 09, 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 Nomination and Remuneration Committee w.e.f October 10, 2020 and September 13, 2020 respectively 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. The committee had a meeting on February 12, 2021 with Independent Director as Chairman.

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)

Date: 10 June, 2021

Place: Mumbai

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872C000445351



# APPENDIX 'E' TO THE DIRECTORS REPORT

## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

**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. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Devi Prasad Pande (Ceased to be a Director w.e.f. 12 Sep 2020)	Independent Director	1	1
2	Prof Kamaiah Bandi (Ceased to be a Director w.e.f. 09 Oct 2020)	Independent Director	1	1
3	Dr. M. J. Jeevannavar (Ceased to be a Director w.e.f. 08 Mar 2021)	Independent Director	3	2
4	Cmdr. T V Thomas, NM, IN (Retd)	Director (CP&P)	3	3
5	RArm. A K Saxena, IN (Retd)	Director (Shipbuilding)	3	2

**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: <https://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): Agencies Shortlisted for Impact Assessment.

**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: NA

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)
	<b>TOTAL</b>		

**6.** Average net profit of the company as per section 135(5): Rs. 72704 Lakhs

(a) Two percent of average net profit of the company as per section 135(5): Rs. 1988 Lakhs (i.e. Rs.1454 Lakhs as CSR Budget for FY 2020-21 + Rs.534 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 (6a+6b-6c): 1988 Lakhs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (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.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1834 Lakhs	154 Lakhs	14.05.2021	NA	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)	Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
1.	Renovation of GTB Hospital, Sewree	I	Yes	Maharashtra	Mumbai	3 Years	9.53	6.36	154.34	No	Municipal Corporation of Greater Mumbai	In Process
2.	Cleanship in Around MDL & Other Swachh Bharat Activities	I	Yes	Maharashtra	Mumbai	2 Years	40.00	13.24		No	Dirt Busters Pvt. Ltd./Accord Security & Allied Services	In Process
3.	Construction of Vocational Training Centre for PWD youths in Anandvan	II	No	Maharashtra	Chandrapur	2 Years	120.00	96.394		No	Maharogi Sewa Samiti	In Process
4.	Village Adoption for overall Development (Kharade)	X	Yes	Maharashtra	Thane	2 Years	81.9	68.56		No	Karve Institute of Social Service	In Process
5.	Training of 250 Youths in Driving Trade	II	Yes	Maharashtra	Mumbai	1 Year	14.28	14.28		No	Lok Bharti Skilling Solutions Pvt. Ltd	In Process
6.	Construction of School Toilet Block and other works under Swachh Bharat at Nhava/ Mumbai	I	Yes	Maharashtra	Mumbai	1 Year	20.0	19.91		No	Shiv Langeshwar Enterprises	In Process



(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) Project Duration.	(7) Amount allocated for the project (in Rs. Lakhs).	(8) Amount Spent in the current financial year (in Rs. Lakhs).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs).	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
7.	Support to Dialysis Patients at Lion Tarachand Bapa Hospital, Sion (Phase II)	I	Yes	Maharashtra	Mumbai	4 Months	2.74	2.74		No	Lion Tarachand Bapa Hospital & Research Centre	In Process
8.	Life Skills, Remedial Classes and Education of Slum Children through Football at Ambetkar Nagar, Mumbai	II	Yes	Maharashtra	Mumbai	1 Year	2.5	2.5		No	Oscar Foundation	In Process
9.	Support to Rochiram Thadhani High School for Hearing Handicapped	I	Yes	Maharashtra	Mumbai	10 Months	2.68	0.36		No	Chembur Colony Yuvak Mandal	In Process
10.	Food for Education project at Mazagoan, Mumbai	I	Yes	Maharashtra	Mumbai	3 Years	4.44	0.24		No	Ratna Nidhi Charitable Trust	In Process
11.	Skill Training of 40 youths in digital marketing in Mumbai	II	Yes	Maharashtra	Mumbai	6 Months	2.36	0.00		No	Seva Mandal Education Society	In Process
12.	Support to elderly patients at J J Hospital Mumbai	I	Yes	Maharashtra	Mumbai	1 Year	3.89	3.89		No	J J Dharamshala	In Process
13.	Assistive Aids to 400-450 PWDs in Nandurbar through ALIMCO	I	No	Maharashtra	Nandurbar	4 Months	37.5	24.55		No	Artificial Limbs Manufacturing Corporation of India	In Process
14.	Support for surgeries of 10 children suffering from Congenital Heart Disease	I	No	Maharashtra	Nandurbar	6 Months	15.00	14.4		No	Balaji Hospital	In Process
15.	Food for students of 07 Jeevanshalas and 01 Hostel in Nandurbar district	I	No	Maharashtra	Nandurbar	5 Months	41.28	5.54		No	Narmada Nav Nirman Abhiyaan	In Process

(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) Project Duration.	(7) Amount allocated for the project (in Rs. Lakhs).	(8) Amount Spent in the current financial year (in Rs. Lakhs).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs).	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
16.	Construction of Community Toilet Block at Jai Bheem Nagar, Kasara Bunder, Mumbai	I	Yes	Maharashtra	Mumbai		5.93	5.93		No	Bucon Engineers and Infrastructure	In Process
17.	20 Bal Mitra Grams in RJ	II	No	Rajasthan	Viratnagar	3 Years	3.64	3.64		No	Bal Ashram Trust	In Process
18.	Training of 250 Youths in Driving Trade	II	Yes	Maharashtra	Mumbai	6 Months	2.00	1.99		No	Don Bosco Tech Society	In Process
19.	Environment & Livelihood Generation Project at Beed	X	No	Maharashtra	Beed	10 Months	5.34	5.34		No	Karve Institute of Social Service	In Process
20.	Solar Power Plant at ITI Chikaldhara	II	No	Maharashtra	Amravati	3 Months	3.85	3.85		No	Research Centre for Sustainable	In Process
21.	Construction of 1000 Individual Toilets at Karjat	I	Yes	Maharashtra	Karjat/ Raigad	6 Months	9.01	9.01		No	Society of Educational Welfare & Economic Development	In Process
22.	Solar Light at ITI Chikaldhara	II	No	Maharashtra	Amravati	4 Months	0.38	0.38		No	Social Engineers Pvt. Ltd	In Process
23.	Support & Counselling to Cancer Patients	I	No	Others	Across India	1 Year	3.13	3.03		No	Sanjeevani Life Beyond Cancer	In Process
	<b>TOTAL</b>						<b>446.38</b>	<b>306.11</b>	<b>154.34</b>			





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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount Spent for the project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State.	District			Name	CSR Registration number.
1.	Adoption of Tribal Girls School at Kharade	II	Yes	Maharashtra	Thane	15.92	No.	ABM Samaj Prabodhan Sanstha	In Process
2.	Support to Intellectually Disabled Children at Mankhurd	I	Yes	Maharashtra	Mumbai	20.73	No.	The Children Aid Society	In Process
3.	Support to Balika Kalyan Nagri at Mankhurd	I	Yes	Maharashtra	Mumbai	5.05	No.	The Children Aid Society	In Process
4.	Support & Counselling to Cancer Patients	I	No	Others	Across	36.93	No.	Sanjeevani Life Beyond Cancer	In Process
5.	Apprenticeship trained under CSR	II	Yes	Maharashtra	Mumbai	50.81	Yes.	MDL	In Process
6.	Super 10 (Sponsoring of 10 Students) from Kharade Area to BMS Nagpur	II	No	Maharashtra	Nagpur	23.97	No	Bhonsala Military School	In Process
7.	Supply of Ration to 300 Families in slum of Mazagon (Phase I)	I	Yes	Maharashtra	Mumbai	4.50	No	Jeevan Prakash Trust	In Process
8.	Supply of Ration to 416 Tribal Families of Kathkari Community in Kharade	I	Yes	Maharashtra	Thane	4.80	No	Karve Institute of Social Service (KINSS)	In Process
9.	Supply of Ration to 200 Families in Ambedkar nagar Slum	I	Yes	Maharashtra	Mumbai	2.50	No	OSCAR FOUNDATION	In Process
10.	Supply of ration to 150 Families in hamlets of Sanjay Gandhi National Park	I	Yes	Maharashtra	Mumbai	1.34	No	AIM Foundation	In Process
11.	Supply of meal to 350 migrant workers in Mazagon	I	Yes	Maharashtra	Mumbai	2.02	No	Ratna Nidhi Charitable Trust	In Process
12.	Supply of ration to 350 needy families in tribal area of Panvel	I	Yes	Maharashtra	Panvel	3.15	No	Social & Evangelical Association for Love (SEAL)	In Process
13.	Support to Quarantine Centre set up by Navy in Ghatkopar	I	Yes	Maharashtra	Mumbai	4.98	No	Central Non Public Fund	In Process
14.	Procurement of 3500 cloth masks from tribal SHG in Kharade for supplying to poor people in Mazagon	I	Yes	Maharashtra	Mumbai	0.63	No	URJA SWAYAM SAHAYATA MANDAL	In Process
15.	Supply of 5000 disposable masks to Kasturba Hospital	I	Yes	Maharashtra	Mumbai	0.80	No	Sheetal Pharma	In Process
16.	Procurement of 25000 cloth masks from different SHG in Mulshi for supplying to poor people in Mazagon	I	Yes	Maharashtra	Mumbai	4.72	No	Sakhi Mahila Sangh	In Process

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount Spent for the project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State.	District			Name	CSR Registration number.
17.	Procurement of 3000 bottles of Hand Sanitizers	I	Yes	Maharashtra	Mumbai	3.54	No	AVP LABORATORY	In Process
18.	Additional Ration Supply to needy persons during lockdown	I	Yes	Maharashtra	Mumbai	4.98	No	KINSS/OSCAR/SEAL/JEEVAN PRAKASH	In Process
19.	Supply of ration to 500 HIV/AIDS affected families under Mumbai Districts Aids Control Society	I	Yes	Maharashtra	Mumbai	5.00	No	Jeevan Prakash Trust	In Process
20.	Food Support Program	I	Yes	Maharashtra	Mumbai	4.00	No	ISKCON/ Annamrita	In Process
21.	Supply of N95 Masks to HIV/AIDS affected families under Mumbai Districts Aids Control Society	I	Yes	Maharashtra	Mumbai	5.00	No	Bhairavi Corp	In Process
22.	Prevention of mother to child transmission of HIV	I	No	Maharashtra	Kolhapur	7.19	No	Lotus Medical Foundation Kolhapur	In Process
23.	Construction of Toilet Block at Alibagh	I	Yes	Maharashtra	Alibagh/ Raigad	9.52	No	Roy Infra & Developers	In Process
24.	Supply of Equipment at Tata Memorial Hospital, Mumbai.	I	Yes	Maharashtra	Mumbai	20.8	No	Tata Memorial Hospital, Mumbai.	In Process
25.	Support to Wheelchair Basketball Team	VII	Yes	Maharashtra	Mumbai	10.11	No	Wheelchair Basketball Association Maharashtra	In Process
26.	Support to Rukmabai Balika Ashram in Nandurbar	II	No	Maharashtra	Nandurbar	4.48	No	Miracle Foundation	In Process
27.	Livelihood Project for Benefit of Disabled Persons	II	Yes	Maharashtra	Mumbai	5.00	No	National Association of Disabled Enterprises	In Process
28.	Support to Paraplegic Rehab Centre at Pune	I	Yes	Maharashtra	Mumbai	12.00	No	Paraplegic Rehabilitation Centre Khadki	In Process
29.	Support for Equipment in Dialysis Centre at Borivali	I	Yes	Maharashtra	Mumbai	4.95	No	Nana Palkar Smruti Samiti	In Process
30.	Support to Acworth Leprosy Hospital Wadala	I	Yes	Maharashtra	Mumbai	5.00	No	Surgix Healthcare Ltd	In Process
31.	Support for Persons with Disabilities and under privileged Children	I	No	Karnataka	Bengaluru	3.38	No	Miracle on Wheels	In Process
32.	Nutrition Support to 52 Tribal children and their families at Rukmabai Balika Ashram, Nandurbar.	I	No	Maharashtra	Nandurbar	4.24	No	Rural Foundation	In Process



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount Spent for the project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State.	District			Name	CSR Registration number.
33.	Support for Nutritious Food for Orphan/ Missing Children	I	Yes	Maharashtra	Panvel/ Raigad	5.00	No	Social & Evangelical Association for Love	In Process
34.	Project Annapoorni- Free food for the relatives of patient at St. George Hospital, Mumbai.	I	Yes	Maharashtra	Mumbai	4.74	No	Humanitarian Welfare	In Process
35.	Establishment of Cross-Disability Early Identification & Intervention Centre and preparatory school.	I	Yes	Maharashtra	Mumbai	39.26	No	Ali Yavar Jung National Institute for Speech & Hearing Disabilities	In Process
36.	Supply of Training Aids to Educational Institute	II	Yes	Maharashtra	Mumbai	0.00	No	Lion M.P.Bhuta School, Sion	In Process
37.	Medical Equipment and Necessary Furniture at 09 PHCs in Nandurbar	I	No	Maharashtra	Nandurbar	66.56	No	District Administration, Nandurbar	In Process
38.	Support to Talai Ashram Shala, Nandurbar	II	No	Maharashtra	Nandurbar	6.47	No	District Administration, Nandurbar	In Process
39.	Skill Training of 35 PWDs in Nandurbar	II	No	Maharashtra	Nandurbar	17.7	No	Grameen Shramik Pratisthan	In Process
40.	Supply of 04 Digital X-Ray Machines to Civil /Rural Hospitals in Nandurbar	I	No	Maharashtra	Nandurbar	0.0	No	District Administration, Nandurbar	In Process
41.	Distribution of Ration to 3000 Needy families during lockdown in Nandurbar district	I	No	Maharashtra	Nandurbar	15.56	No	Gangotri Foundation	In Process
42.	Support for COVID Medicines at Nandurbar	I	No	Maharashtra	Nandurbar	12.5	No	District Administration, Nandurbar	In Process
43.	Support for COVID related Medical Items at Covid Care Centres	I	No	Maharashtra	Nandurbar	33.98	No	District Administration, Nandurbar	In Process
44.	Comprehensive Proposal on COVID care in Nandurbar	I	No	Maharashtra	Nandurbar	327.66	No	District Administration, Nandurbar	In Process
45.	Skill Training of 100 youths from Nandurbar and other parts of MH	II	No	Maharashtra	Aurangabad	48.98	No	Central Institute of Petrochemicals Engineering & Technology	In Process
46.	Support for COVID Medicines/ Equipment/ Items at St. George Hospital, Mumbai	I	Yes	Maharashtra	Mumbai	97.24	No	St. George Hospital/ Other Govt. Hospitals	In Process

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount Spent for the project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State.	District			Name	CSR Registration number.
47.	Support for COVID Medicines/ Equipment/ Items at other Govt. hospitals in and around Mumbai	I	Yes	Maharashtra	Mumbai	165.64	No	Mumbai District AIDS Control Society/ Any Other Govt. Hospitals	In Process
48.	Support for COVID at LTMG Sion Hospital, Mumbai	I	Yes	Maharashtra	Mumbai	5.77	No	LTMG Sion Hospital	In Process
49.	COVID Support at IDC Mankhurd	I	Yes	Maharashtra	Mumbai	4.04	No	The Children Aid Society	In Process
50.	Assisting SHGs for e-commerce platform during DIWALI	II	Yes	Maharashtra	Mumbai	0.0	No	D2 Fintech Pvt Ltd	In Process
51.	Counselling, Assessment & Nutrition to Cancer Affected Children	I	Yes	Maharashtra	Mumbai	3.45	No	Cuddles Foundation	In Process
52.	Construction of School Toilet Block at Karjat	I	Yes	Maharashtra	Karjat/ Raigad	4.97	No	Mazi Sainik Shikshan Ani Swasthya Kalyan Sanstha	In Process
53.	Support to All Saints Old Age Home, Mumbai	IV	Yes	Maharashtra	Mumbai	4.89	No	Harman Solar System	In Process
54.	Ration Distribution at NIRDESH	I	No	Calicut	Kerala	3.49	No	AP's DAY Mart	In Process
55.	Nutrition and Medical Support to Asha Sadan	I	Yes	Maharashtra	Mumbai	4.82	No	Asha Sadan	In Process
56.	Care, Rehabilitation & Maintenance of 40 orphan and needy children of Sampac Shel Pimpalgaon Balgram	I	No	Maharashtra	Pune	4.69	No	SAMPARC	In Process
57.	ICU for Trauma Care Hospital	I	No	Tamil Nadu	Vellore	47.81	No	CMC Vellore	In Process
58.	Food Distribution at Palghar District	I	Yes	Maharashtra	Palghar	8.08	No	ANNADA	In Process
59.	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	In Process
60.	Infrastructure improvement and support to indoor Patients Living with HIV at Kolhapur	I	No	Maharashtra	Kolhapur	9.63	No	Lotus Medical Foundation Kolhapur	In Process
61.	Research based project with IIT- MIC (as per Idex guidelines)	IX	No	Tamil Nadu	Chennai	40.00	No	IIT - Madras Incubation Centre	In Process
62.	Contribution to AFFDF	VI	No	Others	PAN India	8.00	No	Armed Forces Flag Day Fund	In Process



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount Spent for the project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State.	District			Name	CSR Registration number.
63.	Providing Nutritious Food to Dialysis Patients at Lion Tarachand Bapa Hospital, Sion	I	Yes	Maharashtra	Mumbai	0.84	No	Enrich-A-Soul Foundation	In Process
64.	Provide comprehensive care and support to the children in Balgramsadan for their holistic development	II	No	Maharashtra	Lonavala	1.98	No	India Sponsorship Committee	In Process
65.	Contribution to Collector and President Zilla Sainik Welfare Office Mumbai City	VI	Yes	Maharashtra	Mumbai	3	No	Collector, Mumbai City	In Process
66.	Ration Kit for Slum dwellers	I	Yes	Maharashtra	Mumbai	5	No	Oscar Foundation	In Process
67.	Ration Distribution to 300 Families in Mazagon (Phase II)	I	Yes	Maharashtra	Mumbai	4.8	No	Jeevan Prakash Trust	In Process
68.	Nutritious Food Supply to 315 Tribal People	I	Yes	Maharashtra	Thane	5	No	Gurukripa Vikas Sanstha	In Process
69.	Paediatric Cataract Surgeries at Panvel	I	Yes	Maharashtra	Panvel/ Raigad	0.6	No	Laxmi Charitable Trust	In Process
70.	Medical Equipment & Essential Furniture's at PHCs & SCs in Satara	I	No	Maharashtra	Satara	0.0	No	District Administration, Satara	In Process
71.	Gift Milk Project at Gadchiroli	I	No	Maharashtra	Gadchiroli	0.0	No	NDDB/ NFN	In Process
72.	COVID 19 Refrigerated Truck to GMSD	I	Yes	Maharashtra	Mumbai	32.05	No	NVS Industries	In Process
73.	Donation of Old PC/ Laptop/Furniture	II	Yes	Maharashtra	Mumbai	3.70	Yes	MDL/Estate Dept	In Process
74.	Other Anganwadi related works/ Construction of 06 New AWCs	I	No	Maharashtra	Nandurbar	32.52	No	District Administration, Nandurbar	In Process
75.	Adoption of ITI Chikaldhara	II	No	Maharashtra	Amravati	0.02	Yes	MDL/ATS	In Process
76.	100 Model Anganwad is in Nandurbar	I	No	Maharashtra	Nandurbar	35.67	No	District Administration, Nandurbar	In Process
77.	Food for students of 07 Jeevanshalas and 01 Hostel in Nandurbar district	I	No	Maharashtra	Nandurbar	28.91	No	Narmada Navnirman Abhiyan	In Process
<b>TOTAL</b>						<b>1446.56</b>			

