



माझगांव डॉक शिपबिल्डर्स लिमिटेड

(भारत सरकार का उपक्रम)

Mazagon Dock Shipbuilders Ltd.

(Formerly Mazagon Dock Limited)

(A Govt. of India Undertaking)

डॉकयार्ड रोड, माझगांव, मुंबई-400 010

Dockyard Road, Mazagon, Mumbai - 400 010

Certified - ISO 9001 Company

CIN : L35100MH1934GOI002079

संदर्भ क्रमांक :

Ref. No. :

दिनांक :

Date :

Ref: SEC/MDL/SE/AGM/2023

05 September 2023

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001
Scrip Code: **543237**

To
National Stock Exchange of
India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
NSE Symbol: MAZDOCK

Sub: Annual Report 2022-23 and Notice of the 90th Annual General Meeting of Mazagon Dock Shipbuilders Limited.

Dear Sir/Madam,

The Ninetieth (90th) Annual General Meeting (AGM) of the members of Mazagon Dock Shipbuilders Limited will be held, on Wednesday, September 27, 2023 at 11.00 A.M. (IST) through Video Conferencing (VC)/Other Audio Video Visual Means (OAVM).

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of the AGM for the financial year 2022-23 which is being sent through electronic mode to the Members of the Company.

The Annual Report containing the Notice is also available on the website of the Company at <https://mazagondock.in>

This is for your information and records.

Thanking You,
Yours Faithfully,
For MAZAGON DOCK SHIPBUILDERS LIMITED

VIJAYALAKS Digitally signed by
VIJAYALAKSHMI
HMI KAMAL KAMAL KUMAR
Date: 2023.09.05
KUMAR 18:18:53 +05'30'

(Vijayalakshmi Kumar)

Company Secretary & Compliance officer

फोन +91(22) 2376 2000 फैक्स (Design) +91(22) 2373 8159 (Proj-C) +91(22) 2373 8147 वेबसाईट : www.mazdock.com
Phone +91(22) 2376 3000 Fax (Material)+91(22) 2373 8151 (East Yd.) +91(22) 2373 8333 Website : www.mazdock.com
+91(22) 2376 4000 (Finance)+91(22) 2373 8338





माझगांव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED



Resilience. Adaptability. Excellence.

Sailing strong for 250 years.

Ship & Submarine Builders to the Nation
वार्षिक रिपोर्ट | ANNUAL REPORT 2022-23





MISSION



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

VISION



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

OBJECTIVES



- › To progressively reduce overhead expenditure and operational costs.
- › To attain technological leadership in warship and submarine construction through in house R&D activities and partnership with academic institutions.
- › To enhance the productivity level through improved internal processes through benchmarking and innovative practises.
- › To take initiatives for growth by undertaking capacity augmentation, technological upgradation and modernisation of facilities.
- › To upgrade capabilities of employees as per HRM guidelines issued by DPE.
- › To maintain consistent quality and to maintain a high degree of Customer Satisfaction.
- › To undertake Corporate Social Responsibility and Sustainability projects as per guidelines.
- › To enhance indigenisation process in line with 'Make in India' policy.
- › To adhere to project timelines to deliver quality ships and submarines in time.
- › To promote export of MDL products.





माझगांव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED

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

Authenticated

Raksha Rajya Mantri

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Forward looking statement

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

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To view the report online, log on to <https://mazagondock.in/English/pages/Annual-report>



About this report

We are delighted to present our Annual Report for FY 2022-23, which provides a comprehensive overview of our financial and non-financial performance during the reporting period.

Reporting period

This Report covers the period from April 1, 2022, to March 31, 2023, and is released annually. The previous year's Report was for FY 2021-22.

Basis of reporting

Continuing with our commitment to holistic reporting, in FY 2022-23, Mazagon Dock Shipbuilders Limited (MDL) follows the integrated reporting principles of the Value Reporting Foundation (VRF), formerly known as the International Integrated Reporting Council, post its merger with SASB. Building on our previous report, we have further expanded the scope and content to adhere to the framework's guiding principles. Through this integrated reporting approach, we aim to offer a comprehensive insight into our value creation process, incorporating the six capitals: Financial, Manufactured, Human, Intellectual, Social & Relationship, and Natural Capitals. Additionally, we provide an in-depth analysis of the risks in our operating environment and the mitigation actions undertaken, along with a strategic discussion on our approach to creating sustained value over time. This practice aligns with global best practices, as it goes beyond statutory norms and equips our stakeholders with both financial and non-financial information to make informed decisions regarding their engagement with our company.

Frameworks, guidelines, and standards

To ensure transparency and consistency in reporting, this Report is prepared in accordance with the International Framework published by the Value Reporting Foundation (formerly known as the International Integrated Reporting Council). Furthermore, it adheres to the following guidelines and standards:

- The Companies Act, 2013 (and the rules made thereunder)
- National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG-SEE)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India
- Cost Accounting Standards

Materiality

In FY 2022-23, we conducted a materiality assessment study to identify and prioritize material topics relevant to our stakeholders. This exercise assisted us in shaping our strategies and ensuring relevant disclosures in this Report.

Data integrity

For this Report, we collected and analyzed relevant data using our integrated data management system.

To maintain the highest standards of accuracy, reliability, and comparability, we employed stringent internal controls during the data collection process. Any significant limitations in the information provided are appropriately cited.

Precautionary approach

At MDL, we adopt a precautionary approach to minimize business risks and mitigate the impact of our operations on the environment. To address environmental, health, safety, and environment (HSE) concerns, we have implemented robust HSE management systems across our plants. These systems undergo regular audits by independent auditors to ensure compliance with best practices.

Feedback


As always, we value feedback from our stakeholders and investors. Your inputs are crucial in enhancing the relevance and effectiveness of our reporting. Please feel free to share your queries or suggestions with us at investor@mazdock.com.

We remain committed to providing transparent and comprehensive reporting, empowering our stakeholders to make informed decisions in line with our sustainable value creation journey.



Celebrating a proud legacy of over two centuries, we have relentlessly transformed maritime offerings.





We have scaled new heights, enhanced our expertise and achieved new milestones.

The years gone by have also been a celebration of our resilience, adaptability and excellence.

Our consistent focus on building sophisticated warships, submarines and a diverse maritime portfolio has enabled us to fortify the country's defence and develop indigenous capacities. Aligned with the government's vision of 'Atmanirbhar Bharat', we continue to build on a saga of self-reliance with the recent delivery of the fifth Scorpene Submarine 'VAGIR' as well as a Guided Missile Destroyer for the Indian Navy. Besides, we have finalised MoUs for the indigenous development and manufacturing of equipment for ships and submarines for national as well as international firms.

We have also been a thought leader in incorporating digital technologies as part of the Industry 4.0 initiatives. It has not only allowed us to adapt to change but, empowered us to adopt new-age methods. Besides, we continue to show a keen interest to nurture our R&D capacities and implement innovation across our offerings. Supported by the adoption of new-age technology, we have improved delivery timelines, the quality of construction and helped reduce the time required for design approvals.

Reiterating our commitment to excellence, we continue to live up to the title of 'Ship & Submarine Builders to the Nation', as we move ahead with resilience and fortitude – sailing further with confidence and determination.



FY23 in a snapshot



Financial

7,827.18 Cr

Revenue

1,511.28 cr

EBITDA

1,072.72 Cr

Profit after tax

₹ 53.19 per share

EPS

₹ 10.73 per share

Dividend per share
(paid basis)



Operational

₹ 38,755 Cr

Order book

01

Ship and

01

Submarine

Delivered to Indian Navy

1,14,212 Man hours
of training imparted

02

Patent granted

5,914

Total workforce



Non-Financial

1.26%

Total electricity consumption reduced by (7,82,521.9 Megajoules)

2%

Total energy consumption reduced by (13,31,979.34 Megajoules)

65.1%

Waste Generation reduced by (40,383.87 Metric tonnes)

85.75%

Waste recycled increased by (1,173.87 Metric tonnes)

₹ 12.61 Cr

CSR Expenditure



Who we are

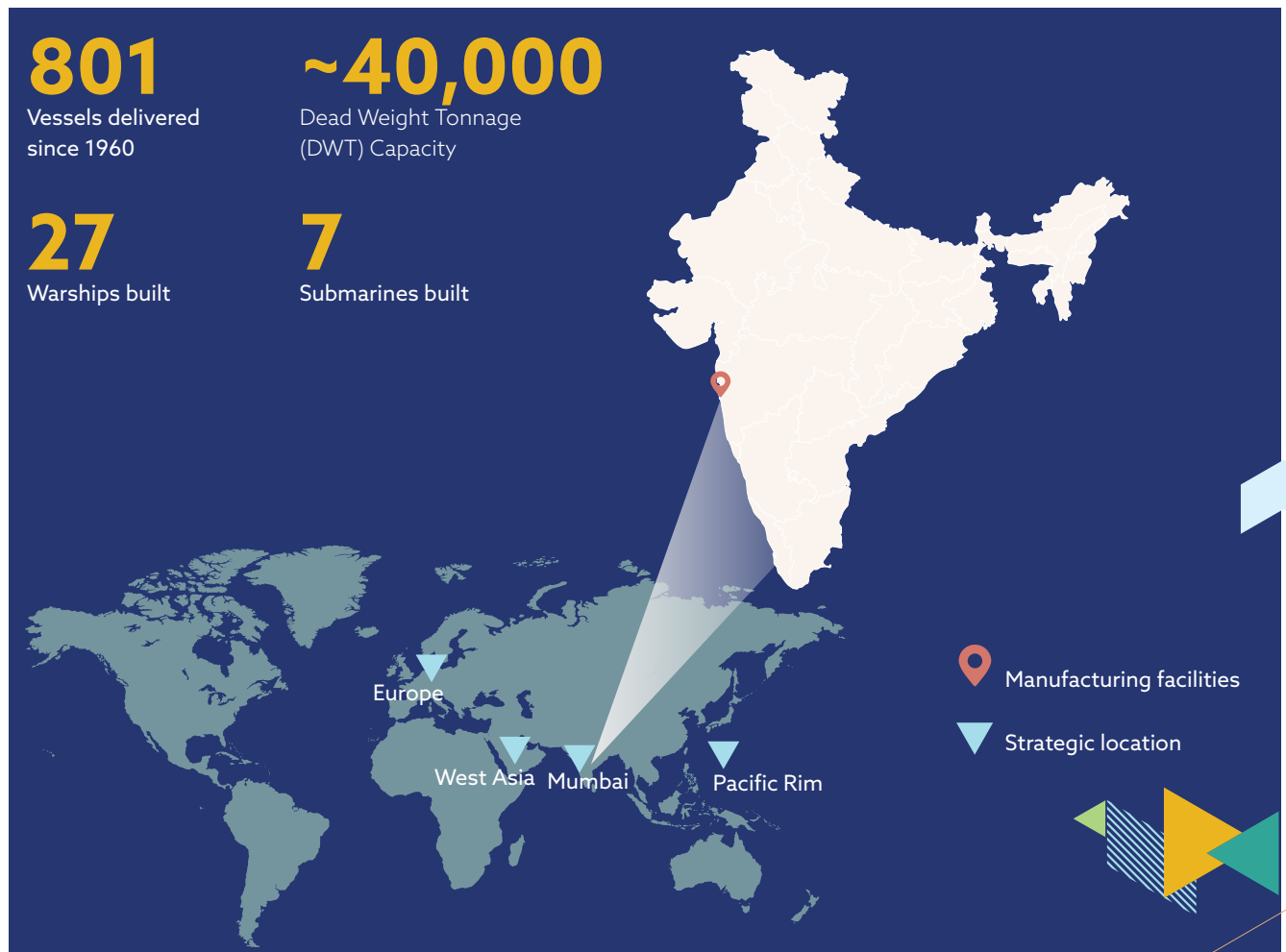
Mazagon Dock Shipbuilders Limited (MDL), referred to as the 'Ship & Submarine Builders to the Nation', is one of India's leading defence public sector undertaking shipyards, operating under the aegis of the Ministry of Defence. We undertake the construction, repair, and refurbishment of warships and submarines at our dedicated facilities in Mumbai and Nhava.