(d) Amount spent in Administrative Overheads: Rs. 81Lakhs

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): Rs. 1834 Lakhs

(g) Excess amount for set off, if any: NIL



Sl. No.	Particular	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.		Renovation of GTB Hospital, Sewree	April 2016	4 Years	98.77	6.36	78.54	Completed
2.		Cleanship in Around MDL & Other Swachh Bharat Activities	May 2018	4 Years	97.55	13.24	67.78	Ongoing
3.		Construction of Vocational Training Centre for PWD youths in Anandvan	June 2017	2 Years	482.00	96.39	481.98	Completed
4.		Village Adoption for overall Development (Kharade)	July 2019	2 Years	141.51	68.56	115.11	Ongoing
5.		Training of 250 Youths in Driving Trade	April 2019	1 Year	47.60	14.28	47.60	Completed
6.		Construction of School Toilet Block and other works under Swachh Bharat at Nhava/ Mumbai	Nov 2020	1 Year	20.00	19.91	19.91	Completed
7.		Support to Dailysis Patients at Lion Tarachand Bapa Hospital, Sion (Phase II)	Jan 2020	4 Months	19.00	2.74	18.99	Completed



(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
8.		Life Skills, Remedial Classes and Education of Slum Children through Football at Ambetkar Nagar, Mumbai	Oct 2019	1 Year	5.00	2.5	5.00	Completed
9.		Support to Rochiram Thadhani High School for Hearing Handicapped	Jan 2020	10 Months	4.93	0.36	2.02	Ongoing
10.		Food for Education project at Mazagoan, Mumbai	Dec 2019	3 Years	4.44	0.24	0.45	Ongoing
11.		Skill Training of 40 youths in digital marketing in Mumbai	Dec 2019	6 Months	5.00	0.00	2.64	Ongoing
12.		Support to elderly patients at J J Hospital Mumbai	Jan 2020	1 Year	4.80	3.89	4.80	Completed
13.		Assistive Aids to 400-450 PWDs in Nandurbar through ALIMCO	Nov 2019	4 Months	50.00	24.55	37.05	Ongoing
14.		Support for surgeries of 10 children suffering from Congenital Heart Disease	Nov 2019	6 Months	30.00	14.4	28.45	Completed
15.		Food for students of 07 Jeevanshalas and 01 Hostel in Nandurbar district	Dec 2019	5 Months	41.28	5.54	30.95	Completed
16.		Construction of Community Toilet Block at Jai Bheem Nagar, Kasara Bunder, Mumbai	April 2016	5 Years	49.00	5.93	48.95	Completed
17.		20 Bal Mitra Grams in RJ	April 2017	3 Years	141.49	3.64	134.79	Completed
18.		Training of 250 Youths in Driving Trade	May 2018	6 Months	47.60	1.99	34.19	Completed
19.		Environment & Livelihood Generation Project at Beed	June 2016	4 Years	140.23	5.34	126.29	Completed
20.		Solar Power Plant at ITI Chikaldhara	Aug 2017	3 Months	73.05	3.85	73.05	Completed

(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
21.		Construction of 1000 Individual Toilets at Karjat	Dec 2017	6 Months	353.06	9.01	182.58	Being Short closed
22.		Installation and Commissioning of 1050 Solar Street lights.	Aug 2017	4 Months	170.83	0.38	116.59	Completed
23.		Support & Counselling to Cancer Patients	May 2020	12 Months	42.10	3.03	42.10	Completed
		<b>TOTAL</b>			<b>2069.24</b>	<b>306.13</b>	<b>1699.81</b>	

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).

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: NA

(d) 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 2020-21 couldn't commence due to the reasons stated below:-

Sr. No.	Project	Amount Budgeted	Reasons
1	Apprenticeship trained under CSR	300 Lakhs	Nationwide Lockdown due to COVID 19 Pandemic.
2	Gift Milk Project at Gadchiroli	49 Lakhs	Closure of Schools due to COVID-19.
3	Supply of 04 Digital X-Ray Machines to Civil/Rural Hospitals in Nandurbar	40 Lakhs	Procurement underway by District Administration Nandurbar.
4	Medical Equipment & Essential Furniture's at PHCs & SCs in Satara	47.95 Lakhs	MoU with District Administration Satara got delayed.
	<b>Total</b>	<b>436.95 Lakhs</b>	



# 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 2020 -21 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 9W, 110V LED lights for Temporary Lighting Cell	8000 Nos.	3000013374	15.09.2020	4,75,328
2	Procurement of 9W, 110V LED lights for Temporary Lighting Cell	3000 Nos	3010007564	07.12.2020	1,71,024
3	Procurement of LED office lights in Alcock Yard.	738 Nos.	3340000227	10.01.2020	12,22,606.95
4	Procurement of LED flood lights for lighting towers in AnikChembur Yard	144 Nos.	3340000252	14.09.2020	55,00,929.83
5	Procurement of LED flood lights for workshops in AnikChembur Yard	607 Nos.	3340000250	01.09.2020	50,94,077.68
	<b>Total</b>				<b>1,24,63,966.46</b>

\* 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.

Status as on F.Y. 2020-21: Cumulative completed is 1.85 MWp. Annual energy generation from 1.85 MWp SPV power plants is approximately 24 Lakh units per year which is 12% of total consumption.

### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

- MDL 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
- MDL 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. MDL has validated the procedure for second ship of P15B 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: MDL 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, MDL 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): MDL 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 P75 submarines to maximum operating depth were done in two or more sea sorties until SM3. 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) MDL 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, MDL achieved this goal and dive to MOD of SM4 was achieved in one sea sortie successfully. This has resulted in early opening of 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 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 P75 submarine.
  - 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) MDL 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.





## APPENDIX 'G' TO THE DIRECTORS REPORT

*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 2020-21

#### **(A) Industry Structure and Developments, Strengths, Weaknesses, Opportunities and Threats, Major initiatives undertaken and planned to ensure sustained Performance and Growth:**

The world is in a transition, driven by rapidly evolving security and technological challenges, causing stresses in international order and transforming the global hierarchies. India's defence and security policy is a function of its principled commitment to regional and international peace and prosperity. A complex and increasingly unpredictable interplay of regional and global developments characterize India's security environment.

India being a maritime nation is situated across a large number of busy international shipping lanes that crisscross the Indian Ocean. Mercantile trade constitutes a substantial portion of India's GDP, and is likely to increase in the future. A significant percentage of India's trade, including oil, passes through the Gulf of Aden and the Indian Ocean. The safety and undeterred continuity of maritime trade through this route is a priority, therefore Indian Navy ships have been escorting ships and have undertaken various initiatives to strengthen anti-piracy efforts. Maintenance of a secure maritime environment, which enables unhindered pursuit of economic activities is therefore, essential for the overall economic development and security of the country.

The Indian Navy is the key enabler and guarantor of the country's maritime sovereignty and innumerable sea activities in conjunction with the Indian Coast Guard and other Central and State agencies. Its fleet 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.

The global shipbuilding industry comprises of construction and modification of ships, offshore vessels and rigs.

The domestic shipbuilding industry primarily caters to two sub-segments: the Indian Navy and Indian Coast Guard. 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.

Indian Naval Indigenisation Plan (INIP), 2015-2030, plan states that the domestic industry can play a vital role in meeting the sophisticated needs of the armed forces through cost-effective utilisation of its know-how and existing infrastructure, in pursuance of the government's vision of 'Make in India' to enunciate the need for developing various advanced systems for its platforms.

Your Company is a defence public sector undertaking shipyard under the Department of Defence Production, Ministry of Defence (MoD), engaged in the construction and repair of warships and submarines for the MoD for use by the Indian Navy and other vessels for commercial clients. Your Company is a wholly-owned 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.

The business in which your Company operate are (i) Shipbuilding and (ii) Submarine and Heavy Engineering. The Shipbuilding division includes the building and repair 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 795 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.

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 has also fabricated and delivered jackets, main decks of wellhead platforms, process platforms and jack up rigs, etc.

Shipbuilding Industry has its unique set of distinctions and is multidisciplinary in nature. With the embryonic threat perception, defence technology as such is very dynamic and to keep pace with the technological developments world over is indeed one of the major challenges of defence warship building segment. Your Company has a rich legacy of building wide variety of high-tech warships and has adopted the motto "Building Quality Ships On Time". A modern infrastructure, highly skilled workforce, a group of dedicated engineers has collectively transferred the yard into a center of excellence.

## (B) SWOT ANALYSIS

### 2. STRENGTHS

- The world class infrastructure and facilities with ISO 9001:2015 certified Shipbuilding and Submarines and Heavy Engineering sections, the completed Mazdock Modernization Project and the Shore Integration Facility, available at our shipyard combined with our vast expertise are capable of serving the requirements of the Ministry of Defence.
- 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, NBRO-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, Chladon Gas for MFFS for Ships through a dedicated department of indigenization set up in November 2015.
- 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.
- 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.
- 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.

- 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 giving an impetus to the pace of construction supplemented by your Company's experienced senior management team in the industry and a large pool of experienced naval architects, engineers and draftsmen.
- Your Company is the only public sector defence shipyard constructing conventional submarines and destroyers for the Indian Navy.

### 3. WEAKNESSES

- Our warship building and submarine projects generally have long gestation periods due to technological and process complexities and are typically subject to delays due to stringent defence procurement procedures and delays in nominating, procuring and / or finalizing the specifications of the vessel and the weapons, sensors and other equipment by our customers and collaborators. Due to such long gestation periods, our project related costs and revenue estimates may vary to a large extent from the actual costs incurred and the actual revenues generated from such projects.
- The waterfront of our Company is prone to siltation and involves constant maintenance of dredging to maintain the water depth. If we are required to incur substantial expenditure on dredging in relation to this, it may affect our results of operations and financial condition.
- The manufacturing processes for our products are highly complex, require technically advanced and costly equipment and hazardous materials, and involve risks, including breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, environmental hazards and industrial accidents. 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.
- 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.
- 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.
- 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 down turns 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

- Provide superior performance, advanced technology solutions, and service at an affordable cost with the agility that our customers require to satisfy their requirements, in order to remain competitive.
- 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. 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 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.
- The 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.
- It is expected that the existing capital and maintenance dredging requirements for major and minor ports in India will increase and therefore the requirement of dredgers is expected to rise substantially with the government's emphasis on developing water transportation facilities in the country and improving the existing coastal movement.
- Requirement for tugs and other port crafts are also expected to be substantial, boosting the domestic non-cargo order book with the improvement in vessel traffic at Indian ports.
- Your Company can facilitate the 'Make In India' initiative promulgated by the GoI, for some of the critical ship-

borne systems/equipment in close liaison with OEMs.

- Your shipyard is also exploring the possibilities of developing a greenfield shipyard at Nhava, Navi Mumbai with a shiplift, wet basin, workshops, stores and buildings and a ship repair facility spread over an area of 40 acres in a phased manner.
- 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 is a key component of the Ind 4.0 revolution is poised to disrupt our world.

#### 5. THREATS

- Recent changes in the policy framework governing defence procurement and manufacturing in India may result in our Company no longer being given such orders which may have an adverse effect on our business growth, financial condition and results of operations.
- GoI identified a few Indian private companies as strategic partners who would tie up with shortlisted foreign OEMs to manufacture military platforms and equipment, under the strategic partnership model under DPP 2016 (the "DPP Strategic Partnership Model") policies introduced in 2017. This has raised the level of competition and it cannot be assured that the Company will be as competitive under the new policy or that we will continue to be awarded contracts by our customers.
- The MoD has released the draft Defence Production Policy 2018 ("Draft DPP 2018"). The Draft DPP 2018 aims to create a robust and competitive defence industry as part of "Make in India" initiative. With the liberalisation of the policy framework governing the defence sector in India, permitting both Indian and foreign companies to participate in defence procurement and manufacturing contracts, we may be required to participate in open competitive bidding processes. The competitive bidding process may require us to resort to price cuts to be able to win the contracts, which may not be awarded to us or may be split among competitors.
- A fall in the price of crude oil resulted in a challenging business environment for global shipbuilders, as international oil companies reduced capital expenditure

and delayed or cancelled orders for drill ships and offshore production facilities. These factors, along with considerable overcapacity, resulted in a recession in the industry globally, denting the demand for shipping, thus lowering demand for new ships

- There is stiff competition from various private sector shipyards in the international markets such as China, Japan and South Korea who based on their stronger market positions, competitive labour cost, government supports and larger production capacities, these shipyards may compete vigorously on price, however we believe that customers consider, among other things, the technical capabilities, quality and efficiency of vessels constructed by us.
- Frozen design which ensures design and procurement maturities become inevitable for honouring contractual timelines and price-lines and it may not be commercially viable to continue with telescopic designing of warship as we are dependent on foreign suppliers for weapons and propulsions systems to be fitted on the warships and the submarines.
- 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. Measures taken by the Company to contain the spread of the virus, including social distancing and closure of the facilities has triggered disruption to the operation of the Company.
- Terrorism and radicalisation are the biggest threats to peace and security that the world is facing today. India has reiterated, at a number of bilateral and multilateral platforms, its resolve to combat terrorism in all its forms and manifestations.

### 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:
  - Your Company depends on MbPT and the Indian Navy for enabling the movement of the vessels for their docking and undocking from time to time, fitment of certain appendages and for meeting our berthing requirements. In particular, the fitment procedure for such appendages cannot be undertaken currently at our premises due to limitation in our infrastructure facilities.
  - 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. Labour is another

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.

- 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. 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.
- 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.
- The changing policy framework governing defence procurement and manufacturing in India may result in our Company no longer being given such orders. 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 outbreak of COVID 19 since December 2019, and related global responses have caused material disruptions to businesses around the world, leading to global economic slowdown. 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, remains unclear at this time and this has an impact on the operations of our Company as well.

### 7. 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 been shortlisted for new submarine project P 75 I.



- 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.
- Medium Refit cum Life Certification (MRLC) of IN Submarine is currently in progress.

## 8. INFORMATION TECHNOLOGY

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

## 9. 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.

## 10. 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:

- The Company re-started its operations in a phased manner in accordance with the restrictions placed by the State Government, w.e.f. 08 June 2020 under 'Mission Begins Again' policy of Maharashtra state Government, after observing complete lockdown from 23 Mar 2020 to 07 June 2020 except essential services viz. Security, Fire, Medical & Safety teams. During this period of Covid19 pandemic, the employees were made aware about health and safety measures for prevention of coronavirus as well as self-hygiene through various memoranda. The Company has followed all the pandemic related guidelines of Central and state Government as well as Municipal Corporation of Greater Mumbai issued from time to time.
- Timely payment of salary and wages during the COVID pandemic and lockdown.
- MDL Medical team reached out to all employees during the pandemic and provided all support and assistance for COVID care, hospitalization and counselling.

## 11. 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 trains 625 Apprentices in various designated trades at the Apprentice Training School. This, not only, provides skilled manpower to MDL but also to other industries.

- (b) Skill development through Vocational Training Centers:

Your company has completed the construction of state-of-the-art Vocational Training Centre (VTC) at Anandvan (Chandrapur) for skill training of PWD youths. This institute would be able to provide training to more than 150 students at any point of time.

- (c) Your company has also imparted vocational training to 100 youths as Machine Operator in Plastics Processing and Injection Moulding trade in Aurangabad and Chandrapur through Central Institute of Plastics Engineering & Technology. The project not only provides training to youths but also ensured their placement in reputed organizations.

- (d) Besides this, MDL has also supported skill training of 16 visually impaired youths in body massage and therapist trade in Nandurbar District through Gramin Shramik Pratisthan.

## 12. RESEARCH & DEVELOPMENT

During the year under review your Company achieved the following progress in Research and Development as detailed in Appendix F:

- 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. The product developed through the first Project, AI enabled weld inspection tool with computerized radiography to replace manual radiography (RT). The second project fruitfully concluded by developing an AI enabled robotic weld inspection tool employing phased array technic, and this can replace computerized radiography in consultation with the Indian Navy. An AI enabled Remotely Operated Vehicle (ROV) is the third project which can detect and classify underwater images, thus making the inspections quick and safe.
- Your Company has validated an innovative shaft alignment procedure where in the propeller shaft line assembly is completed in the dry dock itself leading to huge monetary



benefits to the Yard and compress the built period of the vessel.

- Your Company has developed the state-of-the-art basic design of naval vessels, incorporating advanced and optimized equipment, machineries, weapon and arrangement etc.
- Your Company has initiated implementation of Product Data Management/Product lifecycle Management(PDM/PLM) for the under construction P17A ships.

### 13. INTERNAL CONTROL SYSTEM

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.

The Internal Audit function is headed at the level of Addl. 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.

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

(Rs 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

### Part 'B' Associates & Joint Ventures

Sl. No	Name of Associates	GSL
1	Latest audited Balance Sheet Date	31 March 2021
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:

<b>1. Details of contracts of arrangements or transaction not at arm's length basis</b>	:
(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
<b>2. Details of material contractor arrangements or transaction at arm's length basis</b>	
<b>2.1</b>	
(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
<b>2.2</b>	
(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 2021

[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, 2021. 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, 2021 (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, 2021 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;
  - 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);

(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 Independent Directors including Women Director.
  - b. Fifty percent of the Board of Directors as Non-Executive Directors.
  - c. Minimum number of Directors from March 9th, 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 Nomination and Remuneration Committee w.e.f October 10, 2020 and September 13, 2020 respectively 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. However the committee had a meeting on February 12, 2021 with Independent Director as Chairman.

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. Company got listed on the Stock Exchanges (BSE and NSE) on October 12, 2020.
2. The Board of Directors of the Company at its Meeting held on February 12, 2021 has declared first Interim Dividend of 54.10% i.e. Rs. 5.41 per equity share of face value of Rs.10/- each aggregating to Rs. 109.11 crores.

For Ragini Chokshi & Co.  
(Company Secretaries)

Makarand Patwardhan  
(Partner)

Date: June 10, 2021

Place: Mumbai

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872C000445349

# 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, 2021 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.

Sr.No.	Name of Director	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.	Cmde.THOPPIL VERGHESE THOMAS, IN(Retd)	07978819	02-11-2017
4.	Cdr. JASBIR SINGH, IN (Retd)	08556592	01-11-2019
5.	Shri. SANJEEV SINGHAL	07642358	08-01-2020

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)

Date: June 24, 2021

Place: Mumbai

C.P.NO. 9031

ACS NO. 11872

UDIN: A011872C000508051



## 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 2021 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 contained 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 2021 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 propose 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, IN (Retd)**  
Chairman and Managing Director

Date -10th August, 2021  
Place - Mumbai.

**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	<a href="https://mazagondock.in">https://mazagondock.in</a>
5	e-mail id	investor@mazdock.com
6	Financial Year reported	FY 2020-21
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

(Rs. in Lakhs)

1	Paid up Capital (INR)	20,169
2	Total Turnover (INR)	4,04,782
3	Total profit after taxes (INR)	47,957
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 2020-21 was Rs. 1834 Lakh. 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

**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 are formulated 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.								
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.								