Since our inception in 1934, we have rapidly shored up our capacity to become a renowned war-shipbuilding yard that is committed to strengthen the nation's defence. We hold the unique distinction of being the only shipyard in the country that has produced destroyers and conventional submarines for the

Indian Navy. Besides, we were among the very first shipyards in India to manufacture Corvettes of the Veer & Khukri Class.

Our sustained investments in cutting-edge technologies and modern equipment have strengthened our capability for the modular

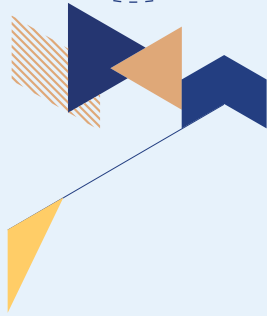
construction of warships. With a constant focus on innovation and quality, we have developed the capability to produce a wide array of sophisticated products for domestic as well as international clients. We have also conferred the 'Mini-Ratna-I' status in 2006.





Our illustrious journey

1934



Incorporated as a private Company in 1934

1774



Dry dock was constructed

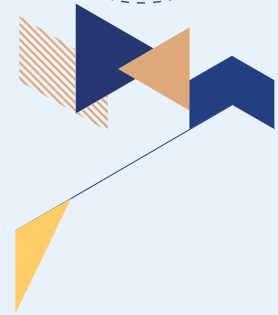
1960-1980



Acquired by the Government of India in 1960

Delivered the 1st Frigate, INS Nilgiri in 1972

1980-2000



Inauguration of the undertaking for Submarine construction in 1984

Commissioned 1st Indian built Submarine, INS Shalki in 1992

Commissioned 1st Destroyer, INS Delhi in 1997

Achieved ISO certification for Shipbuilding in 1998

Upgraded to Schedule 'A' status from Schedule 'B' in 2000



2000-2020

Received Mini Ratna Status in 2006

Implemented Enterprise Resource Planning and Systems Applications and Products in 2009

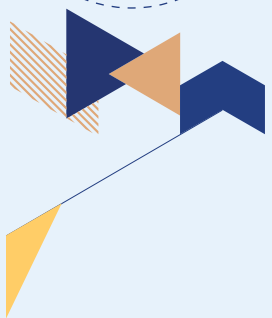
Inaugurated the Mazdock Modernization Project in 2014

Signed a contract for the construction and delivery of 4 Frigates with the Ministry of Defence in 2015

Inaugurated a new Submarine Section Assembly workshop at Alcock yard in 2016

Delivered the 1st Scorpene class Submarine in 2017 and 2nd in 2019

Listed on BSE & NSE in 2020.



2020-2023

Delivered three platforms viz. 3rd & 4th Scorpene class Submarine & 1st Missile Destroyer in 2021

Historical Double Launching of a Missile Destroyer and a Stealth Frigate in May 2022

The launch of the 6th Submarine 'Vaghsheer' took place in April 2022, and the 3rd Stealth Frigate 'Taragiri' was launched in September 2022

Delivered the 2nd P15B missile Destroyer, 'INS Mormugao,' in November 2022, and the 5th Scorpene Submarine 'INS Vagir' in December 2022

Accredited with ISO 14001:2015 & ISO OHSAS 45001:2018 (HSEMS) in July 2022 and with ISO/IEC 27001:2013 in October 2022



Chairman's statement

Dear Stakeholders,

I am honored to extend a very warm welcome to you all to the Ninetieth Annual General Meeting (AGM) of the Company. The Directors' Report and Annual Accounts of the Company for the Financial Year 2022-23 have already been circulated to you. It is a matter of privilege and responsibility that I am announcing the results of this fiscal year through the Annual Report of the Company. I am delighted to inform that best efforts by MDL collective have resulted in achieving several 'Best Ever' milestones across the Business Operations of your Company during the FY 2022-23.

Performance in FY 23

It gives me immense pride to convey that your Company in the Financial Year under review has recorded highest ever Revenue from Operations of Rs.7,827 crores and highest Operating Profit of Rs.716 crores. The Profit after Tax for the Year was recorded at Rs. 1,073 crores, higher by 83% over previous Financial year. Total income has increased by 39% from Rs. 6,167 crores in FY 2021-22 to Rs. 8,541 crores in FY 2022-23. Book value per Share has increased from Rs. 164.68 in FY 2021-22 to Rs. 207.13 in FY 2022-23. Net Worth has increased by 25.78% from Rs. 3,321 crores in FY 2021-2022 to Rs. 4,178 crores in FY 2022-23 and EPS increased from Rs.29.08 in FY 2021-22 to Rs.53.19 in FY 2022-23. The excellent performance in FY 2022-23 is wide ranging and encompasses outstanding Operational and Financial performance across all functions.

“

Your Company delivered two major platforms, the second Ship of Project 15B (Missile Destroyer) - INS Mormugao on 24 Nov 2022 and the fifth Scorpene Submarine of Project 75 'Vagir' to the Indian Navy on 20 Dec 2022.

The Company has been consistently earning Profits and distributing Dividend for the past more than 15 years. As advised by the Government, Company has earlier paid an Interim Dividend of Rs. 9.10 per equity share, amounting to Rs. 183.54 crore. It was duly approved by the Board of Directors in their meeting held on 10 Nov 2022. The Board of Directors have now, further recommended a Final Dividend of Rs. 138.36 crores for FY 2022-23.

Your Company achieved a Historical Double Launch of a Missile Destroyer "Surat" and a Frigate "Udaygiri" on 17 May 2022. Both the vessels were "Launched" in the august presence of Hon'ble Raksha Mantri, Shri Rajnath Singh.

Your Company delivered two major platforms, the second Ship of Project 15B (Missile Destroyer) - INS Mormugao on 24 Nov 2022 and the fifth Scorpene Submarine of Project 75 'Vagir' to the Indian Navy on 20 Dec 2022. I take pleasure in highlighting that the second Ship of P15B was delivered about three months ahead of the contractual delivery schedule.

Your Company Launched the sixth Submarine "Vaghsheer" on 20 Apr 2022 & stealth Frigate "Taragiri" of Project 17A on 11 Sep 2022.

Your Company Launched Fuel Cell Electric Vessel (FCEV) on 01 Jul 22 being India's First Indigenous Hydrogen Powered Fuel Cell Electric Boat. This is a six Pax Boat that runs on Hydrogen with an endurance of 22 Hours. Further, your company is in the process of building four more FCEVs of 24 Pax capacity each.

Your Company was Accredited with ISO 14001:2015 & ISO 45001:2018 (HSEMS) on 28 Jul 2022 and ISO/IEC 27001:2013 on 19 Oct 2022.

During the period under review your Company successfully conducted various significant events and won 4 accolades in the form of recognition and awards, detailed in the Directors' Report, thereby demonstrating the varied competencies of the Company.

Performance against MOU

During the year, your Company had signed Memorandum of Undertaking (MoU) with Ministry of Defence, Government of India MoD for the financial year 2022-23. The MoU outlines targets and various performance parameters for the Company.

The Value of Production was targeted at Rs. 7,654 crores (an increase of more than 34% over the Value of Production achieved for FY 2021-22). Actual achievement of Revenue from operations for the year is Rs. 7,584 crores for FY 2022-23. During the year, your Company achieved a Profit Before Tax (PBT) before Exceptional items of Rs. 1,429 crores.

Human resources

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. A list of Programmes / Trainings conducted during FY2022-23 is provided in the Directors' Report.

Indigenisation efforts

Your Company had 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 and through this your Company has been successfully able

to partner with the Indian industry to undertake indigenization/import substitution of various equipment/items which otherwise are being imported.

Your Company has been able to successfully indigenize some of the critical equipment/items required for warships and submarines as detailed in the Directors' Report. The procurement of the indigenized items from the Indian industry would not only result in substantial savings in foreign exchange to the exchequer but also contribute towards National Capability Building.

As a major leap, in line with National Mission of "Atmanirbhar Bharat" and "Make in India" and with an aim of indigenizing the design of conventional Submarines, MDL and initiated an ambitious program of Design and Construction of Indigenous Conventional Submarine. Further, MDL has volunteered to MoD to be the nodal agency for Conventional Submarine Design and to collaborate with IN, Gov agencies and Private Industries.

In addition to the indigenous Hull design and construction, a mega plan for Indigenisation of equipment for existing / future Submarine Projects under 'Atmanirbhar Bharat' and 'Make in India' program has also been initiated. Towards this, MDL have analysed all the 8000 equipment and material required for building Submarines. These 8000 components have been mapped to 165 equipment. 35 out of total 165 Submarine equipment have been indigenized. In addition, Project Specific Order (PSO) for 26 equipment have been issued including Main Electric Propulsion Motor and 31 additional items are at an advanced stage of order placement.

Marketing initiatives

17. Your Company participated in DEFEXPO 2022 in Gandhinagar and Africa Aerospace and Defence (AAD) in City of Tshwane - South Africa as an exhibitor for marketing and Business promotions. The exhibitions were



successful in projecting the image and capabilities of India in the defence production sector in general and warship/submarine building capabilities in particular. MDL delegation visited 16th International Defence Exhibition 2023 (IDEX) and the 7th edition of Maritime Defence Exhibition 2023 (NAVDEX) held in Abu Dhabi. MDL was also part of Ministry of Defence, Government of India delegation that visited and participated in the seminars held in Tanzania, Malaysia, Australia and Bangladesh organized by High Commission of India. During the seminar MDL interacted with the Armed forces / Navy representatives wherein Indian shipbuilding capacities and capabilities were showcased.

Research & Development

Under the "Atmanirbhar Bharat" initiative, MDL has undertaken the challenge of Indigenously Designing and Development a Midget Submarine.

Many other innovative R&D projects are currently in progress at Special Projects section under East Yard through collaboration with Academic Institutions, Start Ups & industry not only in the defence sector but also in the field of Energy and other Civil applications. Military products like Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) are being developed in partnership with the Industry and are designed to simulate the situation of actual moving Submarine for training purpose and for decoy measures.

MDL has developed and launched India's first Fuel Cell powered Electric Vessel (FCEV) as a 'Proof of Concept'. This will provide a sustainable green technology solution for waterways transportation with zero emissions. Modern marine transport solutions like Hybrid Electric & Solar boats which can provide an environment friendly options are also under development. This hybrid boat can offer a better alternative to conventional diesel

boats. The R&D team is also developing prototype of Lithium Ion Battery system solution for conventional Submarines.

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 AI products are now 100% operational and are deployed in-house for weld inspections and underwater inspections. Once the AI learning is completed with the current deployment, the commercialization of these AI products will be explored.

Your company is also exploring development of innovative AI projects with the help of Domestic Industry, Academia and Startups. Some of the major projects includes Artificial Intelligence (AI) enabled Autonomous Underwater Swarm Drones, Artificial Intelligence Based Predictive Maintenance of Ship Equipment and Artificial Intelligence Based Energy Management of Fuel Cell.

The in-house projects as well as projects in collaboration with academic institutions of repute like Welding Research Institute, Trichy, IISc Bangalore and NID are all aimed at solving the unique issues faced by the Ship 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.

Exports

Your Company working on establishing its presence in the export market. MDL has been in dialogue with various Indian Embassies / High Commissions abroad to expand its product outreach to prospective customers. The

commercial shipbuilding sector world-wide is passing through a down turn and MDL is deeply aware of the situation. Nevertheless, the defence requirements in the international market continues to remain relevant. Your Company has certain unique strengths and skill sets that have been painstakingly developed in the past eight decades and are adapted in the complex activities of Weapon Integration & Sensors for high tech Defence platforms.

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

Swachh Bharat initiative

Your Company, adhering to the Prime Minister's Swachh Bharat Abhiyaan, has made a 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.

- a) Clean-ship of adjacent areas / Roads of MDL by external agency: MDL has engaged an agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL.
- b) MDL carried out special Swachhta Drive at Sewari Fort.

Corporate governance

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

Green initiatives

Your Company has engaged various initiatives towards sustainable development and energy conservation in the year under report. Your Company is committed to reduce the consumption of energy generated by fossil fuel and to increase the generation of renewable energy to the maximum possible extent. Your Company has already installed 1.85 MWp Roof Top solar power plant, procured 40,000 Nos of 110V LED bulbs and 40 Nos of LED Flood lights.

Corporate social responsibility

Your Company is committed to all its stakeholders to conduct business in an economically, socially and environmentally sustainable manner as part of its CSR & Sustainability policy. Your Company has executed 27 projects as part of its CSR initiatives mainly in sectors of Education, Health & Sanitation, Skill Development and Village Development.

The executed projects are in line with schedule VII of the Companies Act. Your Company has spent Rs.12.61 crores towards CSR activities during FY 2022-23. A sum of Rs.5.87 crore remains unspent as several projects/ programs could not be accomplished/ completed due to delay in the submission of required documents and /or delay in execution of some projects by the implementing agencies

Future outlook

Infrastructure:

- i) Your Company plans to set up a green field shipyard at its Nhava Yard in a phased manner with short term and long term development plans based on better visibility with respect to large ticket orders.
- ii) Your Company would be building a New Floating Dry Dock of 12000T capacity to undertake the construction of advanced and next generation vessels.

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

Ongoing Projects:

It is a proud achievement that inspite of severe impact on Operations due to the prolonged pandemic situation worldwide, your company successfully delivered five Kalvari Class Conventional Submarines to Indian Navy between 2017 to 2022. Further, your company also successfully delivered two Missile Destroyers to the Indian Navy one each in FY 2021-22 and FY 2022-23, highlight being that both these Ships were delivered to the Indian Navy within the contractual timelines. All efforts are being made to complete the balance vessels under each of these Projects, i.e, Project 75, Project 15B and Project 17A, MRLC of SSK Submarines on priority.

Concluding remarks

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

I am grateful to the Board of Directors for their unwavering support and guidance, in maintaining the corporate image of your Company. Your Company has been and shall always remain committed towards "self-reliance in defence preparedness" by producing State-of-the-Art combat platforms thereby adding teeth to the Indian Naval fleet and Coast Guard, and to play a pivotal role in the maritime defence of our great nation. On behalf of the Board, I acknowledge and appreciate the excellent commitment and efforts and continuous contribution of the employees at all levels, who have enabled your Company to maintain its path of progress.

We shall endeavour our best performance and seize every opportunity to play a critical role in shaping the maritime defence of our Country and to constantly, enhance our human skills and innovate and transform as required to meet the challenges of the future.

Jai Hind!

Sanjeev Singhal

Chairman & Managing Director
(Additional Charge) w.e.f 01.02.2023
and Director (Finance) & CFO

DIN: 07642358



Q & A with Director (Finance)



Guidance for FY24 in terms of Revenue and Margin



For FY24 we are targeting delivery of one Destroyer. I expect that the Cost structure should not be significantly different and on an annualized basis it should be similar. One variation that was there in FY23 was we received LD refund of INR174 crores on one of the Submarines of Project P75. Till date we have already delivered five Scorpene submarines. For all these five deliveries we have submitted our Statement of Case for refund of LD. These LDs have been charged by Navy based on the Contractual delivery dates. We maintain that the delay is

not on account of MDL. For Scorpene submarine number two, the case has been analysed, firmed up, and Navy has accepted that only a small part of the delay is attributable to MDL and corresponding to that we have received a refund of INR174 crores. Going ahead, we believe that with respect to submarine numbers three, four & five, for which we have submitted the request for review of LD, these also would be examined by Navy and based on processing time it takes at the Ministry and the Navy, these LD refunds would also get sanctioned. In case we are getting these LD refunds during FY24, it would have a positive effect on the margins. In case these get shifted to FY25, then normal margin, excluding the LD refund which we received in FY23 are expected.



What was the Revenue from the Repairs and Maintenance vertical in FY23 and what kind of order book we have there?



Repair and maintenance revenue for FY23 has been pretty small because our major contract with respect to Medium Refit and Life Certification (MRLC) of a Submarine is almost coming to a close. We expect the MRLC to be completed and submarine delivered in August 23. Going ahead, we have received order for the second MRLC, another German made Submarine that has been in Operation for almost 36 years. The value of second MRLC contract is around INR2700 crores with delivery timelines of approx. 33 months. Considering the facts on ground, we expect to see an uptick in the Repair revenue for FY24 compared to FY23. In addition, MDL is also targeting Repair orders for various Defence & Commercial Ships. However, such orders may not be very significant in terms of Revenue.



What kind of Revenue growth we can expect over next couple of years, FY24 and FY25?



We will be able to have a better prediction for FY24. The growth for FY23 has been very significant over FY22 at about 37%. Such growth on Y-o-Y basis is not maintainable. As of now, we are a bit early in the year and a very refined guidance would be difficult. However, looking at the execution plans, we can say that we should be growing by around 10% in FY24.

Q

In terms of order pipeline, what kind of orders are we expecting, let's say in next 12 to 18 months and any update on order where only MDL and L&T would be the participants. So any update on those orders?

A

The order about which you are talking where MDL and L&T are the only shortlisted players is with respect to Conventional Submarines fitted with Air Independent Propulsion System, six in numbers, that is project P75 India (P75-I). As far as this particular tender is concerned, right now the date of submission of bid is 1st of August, 2023. As far as MDL is concerned, MDL has tied up with TKMS Germany and we have entered into a mutually exclusive agreement that we will be moving ahead in this project together. The discussions and the refinement and firming up of the bid is currently in progress. So both the sides are in discussion and we are trying to stitch up the things so that we are in a position to submit the bid by 1st of August, 2023.

Q

What is the expected size of this order?

A

Size of this order, as far as the published figures are concerned based on the Navy's AON, it is INR43,000 crores. However, because this is a dated figure of around 2018, we expect by the time we actually submit the bid this would be a substantially higher value.

Q

And this P75I, do you expect that the order finalization will happen in this financial year FY24 or it may take time?

A

P75I would take certain time for evaluation because there are certain Field Evaluation Trials involved once the bids are submitted. As per our assessment, the total process may take around 18 months' post submission of the bids.

Q

Over a period of time, those who have looked at the company have seen that your EBITDA margin has improved progressively. If you talk about last 7-8 years back, it used to be 3.5% to 5%. Now it is almost 10% in Q4 FY23. So I understand there are some sustainable cost drivers for the same, such as efficiency, or because we have been able to Deliver well in time. So if you could just highlight two or three drivers for the same that we can keep a track on while projecting our numbers.

A

I think you have already captured the major one, that the Deliveries have been in time. Whenever the deliveries are in time, it definitely has a significant positive effect on the margins. Because as far as the Contract value is concerned, Contract value remains broadly fixed. So we don't get anything more, but our costs definitely go up in maintaining the platform and other facilities in case there are delays in the delivery. Secondly, what I would say is that this industry operates on the cost to completion principle, whereby the cost of completion of the

platform is assessed on an annual basis. And till the time the entire Equipment, Services orders have not been placed, there is a kind of conservatism or uncertainties with respect to assessment of Costs. As we move towards the completion of the project, these clarities emerge. Third point is that, particularly in case of shipbuilding contract, there is a variable component of around 50%, and balance 50% is a fixed component. As far as the variable component is concerned, on the nomination-based orders, we get a fixed margin of 7.5% to 8%. Whereas, in case of fixed component, the scope and the price is fixed. So, in case there are any efficiencies, the Shipyard definitely gains, but this visibility also emerges when the ship is more matured towards delivery. In case there are any inefficiencies or delays, the margins get adversely impacted. So as we progress towards the execution of the project, these issues are much more clear. We believe that over the years MDL has gained substantial experience & expertise. We have a talented & skilled workforce and the Learning Curve has been crossed. All these factors do result in better efficiencies and better Contract management. However, we need to be careful about the external factors.

Jai Hind!

Sanjeev Singhal

Chairman & Managing Director
(Additional Charge) w.e.f 01.02.2023
and Director (Finance) & CFO

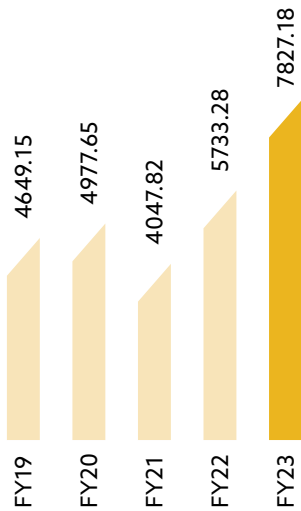


Key Performance Indicators

Profit and Loss

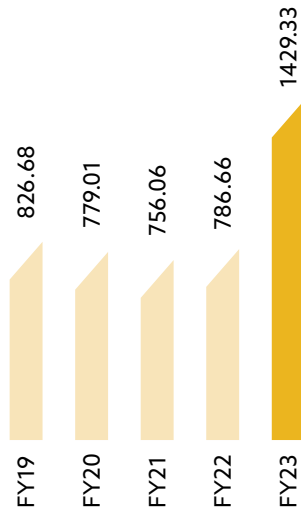
Revenue from operations (₹ in Cr)

7827.18



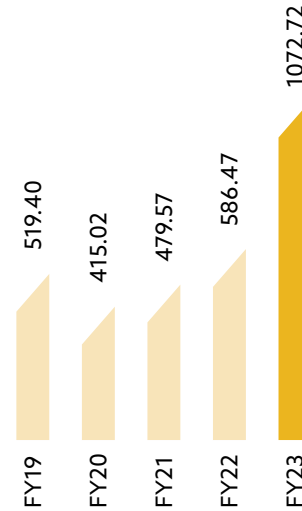
Profit Before Tax (₹ in Cr)

1429.33



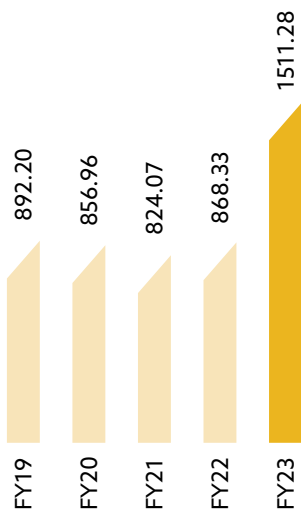
Profit After Tax (₹ in Cr)