## (a) Details of compliance (Reply in Y/N) (Cont.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	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.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	During the year, MDL received the following complaints from: <ol style="list-style-type: none"> <li>Shareholders: 42 complaints were received and resolved.</li> <li>Vigilance department: 21 complaints carried forward from FY 2019-20 and 21 complaints in FY 2020-21. 34 complaints were resolved and 8 complaints were pending for investigation as on 31 March 2021.</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>

**Principle 2**

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 were 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 2020- 21, 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>

**Principle 3**

1	Total number of permanent employees as on 31.03.2021.	3686 as on 31.03.2021
2	Total number of employees hired on temporary/ contractual/ casual basis.	2281 Fixed Term Contract Employees + 4690 Other Contract Employees as on 31.03.2021
3	Number of permanent women employees.	131 as on 31.03.2021
4	Number of permanent employees with disabilities	77 as on 31.03.2021
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?	72.8% (2682 non-executives) of permanent non-executives are members of Bargaining Council
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.	02 (Two) complaints of Sexual Harassment were received during the fiscal year out of which 01 was disposed-off and 01 was referred to Ministry.

**Principle 3 (Cont.)**

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 topic Hazardous Area Classification in online mode and 26 Executives had participated in the program. A total of 36 trainings were conducted in the FY 2020-21 through online and offline mode. A total of 1092 Employees were benefited.
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**Principle 4**

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.

**Principle 5**

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 2020-21, no complaint pertaining to Human Rights was received from the employees.

**Principle 6**

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.
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

**Principle 6 (Cont.)**

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.

**Principle 7**

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:	<ul style="list-style-type: none"> <li>a. Standing Conference of Public Enterprises(SCOPE).</li> <li>b. Confederation of Indian Industry(CII)</li> <li>c. Society of Defence Technologists (SODET)</li> <li>d. Indian Shipbuilders Association (ISBA)</li> </ul>
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.

**Principle 8**

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 2020-21 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.
3	What is your company's direct contribution to community development projects.	An amount of Rs.1834 lakhs was spent by the company on various CSR initiatives to support disadvantaged/ marginalized/ vulnerable communities in FY 2020-21. 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.

**Principle 9**

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 is identified by unique
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.

# 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 31st March, 2021, 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, 2021, 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. (ii, vii, viii))
2. Balance due from / to Indian Navy are subject to reconciliation and confirmation. (Refer Note 36 Point no. 2)
3. Balance of Advances to Vendors and balances outstanding in Trade Payables are subject to confirmation. (Refer Note 36 Point no. 1)

Our opinion is not modified in respect of these matters.

### 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 Matters

1. The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the Company's Management and relied upon by us because the COVID-19 induced restrictions on physical movements.
2. 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 52 of the Financial Statement)

3. The company is in non-compliance of Section 149 of Co. Act 2013 of not having a Woman Director and 1/3rd Directors as Independent Directors on the Board.
4. The company is in Non-compliance in respect of Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning Constitution of Audit Committee of the Board since October, 2020.
5. Pursuant to the observations of Comptroller and Audit General of India under Section 143(6)(a) of the Companies Act, 2013, the financial statements adopted by the Board of Directors on 10.06.2021 have been revised. The revised financial statements are adopted by the Board of Directors on 10.08.2021. The Impact of revision is disclosed under Note 55 to the financial statements. Accordingly, a revised Audit Report is issued now. This Audit report supersedes our earlier report dated 10th June 2021 and the revision made are not material considering the size and the nature of the items revised.

Our opinion is not modified in respect of above matters.

#### **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 errors

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, 2016 ("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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 35 to the standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 39 to the standalone financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M/s. JCR & Co.**

Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner  
Mem. No. - 187779

Date: 10th August, 2021  
Place: Mumbai  
UDIN:21187779AAAAAI3696



# 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 Fixed Assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management through an External Auditor during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- The Title deeds of the immovable properties are held in the name of the Company except for the following-

Sr. No.	Plot No.	Location	Type of Property	Area (Sq. Mtrs.)	Remarks
1	Plot No. 355 PH-I	Dockyard Road, Mumbai	Leasehold	6240.14	Lease renewal of the plots is under consideration of MBPT. Awaiting formulation of Land Policy.
2	Plot No. 355 PH-II	Dockyard Road, Mumbai	Leasehold	1960.93	
3	Extension	Dockyard Road, Mumbai	Leasehold	3746.00	
4	Additional Water Area for further extension of slipway to 20 Mtr.	Dockyard Road, Mumbai	Leasehold	1850.00	
5	JN- 4 Type Sector 10	Vashi, Navi Mumbai	Quarters	61.20	Deed of Apartments & its registration is under process.

ii. In respect of the Company's Inventory:

- 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 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.

iii. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause iii (a), (b), (c) 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 during the year and does not have any unclaimed deposits as at March 31, 2021 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:

- 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, 2021 for a period of more than six months from the date they became payable.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) 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, 2021 on account of dispute are given below:

Name of the Statute	Period	Amount (Rs. In Lakhs)	Forum where dispute is pending	Part-payment made under protest
Central Excise Act, 1944	FY 2001-02 to FY 2003-04 and FY 2007-08	234.45	CESTAT, Mumbai	Nil
	FY 2000-01	15	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	7,871.77	Jt. Commissioner of Sales Tax	229
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	12.6
Service Tax	FY 2001-02 to FY 2003-04	4,330.97	Bombay High Court	Nil
Custom Duty	FY 2007-08	8	Assistant Commissioner of Customs	Nil

- viii. According to the information and explanation given to us, the Company has not taken any loans or borrowings from financial institution, bank, government or has not issued any debentures.
- ix. In our opinion and according to the information and explanation given to us, the Company had completed an IPO of Equity shares of Rs. 10 each through an Offer for Sale (OFS). Since the amount raised through an OFS goes to the Promoters of the Company, the utilization of funds by the Company is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. 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 provision of Section 197 read with Schedule V of the Companies Act, 2013 regarding managerial remuneration are not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) 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 accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions 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 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

**For M/s. JCR & Co.**

Chartered Accountants

FRN- 105270W

**CA Rajeshwari B. Joshi**

Partner

Mem. No. - 187779

Date: 10th August, 2021

Place: Mumbai

UDIN:21187779AAAAAI3696



# 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 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 ERP system in place to process all the transactions through IT System. All the processes and transactions are mapped through ERP.

**2. Whether there is 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 debt/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan in FY 2020-21.

**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 cases of any funds received by the Company during FY 2020-21 from Central/State governments under any scheme.

**For M/s. JCR & Co.**  
Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**  
Partner  
Mem. No. - 187779

Date: 10th August, 2021  
Place: Mumbai  
UDIN: 21187779AAAAAI3696

# 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, 2021 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 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. JCR & Co.**  
Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**  
Partner  
Mem. No. - 187779

Date: 10th August 2021  
Place: Mumbai  
UDIN: 21187779AAAAAI3696



**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 2021.**

The preparation of standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit report dated 10 August 2021 which supersedes their earlier Audit Report dated 10 June 2021.

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 2021 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.

In view of the revisions made in the financial statements by the management, as indicated in Note No. 55 of the Financial Statements and revisions made in Independent Auditors' Report under 'Emphasis of Matter and Other matters', to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6)(b) of the Act.

**For and on 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: 12.08.2021**



# Standalone Balance Sheet

as at March 31, 2021

₹ in lakhs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 Restated	As at April 1, 2019 Restated
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	79,493	81,922	77,537
Capital work-in-progress	3	8,015	7,996	8,877
Other intangible assets	2	1,192	1,713	2,298
		<b>88,700</b>	<b>91,631</b>	<b>88,712</b>
<b>Financial assets</b>				
Investments	4	600	600	600
Trade receivable	5	1,544	1,562	1,578
Loans	6	710	689	666
Other financial assets	7	14,159	15,345	14,352
Deferred tax assets (net)	8	42,361	41,472	58,301
Non-current tax assets (net)		21,882	22,594	19,338
Other non-current assets	9	84,206	65,175	49,902
<b>Total non-current assets</b>		<b>254,162</b>	<b>239,068</b>	<b>233,449</b>
<b>Current assets</b>				
Inventories	10	588,861	462,269	379,029
<b>Financial assets</b>				
Trade receivables	11	96,594	143,282	147,289
Cash and cash equivalents	12	73,991	48,328	72,968
Bank balances other than cash and cash equivalents	13	728,800	531,500	674,000
Loans	14	212	211	429
Other financial assets	15	13,959	18,785	22,238
Contract assets		21,370	5,547	90,131
Assets held for sale		35	22	205
Other current assets	16	684,602	597,256	421,602
<b>Total current assets</b>		<b>2,208,424</b>	<b>1,807,200</b>	<b>1,807,891</b>
<b>TOTAL ASSETS</b>		<b>2,462,586</b>	<b>2,046,268</b>	<b>2,041,340</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	17	20,169	20,169	22,410
Other equity		271,737	237,951	256,493
<b>Total equity</b>		<b>291,906</b>	<b>258,120</b>	<b>278,903</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	18	1,544	1,562	1,578
Other financial liabilities	19	3,041	3,600	3,552
Other long-term liabilities	20	14,802	15,484	14,390
Long-term provisions	21	73,016	121,507	119,776
<b>Total non-current liabilities</b>		<b>92,403</b>	<b>142,153</b>	<b>139,296</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables				
i. total outstanding dues of micro and small enterprises		3,936	2,007	1,868
ii. total outstanding dues other than (i) above	22	632,246	470,817	289,857
Other financial liabilities	23	15,811	12,408	23,670
Contract liability		1,417,608	1,143,725	1,295,723
Other current liabilities	24	1,649	4,363	2,206
Short-term provisions	25	7,027	12,675	9,817
<b>Total current liabilities</b>		<b>2,078,277</b>	<b>1,645,995</b>	<b>1,623,141</b>
<b>Total liabilities</b>		<b>2,170,680</b>	<b>1,788,148</b>	<b>1,762,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,462,586</b>	<b>2,046,268</b>	<b>2,041,340</b>
Significant accounting policies and notes to the financial statements	1 to 56			

As per our report of even date

**JCR & Co**Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singh**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary

# Statement of Standalone Audited Profit & Loss

for the year ended March 31, 2021

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020 Restated
	<b>INCOME</b>			
1	Revenue from operations	26	404,782	490,484
2	Other income	27	60,020	58,949
<b>3</b>	<b>Total income</b>		<b>464,802</b>	<b>549,433</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	28	188,191	245,252
	Procurement of base and depot spares		57,833	36,223
	Employee benefit expenses	29	65,281	78,054
	Finance costs	30	836	926
	Depreciation and amortization expenses		5,965	6,875
	Sub-contract		39,716	74,395
	Power and fuel		1,137	1,652
	Other expenses - project related	31	16,835	11,309
	Other expenses	32	11,420	13,840
	Provisions	33	1,982	3,864
	<b>Total expenses</b>		<b>389,196</b>	<b>472,390</b>
<b>5</b>	<b>Profit before tax but before exceptional items</b>		<b>75,606</b>	<b>77,043</b>
6	Exceptional items		12,614	1,232
7	Profit before tax but after exceptional items		<b>62,992</b>	<b>75,811</b>
<b>8</b>	<b>Tax expense</b>			
	Current tax		14,863	18,043
	Deferred tax (credit) / charge		(888)	16,828
	Adjustment of tax relating to earlier years		1,060	92
<b>9</b>	<b>Profit for the year / period</b>		<b>47,957</b>	<b>40,848</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		1,814	(2,287)
	Income tax effect		(457)	576
<b>11</b>	<b>Total comprehensive income for the year / period</b>		<b>49,314</b>	<b>39,137</b>
<b>12</b>	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>23.78</b>	<b>18.29</b>
Significant accounting policies and notes to the financial statements		1 to 56		

As per our report of even date

## JCR & Co

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

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, 2021

₹ in lakhs

Sr. No.	Particulars	March 31, 2021	March 31, 2020 Restated
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax but after exceptional items	62,992	75,811
	Adjustments for :		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation / amortization	7,108	7,114
	Finance cost	836	926
	Amortization of prepaid rentals	15	15
	<b>(-) Non operating income</b>		
	Profit / Loss on sale of fixed assets	-	203
	Interest income	(36,824)	(52,778)
	Dividend received	(2,610)	(3,133)
	Amortization gain on deferred deposits of vendors	(9)	(14)
	Amortization of deferred revenue (customer funded assets)	(804)	(807)
	Interest Income on deferred payment liability to foreign supplier	(371)	(374)
	Interest Income on deferred deposit with MbPT	(20)	(19)
	<b>Operating profit before working capital changes</b>	<b>30,313</b>	<b>26,944</b>
	<b>Movement in working capital</b>		
	Decrease / (Increase) in Inventories	(126,592)	(83,240)
	Decrease / (Increase) in Trade receivables and loans and advances	47,075	4,611
	Decrease / (Increase) Other current and non current assets	(313,606)	38,703
	(Decrease) / Increase in Trade payables and provisions	110,634	182,963
	(Decrease) / Increase in Other current and non current liabilities	274,665	(158,720)
	<b>Cash flow from operations</b>	<b>22,489</b>	<b>11,261</b>
	<b>Direct tax paid (net of refunds)</b>	<b>(15,668)</b>	<b>(20,815)</b>
	<b>Net cash from (used in) operating activities (A)</b>	<b>6,821</b>	<b>(9,554)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	(4,190)	(10,950)
	Capital work in progress	(19)	881
	Proceeds from sale of property, plant and equipment	16	17
	Capital advance	103	(101)
	Interest received	36,824	52,778
	Dividend received	2,610	3,133
	Principal portion of lease payments	(519)	(386)
	<b>Net cash from / (used in) investing activities (B)</b>	<b>34,825</b>	<b>45,372</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Buy back of equity share capital	-	(27,788)
	Payment of buy back tax	-	(5,952)
	Dividend paid (including dividend distribution tax thereon)	(15,528)	(26,180)
	Finance costs - Lease	(455)	(504)
	Finance costs - Others	-	(34)
	<b>Net cash from / (used in) financing activities (C )</b>	<b>(15,983)</b>	<b>(60,458)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>25,663</b>	<b>(24,640)</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>48,328</b>	<b>72,968</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>73,991</b>	<b>48,328</b>

Note: Figure in bracket indicate outflow

# Statement of Standalone Cash Flows

for the year ended March 31, 2021

₹ in lakhs

Sr. No.	Particulars	March 31, 2021	March 31, 2020
		Audited	Audited
	<b>Components of cash and cash equivalents:</b>		
	Balances with banks:-		
-	In Current accounts		
i)	In India	11,011	990
ii)	Outside India	81	87
-	In flexi deposit accounts	62,899	47,251
	<b>Total</b>	<b>73,991</b>	<b>48,328</b>

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

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, 2021

## (A) Equity share capital

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Opening balance	20,169	22,410	22,410
Changes in equity share capital during the period			
Buy Back of Equity Shares	-	(2,241)	-
<b>Closing balance</b>	<b>20,169</b>	<b>20,169</b>	<b>22,410</b>

## (B) Other equity

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>	378	231,244	5	1,039	12,123	(6,838)	237,951
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>231,244</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,481)</b>	<b>271,737</b>

For the year ended March 31, 2020

₹ 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, 2019</b>	<b>33,020</b>	<b>219,032</b>	<b>5</b>	-	<b>9,882</b>	<b>(5,127)</b>	<b>256,812</b>
Opening adjustments	(319)	-	-	-	-	-	(319)
<b>Balance as at April 1, 2019 (Restated)</b>	<b>32,701</b>	<b>219,032</b>	<b>5</b>	-	<b>9,882</b>	<b>(5,127)</b>	<b>256,493</b>
Profit / (loss) for the year	40,848						40,848
Other comprehensive income / (loss) for the year						(1,711)	(1,711)
Indigenisation Fund	(1,039)			1,039			-
Buyback of shares at premium		(25,547)					(25,547)
Transfer from general reserve to capital redemption reserve		(2,241)			2,241		-
Tax on buyback	(5,952)						(5,952)
Dividends							
Interim	(16,134)						(16,134)
Final	(5,582)						(5,582)
Tax on dividends	(4,464)						(4,464)
Transfer to General Reserve	(40,000)	40,000					
<b>Balance as at March 31, 2020</b>	<b>378</b>	<b>231,244</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(6,838)</b>	<b>237,951</b>



# Statement of Changes in Equity

for the year ended March 31, 2021

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.

**Buy-back:** The Company has completed 10% Buy back of Equity Shares (No. of shares - 2,24,10,000 of ₹ 10 each) for ₹ 27788 lakhs and ₹ 5952 lakhs tax thereon total amounting to ₹ 33740 lakhs in March 2020.

**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 2020-21 of ₹ 3691 lakhs (i.e ₹ 1.83 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

10th August, 2021

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 Rs.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**

₹ in lakhs

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 31-03-21	As on 31-03-2020
A	Assets Owned by MDL												
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
	Sub-total	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	57,364	58,633
	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 ₹ 4936 lakhs (2020 - ₹ 4936 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1838 / Indian Vessels Act, 1917.

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 31-03-21	As on 31-03-2020
B	Jointly Funded Assets												
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
	Ship - Launches and Boats	1,143	-	-	-	1,143	128	39	-	-	167	976	1,015

₹ in lakhs

**Note 2 - Property, Plant and Equipment**

₹ in lakhs

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 31-03-21	As on 31-03-20
	Sub-total	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	22,129	23,289
	Previous Year's Figures	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	Total Tangibles Assets (A+B)	103,514	3,923	-	268	107,169	21,592	6,320	-	236	27,676	79,493	81,922
	Previous Year's Figures	93,213	10,611	-	310	103,514	15,676	6,190	-	274	21,592	81,922	77,537

**Intangible Assets**

₹ in lakhs

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 31-03-21	As on 31-03-2020
A	Assets Owned by MDL												
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
	Sub Total	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,192	1,680
	Previous Year's Figures	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229

₹ in lakhs

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 31-03-21	As on 31-03-2020
B	Jointly Funded Assets												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	148	33	-	-	181	-	33
	Sub Total	1,181	-	-	-	1,181	1,148	33	-	-	1,181	-	33
	Previous Year's Figures	1,181	-	-	-	1,181	1,112	36	-	-	1,148	33	69
	Total Intangible Assets (A+B)	6,603	267	-	-	6,870	4,890	788	-	-	5,678	1,192	1,713
	Previous Year's Figures	6,264	339	-	-	6,603	3,966	924	-	-	4,890	1,713	2,298
	Total Assets (i+ii)	1,10,117	4,190	-	268	114,039	26,482	7,108	-	236	33,354	80,685	83,635
	Previous Year's Figures	99,477	10,950	-	310	110,117	19,642	7,114	-	274	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.



## Note 2 - Property, Plant and Equipment

- (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.

(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 ₹ 272.14 lakhs plus applicable taxes towards the lease premium and ₹ 41.83 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.

(x) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of Rs.2282 lakhs.