1072.72



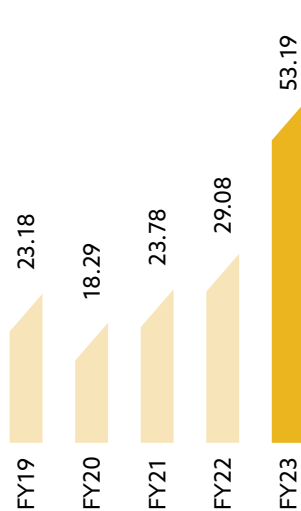
EBITDA (₹ in Cr)

1511.28



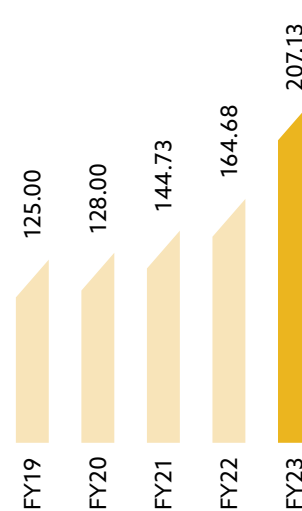
Normalised EPS (₹)

53.19



Book Value (₹)

207.13



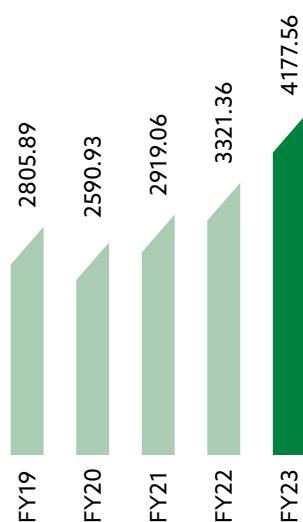
Graphs not to scale

Balance Sheet

Net Worth

₹ in Cr)

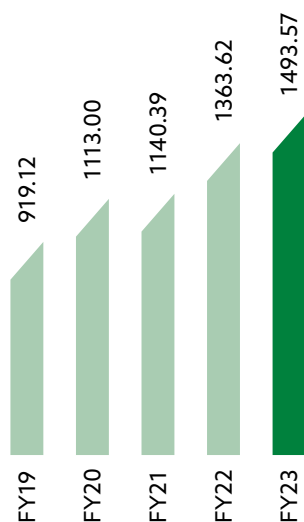
4177.56



Gross Block

₹ in Cr)

1493.57

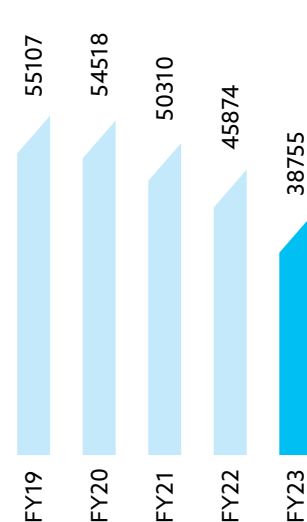


Operational

Order Book

₹ in Cr)

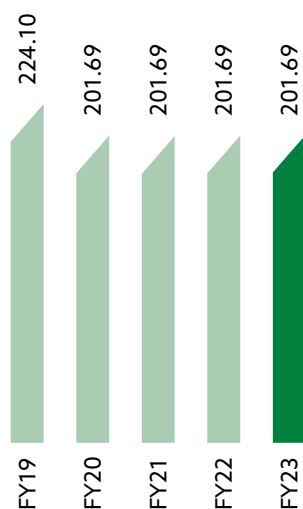
38755



Equity Share Capital

₹ in Cr)

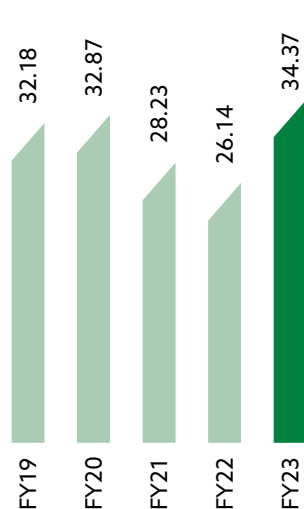
201.69



Return on Capital Employed

(%)

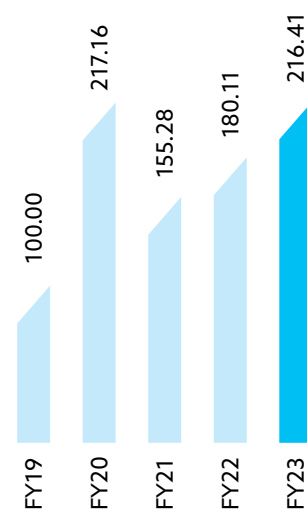
34.37



Dividend Distribution (Paid Basis)

₹ in Cr)

216.41





Focus on Sustainable Value Creation

Inputs



Financial Capital

₹ 4,177.56 Cr Capital Employed	₹ 201.69 Cr Equity	₹ 3,975.87 Cr Retained earnings	₹ 115.51 Cr Capital expenditure
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Manufactured Capital

Collaborative working with Indian Navy and other civilian organizations	Make-in-India partner with policies for MSMEs, startups and Indian corporates	World class Infrastructure for Ship and Submarine construction
300Tonne Goliath Crane	Modernization Program	₹ 1,024.33 Cr Property, Plant and equipment



Human Capital

2,982 Permanent Employees	2,927 Fixed Term contract employees	14,791 Employees trained	1,14,212 Of training provided (man hour)
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Intellectual Capital

₹ 96.52 Cr R&D & allied expenses	02 Patents acquired
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Social and Relationship Capital

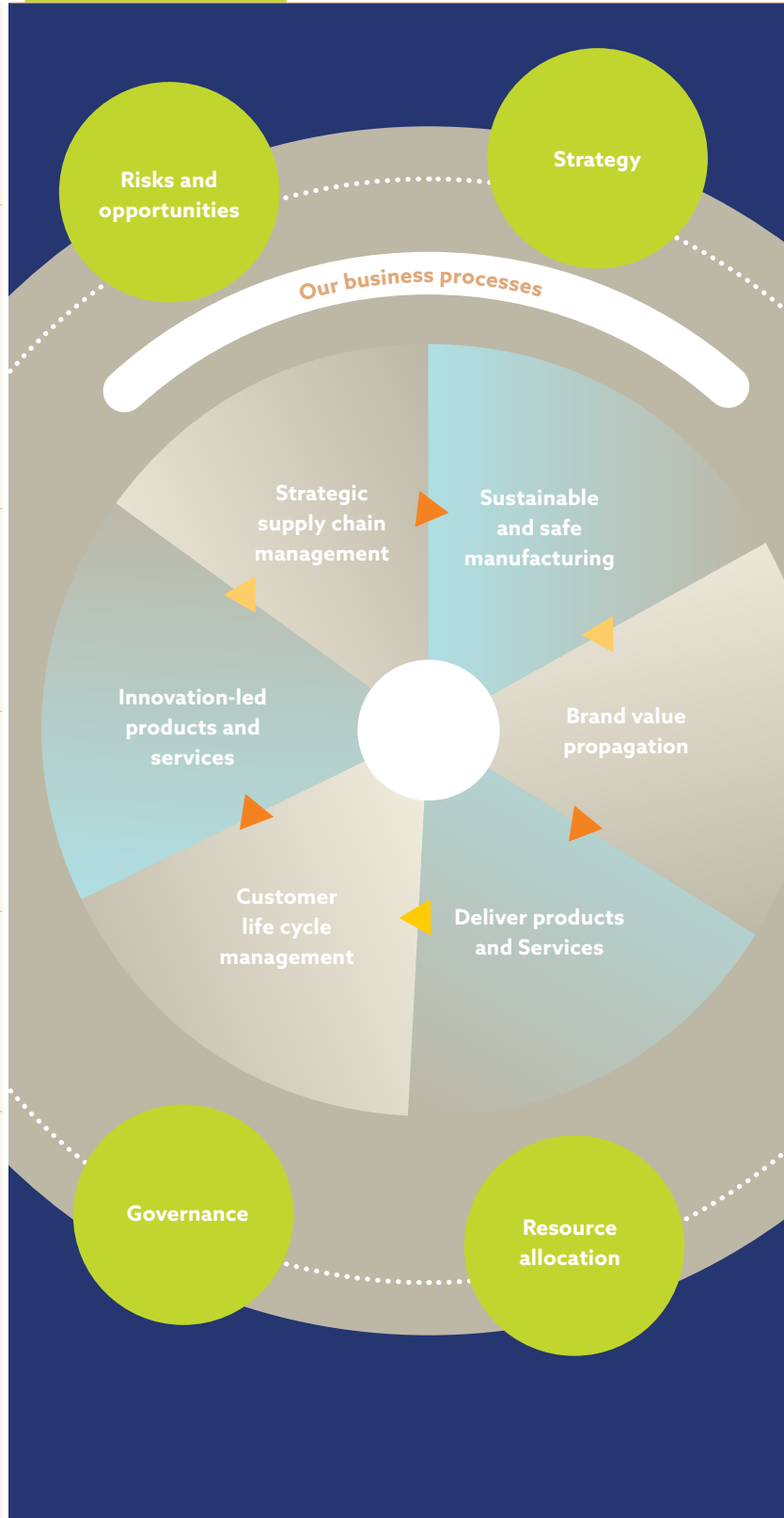
₹ 12.61 Cr CSR expenditure	960 Supplier base
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Natural Capital

Sewage Treatment Plant capacity to treat up to 2 cum/hr	Grey Water Treatment Plant having the capacity to treat up to 4 cum/hr	Oil Water Treatment Plant having the capacity treat up to 5 cum/hr
1.85 MW Roof Top solar power plant	Energy efficient motors and LED flood lights	Inverter based TIG welding machine and SMAW welding machine

Business process



Value Creation

Strong balance sheet, optimised asset utilisation, high stakeholder value

Collaboration with naval and civilian organisations, modern infrastructure for ship and submarine construction

Large workforce, extensive training

R&D expenses, industry-academia collaborations, innovative procedures

CSR expenditure, extensive supplier base

Sewage, grey water and oil water treatment plants, rainwater harvesting, solar power, energy efficiency initiatives

Outputs



₹ **7,827.18 Cr**
Revenue from operations

₹ **1,511.28 Cr**
Gross Margin

₹ **1,429.33 Cr**
PBT

₹ **216.41 Cr**
Dividend paid

₹ **53.19**
EPS

34.37%
ROCE

₹ **1,072.72 Cr**
PAT



Delivered second ship of project destroyer

Delivered fifth Scorpene Submarine



0.40
Attrition rate

Zero
Fatalities

0.18
LTIFR



Developed and launched India's 1st Feul Cell Powered Electric Vessel (FCEV)

Developed state of the art Basic Design of Naval Vessels

Actively participating in iDEX in collaboration with start-ups/MSMEs/Innovators

Developed Military products like Expendable Underwater Target (EUT) and Mobile Target Emulator(MTE)

In house projects in collaboration with institutions like Welding Research Institute, Tricy, IISc Bangalore & NID



34.20 %
Procurement from MSEs

27
CSR projects executed in sectors of Education, Health & Sanitation, Skill development and Village development



15 Lakhs kWh
Energy generated from Solar power

55.71 MT
of CO₂ reduced under Scope2 emissions

Disposal of dry and wet waste efficiently

Outcomes

Increased revenue and profitability

Delivery of ships and submarines

Reduced attrition, enhanced safety

Launched research projects, established innovative procedures

Executed CSR projects in education, health, skill development, and village development

Energy generated from solar, CO₂ savings

Stakeholders Impacted

Investors
Employees
Government

Customers (Indian Navy and others)
MSMEs
Startups

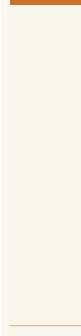
Employees

Research institutions
Academia
Customers

Suppliers
Local communities
Government

Local communities
Government
Environment

SDGs Impacted





A diverse and distinguished maritime portfolio

As an ISO 9001:2015 accredited enterprise, we hold a distinct position in India's shipbuilding industry, offering a diverse portfolio of products for clients in India and abroad. Combining our industry knowledge with new-age solutions, we strive to consistently deliver quality products and reiterate our position as a reliable partner in the maritime sector.

Our product portfolio

Merchant Ships



- ▶ General Cargo Vessel
- ▶ Multipurpose Support Vessel
- ▶ Offshore Supply Vessel
- ▶ Tugs
- ▶ Dredgers
- ▶ Passenger cum Cargo Vessel
- ▶ Water Tankers
- ▶ Barges
- ▶ Trawlers
- ▶ Windmill Towers pontoons

Oil Sector



- ▶ Offshore Platforms
- ▶ Jack-up Rigs

Naval Platforms



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















Fostering effective and continuous stakeholder engagement

We emphasise open channels of communication with our stakeholders including employees, customers, investors, suppliers, government bodies, and the communities we serve. Our emphasis on forming mutually beneficial bonds empowers us to improve our operations, understand stakeholder expectations and identify opportunities for sustained growth.

Stakeholders	 Investors and Shareholders	 Customers	 People	 Suppliers/ Vendors/ Contractors
Engagement Platforms	Quarterly, half yearly and annual results, AGM, Press Releases, Annual Report, Company's website, Investor Presentations, Investor meetings	WLM Meetings, Regular engagement, CPRM Meetings	Induction, Training programme, Rewards and recognition, Employee-oriented policies and schemes, Well-defined Promotion policy	Contract negotiations- PNC & TNC, Supplier meetings, Grievance redressal
Key Issues Addressed	Revenue, profitability and EPS, Return via dividend, Economic Performance, Regulatory Compliance, Resolution of shareholder grievance	Status of various activities like alignment check, PQ check etc, Status updation of stage completion, Delivery details of equipment/ services by OEM	Health and safety, Salaries and wages, Talent Management and Retention	Delivery status of the item, Timely Payments Acceptance/rejection status
Value Delivered to Stakeholder	Enhanced shareholder value, Transparency in operation, Confidence in Company's performance, Investment safety	Customer satisfaction, Timely product/ service delivery, Quality assurance, Building long-term relationships	Skill development, Safe and rewarding work environment, Employee retention, Personal and career growth	Fair trading conditions, On-time payment, Resolution of disputes, Strong business relationship
Capitals affected				

 Communities	 Bankers and other Financial Institutions	 Regulators and Statutory Bodies	 Media
<p>Community visits, Impact Assessment studies, Grievance redressal, Awareness through signboards</p>	<p>Regular engagement</p>	<p>Government portals and emails, Exhibitions</p>	<p>Press releases, Press notes and briefings, Interview in channels</p>
<p>Environment sustainability, Swachh Bharat Abhiyan, CSR activities for enhancing standard of living with better education and health, hygiene, and sanitation facilities</p>	<p>Import payments and relevant charges</p>	<p>Regular compliance and audit, Compliance with applicable laws, regulations & policies, Government initiatives such as 'Make in India' and 'Aatmanirbhar Bharat, Swachh Bharat</p>	<p>Launch and delivery of ongoing and future projects, Share value and dividend allocation</p>
<p>Community development, Environmental protection, Improved quality of life, Awareness and education</p>	<p>Financial stability, Timely repayment, Low credit risk</p>	<p>Compliance, Collaboration in government initiatives, Fulfilment of legal obligations</p>	<p>Reliable information, Transparency, Early updates on projects and launches, Trust and credibility</p>
 		 	



Promoting responsible growth

We operate on a cornerstone of social and environmental responsibility, continually striving to exceed expectations in our sustainable initiatives. We prioritise sustainable growth and aspire to create sustained value for all stakeholders in the longer run. It prompts us to go beyond regulatory obligations and develop a robust ESG (Environmental, Social, and Governance) framework, aligning with global best practices. It is designed to embed sustainable practices across our operations, ensure financial success and significantly contribute towards a more sustainable future.



Environment

1.85 Mwp

SPV power plant

15 Lakh units

Generated from Solar which is 10% of total consumption

1.15%

GHG Emissions (Scope 1 and Scope 2) reduced by (153.39 Metric tonnes CO2 equivalent)



Social

12,610

Man hours

of training provided for Safety

63%

of CSR Expenditure for Health & Nutrition; 16% of CSR towards skill development

12.59%

of the total R&D used towards improving environmental and social impacts

10.57%

of the total Capex used towards improving environmental and social impacts



Governance

50%

Board Executive Directors

12%

Board Diversity

37%

Independent Directors

NIL

Ethics violation reported

100%

of offices are assessed on elements of Human rights



Board of Directors



Shri. Sanjeev Singhal

Chairman & Managing Director (Additional Charge) w.e.f 01.02.2023 and Director (Finance) & CFO



Shri Sanjeev Singhal, is the Director (Finance) with Additional Charge of Chairman & Managing Director w.e.f 01.02.2023. He has been associated with our Company since January 08, 2020. He holds a bachelor's degree in Commerce (Honours) from University of Delhi. He is also a Cost Accountant from the Institute of Costs Accountants of India. He has over 32 years of experience in finance and accounting. Previously, he was associated with Mishra Dhatu Nigam Limited as a Director (Finance) and with Steel Authority of India Limited in the finance and accounts department.

Shri. Anurag Bajpai

IAS, JS (DIP) Government Nominee Director w.e.f 10 Nov 2022

Shri Anurag Bajpai belongs to 1994 batch of Indian Forest Service. He has been trained at Indira Gandhi National Forest Academy, Dehradun. A Post Graduate in Economics, Financial Management and Mass Communication, has got international exposure in forestry, environment policy, energy, women empowerment and global governance in various countries including Indonesia, South Korea, Germany, United Kingdom, Italy, Denmark, Belgium, Malaysia, Bahrain and Brazil. He has worked in Food and Agriculture Organization (FAO), Rome on a Project for 3 months. He has travelled across 32 countries and gained experience in policy planning and administration.

Women Empowerment. He served as Assist. Inspector General of Forest, Dy. Secretary and Director in M/o Environment, Forest & Climate Change, M/o Tribal Affairs and M/o Minority Affairs respectively in his previous terms.

In his parent cadre i.e. Manipur, he has held various senior positions right from Divisional Forest Officer onwards and gained administrative experience. He served in Forest & Environment Department and Dept. of Textiles, Commerce and Industries. Before joining the Dept. of Defence Production in MoD, Govt. of India as Joint Secretary, he was Addl. Principal Chief Conservator of Forests in Forest Department and CEO of Mission for Economic Empowerment of Traditional Artisan & Craftsmen (MEETAC) in Deptt. of Commerce and Industries in Manipur.

C Chairman **M** Member

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders' Relationship Committee

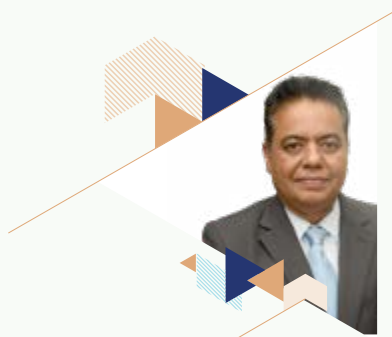
Functional Directors

**Cdr Jasbir Singh IN (Retd)**

Director
(Submarine & Heavy Engineering)



Cdr Jasbir Singh, IN (Retd) , is the Director (Submarine & Heavy Engineering). He has been associated with the Company since May 2010 and was appointed as a Director on November 01, 2019. 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.

**Shri Biju George**

Director
(Shipbuilding)



Shri. Biju George is the Director (Shipbuilding). He holds a post graduate degree in Ocean Engineering and Naval Architecture from the Indian Institute of Technology, Kharagpur. He has three decades of experience with our Company where two decades were with design of frontline warships viz. Missile Destroyers and Frigates. Prior to his appointment as Director (Shipbuilding), he was the Project Superintendent of the prestigious P17A Frigate Program for the Indian Navy. Prior to this, he has been heading the Shipbuilding Design Department.

**Cdr Vasudev Puranik IN (Retd)**

Director
(Corporate Planning & Personnel)
w.e.f 09 Jun 2022



Cdr. Vasudev Puranik, IN(Retd), is the Director (Corporate Planning & Personnel). He has been associated with the Company since June 2010. An alumnus of INS Shivaji, he holds a B.Tech (Mechanical) degree from Jawaharlal Nehru University (New Delhi), He has also completed Masters in Engineering from Pune University. Previously, he has served in the Indian Navy for over 22 years and has held several assignments afloat and onboard such as INS Rana, INS Nishank, INS Mysore and various appointments in Directorate of Naval Design, Gas Turbine Overhaul Centre, Visakhapatnam, Directorate of Ship Production and Naval Dockyard, Mumbai. He has received commendations from the Flag Officer Commanding Officer in Chief, Western Naval Command. Prior to the appointment, he was the Project Superintendent of the prestigious P-75 scorpene submarine construction programme at MDL.



Independent Directors



Shri Mallikarjunarao Bhyrisetty

Independent Director



Shri. Mallikarjunarao Bhyrisetty is a post graduate in Nuclear physics and has worked as lecturer and principal in DCBN & NKK Jr. College, Guntur. He is founder Director of the non-profit organization - Guntur Institute of Competitions. He has worked in areas like infrastructure, education & Social service activities. He has authored books on Indian History & Socio-Cultural History of Andhra Pradesh.



Smt Jagjeet Kaur Neeru Singh

Independent Director



Smt. Neeru Singh Jagjeet Kaur is a Post Graduate M.A Arts, B.com & LLB. She is working as a full time Director in Punjabi Sahitya Academy (MP), member of District committee for the 15-point program of Prime Minister for Minorities and member of Micro cabinet LIONS Clubs International. She has worked as Chairperson and President of LIONS Club (Dist.323-E-I). She is a visiting faculty for MBA students and Personality Development and has contributed in social, health, women and cleanliness projects in Madhya Pradesh.



Shri Dattaprasad P Kholkar

Independent Director
w.e.f 23.02.2023



Shri. Dattaprasad Prabhakar Kholkar is a B Tech in Mechanical Engineering from Goa Engineering College Ponda, Goa. He has more than 35 years of experience in areas of Trade and Commerce Business. His area of specialization are Management, Communication and Administration.