### (xi) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	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	103,479	103,479
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
	Previous Year's Figures	6,065	21	4,112	-	-	159	8	-	237	133	10,735	10,735

₹ in lakhs



₹ in lakhs

**Note 2 - Property, Plant and Equipment**

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
A	Assets Owned by MDL												
1	Freehold Land	9,695	1,077	-	-	10,772	-	-	-	-	-	10,772	9,695
2	Buildings: i) Factory Building	2,786	3,096	-	40	5,842	288	190	-	38	440	5,402	2,498
	ii) Office and Staff Quarters												
	a) RCC	2,662	145	-	8	2,799	242	232	-	6	468	2,331	2,420
	b) Non RCC	789	640	-	-	1,429	55	50	-	-	105	1,324	734
	iii) Others (Temporary structure)	13	89	-	-	102	10	20	-	-	30	72	3
3	Road	673	-	-	-	673	484	126	-	-	610	63	189
4	Plant and Equipment	22,612	2,181	-	21	24,772	3,465	1,627	-	20	5,072	19,700	19,147
5	Furniture and Fixtures	1,609	147	-	59	1,697	612	171	-	44	739	958	997
6	Vehicles	1,920	22	-	-	1,942	885	252	-	-	1,137	805	1,035
7	Office Equipment	1,962	1,694	-	102	3,554	707	559	-	95	1,171	2,383	1,255
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	623	123	-	30	716	173	286	-	30	429	287	450
	ii) Server and Network	3,823	404	-	33	4,194	1,008	682	-	25	1,665	2,529	2,815
9	Loose Tools	532	88	-	4	616	333	81	-	4	410	206	199
10	Ship - Launches and Boats	4,936	-	-	-	4,936	87	172	-	-	259	4,677	4,849
11	Electrical Installation and Equipments	1,842	460	-	13	2,289	631	193	-	12	812	1,477	1,211
12	Right to use asset - Leasehold land	8,719	-	-	-	8,719	3,125	290	-	-	3,415	5,304	5,594
13	Right to use asset - Vehicles	29	420	-	-	449	1	105	-	-	106	343	28
	Sub-total	65,225	10,586	-	310	75,501	12,106	5,036	-	274	16,868	58,633	53,119
	Previous Year's Figures	50,213	16,581	-	1,569	65,225	9,174	4,254	-	1,322	12,106	53,119	41,039

Note: Vessels under the head "Launches and Boats" costing ₹ 4936 lakhs (2019 - ₹ 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

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
B	Jointly Funded Assets												
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	1,739	507	-	-	2,246	13,998	14,505
	ii) Office and Staff Quarters												
	a) RCC	1,621	25	-	-	1,646	59	29	-	-	88	1,558	1,562
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	52	25	-	-	77	56	81
3	Plant and Equipment	7,491	-	-	-	7,491	1,222	387	-	-	1,609	5,882	6,269
4	Electrical Installation and Equipments	649	-	-	-	649	129	62	-	-	191	458	520
5	Furniture and Fixtures	216	-	-	-	216	45	20	-	-	65	151	171
6	Office Equipment	153	-	-	-	153	63	28	-	-	91	62	90
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	172	57	-	-	229	109	166
8	Ship - Launches and Boats	1,143	-	-	-	1,143	89	39	-	-	128	1,015	1,054
	Sub-total	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	Previous Year's Figures	27,885	113	-	10	27,988	2,418	1,155	-	3	3,570	23,467	25,467
	Total Tangibles Assets (A+B)	93,213	10,611	-	310	103,514	15,676	6,190	-	274	21,592	81,922	77,537
	Previous Year's Figures	78,098	16,694	-	1,579	93,213	11,592	5,409	-	1,325	15,676	77,537	66,506

### Intangible Assets

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
A	Assets Owned by MDL												
1	Computer Software/SAP-ERP	794	171	-	-	965	562	162	-	-	724	241	232
2	Other than SAP-ERP	4,289	168	-	-	4,457	2,292	726	-	-	3,018	1,439	1,997
	Sub Total	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229
	Previous Year's Figures	4,594	489	-	-	5,083	1,859	995	-	-	2,854	2,229	2,735

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
B	Jointly Funded Assets												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	112	36	-	-	148	33	69
	Sub Total	1,181	-	-	-	1,181	1,112	36	-	-	1,148	33	69
	Previous Year's Figures	1,181	-	-	-	1,181	1,076	36	-	-	1,112	69	105
	Total Intangible Assets (A+B)	6,264	339	-	-	6,603	3,966	924	-	-	4,890	1,713	2,298
	Previous Year's Figures	5,775	489	-	-	6,264	2,935	1,031	-	-	3,966	2,298	2,840
	Total Assets (i+ii)	99,477	10,950	-	310	110,117	19,642	7,114	-	274	26,482	83,635	79,835
	Previous Year's Figures	83,873	17,183	-	1,579	99,477	14,527	6,440	-	1,325	19,642	79,835	69,346



## Note 2 - Property, Plant and Equipment

- (i) Depreciation of ₹ 239 lakhs for FY 2019-20 pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses.
- (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."
- (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) The Company has implemented Ind AS 116 "Leases" from 01st April, 2019 with retrospective method and created "Right to use asset - Land" amounting to Rs. 8719 lakhs, "Right to use asset - Vehicles" amounting to ₹ 29 lakhs as on 01/04/2019. Leases that were accounted for as operating lease in accordance with Ind AS 17 Leases, are recognised at the present value retrospectively and discounted using lessee's incremental borrowing rate as on the date of inception of lease. As a result of implementing standard, for FY 2019-20, there is increase in Finance cost by ₹ 504 lakhs, increase in depreciation and amortization expenses by ₹ 395 lakhs and decrease in other expenses by Rs. 762 lakhs. Opening Network as on 01/04/2018 is reduced to the tune of ₹ 1490 lakhs (net of tax).
- (x) Building as at 31st March 2020 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.

### (xi) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	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 31-03-2020	Total as on 31-03-19
1	Total Cost upto 31.03.2020	34,078	649	65,211	345	96	1,142	166	241	1,418	133	103,479	103,454
2	Less: Funded By Navy	28,013	628	61,099	345	96	983	158	241	1,181	-	92,744	92,719
3	Funded By MDL	6,065	21	4,112	-	-	159	8	-	237	133	10,735	10,735
	Previous Year's Figures	6,065	21	4,112	-	-	159	8	-	237	133	10,735	10,735

₹ in lakhs

### 3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Capital work-in-progress</b>			
<b>1. Own resources</b>			
A. Tangible assets			
Opening balance	7,955	8,836	8,399
Add: Expenditure during the period	3,942	9,285	16,988
Less: Capitalisation during the period	3,923	7,974	16,551
B. Intangible assets under development			
Opening balance	-	-	-
Add: Expenditure during the period	267	339	489
Less: Capitalisation/adjustments during the period	267	-	489
<b>2. Funded by Indian Navy</b>			
Submarine facilities upgradation project			
Opening balance	41	41	139
Add: Expenditure/adjustments during the period	-	25	16
Less: Capitalisation/adjustments during the period	-	41	114
	<b>8,015</b>	<b>7,996</b>	<b>8,877</b>

### 4 Non-current investments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Investments in equity instruments (At cost, unquoted)</b>			
<b>In associate</b>			
Equity shares of Goa Shipyard Limited	600	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>	<b>600</b>

### 5 Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>(Unsecured, considered good)</b>			
Deferred debts	1,935	1,953	1,969
Less: Amount receivable within 12 months	391	391	391
	<b>1,544</b>	<b>1,562</b>	<b>1,578</b>

### 6 Loans - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>(Unsecured, considered good)</b>			
<b>Security deposits:</b>			
Security deposits with Mumbai Port Trust	382	361	343
Other deposits	328	328	323
	<b>710</b>	<b>689</b>	<b>666</b>



## 7 Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)	340	340	340
Leave encashment fund	13,819	15,005	14,012
	<b>14,159</b>	<b>15,345</b>	<b>14,352</b>

## 8 Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Deferred tax assets / (liabilities)</b>			
Deferred tax assets			
Provisions	48,925	48,181	68,540
Others	- 48,925	307 48,488	882 69,422
Deferred tax liabilities			
Service tax			(1,457)
Depreciation	(6,564)	(7,016)	(9,664)
<b>Deferred tax assets (net)</b>	<b>42,361</b>	<b>41,472</b>	<b>58,301</b>

## 9 Other non-current assets

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Capital advances	104	207	106
Deposits with custom and excise authorities	20	20	24
Other receivables - considered good	296	11	9
Other receivables - considered doubtful	2,791	2,791	2,791
Less: Allowance for doubtful receivables	2,791 296	2,791 11	2,791 9
Advances paid to vendors - considered doubtful	62	62	62
Less: Allowance for doubtful advances	62 -	62 -	62 -
VAT / sales tax receivable	9,481	10,887	12,504
GST input tax credit			
Services	12,560	8,846	10,186
Materials	61,474 74,034	44,874 53,720	26,756 36,942
Export incentive receivable			
Considered good	3	193	193
Considered doubtful	107	107	107
	110	300	300
Less: Allowance for doubtful receivables	107 3	107 193	107 193
Prepaid expenses			
Prepaid deposits (MbPT)	61	76	92
Less: amortisation / unwinding of prepaid deposits	15	15	15
Less: current	15 31	15 46	15 62
Others	237	91	62
	<b>84,206</b>	<b>65,175</b>	<b>49,902</b>



## 10 Inventories

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Raw materials</b>						
Material in stores	11,388		12,404		15,245	
Less: Provision for obsolescence	123	11,265	94	12,310	111	15,134
<b>Stores and spares</b>						
Material in stores	1,886		2,127		2,051	
Less: Provision for obsolescence	69	1,817	97	2,030	107	1,944
<b>Equipment for specific projects</b>						
Material in stores/site	557,126		368,167		357,945	
Less: Provision for obsolescence	-		-		-	
	557,126		368,167		357,945	
Stock in transit	18,470		79,685		2,217	
Materials pending inspection	-	575,596	-	447,852	1,713	361,875
Scrap		183		77		76
		<b>588,861</b>		<b>462,269</b>		<b>379,029</b>

Note:

- (i) Inventory costing ₹4,103 lakhs (Previous year: 160 lakhs) is held with other vendors.
- (ii) Inventory costing ₹576 lakhs (Previous year: Rs. 576 lakhs) is held at customer's store.
- (iii) As on 31st March, 2021, Inventory held on behalf of Navy is ₹2,168 lakhs (Previous year - ₹4,074 lakhs) which is excluded from above inventory.

## 11 Trade receivables - current

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured)</b>						
<b>Against sale and repair of ships and submarines</b>						
Considered good	94,808		138,249		135,810	
Considered doubtful	55,924		13,405		18,031	
	150,732		151,654		153,841	
Less: Loss allowance	55,924	94,808	13,405	138,249	18,031	135,810
<b>Against B&amp;D Spares</b>						
Considered good	1,786		5,033		11,479	
Considered doubtful	3,226		3,226		758	
	5,012		8,259		12,237	
Less: Loss allowance	3,226	1,786	3,226	5,033	758	11,479
		<b>96,594</b>		<b>143,282</b>		<b>147,289</b>

## Breakup of Trade receivables

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	96,594	143,282	147,289
Trade receivables considered doubtful - secured	-	-	-
Trade receivables considered doubtful - unsecured	59,150	16,631	18,789
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
<b>Total</b>	<b>155,744</b>	<b>159,913</b>	<b>166,078</b>
Loss allowance	59,150	16,631	18,789
<b>Total trade receivables (current)</b>	<b>96,594</b>	<b>143,282</b>	<b>147,289</b>

**12 Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Cash and cash equivalents</b>						
<b>Balances with banks:-</b>						
- In current accounts						
i. In India	11,011		990		3,205	
ii. Outside India	81	11,092	87	1,077	71	3,276
- In cash credit accounts		-		-		2
- In flexi deposit accounts		62,899		47,251		69,690
		<b>73,991</b>		<b>48,328</b>		<b>72,968</b>

**13 Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		728,800		531,500		674,000
		<b>728,800</b>		<b>531,500</b>		<b>674,000</b>

**14 Loans - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured, considered good)</b>						
Employee related		115		148		385
Others		97		63		44
		<b>212</b>		<b>211</b>		<b>429</b>

**15 Other financial assets - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Insurance claims receivable		719		510		606
Interest accrued on deposits and advances		13,240		16,270		18,935
Other receivables		-		2,005		2,697
		<b>13,959</b>		<b>18,785</b>		<b>22,238</b>

**16 Other current assets**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured, considered good, unless otherwise specified)</b>						
<b>Advances</b>						
Advances paid to vendors	683,675		596,916		419,342	
Travel advance to employees	2		25		12	
Others	72	683,749	26	596,967	25	419,379
<b>Prepaid expenses</b>						
Prepaid deposits (MbPT)	15		15		15	
Others	838	853	274	289	2,208	2,223
		<b>684,602</b>		<b>597,256</b>		<b>421,602</b>

## 17 Share Capital

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<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	32,372
	32,372	32,372	32,372
<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	22,410
	<b>20,169</b>	<b>20,169</b>	<b>22,410</b>

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Details of shareholding more than 5% shares in the Company	No. of shares	Percentage holding	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Shareholder</b>						
President of India and his nominees	171,090,983	84.83%	201,690,000	100%	201,690,000	100%

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.

## 18 Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Deferred payment liability to a foreign supplier	1,935	1,953	1,969
Less: Amount payable within 12 months	391	391	391
	<b>1,544</b>	<b>1,562</b>	<b>1,578</b>

## 19 Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Security and other deposits	75	116	102
Lease Liability	2,966	3,484	3,450
	<b>3,041</b>	<b>3,600</b>	<b>3,552</b>

## 20 Other long-term liabilities

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Funds received from customer for infrastructure projects</b>	92,642		90,728		90,184	
Add: Received during the period	119		1,914		544	
Less: Transferred to fixed assets for capitalisation	73,419		73,419		73,419	
Less: Amortisation of deferred revenue	4,545	14,797	3,741	15,482	2,935	14,374
Deferred deposits		5		2		16
	<b>14,802</b>		<b>15,484</b>		<b>14,390</b>	

**21 Provisions - non-current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Employee benefits</b>						
Post retirement benefit schemes						
Medical	8,486		7,115		5,810	
Gift card	268	8,754	542	7,657	617	6,427
Leave salary encashment		11,063		11,169		10,272
Welfare expenses		-		-		399
<b>Other provisions</b>						
Provision for liquidated damages	52,933		102,415		102,415	
Others	266	53,199	266	102,681	263	102,678
		<b>73,016</b>		<b>121,507</b>		<b>119,776</b>

**22 Trade payables - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Other vendors		631,855		470,426		289,466
Deferred payment liability to a foreign supplier		391		391		391
		<b>632,246</b>		<b>470,817</b>		<b>289,857</b>

**23 Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Retention money payable		841		812		668
Liquidated damages payable		2,788		2,514		4,090
Interest payable on advances received from customer		1,739		2,276		2,646
Employee related		10,055		6,317		10,593
Others		47		46		5,047
Security and other deposits		341		443		626
		<b>15,811</b>		<b>12,408</b>		<b>23,670</b>

**24 Other current liabilities**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Statutory dues		1,642		4,348		2,192
Deferred deposits		7		15		14
		<b>1,649</b>		<b>4,363</b>		<b>2,206</b>

**25 Provisions - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Employee benefits</b>						
Post retirement benefit						
Medical	605		492		362	
Gift card	107	712	86	578	80	442
Leave salary encashment		3,389		4,013		4,215
Gratuity		1,541		5,733		2,609
Welfare expenses		-		-		97
<b>Other provisions</b>						
Guarantee repairs	959		1,925		2,028	
Custom duty	426	1,385	426	2,351	426	2,454
		<b>7,027</b>		<b>12,675</b>		<b>9,817</b>

**26 Revenue from operations**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Contract revenue</b>				
Ship construction		298,862		434,959
<b>Sale of goods</b>				
Sale of base and depot spares		62,033		38,891
<b>Sale of Services</b>				
Ship Repair		43,263		15,893
<b>Other operating revenue</b>				
Miscellaneous sale	-		118	
Sale of scrap and stores	339		534	
Sale of services (others)	179		89	
Changes in Inventory of Scrap	106	624	-	741
		<b>404,782</b>		<b>490,484</b>

**Contract Revenue Recognition with Respect to Projects / Vessels in WIP:**

Particulars	March 31, 2021	March 31, 2020 Restated
The amount of contract revenue recognised as revenue for the period	404,158	489,743
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)	2,136,023	2,162,557
The amount of advances received (gross)	3,532,267	3,391,235
The amount of retentions by customers	80,706	63,680

1. 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 115.
2. The Company has delivered one submarine in February, 2021. The total sale value of the submarine is ₹3,62,011 lakhs of which amount of ₹14,880 lakhs is recognised in the contract revenue for the year ended 31st March, 2021. Differential sale on account of Submarines sold in earlier years is ₹4133 lakhs. Sale Value of ₹2,515 lakhs pertaining to Shipbuilding activity is included in Contract Revenue For the year ended 31st March, 2021. Balance amount pertains to accretion to Work in Progress inventory.

**27 Other Income**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Interest from</b>				
Deposits with banks	36,651		53,681	
Less: Interest liability to customer on advances	1,739		2,276	
	34,912		51,405	
On income tax refund	576		-	
Other interest	1,336	36,824	1,373	52,778
Dividend from Goa Shipyard Ltd.		2,610		3,133
Liabilities / provisions no longer required written back		934		156
Insurance claims		17		-
Provision for obsolete stock reversed		-		27
Profit on Sale / scrapping of fixed assets (net)		4		-
<b>Liquidated damages recovered</b>				
Capital		28		430
Others		1,339		650
Miscellaneous income / recoveries		683		377
Refund of LD from Customer		16,142		-
Amortisation gain on deferred deposits of vendors		9		14
Unwinding of lease charges - Land		54		48
Unwinding of lease charges - Vehicles		180		127
Amortisation of deferred revenue (customer funded assets)		804		807
Interest Income on deferred payment liability to foreign supplier		371		374
Interest Income on deferred deposit with MbPT		20		19
Foreign exchange variation (net)				
Income	36		24	
Less: Loss	(35)	1	(15)	9
		<b>60,020</b>		<b>58,949</b>

**28 Cost of materials consumed**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Opening stock</b>				
Raw materials, stores and spares	14,531		17,296	
Equipment for specific projects	368,167		357,945	
Stock-in-transit and materials pending inspection	79,685	462,383	3,930	379,171
<b>Add: Purchases</b>		316,077		330,336
		778,460		709,507
<b>Less: Closing stock</b>				
Raw materials, stores and spares	13,274		14,531	
Equipment for specific projects	557,126		368,167	
Stock-in-transit and materials pending inspection	18,470	588,870	79,685	462,383
		189,590		247,124
Less: Provision for obsolete stock		2		(27)
Less: Stores and spares consumption included in other expenses		1,397		1,899
		<b>188,191</b>		<b>245,252</b>



**29 Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Salaries, wages, allowances and bonus	47,021	58,852
Pension	1,916	1,927
Contribution to provident fund	4,199	4,296
Contribution to employees state insurance scheme	-	36
Workmen and staff welfare expenses	7,367	7,706
Gratuity	2,043	1,212
Encashment of privilege leave	2,735	4,025
	<b>65,281</b>	<b>78,054</b>

The total Employee benefit expenses incurred amounting to ₹10,995 lakhs (Previous year : ₹993 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2020-21.

**30 Finance cost**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Interest cost on deferred deposits of vendors	10	14
Interest cost on deferred payment liability to foreign supplier	371	374
Interest cost on lease	455	504
Others	-	34
	<b>836</b>	<b>926</b>

**31 Other expenses - Projects related**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Technician fees and other expenses	4,022	3,196
Advising team fees and other expenses	2,166	1,454
Facility hire	1,560	704
Bank charges and guarantee commission	161	328
Travelling expenses	71	125
Sea trial, launching and commissioning expenses	1,837	243
Legal, professional and consultant fees	6,830	4,938
Miscellaneous expenses	188	321
	<b>16,835</b>	<b>11,309</b>

**32 Other expenses**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
Repairs and maintenance:				
Buildings	202		238	
Plant and machinery	221		396	
Steam launches and boats, motor cars, lorries, etc.	209		1,037	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(47)	585	(83)	1,588
Facility hire	478		641	
Water expenses	326		164	
Rent	48		10	
Insurance	781		649	
Rates and taxes	689		667	

**32 Other expenses (Cont.)**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
Bank charges and guarantee commission	18		19	
Printing and stationery	13		65	
Travelling expenses	416		716	
Business promotion expenses	560		861	
Sea trial, launching and commissioning expenses	6		30	
Corporate membership expenses	72		15	
Changes in inventory of scrap	-		-	
Foreign exchange variation (net)	-		-	
Miscellaneous expenses	720		597	
Donation	-		120	
Audit fees	11		9	
Vehicle hire charges	49		80	
Legal, professional and consultant fees	125		115	
Books and periodicals	53		71	
Postage, telegrams and phones	151		144	
Training expenses	26		152	
CISF and security board expenses	2,975		3,402	
Directors fees and expenses	7		11	
Provision for obsolete stock	2		-	
Consumption of stores and spares etc.	1,397		1,899	
Other interest	63		34	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,834		1,563	
Sale / scrapping of fixed assets (net)	-	10,835	203	12,252
		<b>11,420</b>		<b>13,840</b>

Foreign Exchange loss for the year ended 31st March, 2021 is ₹1,435 lakhs and foreign exchange gain for previous year is ₹156 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 ₹8,241 lakhs (Previous year - ₹9,177 lakhs) is reflected under respective various heads in the above note.

**33 Provisions**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Doubtful debts / receivable	-	2,468
Others	1,982	1,396
	<b>1,982</b>	<b>3,864</b>

**34 Business Segment Reporting**

- 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.
- For management purposes, the Company is organized into two major segments - Shipbuilding (New Construction and Ship Repairs) and Submarine.
- There are no geographical segments within the business segments.

### 35 Contingent Liabilities and Commitments:

#### 35.1 Amounts for which Company may be contingently liable:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Estimated amount of contracts remaining to be executed on capital account.	6,062	1,355
(ii)	b) Estimated amount of liquidated damages on contracts under execution.*	83,431	110,045
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	103,426	102,594
	(b) Guarantees and counter guarantees	1,120	726
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	5,049,137	4,271,370
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Government of India based in situation prevailing then in first quarter of FY 2021 has extended delivery of projects by four months under force majeure condition which is applicable to projects under construction at MDL. However, force majeure condition prolonged and severity of pandemic increased during second wave. Company has estimated deferment of deliveries of ships by 3 months beyond the time given by government of India. Company based on circumstances is confident that customer will make force majeure condition applicable to additional period beyond sanction at beginning of the second wave of pandemic. The total financial implication is Rs. 83,431 Lakh in the event of not considering deferment of deliveries.

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

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Suppliers and sub-contractors	1297	830
(ii)	Others	2384	2,384
(iii)	Interest on (i) and (ii) above	734	352
		<b>4,415</b>	<b>3,566</b>

#### 35.3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Sales Tax *	116,617	115,416
(ii)	Excise Duty		
	(a) On Vendors	204	197
	(b) On MDL	31	30
		<b>235</b>	<b>227</b>
		<b>116,852</b>	<b>115,643</b>

\* Against the above claim, part payments of ₹684 lakhs (Previous year - ₹672 lakhs) have been made under protest.

#### 35.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4,331	4,236
		<b>4,346</b>	<b>4,251</b>

**35.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Custom Duty	8	8

**36.1** 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.

**36.2** 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.

**37 Normal Operating Cycle**

- 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-

- 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.
- 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.

**38 Employee Benefits****38.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
(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	4,184	4,208
2. Employers' Contribution to Employees' State Insurance	-	36
3. Employers' Contribution to EPS (Employees' Pension Scheme)	1,916	1,927
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	15	87

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 2021	31st March 2020
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)	6.96%	6.50%
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.

**38 Employee Benefits (Cont.)**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Opening Balance	23,627	27,785
Add : Credit from Company	4,236	460
Less : Amount paid towards claims	(6,424)	(6,429)
Add : Interest credited	1,706	1,811
Closing Balance	23,145	23,627
Present value of past service benefit	22,929	27,864

The actuarial liability excludes the fixed term employees, for which separate provision exists.

**38.2 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.

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>i) Assumptions</b>		
a) Discount Rate	6.96%	6.50%
b) Salary Escalation	7.00%	7.00%
c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	6.96%	6.50%
d) Expected average remaining working lives of employees (years)	14	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	27,864	28,716
Add: Transfer of canteen employees liability	-	380
	27,864	29,096
Interest cost	1,811	1,774
Current service cost	1,321	1,409
Benefits paid	(6,424)	(6,429)
Actuarial (gain) / loss on obligations	(1,643)	2,014
Present value of obligations as at end of year	22,929	27,864
<b>iii) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	23,627	27,785
Expected return on plan assets	1,535	1,811
Contributions	4,236	460
Benefits paid	(6,424)	(6,429)
Actuarial (gain) / loss on plan assets	171	-
Fair value of plan assets at the end of year	23,145	23,627
<b>iv) Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	23,627	27,785
Actual return on plan assets	1,535	1,811
Contributions	4,236	460
Benefits paid	(6,424)	(6,429)
Fair value of plan assets at the end of year	23,145	23,627
Funded status	(216)	(4,238)
Excess of Actual over estimated return on plan assets	-	-



### 38 Employee Benefits (Cont.)

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>v) Actuarial gain / loss recognized</b>		
Actuarial (gain) / loss for the year - obligation	(1,814)	2,287
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	(1,814)	2,287
Actuarial (gain) / loss recognised in the year	(1,814)	2,287
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	22,929	27,864
Fair value of plan assets as at the end of the year	23,145	23,627
Funded status	216	(4,238)
Net Asset / (Liability) recognized in balance sheet	216	(4,238)
<b>vii) Expenses recognized in statement of Profit and Loss</b>		
Current service cost	1,321	1,409
Interest cost	276	70
Expected return on plan assets		
Expenses recognized in statement of profit and loss	1,597	1,479
<b>viii) Expenses recognized in Other Comprehensive Income</b>		
Actuarial (gain) / loss recognised in the year	(1,814)	2,287
<b>ix) Current/Non-current Liability</b>		
Current Liability	5,605	8,745
Non-current Liability	17,324	19,119
Present Value of the Defined Gratuity Benefit Obligation	22,929	27,864

#### 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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46%	582		638	
(Previous year - 6%)	2.54%		2.29%	
if Discount rate is increased to 7.46%		543		597
(Previous year - 7%)		2.37%		2.14%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50%	343		385	
(Previous year - 7.50%)	1.50%		1.38%	
if Discount rate is decreased to 6.50%		341		363
(Previous year - 6.50%)		1.49%		1.30%



### 38 Employee Benefits (Cont.)

#### 38.3 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.

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>i) Assumptions</b>		
Discount rate	6.96%	6.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives of employees (years)	14	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligation as at the beginning of the year	15,024	14,039
Add : Liability Transfer from Canteen Employees	-	99
	15,024	14,138
Interest cost	977	1,053
Current service cost	883	826
Benefits paid	(2,214)	(2,251)
Actuarial (gain) / loss on obligations	(1,236)	1,258
Present value of obligation as at the end of the year	13,434	15,024
<b>iii) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	15,005	14,012
Expected return on plan assets	1,077	1,010
Contributions	-	2,234
Benefits paid	(2,214)	(2,251)
Actuarial gain / (loss) on plan assets	(49)	-
Fair value of plan assets at the end of the year	13,819	15,005
<b>iv) Tables showing fair value of plan assets</b>		
Fair value of plan asset at the beginning of the year	15,005	14,012
Actual return on plan assets	1,077	1,010
Contributions / (withdrawals)	-	2,234
Benefits paid	(2,214)	(2,251)
Actuarial gain / (loss) on plan assets	(49)	-
Fair value of plan asset at the end of the year	13,819	15,005
Funded status	(385)	19
<b>v) Actuarial gain / loss recognized</b>		
Actuarial (gain) / loss for the year - obligation	(1,236)	1,258
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	(1,236)	1,258
Actuarial (gain) / loss recognised in the year	(1,236)	1,258
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 obligation as at the end of the year	13,434	15,024
Fair value of plan assets as at end of the year	13,819	15,005
Funded status	(385)	(19)
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in balance sheet	(385)	(19)

**38 Employee Benefits** (Cont.)

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>vii) Expenses recognized in statement of profit and loss</b>		
Current service cost	883	826
Interest cost	977	1,053
Actuarial (gain) / loss recognised in the year	(1,236)	1,258
Expenses recognized in the statement of profit and loss	624	3,136
<b>viii) Current/Non-current Liability</b>		
Current Liability	2,371	3,854
Non-current Liability	11,063	11,169
Present Value of the Defined Leave Encashment Benefit Obligation	13,434	15,024

**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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46%	504		524	
(Previous year - 6.00%)	3.75%		3.49%	
if Discount rate is increased to 7.46%		466		484
(Previous year - 7.00%)		3.47%		3.22%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50%	502		519	
(Previous year - 7.50%)	3.73%		3.45%	
if Discount rate is decreased to 6.50%		468		484
(Previous year - 6.50%)		3.49%		3.22%

**38.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

During the year, 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 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.

**38 Employee Benefits (Cont.)**

The details of fund and plan assets are given below:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Fair value of plan assets	85,289	90,418
Present value of defined benefit obligations	(85,289)	(90,418)
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:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Provident Fund interest rate guarantee	8.50%	8.50%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	6.96%	6.50%
Govt. of India - Bond yield for the outstanding term of assets	6.02%	6.30%
Expected average remaining working lives of employees (years)	15	14

**39 Provisions made, utilised, written back :**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<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	102,415	102,415
Additions	-	-
Adjusted	(49,481)	-
Closing Balance	<b>52,934</b>	<b>102,415</b>
<b>c) Provision for Guarantee Repairs:</b>		
Opening Balance	1,899	2,002
Additions	-	-
Utilised/Adjusted	(940)	(103)
Closing Balance	<b>959</b>	<b>1,899</b>
<b>d) Other Provisions:</b>		
Opening Balance	107	107
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>107</b>	<b>107</b>

**40** 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, 2021 based on available information with the Company are as under:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Principal amount due and remaining unpaid	11	91
Interest due on above and the unpaid interest	3	4
Payment made beyond the appointed day during the year	694	1,012
Interest accrued and remaining unpaid on above	8	60

**41 Other Expenses include:**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Remuneration to the Statutory Auditors		
i) Audit fees	11	9
ii) Tax audit fees	1	1
	<b>12</b>	<b>10</b>

**42 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 ₹ 391 lakhs (Previous year - ₹ 391 lakhs) includes yearly installment of ₹ (Previous year - ₹ 214 lakhs) and ₹ 177 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 2021. These payments are reimbursable by Indian Navy. Accordingly, ₹ 6261 lakhs (amortised costs of ₹ 1932 lakhs) held at foreign supplier deferred credit as on 31st March 2021.

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

- i) 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

**44 Related Party Disclosure****i) Key Managerial Personnel**

₹ in lakhs

Particulars		Designation	Remuneration*	
			31st March,2021	31st March,2020
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	52	11
Cmde T V Thomas (Retd)	(From 02.11.2017)	Director (Corporate Planning & Personnel)	49	72
RAAdm A K Saxena (Retd)	(Upto 31.01.2021)	Director (Shipbuilding)	55	67
Cdr Jasbir Singh**	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	41	18
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	41	9

\* As per Statement of Profit and Loss Account.

\*\* As on 31st March, 2020, excluding payment of Rs. 8 lakhs related to earlier capacity.

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.

#### 44 Related Party Disclosure (Cont.)

##### 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
Ministry of Defence	31st March, 2021	404,158	155,744
	31st March, 2020	489,743	159,913

##### b) Goa Shipyard Ltd. (Associate Company)

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.***	31st March, 2021	2,610
	31st March, 2020	3,133

\*\*\*Other transaction includes rent, sales & amount receivable are not significant in nature.

The transactions are conducted in the ordinary course of the company business.

#### 45 Earnings per share (EPS)

Particulars	31st March, 2021	31st March, 2020
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	47,957	40,848
Adjustment to Restated Net Profit / (Loss):		
None		
<b>A Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)</b>	<b>47,957</b>	<b>40,848</b>
Weighted average number of equity shares outstanding		
Bonus shares issued in FY 16-17, restated for all periods		
Weighted average number of equity shares for calculating basic EPS	201,690,000	224,100,000
Buyback of shares during FY 2019-20	-	22,410,000
<b>B Weighted average number of equity shares for calculating basic EPS</b>	<b>201,690,000</b>	<b>223,363,233</b>
<b>C EPS (₹) - Basic (A/B)</b>	<b>23.78</b>	<b>18.29</b>
<b>D Restated Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)</b>	<b>47,957</b>	<b>40,848</b>
Weighted average number of equity shares	201,690,000	223,363,233
Effect of dilution:	-	-
<b>E Weighted average number of equity shares for calculating diluted EPS</b>	<b>201,690,000</b>	<b>223,363,233</b>
<b>F EPS (₹) - Diluted (D/E)</b>	<b>23.78</b>	<b>18.29</b>

**46 Statement of Income tax expense and accounting**

₹ in lakhs

Particulars	31st March, 2021	31st March, 2020
<b>A Profit Before Tax as per Statement of Profit &amp; Loss</b>	<b>62,992</b>	<b>75,811</b>
<b>B</b> Tax at statutory rate (%)	25.168%	25.168%
<b>C</b> Tax expenses at statutory rate	15,854	19,080
Prior year tax	1,060	92
	<b>16,914</b>	<b>19,172</b>
<b>Adjustment for permanent difference</b>		
1 Expenses disallowed/Income allowed	1,834	1,569
2 Income exempt under Income Tax Act	(28)	(3,562)
3 Others	(1,850)	(3,234)
<b>D Total Permanent Difference</b>	<b>(43)</b>	<b>(5,228)</b>
<b>Adjustment for timing difference</b>		
1 Difference between book depreciation and income tax depreciation	955	187
2 Provision for anticipated losses and gains	2,365	(10,106)
3 Disallowances under Sec 43B	1,543	3,450
4 Others	(8,753)	7,505
<b>E Total timing difference</b>	<b>(3,890)</b>	<b>1,036</b>
<b>F Net Adjustments</b>	<b>(3,934)</b>	<b>(4,191)</b>
<b>G=F*B Tax expenses/(Savings) thereon</b>	<b>(991)</b>	<b>(1,055)</b>
<b>H</b> Current Tax (C+G)	14,863	18,025
Current Tax as per Books	14,863	18,025
<b>I</b> Deferred Tax charge /(Credit)	(888)	16,846
<b>J</b> Short (excess provision for earlier year)	1,060	92
<b>K Total Tax expenses (H+I+J)</b>	<b>15,035</b>	<b>34,963</b>

**47 Fair Value Measurement****Financial Instruments by Category**

₹ in lakhs

Particulars	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	382	-	-	361
Russian Deferred Debit	-	-	1935	-	-	1954
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	1935	-	-	1954
Security Deposits	-	-	75	-	-	116

**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.



## 47 Fair Value Measurement (Cont.)

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 2021		31st March 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	451	382	451	361
Russian Deferred Debit	Level 3	6261	1935	6652	1954
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	6261	1935	6652	1954
Security Deposits	Level 3	89	75	136	116

## 48 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.

### 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:

	₹ in lakhs				
Particulars	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31st March 2021	29,865	13	4	2	1,429
31st March 2020	15,256	98	8	1	30,647

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	₹ in lakhs	
Particulars	Impact on Profit Before Tax	
	31st March, 2021	31st March, 2020
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	1,493	763
INR/EUR decreases by 5%	(1,493)	(763)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	1	5
INR/GBP decreases by 5%	(1)	(5)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	71	1,532
INR/USD decreases by 5%	(71)	(1,532)

\* Holding all other variables constant

**49 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.

## 50 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	2020-21	2019-20
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	1,311	372
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	302	824
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	11	-
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	10	5
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	40	200
Clause (x)	Rural development projects;	74	91
	<b>Total</b>	<b>1,753</b>	<b>1,492</b>

₹ in lakhs

Particulars	2020-21	2019-20
Unspent amount brought forward	534	578
Amount required to be spent by the Company during the period	1,454	1,519
Amount spent during the period (incl. Administration Expenses)	1,834	1,563

₹ in lakhs

Amount Unspent					
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
1,834	154	5/14/2021	-	-	-

## 51 Restatement Adjustments to Audited Ind AS Financial Statements

₹ in lakhs

Sr no.	Particulars	Amount
<b>A</b>	<b>Net profit as per audited financial statements for the year FY 19-20</b>	<b>41,502</b>
<b>B</b>	<b>Adjustments to net profit as per audited financial statements</b>	
	<b>Restatements</b>	
	<b>a. Due to prior period items</b>	-
	<b>b. Material adjustments relating to previous years</b>	
	<b>Increase/(Decrease) in Income</b>	
	Decrease in Revenue from Operations	(7,281)
	Increase in Other Income	49

**51 Restatement Adjustments to Audited Ind As Financial Statements (contd...)**

	<b>(Increase)/Decrease in Expenses</b>	
	Decrease in Cost of material consumed	5,066
	Increase in Depreciation	(6)
	Decrease in other Expenses	61
	Decrease in Sub Contract Expenses	14
	Decrease in Sub Employee Expenses	1,238
<b>C</b>	<b>Total adjustments</b>	<b>(859)</b>
<b>D</b>	<b>Restated profit / (loss) before tax adjustments (A-C)</b>	<b>40,644</b>
<b>E</b>	<b>Tax impact of adjustments</b>	
	<b>a. On restatement adjustments-income/(expense)</b>	204
<b>F</b>	<b>Restated profit / (loss) after tax for the year FY 19-20</b>	<b>40,848</b>

**52** The delays in the completion of the projects due to pandemic situation will be taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ 10995 (Previous year ₹ 993 lakhs) towards employee benefits, ₹ 1143 (Previous year ₹ 239 lakhs) towards depreciation, and ₹ 476 (Previous year - Nil) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2020-21. The Company doesn't foresee any change in the orders under execution due pandemic.

**53** MDL maintains independent PF Trust for employees. In FY 2020-21, MDSL employee PF trust has recognised capital loss of Rs. 1982 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 ₹ 1982 lakhs (Previous year ₹ 1394 lakhs) is recognised in accounts of FY 2020-21.