Corporate information

Board Of Directors

Shri. Sanjeev Singhal,
Chairman & Managing Director
(Additional Charge)
w.e.f 01.02.2023 ,
Director (Finance) and CFO

Government Nominee Director

Shri. Anurag Bajpai,
IAS, JS (DIP)
w.e.f 10 Nov 2022

Functional Directors

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

Shri Biju George
Director (Shipbuilding)

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

Independent Directors

Shri Mallikarjunarao Bhyrisetty
Independent Director

Smt Jagjeet Kaur Neeru Singh
Independent Director

Shri Dattaprasad P Kholkar
Independent Director
w.e.f 23.02.2023

PAST DIRECTORS

V.Adm Narayan Prasad,
AVSM, NM, IN (Retd.)
Chairman & Managing Director
till 31 Jan 2023

Shri Sanjay Jaju,
IAS, Addl Secretary (DP)
Government Nominee Director
till 10 Nov 2022

Shri Shambhuprasad Tundiya,
Independent Director
till 13 Nov 2022

Company Secretary

Smt Vijayalakshmi K Kumar

Auditors

M/s. C. R. Sagdeo and Co.
Chartered Accountants

Secretarial Auditor

Ragini Chokshi & Co.,
Company Secretaries

Bankers

State Bank Of India

Registered Office

Dockyard Road
Mumbai – 400 010

Registrar & Transfer Agent

M/s Alankit Assignments Limited





Senior managerial personnel



Dr. Santosh Kumar Mallick

ED (HR)

Dr Santosh Kumar Mallick presently holding the position of Executive Director (HR) has played a pivotal role in providing a strategic edge to the Human Resources function in MDL. He has wide exposure to whole gamut of HR functions like Industrial Relations, L & D, CSR, Wage Negotiation & Settlements, Statutory compliance, and HR Policy Formulation, Manpower Planning, Recruitment & Career Development, Skill Development, Performance Management, Conciliation & Legal Matters. With more than three-decade career at BEML Ltd, IFFCO Ltd and Engineers India Ltd having positioned in various capacities at Digboi Refinery, Haldia Refinery, Guwahati Refinery and Panipat Refinery including roles in Corporate, Operations, Project, and HR Management Services, Dr Mallick is a seasoned industry professional. He has held significant positions like HR Head and General Manager at BEML's Bangalore, Mysore and KGF Factories. His academic pursuits span Ph. D in Organisational Behaviour, PGD in Business Management, PGD in Social Work, LLB and Certification courses accredited by IIM-B, IIM-K, IIM-I, IMI, Fore School of Management and Royal Melbourne Institute of Technology.

Dr Mallick has received Kalinga HR Excellence Award from Institute of Public Enterprises, Pride of Odisha from Rotary International District 3262, 100 HR Super Achievers Award from World HRD Congress and PSU HR Leadership Award successively for 2 years from Hon'ble Governor of Puducherry Dr Kiran Bedi and Shri Deepak Mishra-Hon'ble Ex-CJL.



Shri Debabrata Shome

ED (Finance)

D. Shome is presently holding the position of Executive Director (Finance). He holds a Bachelor's degree in Commerce from the University of Calcutta. Qualified Cost Accountant. Worked in different Private Sector Organisations and last role as the AGM (Finance) before joining to MDL. Over 35 years of experience across the fields of accounting, costing, investment, financing with banking & credit exposure on new project funding. He has been with MDL for over 17 years.



Cdr. Dilip Kumar Jain

ED/PS (P75)

Cdr. Dilip Kumar Jain, Executive Director is presently working as Project Superintendent of P75 (Scorpene Submarines). His educational qualifications include B.E. (Electrical), M.Sc (Defence and Strategic studies) and PG Diplomas in Personnel Management and Business Administration. He has a rich experience of serving in Submarine Arm of Indian Navy for a period of 24 years. He joined MDL in 2010 and has been working in submarine division since then in various capacities.

ED - Executive Director (Below Board Level)

GM - General Manager

AGM - Additional General Manager

PS - Project Superintendent



Shri Rajiv Ranjan Kumar

ED (Production EY)

Rajiv Ranjan Kumar, a seasoned executive in the shipbuilding and maritime sectors, leverages his engineering, operations, and strategic expertise to ignite growth and innovation. As the Executive Director at Mazagon Dock Shipbuilders Limited, he propels the Company forward with vast experience of 31 years and a proven success record. With a foundation in production engineering from Bihar Institute of Technology, a Diploma in Quality Management from VJTI, Mumbai, and a PG Diploma in Operations Management from IGNOU, his visionary leadership drives modernization, boosts capacity, and fosters sustainability. He masterminds advanced naval vessel projects, ensuring top-tier quality and timelines through cutting-edge technology. His cross-functional collaboration accelerates decision-making, while partnerships with tech leaders and research bodies infuse the latest advancements. He champions continuous learning, uplifting the workforce, and advocating environmental stewardship. He envisions Mazagon Dock's global leadership in shipbuilding, setting new industry standards through innovation, excellence, and sustainability. Under his guidance, the Company pioneers world-class practices, elevating India's maritime prowess and the global industry.



Shri A Vinod

GM/PS (P17A)

Shri A Vinod, GM, is the Project Superintendent of the P17A Stealth Guided Missile Frigate Project. He has been associated with MDL since 1992. He has completed his B.Tech. in Mechanical Engineering from College of Engineering, Trivandrum, Kerala. He had been associated with Offshore Construction Projects of MDL for the ONGC, followed by prestigious Naval Projects like Shivalik Class Frigates, Kolkata Class Destroyers' was the Project Superintendent for P15B Project, when INS Visakhapatnam, the first-of-class vessel of that Project was delivered to the Indian Navy. He carries with him a plethora of experience in Offshore Construction, as well as Ship Building. Under his leadership, the fourth ship of P17A Project, is soon to be launched by MDL.



Mr. Vincent Mark D'souza

GM/PS (MRLC)

Mr. Vincent Mark D'souza holds a Mechanical Engineering Graduate from University of Mysore and a P.G. Diploma in Business Management from Mangalore University. He joined MDL in 1992 as Management Trainee, working in Offshore, Ship Building and Submarine Divisions in various capacities while handling challenging assignments. He holds over 31 years of vast experience in various domains related to Ship building, Submarine building, Offshore platforms, Sub-sea pipelines and Submarine Refit projects. He has experience of working in Transfer of Technology environment in Submarine Construction and adaptation of various products and processes to match with the domestic industry requirements. Presently he is heading the Indian Navy's Submarine Refit Programme at MDL as Project Superintendent. He has Hands on Experience of Project, Programme and Portfolio Management. He has strong working knowledge of Project Planning, scheduling, Budgeting & costing, tracking of Project Finances & Operational control. He holds a proven track record in his field of operation and is competent enough to adapt to changing business environment. The Executive has a strong Leadership and Communication skill that motivate the team members and help in focussing on organisational goals.



Shri Debasish Gurudas Hazra

AGM/PS (P15B)

Shri D Hazra, AGM, is the Project Superintendent of the P15B Stealth Guided Missile Destroyer. He has been associated with MDL since 1994. He has completed his B.E (Production) from Birla Institute of Technology, Mesra. He has worked in prestigious projects like the Delhi class destroyers, Shivalik Class Frigates, Kolkata class destroyers and now the Vishakhapatnam class Destroyers.

He has an extensive across the spectrum experience in Ship Building, with notable contributions in the Production, Design and Planning process of the industry. Under his leadership the third ship of P15B is now in the final stages of readiness towards joining the Indian Navy, with the fourth ship expected to be ready by the next financial year.





Our constant focus on empowering the nation's defence enables us to engage in concerted efforts to promote value creation for diverse stakeholders. Relying on our financial acumen, manufacturing expertise, R&D capacity and engineering talent, we are continuously setting new benchmarks in the industry and introducing advancements to shipbuilding.



Financial capital



Financial Capital embodies our company's fiscal strength and resilience. It facilitates robust operations, enables strategic allocation of resources for business expansion and stakeholder value creation.

SDGs impacted



Focus areas

- **Economic Value**
We are dedicated to generating substantial economic value for stakeholders as well as the community, by adhering to sustainable and responsible business practices.
- **Business Strategy**
Our strategic approach focuses on aligning business objectives with sustainable development, to ensure a resilient and future-proof growth model.

Revenue (₹ in Cr)

7827.18

FY23	7827.18
FY22	5733.28
FY21	4047.82
FY20	4977.65
FY19	4649.15

EBITDA (₹ in Cr)

1511.28

FY23	1511.28
FY22	868.33
FY21	824.07
FY20	856.96
FY19	892.20

PBT (₹ in Cr)

1429.33

FY23	1429.33
FY22	786.66
FY21	756.06
FY20	779.01
FY19	826.68

PAT (₹ in Cr)

1072.72

FY23	1072.72
FY22	586.47
FY21	479.57
FY20	415.02
FY19	519.40

Key Ratios

Gross Profit : Capital Employed

0.344

FY23	0.344
FY22	0.239
FY21	0.262
FY20	0.304
FY19	0.296

Total Comprehensive Income : Net Worth

0.257

FY23	0.257
FY22	0.175
FY21	0.169
FY20	0.154
FY19	0.180

Gross Margin : Gross Block

1.012

FY23	1.012
FY22	0.637
FY21	0.723
FY20	0.770
FY19	0.971

Revenue from Operations : Gross Block

5.241

FY23	5.241
FY22	4.204
FY21	3.550
FY20	4.472
FY19	5.058

LOOKING AHEAD

We continue to maintain a healthy and sustainable growth trajectory with consistent improvements across key parameters such as revenue, EBITDA, PBT, and PAT. Our commitment to efficient utilisation of financial resources has enabled us to create long-term value for our shareholders. Going forward, we seek to drive growth and profitability on the back of a strong balance sheet, adequate foresight and agility.



Manufactured Capital



SDGs impacted



Focus areas

> Capacity Development

Our continuous investment in infrastructure and technology facilitates efficient resource utilisation through optimum capacity development.

> Customer Satisfaction

We strive to deliver products that meet customer requirements and adhere to the highest quality standards.

Our commitment to continuously refine operational processes through improvements in the manufacturing infrastructure has enabled us to develop world-class facilities for the production of specialised maritime products. It also strengthens our participation in the Make-in-India initiative and enables us to develop strategic assets to fortify India's defence infrastructure.

Our robust marine infrastructure

Our world-class facilities are equipped with advanced machinery and play a pivotal role in catering to the rigorous demands of the defence shipbuilding industry. It is designed to maximise efficiency and substantiates our efforts to deliver exceptional products.

Submarine Division

The Submarine Division has an on-site dry dock for swift maintenance and repair, and a specialised Shore Integration Facility for rigorous system testing.

Key Infrastructure

► Dry Docks, Wet Basins & Slipways

We have three Dry Docks, two Wet Basins, and three Slipways, to ensure high operational capacity and strengthen the ability to handle multiple projects concurrently.

► Production, Assembly & Electrical Shops

It is instrumental in the seamless assembly and integration of ship parts.

► 300 Tonne Goliath Crane

It helps in heavy-lifting and is vital for constructing large, complex structures.

► Shore Integration Facility

It is used for system testing and integration onshore, before ships embark on their journey to the sea.

Strategic initiatives

We support the Make-in-India initiative to enhance our contribution to indigenous manufacturing within the country. With special emphasis on modernisation projects, we integrate innovative technologies to enhance operational efficiency. Reiterating our commitment to strengthen the nation's defence, we are working on two shipbuilding projects for the Indian Navy and have engaged in the construction of six Scorpene class Submarines, in partnership with the Naval Group, France.

Infrastructure Key Metrics

Docking Facilities

5 in total, with three Dry Docks and two Wet Basins, allowing simultaneous handling of diverse shipbuilding projects

Slipways

3 in total, enabling concurrent vessel launching and enhancing operational efficiency

Lifting Capacity

A **300** Tonne Goliath Crane is used for lifting heavy components

Shore Integration Facilities

2 dedicated facilities for thorough testing and integration of all submarine and ship systems before deployment, to improve its safety and reliability





Intellectual Capital



SDGs impacted



Focus areas

- > **Innovation and Creativity**
We actively foster an environment that encourages creative thinking to drive breakthrough innovations.
- > **Research & Development**
Our continuous investment in R&D promotes the development of advanced methods and encourages the adoption of cutting-edge technology to usher in significant changes across our operations.
- > **Cybersecurity**
We focus on implementing robust cybersecurity measures to safeguard our digital assets and maintain data privacy.

We make continuous investments to improve our technological prowess, adopt innovative methods and nurture a knowledge-driven workforce. Our engineering expertise has empowered us to relentlessly implement new-age processes to build ships that are designed to handle advanced and sophisticated operations. It has also allowed us to retain a competitive edge in the industry.

Key Highlights

Rs **96.52** Cr

Invested in R&D

2

Patents acquired

Collaborations with prestigious institutions like IIT, Welding Research Institute, Trichy, IISc Bangalore and NID.

Implementation of innovative technologies like Product Lifecycle Management (PLM), SAP - ERP, and File Lifecycle Management (FLM).

Establishment of state-of-the-art facilities like Shore Integration Facilities (SIF) and a Virtual Reality Lab.

Innovation and research & development

Our allegiance to the government's vision of 'Atmanirbhar Bharat' encourages us to increase indigenous capacity through the adoption of latest technology and a quality focused approach. We strive to develop our R&D competencies on the back of our internal talent pool as well as our strategic alliances with esteemed institutions like the IIT, Welding Research Institute, Trichy, IISc Bangalore, and NID.

Key facilities

To streamline our operations and enhance efficiency, we have developed Shore Integration Facilities (SIF) for our Shipbuilding and Submarine Divisions. These facilities empower us to integrate and simulate various systems and equipment prior to fitting them on ships or submarines. Our state-of-the-art Virtual Reality Lab allows us to create immersive simulations that aid in design and development.



Artificial Intelligence (AI) enabled remotely operated vehicle (AI-ROV) for under water inspections

Digital transformation

We leverage digital technology to drive sustainable growth. It has enabled us to adopt advanced technology and support innovative efforts. Some of the key initiatives include the implementation of the SAP-ERP and the Product Lifecycle Management (PLM) systems. The PLM system, implemented for our stealth frigate programme, serves as an information management system to facilitate seamless collaboration between various departments associated with our shipbuilding process.

Intellectual property

We place significant emphasis on securing intellectual property rights for our innovations, as demonstrated by the 5 new Copyrights and Trademarks secured by us in the past year. These properties are a testament to our emphasis on innovation and technical advancement.



Artificial Intelligence (AI) enabled weld inspection tool using advanced phased array technique to replace manual radiography (AI-UT)

Disaster Recovery and File Lifecycle Management (FLM)

We maintain a disaster recovery site at ITI Bengaluru for our critical business applications like SAP, Email and Active Directory system to ensure business continuity. Besides, we have incorporated File Lifecycle Management (FLM) into our operations to enable digital approval of files and foster seamless workflow.



Artificial Intelligence (AI) enabled weld inspection tool with computerized radiography (AI-RT)



Mobile Target Emulator (MTE)



Human Capital



SDGs impacted



Focus areas

- **Healthcare**
We prioritise the health of our employees and ensure access to quality healthcare facilities.
- **Diversity and Inclusivity**
We are committed to promoting equality, inclusivity, and diversity at the workplace to provide equal opportunities to our people.
- **Professional growth**
Through continuous training and skill development, we strive to improve prospects for professional growth and career progression

Our human resource forms the cornerstone of our success and a key pillar of our growth and development over the years. We remain focused on improving their well-being and providing opportunities for continuous learning and skill development to support their personal as well as professional growth.

Key Metrics

Rs 792.71 cr
Employee Expenses

12,610
Safety Training Hours

1,14,212 Man hours
Total Training

Learning and development

Our focus on talent development is reflected through training programmes under the Apprentices Act, 1961, for BOAT Apprentices and Marine Engineering students. It enables us to maintain a steady pipeline of trained people, equipped to handle the intricacies of the shipbuilding industry. We also offer Learning & Development programmes for executives, conducted by prominent institutes within the country and sponsor their participation in various seminars, conferences, and workshops.



Investing in People

Our people empower us to achieve new milestones of success. We, therefore, remain committed to ensure their professional as well as personal growth. During the last fiscal year, we have invested ₹ 792.71 Cr for employee expenses and achieved 1,14,212 man-hours of training. For us, safety training is a priority to enhance the well-being of our workforce and ensure efficient performances.

Board of Directors of Mazagon Dock Shipbuilders Ltd



Social and relationship capital



SDGs impacted



As a responsible corporate, we understand the importance of building stronger bonds with stakeholders. It encourages us to undertake initiatives that empower us to usher in meaningful change and focus on the holistic development of society.

Focus areas

- > **Healthcare**
We extend our support to healthcare institutions and contribute to the well-being of the community.
- > **Social Reform**
We work towards social reform by uplifting underprivileged sections of the society and driving inclusive development.
- > **Sustainable Livelihoods**
We foster sustainable livelihoods through skill development initiatives and educational programmes.
- > **Education and Capacity Building**
We support educational institutions to provide access to quality education to students.

Key Metrics

Rs **1261** Lakhs

CSR Expenditure

27

Number of CSR Projects Executed

Education, Health & Sanitation, Skill Development, Village Development

Sectors Impacted

06 Villages, 205203 People Lives enhanced

Number of beneficiaries

Corporate social responsibility

Our CSR initiatives encompass a multitude of sectors ranging from education and health to sanitation, livelihood generation and rural advancement. We have successfully implemented several projects to create lasting change to the lives of people. Besides, we have engaged in dedicated efforts to help people during the Covid-19 pandemic and extended aid to government hospitals in Mumbai.



Counselling of Cancer Patient by Sanjeevani Counsellor at SMS Jaipur



School Children with Fortified Milk in Gadchiroli district



MDL has engaged a clean-ship - specific agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL and carried out special Swachhta Drive at Sewari Fort on 12.08.2022



Construction of Hostel for Veer Naris (War Widows) at Mankhurd



TB Patient receiving Nutrition Kit under TB Mukta Nandurbar project

Empowering communities

At the core of our corporate ethos lies a strong commitment to empower communities. For us, social responsibility transcends obligatory philanthropy—it is about facilitating transformative growth. We strive to channel our resources for the upliftment of disadvantaged communities and the empowerment of underprivileged people.

Our initiatives are designed to empower the next generation and effectively contribute to the nation's progress. We take a holistic approach to development, aimed at nurturing a prosperous future.



MAZAGON DOCK LIMITED
CRANE CAPACITY
SHIP BUILD



Natural Capital

SDGs impacted



Focus areas

> Climate Change

We proactively manage our greenhouse gas emissions and implement initiatives aimed at climate change mitigation.

> Water Management

Our comprehensive water management programme encourages efficient use and conservation of this vital resource.

> Waste Recycling and Management

We adopt innovative waste management practices to reduce, recycle, and repurpose waste generated from our operations.

> Biodiversity

We understand the importance of biodiversity conservation and integrate its principles into our business decisions.

We prioritise sustainable practices across our operations and strive to play an integral role in minimising our impact on the environment. With an emphasis on limiting emissions, conserving water and ensuring efficient waste management, we strive to create environmental awareness across the organisation.

Key Metrics

1.26%

Total electricity consumption reduced by (782521.9 Megajoules)

2%

Total energy consumption reduced by (1331979.34 Megajoules)

1.15%

GHG Emissions (Scope 1 and Scope 2) reduced by (153.39 Metric tonnes CO₂ equivalent)

65.1%

Waste Generation reduced by (40383.87 Metric tonnes)

85.75%

Waste recycled increased by (1173.87 Metric tonnes)

Energy conservation

We are deeply dedicated to promoting energy conservation, a principle that's reflected in our efforts to utilise renewable power sources. As a result, we have increased the use of solar power across our operations and strive to minimise our carbon footprint.

1.85 MWp

Solar power plant installed

Water management

To conserve water, we have implemented rainwater harvesting facilities and set up Sewage Treatment Plants to optimise water usage.

Waste management

We practice responsible waste management and encourage the implementation of the principles of reduce, reuse, and recycle across the organisation. It has considerably reduced our impact on the environment.



Environmental preservation

Our dedication to environmental preservation permeates our business ethos. As we navigate the challenges of climate change, we are intensifying efforts to formulate and execute strategies to foster sustainability. Our multifaceted approach encompasses energy efficiency, water and waste management, and biodiversity preservation. These key pillars guide us in mitigating our environmental impact while ensuring adherence to sustainability principles.



Awards and recognition



MDL was conferred with a CSR award i.e. "Runner-up for 10th PSE Excellence Award under Corporate Social Responsibility (CSR) Category" by Indian Chambers of Commerce. The award was handed-over to MDL for excellence in CSR in New Delhi in March 2023.



MDL was conferred with a CSR award i.e. "CSR Project of the Year" by UBS Forums Pvt. Ltd. at the 7th edition of CSR Summit & Awards 2023 in Mumbai in March 2023. The award was conferred to MDL for its CSR initiatives towards COVID management.



MDL's in-house magazine "Jaltarang" was selected as the best magazine by Ashirwad Rajbhasha Sansthan and on 20 September 2022 was awarded first prize by Honorable Governor Shri Bhagat Singh Koshyari at Raj Bhavan.



MDL won the HR Leadership Award during 9th PSU Awards by Governance Now, presented by Ex-Chief Justice of India, Shri. Deepak Mishra on 16.02.2023



The Institute of Cost Accountants of India conferred Best CFO to CMA, Shri Sanjeev Singhal, DF and Addl Charge CMD, Mazagon Dock Shipbuilders Ltd.



Mazagon Dock Shipbuilders Ltd is now ISO/IEC 27001:2013 ISMS Certified

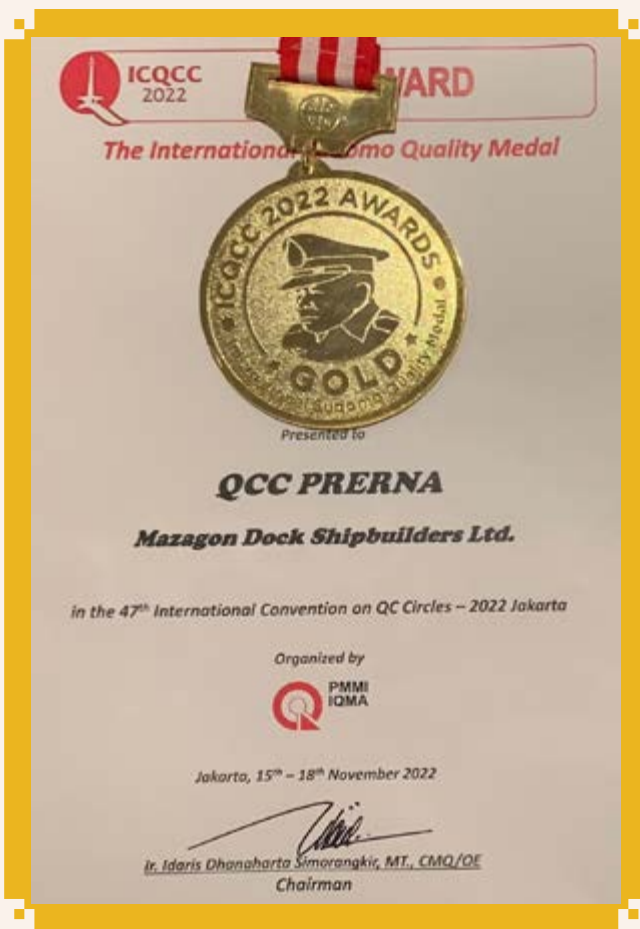
Indian Register Quality Systems has certified that the Information Security Management Systems (ISMS) of MDL has been assessed and found conforming to the Standard ISO/IEC 27001:2013



Official language magazine "Jaltarang" published by MDL was awarded first prize on 25 July, 2022 by Mumbai TOLIC (Town Official Language Implementation Committee).