**54** Lease agreements have not been executed in the cases of 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.

**55** Pursuant to supplementary audit by C&AG under section 143(6)(b) of the Companies Act, 2013, the financial statements approved by the Board of Directors on 10.06.2021 were revised. The consequential effects of the below changes have also been incorporated in the cash flow statement and the impact is tabulated below:

₹ in lakhs

Sr.No.	Item Revised	31st March 2021			31st March 2020 Restated		
		As stated originally	"Addition/ (deletion)"	Revised Amount	As stated originally	"Addition/ (deletion)"	Revised Amount
1	Revenue From Operations	404,969	(187)	404,782	491,792	(1,308)	490,484
2	Profit before Tax	62,996	(4)	62,992	75,881	(70)	75,811
3	Profit for the year	47,960	(3)	47,957	40,900	(52)	40,848
4	Assets	2,453,768	8,818	2,462,586	2,046,256	12	2,046,268
5	Liabilities	2,161,807	8,873	2,170,680	1,788,084	64	1,788,148
6	Other Equity	271,792	(55)	271,737	238,003	(52)	237,951
7	Networth	291,961	(55)	291,906	258,172	(52)	258,120
8	Earnings per share (in Rupees)	23.78	(0.00)	23.78	18.31	(0.02)	18.29

**56** 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

10th August, 2021

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



# 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, 2021, 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, 2021, 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. (ii, vii, viii))
2. Balance due from / to Indian Navy are subject to reconciliation and confirmation. (Refer Note 36 Point no. 2)
3. Balance of Advances to Vendors and balances outstanding in Trade Payables are subject to confirmation. (Refer Note 36 Point no. 1)

Our opinion is not modified in respect of these matters.

### 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. 6,058 Lakhs for the year ended 31st March, 2021, 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.
3. The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the Company's Management and relied upon by us because the COVID-19 induced restrictions on physical movements.
4. 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 51 of the Financial Statement)
5. The company is in non-compliance of Section 149 of Co. Act 2013 of not having a Woman Director and 1/3rd Directors as Independent Directors on the Board.
6. The company is in Non-compliance in respect of Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning Constitution of Audit Committee of the Board since October, 2020.
7. Pursuant to the observations of Comptroller and Audit General of India under Section 143(6)(a) of the Companies Act, 2013, the financial statements adopted by the Board of Directors on 10.06.2021 have been revised. The revised financial statements are adopted by the Board of Directors on 10.08.2021. The Impact of revision is disclosed under Note 55 to the financial statements. Accordingly, a revised Audit Report is issued now. This Audit report supersedes our earlier report dated 10th June 2021 and the revision made are not material considering the size and the nature of the items revised. 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note 35 to the consolidated financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 39 to the consolidated financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M/s. JCR & Co.**  
Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**  
Partner  
Mem. No. - 187779

Date: 10th August, 2021  
Place: Mumbai  
UDIN:21187779AAAAAJ5308

# 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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. JCR & Co.**  
Chartered Accountants  
FRN- 105270W

**CA Rajeshwari B. Joshi**  
Partner  
Mem. No. - 187779

Date: 10th August, 2021  
Place: Mumbai  
UDIN:21187779AAAAAJ5308

**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 2021.**

The preparation of Consolidated Financial Statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) 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 Revised Audit report dated 10 August 2021 which supersedes their earlier Audit Report dated 10 June 2021.

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 2021 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.

In view of the revisions made in the consolidated financial statements by the management, as indicated in Note No. 55 of the Financial Statements and revisions made in Independent Auditors' Report under 'Emphasis of Matter and Other matters' to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6)(b) read with section 129(4) 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: 12.08.2021





# Consolidated Balance Sheet

as at March 31, 2021

₹ in lakhs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 Restated	As at April 1, 2019 Restated
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	79,493	81,922	77,537
Capital work-in-progress	3	8,015	7,996	8,877
Other intangible assets	2	1,192	1,713	2,298
		<b>88,700</b>	<b>91,631</b>	<b>88,712</b>
<b>Financial assets</b>				
Investments	4	51,865	48,418	43,067
Trade receivable	5	1,544	1,562	1,578
Loans	6	710	689	666
Other financial assets	7	14,159	15,345	14,352
Deferred tax assets (net)	8	42,361	41,472	58,301
Non-current tax assets (net)		21,882	22,594	19,338
Other non-current assets	9	84,206	65,175	49,902
<b>Total non-current assets</b>		<b>305,427</b>	<b>286,886</b>	<b>275,916</b>
<b>Current assets</b>				
Inventories	10	588,861	462,269	379,029
<b>Financial assets</b>				
Trade receivables	11	96,594	143,282	147,289
Cash and cash equivalents	12	73,991	48,328	72,968
Bank balances other than cash and cash equivalents	13	728,800	531,500	674,000
Loans	14	212	211	429
Other financial assets	15	13,959	18,785	22,238
Contract assets		21,370	5,547	90,131
Assets held for sale		35	22	205
Other current assets	16	684,602	597,256	421,602
<b>Total current assets</b>		<b>2,208,424</b>	<b>1,807,200</b>	<b>1,807,891</b>
<b>TOTAL ASSETS</b>		<b>2,513,851</b>	<b>2,094,086</b>	<b>2,083,807</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	17	20,169	20,169	22,410
Other equity		323,002	285,769	298,960
<b>Total equity</b>		<b>343,171</b>	<b>305,938</b>	<b>321,370</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	18	1,544	1,562	1,578
Other financial liabilities	19	3,041	3,600	3,552
Other long-term liabilities	20	14,802	15,484	14,390
Long-term provisions	21	73,016	121,507	119,776
<b>Total non-current liabilities</b>		<b>92,403</b>	<b>142,153</b>	<b>139,296</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables				
i. total outstanding dues of micro and small enterprises		3,936	2,007	1,868
ii. total outstanding dues other than (i) above	22	623,246	470,817	289,857
Other financial liabilities	23	15,811	12,408	23,670
Contract liability		1,417,608	1,143,725	1,295,723
Other current liabilities	24	1,649	4,363	2,206
Short-term provisions	25	7,027	12,675	9,817
<b>Total current liabilities</b>		<b>2,078,277</b>	<b>1,645,995</b>	<b>1,623,141</b>
<b>Total liabilities</b>		<b>2,170,680</b>	<b>1,788,148</b>	<b>1,762,437</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,513,851</b>	<b>2,094,086</b>	<b>2,083,807</b>
Significant accounting policies and notes to the financial statements	1 to 56			

As per our report of even date

**JCR & Co**Chartered Accountants  
Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

Sd/-

**Sanjeev Singh**

Director (Finance)

Sd/-

**Vijayalakshmi Kamal Kumar**

Company Secretary



# Statement of Consolidated Audited Profit & Loss

for the year ended March 31, 2021

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020 Restated
	<b>INCOME</b>			
1	Revenue from operations	26	404,782	490,484
2	Other income	27	57,410	55,816
3	<b>Total income</b>		<b>462,192</b>	<b>546,300</b>
4	<b>EXPENSES</b>			
	Cost of materials consumed	28	188,191	245,252
	Procurement of base and depot spares		57,833	36,223
	Employee benefit expenses	29	65,281	78,054
	Finance costs	30	836	926
	Depreciation and amortization expenses		5,965	6,875
	Sub-contract		39,716	74,395
	Power and fuel		1,137	1,652
	Other expenses - project related	31	16,835	11,309
	Other expenses	32	11,420	13,840
	Provisions	33	1,982	3,864
	<b>Total expenses</b>		<b>389,196</b>	<b>472,390</b>
5	<b>Profit before exceptional items</b>		<b>72,996</b>	<b>73,910</b>
6	Exceptional items		12,614	1,232
7	<b>Profit before tax</b>		<b>60,382</b>	<b>72,678</b>
8	<b>Tax expense</b>			
	Current tax		14,863	18,043
	Deferred tax (credit) / charge		(888)	16,828
	Adjustment of tax relating to earlier years		1,060	92
9	<b>Profit for the year / period (excluding associate)</b>		<b>45,347</b>	<b>37,715</b>
10	<b>Share of Net Profit/(loss) of associate</b>		<b>6,039</b>	<b>9,337</b>
11	<b>Profit for the year</b>		<b>51,386</b>	<b>47,052</b>
12	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	Remeasurement of defined employee benefit plan		1,814	(2,287)
	Income tax effect		(457)	576
	Remeasurement of post employment benefit obligation of associate		19	(193)
13	<b>Total comprehensive income for the year / period</b>		<b>52,762</b>	<b>45,147</b>
14	<b>Earning per share</b>			
	Basic and Diluted (₹)		<b>25.48</b>	<b>21.07</b>
Significant accounting policies and notes to the financial statements		1 to 56		

As per our report of even date

## JCR & Co

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

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, 2021

₹ in lakhs

Sr. No.	Particulars	March 31, 2021	March 31, 2020 Restated
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax but after exceptional items</b>	60,382	72,678
	<b>Adjustments for :</b>		
	<b>(+) Non cash expenditure and non operating expenses</b>		
	Depreciation / amortization	7,108	7,114
	Finance cost	836	926
	Amortization of prepaid rentals	15	15
	<b>(-) Non operating income</b>		
	Profit / Loss on sale of fixed assets	-	203
	Interest income	(36,824)	(52,778)
	Amortization gain on deferred deposits of vendors	(9)	(14)
	Amortization of deferred revenue (customer funded assets)	(804)	(807)
	Interest Income on deferred payment liability to foreign supplier	(371)	(374)
	Interest Income on deferred deposit with MbPT	(20)	(19)
	<b>Operating profit before working capital changes</b>	<b>30,313</b>	<b>26,944</b>
	<b>Movement in working capital</b>		
	Decrease / (Increase) in Inventories	(126,592)	(83,240)
	Decrease / (Increase) in Trade receivables and loans and advances	47,075	4,611
	Decrease / (Increase) Other current and non current assets	(313,606)	38,703
	(Decrease) / Increase in Trade payables and provisions	110,634	182,963
	(Decrease) / Increase in Other current and non current liabilities	274,665	(158,720)
	<b>Cash flow from operations</b>	<b>22,489</b>	<b>11,261</b>
	<b>Direct tax paid (net of refunds)</b>	<b>(15,668)</b>	<b>(20,815)</b>
	<b>Net cash from (used in) operating activities (A)</b>	<b>6,821</b>	<b>(9,554)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment (net of adjustments)	(4,190)	(10,950)
	Capital work in progress	(19)	881
	Proceeds from sale of property, plant and equipment	16	17
	Capital advance	103	(101)
	Interest received	36,824	52,778
	Dividend received	2,610	3,133
	Principal portion of lease payments	(519)	(386)
	<b>Net cash from / (used in) investing activities (B)</b>	<b>34,825</b>	<b>45,372</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Buy back of equity share capital		(27,788)
	Payment of buy back tax		(5,952)
	Dividend paid (including dividend distribution tax thereon)	(15,528)	(26,180)
	Finance costs - Lease	(455)	(504)
	Finance costs - Others	-	(34)
	<b>Net cash from / (used in) financing activities (C )</b>	<b>(15,983)</b>	<b>(60,458)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>25,663</b>	<b>(24,640)</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>48,328</b>	<b>72,968</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>73,991</b>	<b>48,328</b>

Note: Figure in bracket indicate outflow

# Statement of Consolidated Cash Flows

for the year ended March 31, 2021

₹ in lakhs

Sr. No.	Particulars	March 31, 2021	March 31, 2020
		Audited	Audited
	<b>Components of cash and cash equivalents:</b>		
	Balances with banks:-		
	- In Current accounts		
	i) In India	11,011	990
	ii) Outside India	81	87
	- In flexi deposit accounts	62,899	47,251
	<b>Total</b>	<b>73,991</b>	<b>48,328</b>

As per our report of even date

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

Sd/-

**Rajeshwari B. Joshi**

Partner

Membership No. 187779

10th August, 2021

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, 2021

## (A) Equity share capital

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Opening balance	20,169	22,410	22,410
Changes in equity share capital during the period			
Buy Back of Equity Shares	-	(2,241)	-
<b>Closing balance</b>	<b>20,169</b>	<b>20,169</b>	<b>22,410</b>

## (B) Other equity

For the period 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>	47,423	232,017	5	1,039	12,123	(6,838)	285,769
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>232,017</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(5,481)</b>	<b>323,002</b>

For the period ended March 31, 2020

₹ 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, 2019</b>	<b>74,714</b>	<b>219,805</b>	<b>5</b>	<b>-</b>	<b>9,882</b>	<b>(5,127)</b>	<b>299,279</b>
Opening adjustments	(319)						(319)
<b>Balance as at April 1, 2019 (Restated)</b>	<b>74,395</b>	<b>219,805</b>	<b>5</b>	<b>-</b>	<b>9,882</b>	<b>(5,127)</b>	<b>298,960</b>
Profit / (loss) for the year	37,715						37,715
Share of change in reserves of associate	8,484						8,484
Other comprehensive income / (loss) for the year						(1,711)	(1,711)
Indigenisation Fund	(1,039)			1,039			-
Buyback of shares at premium		(25,547)					(25,547)
Transfer from general reserve to capital redemption reserve		(2,241)			2,241		-
Tax on buyback	(5,952)						(5,952)
Dividends							
Interim	(16,134)						(16,134)
Final	(5,582)						(5,582)
Tax on dividends	(4,464)						(4,464)
Transfer to General Reserve	(40,000)	40,000					-
<b>Balance as at March 31, 2020</b>	<b>47,423</b>	<b>232,017</b>	<b>5</b>	<b>1,039</b>	<b>12,123</b>	<b>(6,838)</b>	<b>285,769</b>

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

**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.

**Buy-back:** The Company has completed 10% Buy back of Equity Shares (No. of shares - 2,24,10,000 of ₹ 10 each) for ₹ 27788 lakhs and ₹ 5,952 lakhs tax thereon total amounting to ₹ 33,740 lakhs in March 2020.

**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 2020-21 of ₹ 3,691 lakhs (i.e ₹ 1.83 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

10th August, 2021

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 available 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

- Raw materials and stores and general spares are valued at weighted average cost.
- Equipment for specific projects are valued at cost.
- Stock-in-transit is valued at cost.
- Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- 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.
- Scrap is valued at estimated net realizable value.
- 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-

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs
- 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
- 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.

**I) 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:

- 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.
- 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 Rs.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**

₹ in lakhs

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 31-03-21	As on 31-03-2020
A	Assets Owned by MDL												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings:	5,842	292	-	-	6,134	440	220	-	-	660	5,474	5,402
	i) Factory Building												
	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
	Sub-total	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	57,364	58,633
	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 ₹ 4936 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.

₹ in lakhs

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 31-03-21	As on 31-03-2020
B	Jointly Funded Assets												
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
5	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
	Ship - Launches and Boats	1,143	-	-	-	1,143	128	39	-	-	167	976	1,015
	Sub-total	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	22,129	23,289
	Previous Year's Figures	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	Total Tangibles Assets (A+B)	103,514	3,923	-	268	107,169	21,592	6,320	-	236	27,676	79,493	81,922
	Previous Year's Figures	93,213	10,611	-	310	103,514	15,676	6,190	-	274	21,592	81,922	77,537

## Intangible Assets

₹ in lakhs

		GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
Sr. No.	Particulars	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 31-03-21	As on 31-03-2020
A	Assets Owned by MDL												
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
	Sub Total	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,192	1,680
	Previous Year's Figures	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229

₹ in lakhs

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 31-03-21	As on 31-03-2020
B	Jointly Funded Assets												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	148	33	-	-	181	-	33
	Sub Total	1,181	-	-	-	1,181	1,148	33	-	-	1,181	-	33
	Previous Year's Figures	1,181	-	-	-	1,181	1,112	36	-	-	1,148	33	69
	Total Intangible Assets (A+B)	6,603	267	-	-	6,870	4,890	788	-	-	5,678	1,192	1,713
	Previous Year's Figures	6,264	339	-	-	6,603	3,966	924	-	-	4,890	1,713	2,298
	Total Assets (i+ii)	110,117	4,190	-	268	114,039	26,482	7,108	-	236	33,354	80,685	83,635
	Previous Year's Figures	99,477	10,950	-	310	110,117	19,642	7,114	-	274	26,482	83,635	79,835

- Depreciation of ₹ 1143 lakhs pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 239 lakhs)
- 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)
- 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.
- 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.
- No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- 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.

## Note 2 - Property, Plant and Equipment

(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."

(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.

(x) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of Rs.2282 lakhs.

(xi) Assets jointly funded by MDL and Indian Navy														₹ in lakhs
Sr. No.	Particulars	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	103,479	103,479	
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	
	Previous Year's Figures	6,065	21	4,112	-	-	159	8	-	237	133	10,735	10,735	



₹ in lakhs

**Note 2 - Property, Plant and Equipment**

Sr. No.	Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-20	As on 31-03-19
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	9,695	1,077	-	-	10,772	-	-	-	-	-	10,772	9,695
2	Buildings: i) Factory Building	2,786	3,096	-	40	5,842	288	190	-	38	440	5,402	2,498
	ii) Office and Staff Quarters												
	a) RCC	2,662	145	-	8	2,799	242	232	-	6	468	2,331	2,420
	b) Non RCC	789	640	-	-	1,429	55	50	-	-	105	1,324	734
	iii) Others (Temporary structure)	13	89	-	-	102	10	20	-	-	30	72	3
3	Road	673	-	-	-	673	484	126	-	-	610	63	189
4	Plant and Equipment	22,612	2,181	-	21	24,772	3,465	1,627	-	20	5,072	19,700	19,147
5	Furniture and Fixtures	1,609	147	-	59	1,697	612	171	-	44	739	958	997
6	Vehicles	1,920	22	-	-	1,942	885	252	-	-	1,137	805	1,035
7	Office Equipment	1,962	1,694	-	102	3,554	707	559	-	95	1,171	2,383	1,255
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	623	123	-	30	716	173	286	-	30	429	287	450
	ii) Server and Network	3,823	404	-	33	4,194	1,008	682	-	25	1,665	2,529	2,815
9	Loose Tools	532	88	-	4	616	333	81	-	4	410	206	199
10	Ship - Launches and Boats	4,936	-	-	-	4,936	87	172	-	-	259	4,677	4,849
11	Electrical Installation and Equipments	1,842	460	-	13	2,289	631	193	-	12	812	1,477	1,211
12	Right to use asset - Leasehold land	8,719	-	-	-	8,719	3,125	290	-	-	3,415	5,304	5,594
13	Right to use asset - Vehicles	29	420	-	-	449	1	105	-	-	106	343	28
	<b>Sub-total</b>	<b>65,225</b>	<b>10,586</b>	<b>-</b>	<b>310</b>	<b>75,501</b>	<b>12,106</b>	<b>5,036</b>	<b>-</b>	<b>274</b>	<b>16,868</b>	<b>58,633</b>	<b>53,119</b>
	Previous Year's Figures	50,213	16,581	-	1,569	65,225	9,174	4,254	-	1,322	12,106	53,119	41,039

Note: Vessels under the head "Launches and Boats" costing ₹ 4936 lakhs (2019 - ₹ 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.



₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-19	As on 31-03-20
B	Jointly Funded Assets												
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	1,739	507	-	-	2,246	13,998	14,505
	ii) Office and Staff Quarters												
	a) RCC	1,621	25	-	-	1,646	59	29	-	-	88	1,558	1,562
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	52	25	-	-	77	56	81
3	Plant and Equipment	7,491	-	-	-	7,491	1,222	387	-	-	1,609	5,882	6,269
4	Electrical Installation and Equipments	649	-	-	-	649	129	62	-	-	191	458	520
5	Furniture and Fixtures	216	-	-	-	216	45	20	-	-	65	151	171
6	Office Equipment	153	-	-	-	153	63	28	-	-	91	62	90
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	172	57	-	-	229	109	166
8	Ship - Launches and Boats	1,143	-	-	-	1,143	89	39	-	-	128	1,015	1,054
	Sub-total	27,988	25	-	-	28,013	3,570	1,154	-	-	4,724	23,289	24,418
	Previous Year's Figures	27,885	113	-	10	27,988	2,418	1,155	-	3	3,570	24,418	25,467
	Total Tangibles Assets (A+B)	93,213	10,611	-	310	103,514	15,676	6,190	-	274	21,592	81,922	77,537
	Previous Year's Figures	78,098	16,694	-	1,579	93,213	11,592	5,409	-	1,325	15,676	77,537	66,506

₹ in lakhs

**Intangible Assets**

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
A	Assets Owned by MDL												
1	Computer Software/SAP-ERP	794	171	-	-	965	562	162	-	-	724	241	232
2	Other than SAP-ERP	4,289	168	-	-	4,457	2,292	726	-	-	3,018	1,439	1,997
	Sub Total	5,083	339	-	-	5,422	2,854	888	-	-	3,742	1,680	2,229
	Previous Year's Figures	4,594	489	-	-	5,083	1,859	995	-	-	2,854	2,229	2,735

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-20	Opening 01-04-19	For the period	Adjustments	Disposal	Balance 31-03-20	As on 31-03-20	As on 31-03-19
B	Jointly Funded Assets												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	112	36	-	-	148	33	69
	Sub Total	1,181	-	-	-	1,181	1,112	36	-	-	1,148	33	69
	Previous Year's Figures	1,181	-	-	-	1,181	1,076	36	-	-	1,112	69	105
	Total Intangible Assets (A+B)	6,264	339	-	-	6,603	3,966	924	-	-	4,890	1,713	2,298
	Previous Year's Figures	5,775	489	-	-	6,264	2,935	1,031	-	-	3,966	2,298	2,840
	Total Assets (i+ii)	99,477	10,950	-	310	110,117	19,642	7,114	-	274	26,482	83,635	79,835
	Previous Year's Figures	83,873	17,183	-	1,579	99,477	14,527	6,440	-	1,325	19,642	79,835	69,346



## Note 2 - Property, Plant and Equipment

- (i) Depreciation of ₹ 239 lakhs for FY 2019-20 pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses.
- (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."
- (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) The Company has implemented Ind AS 116 "Leases" from 01st April, 2019 with retrospective method and created "Right to use asset - Land" amounting to Rs. 8719 lakhs, "Right to use asset - Vehicles" amounting to ₹ 29 lakhs as on 01/04/2019. Leases that were accounted for as operating lease in accordance with Ind AS 17 Leases, are recognised at the present value retrospectively and discounted using lessee's incremental borrowing rate as on the date of inception of lease. As a result of implementing standard, for FY 2019-20, there is increase in Finance cost by ₹ 504 lakhs, increase in depreciation and amortization expenses by ₹ 395 lakhs and decrease in other expenses by Rs. 762 lakhs. Opening Networth as on 01/04/2018 is reduced to the tune of ₹ 1490 lakhs (net of tax).
- (x) Building as at 31st March 2020 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	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 31-03-2020	Total as on 31-03-19
1	Total Cost upto 31.03.2020	34,078	649	65,211	345	96	1,142	166	241	1,418	133	103,479	103,454
2	Less: Funded By Navy	28,013	628	61,099	345	96	983	158	241	1,181	-	92,744	92,719
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>

₹ in lakhs

### 3 Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Capital work-in-progress</b>			
<b>1. Own resources</b>			
A. Tangible assets			
Opening balance	7,955	8,836	8,399
Add: Expenditure during the period	3,942	9,285	16,988
Less: Capitalisation during the period	3,923	7,974	16,551
B. Intangible assets under development			
Opening balance	-	-	-
Add: Expenditure during the period	267	339	489
Less: Capitalisation/adjustments during the period	267	-	489
<b>2. Funded by Indian Navy</b>			
<b>Submarine facilities upgradation project</b>			
Opening balance	41	41	139
Add: Expenditure/adjustments during the period	-	25	16
Less: Capitalisation/adjustments during the period	-	41	114
	<b>8,015</b>	<b>7,996</b>	<b>8,877</b>

### 4 Non-current investments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Investments in equity instruments (Unquoted)</b>			
<b>In associate</b>			
Equity shares of Goa Shipyard Limited	51,865	48,418	43,067
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>51,865</b>	<b>48,418</b>	<b>43,067</b>

### 5 Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>(Unsecured, considered good)</b>			
Deferred debts	1,935	1,953	1,969
Less: Amount receivable within 12 months	391	391	391
	<b>1,544</b>	<b>1,562</b>	<b>1,578</b>

### 6 Loans - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>(Unsecured, considered good)</b>			
<b>Security deposits:</b>			
Security deposits with Mumbai Port Trust	382	361	343
Other deposits	328	328	323
	<b>710</b>	<b>689</b>	<b>666</b>



## 7 Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Fixed deposits with bank with maturity over 12 months	340	340	340
(The above deposits are under lien with Mumbai Port Trust)			
Leave encashment fund	13,819	15,005	14,012
	<b>14,159</b>	<b>15,345</b>	<b>14,352</b>

## 8 Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<b>Deferred tax assets / (liabilities)</b>			
<b>Deferred tax assets</b>			
Provisions	48,925	48,181	68,540
Others	-	307	882
	48,925	48,488	69,422
<b>Deferred tax liabilities</b>			
Depreciation	(6,564)	(7,016)	(9,664)
	(6,564)	(7,016)	(11,121)
<b>Deferred tax assets (net)</b>	<b>42,361</b>	<b>41,472</b>	<b>58,301</b>

## 9 Other non-current assets

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Capital advances	104	207	106
Deposits with custom and excise authorities	20	20	24
Other receivables - considered good	296	11	9
Other receivables - considered doubtful	2,791	2,791	2,791
Less: Allowance for doubtful receivables	2,791	2,791	2,791
Advances paid to vendors - considered doubtful	62	62	62
Less: Allowance for doubtful advances	62	-	-
VAT / sales tax receivable	9,481	10,887	12,504
GST input tax credit			
Services	12,560	8,846	10,186
Materials	61,474	44,874	26,756
	74,034	53,720	36,942
Export incentive receivable			
Considered good	3	193	193
Considered doubtful	107	107	107
	110	300	300
Less: Allowance for doubtful receivables	107	107	107
	3	193	193
Prepaid expenses			
Prepaid deposits (MbPT)	61	76	92
Less: amortisation / unwinding of prepaid deposits	15	15	15
Less: current	15	15	15
	31	46	62
Others	237	91	62
	<b>84,206</b>	<b>65,175</b>	<b>49,902</b>

## 10 Inventories

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Raw materials</b>						
Material in stores	11,388		12,404		15,245	
Less: Provision for obsolescence	123	11,265	94	12,310	111	15,134
<b>Stores and spares</b>						
Material in stores	1,886		2,127		2,051	
Less: Provision for obsolescence	69	1,817	97	2,030	107	1,944
<b>Equipment for specific projects</b>						
Material in stores/site	557,126		368,167		357,945	
Less: Provision for obsolescence	-		-		-	
	557,126		368,167		357,945	
Stock in transit	18,470		79,685		2,217	
Materials pending inspection	-	575,596	-	447,852	1,713	361,875
Scrap		183		77		76
		<b>588,861</b>		<b>462,269</b>		<b>379,029</b>

Note:

- (i) Inventory costing ₹4,103 lakhs (Previous year: 160 lakhs) is held with other vendors.
- (ii) Inventory costing ₹576 lakhs (Previous year: Rs. 576 lakhs) is held at customer's store.
- (iii) As on 31st March, 2021, Inventory held on behalf of Navy is ₹2,168 lakhs (Previous year - ₹4,074 lakhs) which is excluded from above inventory.

## 11 Trade receivables - current

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured)</b>						
<b>Against sale and repair of ships and submarines</b>						
Considered good	94,808		138,249		135,810	
Considered doubtful	55,924		13,405		18,031	
	150,732		151,654		153,841	
Less: Loss allowance	55,924	94,808	13,405	138,249	18,031	135,810
<b>Against B&amp;D Spares</b>						
Considered good	1,786		5,033		11,479	
Considered doubtful	3,226		3,226		758	
	5,012		8,259		12,237	
Less: Loss allowance	3,226	1,786	3,226	5,033	758	11,479
		<b>96,594</b>		<b>143,282</b>		<b>147,289</b>

### Breakup of Trade receivables

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	96,594	143,282	147,289
Trade receivables considered doubtful - secured	-	-	-
Trade receivables considered doubtful - unsecured	59,150	16,631	18,789
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
<b>Total</b>	<b>155,744</b>	<b>159,913</b>	<b>166,078</b>
Loss allowance	59,150	16,631	18,789
<b>Total trade receivables (current)</b>	<b>96,594</b>	<b>143,282</b>	<b>147,289</b>

**12 Cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Cash and cash equivalents</b>						
<b>Balances with banks:-</b>						
- In current accounts						
i. In India	11,011		990		3,205	
ii. Outside India	81	11,092	87	1,077	71	3,276
- In cash credit accounts		-		-		2
- In flexi deposit accounts		62,899		47,251		69,690
		<b>73,991</b>		<b>48,328</b>		<b>72,968</b>

**13 Bank balance other than cash and cash equivalents**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		728,800		531,500		674,000
		<b>728,800</b>		<b>531,500</b>		<b>674,000</b>

**14 Loans - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured, considered good)</b>						
Employee related		115		148		385
Others		97		63		44
		<b>212</b>		<b>211</b>		<b>429</b>

**15 Other financial assets - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Insurance claims receivable		719		510		606
Interest accrued on deposits and advances		13,240		16,270		18,935
Other receivables		-		2,005		2,697
		<b>13,959</b>		<b>18,785</b>		<b>22,238</b>

**16 Other current assets**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>(Unsecured, considered good, unless otherwise specified)</b>						
<b>Advances</b>						
Advances paid to vendors	683,675		596,916		419,342	
Travel advance to employees	2		25		12	
Others	72	683,749	26	596,967	25	419,379
<b>Prepaid expenses</b>						
Prepaid deposits (MbPT)	15		15		15	
Others	838	853	274	289	2,208	2,223
		<b>684,602</b>		<b>597,256</b>		<b>421,602</b>



## 17 Share Capital

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
<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	32,372
	<b>32,372</b>	<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	22,410
	<b>20,169</b>	<b>20,169</b>	<b>22,410</b>

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Details of shareholding more than 5% shares in the Company	No. of shares	Percentage holding	No. of shares	Percentage holding	No. of shares	Percentage holding
<b>Shareholder</b>						
President of India and his nominees	171,090,983	84.83%	201,690,000	100%	201,690,000	100%

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.

## 18 Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Deferred payment liability to a foreign supplier	1,935	1,953	1,969
Less: Amount payable within 12 months	391	391	391
	<b>1,544</b>	<b>1,562</b>	<b>1,578</b>

## 19 Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated	April 1, 2019 Restated
Security and other deposits	75	116	102
Lease Liability	2,966	3,484	3,450
	<b>3,041</b>	<b>3,600</b>	<b>3,552</b>

## 20 Other long-term liabilities

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Funds received from customer for infrastructure projects</b>	92,642		90,728		90,184	
Add: Received during the period	119		1,914		544	
Less: Transferred to fixed assets for capitalisation	73,419		73,419		73,419	
Less: Amortisation of deferred revenue	4,545	14,797	3,741	15,482	2,935	14,374
Deferred deposits		5		2		16
	<b>14,802</b>		<b>15,484</b>		<b>14,390</b>	

**21 Provisions - non-current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Employee benefits</b>						
Post retirement benefit schemes						
Medical	8,486		7,115		5,810	
Gift card	268	8,754	542	7,657	617	6,427
Leave salary encashment		11,063		11,169		10,272
<b>Other provisions</b>						
Provision for liquidated damages	52,933		102,415		102,415	
Others	266	53,199	266	102,681	263	102,678
		<b>73,016</b>		<b>121,507</b>		<b>119,776</b>

**22 Trade payables - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Other vendors		631,855		470,426		289,466
Deferred payment liability to a foreign supplier		391		391		391
		<b>632,246</b>		<b>470,817</b>		<b>289,857</b>

**23 Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Retention money payable		841		812		668
Liquidated damages payable		2,788		2,514		4,090
Interest payable on advances received from customer		1,739		2,276		2,646
Employee related		10,055		6,317		10,593
Others		47		46		5,047
Security and other deposits		341		443		626
		<b>15,811</b>		<b>12,408</b>		<b>23,670</b>

**24 Other current liabilities**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
Statutory dues		1,642		4,348		2,192
Deferred deposits		7		15		14
		<b>1,649</b>		<b>4,363</b>		<b>2,206</b>

**25 Provisions - current**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated		April 1, 2019 Restated	
<b>Employee benefits</b>						
Post retirement benefit						
Medical	605		492		362	
Gift card	107	712	86	578	80	442
Leave salary encashment		3,389		4,013		4,215
Gratuity		1,541		5,733		2,609
<b>Other provisions</b>						
Guarantee repairs	959		1,925		2,028	
Custom duty	426	1,385	426	2,351	426	2,454
		<b>7,027</b>		<b>12,675</b>		<b>9,817</b>

**26 Revenue from operations**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Contract revenue</b>				
Ship construction		298,862		434,959
<b>Sale of goods</b>				
Sale of base and depot spares		62,033		38,891
<b>Sale of Services</b>				
Ship Repair		43,263		15,893
<b>Other operating revenue</b>				
Miscellaneous sale	-		118	
Sale of scrap and stores	339		534	
Sale of services (others)	179		89	
Changes in Inventory of Scrap	106	624	-	741
		<b>404,782</b>		<b>490,484</b>

**Contract Revenue Recognition with Respect to Projects / Vessels in WIP:**

Particulars	March 31, 2021	March 31, 2020 Restated
The amount of contract revenue recognised as revenue for the period	404,158	489,743
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)	2,136,023	2,162,557
The amount of advances received (gross)	3,532,267	3,391,235
The amount of retentions by customers	80,706	63,680

- 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 115.
- The Company has delivered one submarine in February, 2021. The total sale value of the submarine is ₹3,62,011 lakhs of which amount of ₹14,888 lakhs is recognised in the contract revenue for the year ended 31st March, 2021. Differential sale on account of Submarines sold in earlier years is ₹4,132 lakhs. Sale Value of ₹2,515 lakhs pertaining to Shipbuilding activity is included in Contract Revenue For the year ended 31st March, 2021. Balance amount pertains to accretion to Work in Progress inventory.

**27 Other Income**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Interest from</b>				
Deposits with banks	36,651		53,681	
Less: Interest liability to customer on advances	1,739		2,276	
	34,912		51,405	
On income tax refund	576		-	
Other interest	1,336	36,824	1,373	52,778
Liabilities / provisions no longer required written back		934		156
Insurance claims		17		
Provision for obsolete stock reversed		-		27
Profit on Sale / scrapping of fixed assets (net)		4		
<b>Liquidated damages recovered</b>		-		
Capital		28		430
Others		1,339		650
Miscellaneous income / recoveries		683		377
Refund of LD from Customer		16,142		-
Amortisation gain on deferred deposits of vendors		9		14
Unwinding of lease charges - Land		54		48
Unwinding of lease charges - Vehicles		180		127
Amortisation of deferred revenue (customer funded assets)		804		807
Interest Income on deferred payment liability to foreign supplier		371		374
Interest Income on deferred deposit with MbPT		20		19
Foreign exchange variation (net)				
Income	36		24	
Less: Loss	(35)	1	(15)	9
		<b>57,410</b>		<b>55,816</b>

**28 Cost of materials consumed**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
<b>Opening stock</b>				
Raw materials, stores and spares	14,531		17,296	
Equipment for specific projects	368,167		357,945	
Stock-in-transit and materials pending inspection	79,685	462,383	3,930	379,171
<b>Add: Purchases</b>		316,077		330,336
		778,460		709,507
<b>Less: Closing stock</b>				
Raw materials, stores and spares	13,274		14,531	
Equipment for specific projects	557,126		368,167	
Stock-in-transit and materials pending inspection	18,470	588,870	79,685	462,383
		189,590		247,124
Less: Reduction in Value-included in Other Expenses				
Less: Provision for obsolete stock		2		(27)
Less: Stores and spares consumption included in other expenses		1,397		1,899
		<b>188,191</b>		<b>245,252</b>

**29 Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Salaries, wages, allowances and bonus	47,021	58,852
Pension	1,916	1,927
Contribution to provident fund	4,199	4,296
Contribution to employees state insurance scheme	-	36
Workmen and staff welfare expenses	7,367	7,706
Gratuity	2,043	1,212
Encashment of privilege leave	2,735	4,025
	<b>65,281</b>	<b>78,054</b>

The total Employee benefit expenses incurred amounting to ₹10,995 lakhs (Previous year : ₹993 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2020-21.

**30 Finance cost**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Interest cost on deferred deposits of vendors	10	14
Interest cost on deferred payment liability to foreign supplier	371	374
Interest cost on lease	455	504
Others	-	34
	<b>836</b>	<b>926</b>

**31 Other expenses - Projects related**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Technician fees and other expenses	4,022	3,196
Advising team fees and other expenses	2,166	1,454
Facility hire	1,560	704
Bank charges and guarantee commission	161	328
Travelling expenses	71	125
Sea trial, launching and commissioning expenses	1,837	243
Legal, professional and consultant fees	6,830	4,938
Miscellaneous expenses	188	321
	<b>16,835</b>	<b>11,309</b>

**32 Other expenses**

₹ in lakhs

Particulars	March 31, 2021		March 31, 2020 Restated	
Repairs and maintenance:				
Buildings	202		238	
Plant and machinery	221		396	
Steam launches and boats, motor cars, lorries, etc.	209		1,037	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(47)	585	(83)	1,588
Facility hire	478		641	
Water expenses	326		164	
Rent	48		10	
Insurance	781		649	

**32 Other expenses** (Cont.)

Particulars	March 31, 2021		March 31, 2020 Restated	
Rates and taxes	689		667	
Bank charges and guarantee commission	18		19	
Printing and stationery	13		65	
Travelling expenses	416		716	
Business promotion expenses	560		861	
Sea trial, launching and commissioning expenses	6		30	
Corporate membership expenses	72		15	
Changes in inventory of scrap	-		-	
Foreign exchange variation (net)	-		-	
Miscellaneous expenses	720		597	
Donation	-		120	
Audit fees	11		9	
Vehicle hire charges	49		80	
Legal, professional and consultant fees	125		115	
Books and periodicals	53		71	
Postage, telegrams and phones	151		144	
Training expenses	26		152	
CISF and security board expenses	2,975		3,402	
Directors fees and expenses	7		11	
Provision for obsolete stock	2		-	
Consumption of stores and spares etc.	1,397		1,899	
Other interest	63		34	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,834		1,563	
Sale / scrapping of fixed assets (net)	-	10,835	203	12,252
		<b>11,420</b>		<b>13,840</b>

Foreign Exchange loss for the year ended 31st March, 2021 is ₹1,435 lakhs and foreign exchange gain for previous year is ₹156 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 ₹8,241 lakhs (Previous year - ₹9,177 lakhs) is reflected under respective various heads in the above note.

**33 Provisions**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020 Restated
Doubtful debts / receivable	-	2,468
Others	1,982	1,396
	<b>1,982</b>	<b>3,864</b>

**34 Business Segment Reporting**

- 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.
- For management purposes, the Company is organized into two major segments - Shipbuilding (New Construction and Ship Repairs) and Submarine.
- There are no geographical segments within the business segments.



### 35 Contingent Liabilities and Commitments:

#### 35.1 Amounts for which Company may be contingently liable:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Estimated amount of contracts remaining to be executed on capital account.	6,062	1,355
(ii)	b) Estimated amount of liquidated damages on contracts under execution.*	83,431	110,045
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	103,426	102,594
	(b) Guarantees and counter guarantees	1,120	726
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.	5,049,137	4,271,370
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

\*Government of India based in situation prevailing then in first quarter of FY 2021 has extended delivery of projects by four months under force majeure condition which is applicable to projects under construction at mdl. However, force majeure condition prolonged and severity of pandemic increased during second wave. Company has estimated deferment of deliveries of ship 3 months beyond time given by government of India. Company based on circumstances is confident that customer will make force majeure condition applicable to additional period beyond sanction at beginning of pandemic. The total financial implication is Rs. 83,431 Lakh in the event of not considering deferment of deliveries already granted by government.

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

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Suppliers and sub-contractors	1297	830
(ii)	Others	2384	2,384
(iii)	Interest on (i) and (ii) above	734	352
		<b>4,415</b>	<b>3,566</b>

#### 35.3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Sales Tax *	116,617	115,416
(ii)	Excise Duty		
	(a) On Vendors	204	197
	(b) On MDL	31	30
		235	227
		<b>116,852</b>	<b>115,643</b>

\* Against the above claim, part payments of ₹684 lakhs (Previous year - ₹672 lakhs) have been made under protest.

#### 35.4 Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

₹ in lakhs

Sr no.	Particulars	31st March 2021	31st March 2020
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4,331	4,236
		<b>4,346</b>	<b>4,251</b>

**35 Contingent Liabilities and Commitments:** (Cont.)**35.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities** ₹ in lakhs

Particulars	31st March 2021	31st March 2020
Custom Duty	8	8

**36.1** 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.

**36.2** 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.

**37 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-

- 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.
- 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.

**38 Employee Benefits****38.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
(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	4,184	4,208
2. Employers' Contribution to Employees' State Insurance	-	36
3. Employers' Contribution to EPS (Employees' Pension Scheme)	1,916	1,927
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	15	87

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 2021	31st March 2020
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)	6.96%	6.50%
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.

**38 Employee Benefits (Cont.)**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Opening Balance	23,627	27,785
Add : Credit from Company	4,236	460
Less : Amount paid towards claims	(6,424)	(6,429)
Add : Interest credited	1,706	1,811
Closing Balance	23,145	23,627
Present value of past service benefit	22,929	27,864

The actuarial liability excludes the fixed term employees, for which separate provision exists.

**38.2 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.

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>i) Assumptions</b>		
a) Discount Rate	6.96%	6.50%
b) Salary Escalation	7.00%	7.00%
c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	6.96%	6.50%
d) Expected average remaining working lives of employees (years)	14	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	27,864	28,716
Add: Transfer of canteen employees liability	-	380
	27,864	29,096
Interest cost	1,811	1,774
Current service cost	1,321	1,409
Benefits paid	(6,424)	(6,429)
Actuarial (gain) / loss on obligations	(1,643)	2,014
Present value of obligations as at end of year	22,929	27,864
<b>iii) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	23,627	27,785
Expected return on plan assets	1,535	1,811
Contributions	4,236	460
Benefits paid	(6,424)	(6,429)
Actuarial (gain) / loss on plan assets	171	-
Fair value of plan assets at the end of year	23,145	23,627
<b>iv) Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	23,627	27,785
Actual return on plan assets	1,535	1,811
Contributions	4,236	460
Benefits paid	(6,424)	(6,429)
Fair value of plan assets at the end of year	23,145	23,627



### 38 Employee Benefits (Cont.)

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Funded status	(216)	(4,238)
Excess of Actual over estimated return on plan assets	-	-
<b>v) Actuarial gain / loss recognized</b>		
Actuarial (gain) / loss for the year - obligation	(1,814)	2,287
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	(1,814)	2,287
Actuarial (gain) / loss recognised in the year	(1,814)	2,287
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	22,929	27,864
Fair value of plan assets as at the end of the year	23,145	23,627
Funded status	216	(4,238)
Net Asset / (Liability) recognized in balance sheet	216	(4,238)
<b>vii) Expenses recognized in statement of Profit and Loss</b>		
Current service cost	1,321	1,409
Interest cost	276	70
Expected return on plan assets		
Expenses recognized in statement of profit and loss	1,597	1,479
<b>viii) Expenses recognized in Other Comprehensive Income</b>		
Actuarial (gain) / loss recognised in the year	(1,814)	2,287
<b>ix) Current/Non-current Liability</b>		
Current Liability	5,605	8,745
Non-current Liability	17,324	19,119
Present Value of the Defined Gratuity Benefit Obligation	22,929	27,864

#### 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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46%	582		638	
(Previous year - 6%)	2.54%		2.29%	
if Discount rate is increased to 7.46%		543		597
(Previous year - 7%)		2.37%		2.14%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50%	343		385	
(Previous year - 7.50%)	1.50%		1.38%	
if Discount rate is decreased to 6.50%		341		363
(Previous year - 6.50%)		1.49%		1.30%

### 38 Employee Benefits (Cont.)

#### 38.3 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.

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>i) Assumptions</b>		
Discount rate	6.96%	6.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected average remaining working lives of employees (years)	14	14
<b>ii) Table showing changes in present value of obligations</b>		
Present value of obligation as at the beginning of the year	15,024	14,039
Add : Liability Transfer from Canteen Employees	-	99
	15,024	14,138
Interest cost	977	1,053
Current service cost	883	826
Benefits paid	(2,214)	(2,251)
Actuarial (gain) / loss on obligations	(1,236)	1,258
Present value of obligation as at the end of the year	13,434	15,024
<b>iii) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	15,005	14,012
Expected return on plan assets	1,077	1,010
Contributions	-	2,234
Benefits paid	(2,214)	(2,251)
Actuarial gain / (loss) on plan assets	(49)	-
Fair value of plan assets at the end of the year	13,819	15,005
<b>iv) Tables showing fair value of plan assets</b>		
Fair value of plan asset at the beginning of the year	15,005	14,012
Actual return on plan assets	1,077	1,010
Contributions / (withdrawals)	-	2,234
Benefits paid	(2,214)	(2,251)
Actuarial gain / (loss) on plan assets	(49)	-
Fair value of plan asset at the end of the year	13,819	15,005
Funded status	(385)	19
<b>v) Actuarial gain / loss recognized</b>		
Actuarial (gain) / loss for the year - obligation	(1,236)	1,258
Actuarial (gain) / loss for the year - plan assets	-	-
Total (gain) / loss for the year	(1,236)	1,258
Actuarial (gain) / loss recognised in the year	(1,236)	1,258
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 obligation as at the end of the year	13,434	15,024
Fair value of plan assets as at end of the year	13,819	15,005
Funded status	(385)	(19)
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in balance sheet	(385)	(19)

**38 Employee Benefits** (Cont.)

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>vii) Expenses recognized in statement of profit and loss</b>		
Current service cost	883	826
Interest cost	977	1,053
Actuarial (gain) / loss recognised in the year	(1,236)	1,258
Expenses recognized in the statement of profit and loss	624	3,136
<b>viii) Current/Non-current Liability</b>		
Current Liability	2,371	3,854
Non-current Liability	11,063	11,169
Present Value of the Defined Leave Encashment Benefit Obligation	13,434	15,024

**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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is decreased to 6.46%	504		524	
(Previous year - 6.00%)	3.75%		3.49%	
if Discount rate is increased to 7.46%		466		484
(Previous year - 7.00%)		3.47%		3.22%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>				
if Discount rate is increased to 7.50%	502		519	
(Previous year - 7.50%)	3.73%		3.45%	
if Discount rate is decreased to 6.50%		468		484
(Previous year - 6.50%)		3.49%		3.22%

**38.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

During the year, 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 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.



**38 Employee Benefits (Cont.)**

The details of fund and plan assets are given below:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Fair value of plan assets	85,289	90,418
Present value of defined benefit obligations	(85,289)	(90,418)
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:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Provident Fund interest rate guarantee	8.50%	8.50%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	6.96%	6.50%
Govt. of India - Bond yield for the outstanding term of assets	6.02%	6.30%
Expected average remaining working lives of employees (years)	15	14

**39 Provisions made, utilised, written back :**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<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	102,415	102,415
Additions	-	-
Utilised/Adjusted	(49,481)	-
Closing Balance	<b>52,934</b>	<b>102,415</b>
<b>c) Provision for Guarantee Repairs:</b>		
Opening Balance	1,899	2,002
Additions	-	-
Utilised/Adjusted	(940)	(103)
Closing Balance	<b>959</b>	<b>1,899</b>
<b>d) Other Provisions:</b>		
Opening Balance	107	107
Additions	-	-
Utilised/Adjusted	-	-
Closing Balance	<b>107</b>	<b>107</b>

**40** 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, 2021 based on available information with the Company are as under:

₹ in lakhs

Particulars	31st March 2021	31st March 2020
Principal amount due and remaining unpaid	11	91
Interest due on above and the unpaid interest	3	4
Payment made beyond the appointed day during the year	694	1,012
Interest accrued and remaining unpaid on above	8	60

**41 Other Expenses include:**

₹ in lakhs

Particulars	31st March 2021	31st March 2020
<b>Remuneration to the Statutory Auditors</b>		
i) Audit fees	11	9
ii) Tax audit fees	1	1
	<b>12</b>	<b>10</b>

**42 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 ₹391 lakhs (Previous year - ₹391 lakhs) includes yearly installment of ₹214 (Previous year - ₹214 lakhs) and ₹177 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 2021. These payments are reimbursable by Indian Navy. Accordingly, ₹6261 lakhs (amortised costs of ₹1932 lakhs) held at foreign supplier deferred credit as on 31st March 2021.

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

- i) 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

**44 Related Party Disclosure****i) Key Managerial Personnel**

₹ in lakhs

Particulars		Designation	Remuneration*	
			31st March, 2021	31st March, 2020
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	52	11
Cmde T V Thomas (Retd)	(From 02.11.2017)	Director (Corporate Planning & Personnel)	49	72
RAdm A K Saxena (Retd)	(Upto 31.01.2021)	Director (Shipbuilding)	55	67
Cdr Jasbir Singh**	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	41	18
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	41	9

\* As per Statement of Profit and Loss Account.

\*\* As on 31st March, 2020, excluding payment of Rs. 8 lakhs related to earlier capacity.

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.

#### 44 Related Party Disclosure (Cont.)

##### 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
Ministry of Defence	31st March, 2021	404,158	155,744
	31st March, 2020	489,743	159,913

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.

#### 45 Earnings per share (EPS)

Particulars	31st March, 2021	31st March, 2020
<b>Earning Per Share (EPS) - Basic and Diluted</b>		
Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	51,386	47,052
Adjustment to Restated Net Profit / (Loss):		
None		
<b>A Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)</b>	<b>51,386</b>	<b>47,052</b>
Weighted average number of equity shares outstanding		
Bonus shares issued in FY 16-17, restated for all periods		
Weighted average number of equity shares for calculating basic EPS	201,690,000	224,100,000
Buyback of shares during FY 2019-20	-	22,410,000
<b>B Weighted average number of equity shares for calculating basic EPS</b>	<b>201,690,000</b>	<b>223,363,233</b>
<b>C EPS (₹) - Basic (A/B)</b>	<b>25.48</b>	<b>21.07</b>
<b>D Restated Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)</b>	<b>51,386</b>	<b>47,052</b>
Weighted average number of equity shares	201,690,000	223,363,233
Effect of dilution:	-	-
<b>E Weighted average number of equity shares for calculating diluted EPS</b>	<b>201,690,000</b>	<b>223,363,233</b>
<b>F EPS (₹) - Diluted (D/E)</b>	<b>25.48</b>	<b>21.07</b>



## 46 Fair Value Measurement

### Financial Instruments by Category

₹ in lakhs

Particulars	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Security Deposits	-	-	382	-	-	361
Russian Deferred Debit	-	-	1935	-	-	1954
<b>Financial Liabilities</b>						
Russian Deferred Credit	-	-	1935	-	-	1954
Security Deposits	-	-	75	-	-	116

### 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 2021		31st March 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Security deposits	Level 3	451	382	451	361
Russian Deferred Debit	Level 3	6261	1935	6652	1954
<b>Financial liabilities</b>					
Russian Deferred Credit	Level 3	6261	1935	6652	1954
Security Deposits	Level 3	89	75	136	116

## 47 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.

### 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 foriegn 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:

₹ in lakhs					
Particulars	EUR	GBP	NOK	SEK	USD
<b>Financial Liabilities</b>					
31st March 2021	29,865	13	4	2	1,429
31st March 2020	15,256	98	8	1	30,647

**47 Financial risk management** (Cont.)**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in lakhs

Particulars	Impact on Profit Before Tax	
	31st March,2021	31st March,2020
<b>EUR Sensitivity*</b>		
INR/EUR increases by 5%	1,493	763
INR/EUR decreases by 5%	(1,493)	(763)
<b>GBP Sensitivity*</b>		
INR/GBP increases by 5%	1	5
INR/GBP decreases by 5%	(1)	(5)
<b>USD Sensitivity*</b>		
INR/USD increases by 5%	71	1,532
INR/USD decreases by 5%	(71)	(1,532)

\* Holding all other variables constant

**48 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

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.

**49 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	2020-21	2019-20
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	1,311	372
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	302	824
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	11	-
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	10	5

**49 Expenditure on Corporate Social Responsibilities (CSR) Activities** (Cont.)

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2020-21	2019-20
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	40	200
Clause (x)	Rural development projects;	74	91
	<b>Total</b>	<b>1,753</b>	<b>1,492</b>

₹ in lakhs

Particulars	2020-21	2019-20
Unspent amount brought forward	534	578
Amount required to be spent by the Company during the period	1,454	1,519
Amount spent during the period (incl. Administration Expenses)	1,834	1,563

₹ in lakhs

Amount Unspent					
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
1,834	154	5/14/2021	-	-	-

**50 Restatement Adjustments to Audited Ind AS Financial Statements**

₹ in lakhs

Sr no.	Particulars	Amount
<b>A</b>	<b>Net profit as per audited financial statements for the year FY 19-20</b>	<b>47,707</b>
<b>B</b>	<b>Adjustments to net profit as per audited financial statements</b>	
	<b>Restatements</b>	
	<b>a. Due to prior period items</b>	-
	<b>b. Material adjustments relating to previous years</b>	
	<b>Increase/(Decrease) in Income</b>	
	Decrease in Revenue from Operations	(7,281)
	Increase in Other Income	49
	(Increase)/Decrease in Expenses	
	Decrease in Cost of material consumed	5,066
	Increase in Depreciation	(6)
	Decrease in other Expenses	61
	Decrease in Sub Contract Expenses	14
	Decrease in Employee Expenses	1,238
<b>C</b>	<b>Total adjustments</b>	<b>(859)</b>
<b>D</b>	<b>Restated profit / (loss) before tax adjustments (A-C)</b>	<b>46,848</b>
<b>E</b>	<b>Tax impact of adjustments</b>	
	<b>a. On restatement adjustments-income/(expense)</b>	204
<b>F</b>	<b>Restated profit / (loss) after tax for the year FY 19-20</b>	<b>47,052</b>

**51** The delays in the completion of the projects due to pandemic situation will be taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ 10995 (Previous year ₹ 993 lakhs) towards employee benefits, ₹ 1143 (Previous year ₹ 239 lakhs) towards depreciation, and ₹ 476 (Previous year - Nil) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2020-21. The Company doesn't foresee any change in the orders under execution due pandemic.





**52** MDL maintains independent PF Trust for employees. In FY 2020-21, MDSL employee PF trust has recognised capital loss of Rs. 1982 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 ₹ 1982 lakhs (Previous year ₹ 1394 lakhs) is recognised in accounts of FY 2020-21.

**53** Lease agreements have not been executed in the cases of 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.

#### 54 Additional Notes to the Consolidated Financial Statements

##### 54.1 Interest In Associate

Name of the Company	Country of Incorporation	% of Ownership as at 31st March 2021	% of Ownership as at 31st March 2020
Goa Shipyard Limited	India	47.21%	47.21%

##### 54.2 Disclosure of Additional Information Pertaining to the Parent Company and Associate

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%	45,347	98.62%	1,357	88.52%	46,704
Goa Shipyard Ltd	11.75%	6,039	1.38%	19	11.48%	6,058
<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>

Name of the Company	Share of Profit/(Loss)					
	31st March, 2020					
	As % of consolidated profit / (loss)	Amount in ₹ lakhs	As % of consolidated OCI	OCI	As % of consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	80.16%	37,715	89.84%	(1,711)	79.75%	36,004
Goa Shipyard Ltd	19.84%	9,337	10.16%	(193)	20.25%	9,143
<b>Total</b>	<b>100.00%</b>	<b>47,052</b>	<b>100.00%</b>	<b>(1,904)</b>	<b>100.00%</b>	<b>45,147</b>

**55.** Pursuant to supplementary audit by C&AG under section 143(6)(b) of the Companies Act, 2013, the financial statements approved by the Board of Directors on 10.06.2021 were revised. The consequential effects of the below changes have also been incorporated in the cash flow statement and the impact is tabulated below:

₹ in lakhs

Sr.No.	Item Revised	31st March 2021			31st March 2020 Restated		
		As stated originally	"Addition/ (deletion)"	Revised Amount	As stated originally	"Addition/ (deletion)"	Revised Amount
1	Revenue From Operations	404,969	(187)	404,782	491,792	(1,308)	490,484
2	Profit before Tax	60,386	(4)	60,382	72,748	(70)	72,678
3	Profit for the year	51,389	(3)	51,386	47,104	(52)	47,052
4	Assets	2,505,033	8,818	2,513,851	2,094,074	12	2,094,086
5	Liabilities	2,161,807	8,873	2,170,680	1,788,084	64	1,788,148
6	Other Equity	323,057	(55)	323,002	285,821	(52)	285,769
7	Networth	343,226	(55)	343,171	305,990	(52)	305,938
8	Earnings per share (in Rupees)	25.48	(0.00)	25.48	21.09	(0.02)	21.07

**56** 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

10th August, 2021

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

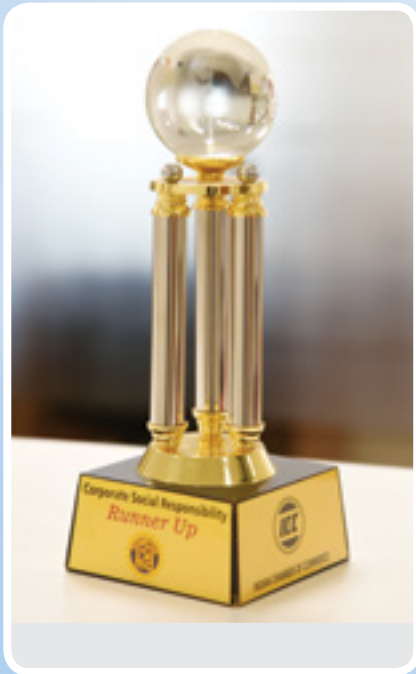
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## Note

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# Awards



ICC CSR Runner Up



Perna QC Team ICQCC-2020



Excellence Award  
NCQC-2020



MDL won the Second Prize for Rajbhasha Patrika  
Jaltarang by Mumbai (PSU) TOLIC in Webinar Meeting  
held on 30<sup>th</sup> July 2020



**MAZAGON DOCK SHIPBUILDERS LIMITED**

(Government Of India Enterprise, Ministry of Defence)

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