Certificate of Gold award (Rainbow & Shramik -QC) won at the 36th CCQC (Chapter Convention on Quality Concept) 2022.



Certificate of Par Excellence award (Prabal QC) won at the 47th ICQCC International Convention on Quality Control Circles



Certificate of Par excellence award (Ganaji-QC and Anurakshak QC) won at the 36 th NCQC (National Convention on Quality concept) - 2022



10 years at a glance

Published

₹ in Cr

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
(A) Financial Position:										
Equity Share Capital	201.69	201.69	201.69	201.69	224.10	224.10	249.00	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	3975.87	3119.67	2717.37	2389.24	2581.79	2198.30	2359.78	2647.03	2260.65	1894.04
Net Worth	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85	2093.24
Gross Block	1493.57	1363.62	1140.39	1113.00	919.12	763.35	844.54	594.20	493.37	375.20
Net Fixed Assets (Net Block)	1024.33	964.62	806.85	848.35	753.96	646.37	546.27	344.59	265.81	176.12
Capital Employed	4177.56	3321.36	2919.06	2590.93	2805.89	2422.40	2608.78	2846.23	2459.85	2093.24
Working Capital	1945.34	1345.50	1301.47	1627.49	1907.17	1937.32	2522.63	2188.39	1937.62	1597.39
(B) Operating Results:										
Revenue from Operations	7827.18	5733.28	4047.82	4977.65	4649.15	4409.59	3529.74	4141.83	3618.91	2886.72
Value Added	2216.57	1682.48	1179.05	1351.62	1288.82	1358.26	1228.50	1287.99	1338.47	1358.30
Gross Margin (EBIDTA)	1511.28	868.33	824.07	856.96	892.20	750.43	891.01	925.42	776.33	606.03
Gross Profit	1435.70	793.82	764.42	788.27	830.78	700.22	851.62	893.92	745.47	587.80
Profit before tax and exceptional items	1429.33	786.66	756.06	779.01	826.68	696.37	847.72	925.59	746.00	587.57
Provision for Tax	356.61	186.22	150.35	351.67	307.28	256.57	314.23	319.51	254.41	189.96
Profit for the year	1072.72	586.47	479.57	415.02	519.40	439.80	533.49	637.82	491.59	397.61
Total Comprehensive Income	1,072.64	582.41	493.14	397.91	503.92	400.61	525.12	637.82	491.59	397.61
(C) Appropriation:										
Dividend-Equity Shares (Declared)	321.90	176.08	146.02	207.51	155.82	180.00	165.41	199.20	100.00	100.00
Tax on Dividend	0.00	0.00	0.00	44.64	20.56	49.96	40.55	40.55	19.99	17.00
(D) Ratios :										
Gross Profit : Capital Employed	0.344	0.239	0.262	0.304	0.296	0.289	0.326	0.314	0.303	0.281
Total Comprehensive Income : Net Worth	0.257	0.175	0.169	0.154	0.180	0.165	0.201	0.224	0.200	0.190
Gross Margin : Gross Block	1.012	0.637	0.723	0.770	0.971	0.983	1.055	1.557	1.574	1.615
Profit Before Tax : Revenue from Operations	0.183	0.137	0.187	0.157	0.178	0.158	0.240	0.223	0.206	0.204
Revenue from Operations : Gross Block	5.241	4.204	3.550	4.472	5.058	5.777	4.179	6.970	7.335	7.694
Value Added : Revenue from Operations	0.283	0.293	0.291	0.272	0.277	0.308	0.348	0.311	0.370	0.471
Current Ratio	1.081	1.053	1.063	1.099	1.118	1.125	1.169	1.072	1.069	1.062
No. of Employees :										
Gross Margin per employee	0.256	0.175	0.138	0.129	0.129	0.085	0.103	0.103	0.085	0.070

Note- Figures are based on the published financial statement.

Restated

₹ in Cr

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
(A) Financial Position:										
Equity Share Capital	201.69	201.69	201.69	201.69	224.10	224.10	249.00	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	3975.87	3119.67	2717.37	2379.51	2568.12	2198.43	2375.54	2124.21	2260.65	1894.04
Net Worth	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85	2093.24
Gross Block	1493.57	1363.62	1140.39	1101.17	1006.60	763.35	617.48	637.70	493.37	375.20
Net Fixed Assets (Net Block)	1024.33	964.62	806.85	836.35	810.29	646.37	546.25	367.76	265.81	176.12
Capital Employed	4177.56	3321.36	2919.06	2581.20	2792.22	2422.53	2624.54	2323.41	2459.85	2093.24
Working Capital	1945.34	1345.50	1294.84	1612.05	1853.72	1941.96	2519.01	2349.11	1932.84	1600.79
(B) Operating Results:										
Revenue from Operations	7827.18	5733.28	4047.82	4904.84	4613.95	4487.98	3530.48	4127.06	3618.91	2897.39
Value Added	2216.57	1682.48	1179.05	1329.62	1253.62	1344.93	1229.23	1286.29	1338.47	1368.97
Gross Margin (EBIDTA)	1511.28	868.33	824.07	848.44	898.41	750.59	880.29	977.03	776.33	606.03
Gross Profit	1435.70	793.82	764.42	779.69	834.08	700.38	840.90	933.22	745.47	587.80
Profit before tax and exceptional items	1429.33	786.66	756.06	770.43	825.01	696.53	837.00	929.32	746.00	587.57
Provision for Tax	356.61	186.22	150.35	349.63	307.73	256.60	288.01	360.84	254.41	189.96
Profit for the year	1072.72	586.47	479.57	408.48	517.28	439.93	548.99	568.48	491.59	397.61
Total Comprehensive Income	1,072.64	582.41	493.14	391.37	501.80	400.74	548.11	575.23	491.59	397.61
(C) Appropriation:										
Dividend-Equity Shares (Declared)	321.90	176.08	146.02	207.51	155.82	180.00	165.41	199.20	100.00	100.00
Tax on Dividend	0.00	0.00	0.00	44.64	20.56	49.96	40.55	20.36	19.99	17.00
(D) Ratios :										
Gross Profit : Capital Employed	0.344	0.239	0.262	0.302	0.299	0.289	0.320	0.402	0.303	0.281
Total Comprehensive Income : Net Worth	0.257	0.175	0.169	0.152	0.180	0.165	0.209	0.248	0.200	0.190
Gross Margin : Gross Block	1.012	0.637	0.723	0.770	0.893	0.983	1.426	1.532	1.574	1.615
Profit Before Tax : Revenue from Operations	0.183	0.137	0.187	0.157	0.179	0.155	0.237	0.225	0.206	0.203
Revenue from Operations : Gross Block	5.241	4.204	3.550	4.454	4.584	5.879	5.718	6.472	7.335	7.722
Value Added : Revenue from Operations	0.283	0.293	0.291	0.271	0.272	0.300	0.348	0.312	0.370	0.472
Current Ratio	1.081	1.053	1.062	1.098	1.114	1.129	1.168	1.156	1.068	1.063
No. of Employees :										
Gross Margin per employee	0.256	0.175	0.138	0.128	0.130	0.085	0.102	0.109	0.085	0.070

Note- Figures are based on the Restated Financial Statement.



Notice

NOTICE is hereby given that the Ninetieth Annual General Meeting (AGM) of Mazagon Dock Shipbuilders Limited will be held through Video Conferencing (VC)/Other Audio Video Visual Means (OAVM), on Wednesday, the September 27, 2023 at 11.00 A.M. (IST) to transact the following businesses:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Directors' Report and Auditors' Report thereon and Comments of the Comptroller & Auditor General of India.
- (2) To confirm payment of Interim Dividend of ₹ 9.10 per equity share of ₹ 10/- each (i.e. @ 91 %) paid in Nov 2022 and to declare final dividend of ₹ 6.86 per equity share of ₹ 10/- each (i.e. @ 68.60 %) for the financial year ended on March 31, 2023.
- (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 2023-2024 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 2023-24 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 ₹2,25,000/- (Rupees two lakhs and twenty five thousand only) excluding applicable taxes payable to Cost Accountants, for conducting cost audit of the Company for the financial year 2023-24, as approved by the Board of Directors of the Company be and is hereby ratified."

- (6) To appoint Shri Dattaprasad Prabhakar Kholkar (DIN:10054086), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 as amended, Shri Dattaprasad Prabhakar Kholkar (DIN:10054086) who was appointed as an non official Part-time Independent Director, by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No. 11(70)/2021/Misc/D(NS) dated 13 Feb 2023, be and is hereby appointed as Part- Time Non-Official (Independent) Director of the Company, not liable to retire by rotation, on the same terms & conditions as determined by the Govt. of India."

BY ORDER OF THE BOARD
Mazagon Dock Shipbuilders Limited

Dockyard Road
Mumbai 400 010
Dated: 30 May 2023

(Vijayalakshmi Kumar)
COMPANY SECRETARY

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and December 28, 2022 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 and 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.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General circulars numbered 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with SEBI Circular numbered SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022.
8. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 & 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 21 September, 2023 to 27 September, 2023 (both days inclusive) and accordingly, Final Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year 2022-2023, 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 Wednesday, 20 September, 2023 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 Wednesday, 20 September, 2023.



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 was sent to the Members for complying with TDS requirements. Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or update the same by sending email to alankit_mdl@alankit.com on or before Wednesday, 20 September, 2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication/documents on the tax determination/deduction shall be considered post 11:59 PM (IST) of 20 September, 2023.
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 en-cashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Details of the unpaid dividend for FY 2020-21, FY 2021-22 and FY 2022-23 are available on the company's website.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at alankit_mdl@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:
- Change in their residential status on return to India for permanent settlement.
 - 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)**
- 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055
- Phone: 011-42541100, 42541234; Fax: 011-23552001
- Email : rtalankit.com
17. 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. 20.09.2023, may obtain the login ID and password by sending a request at 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 or call on 022 - 4886 7000 and 022 - 2499 7000. 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. 20.09.2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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 Cost Accountants, at a remuneration of ₹ 2,25,000/- (Rupees two lakhs and twenty-five thousand only) excluding applicable Taxes payable to conduct the Cost Audit of the Company for the financial year 2023-2024.

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. Dattaprasad Prabhakar Kholkar (DIN:10054086) was appointed as an non official Part-time Independent Director by the Department of Defence Production, Ministry of Defence, Govt. of India vide letter No.11(70)/2021/Misc/D(NS) dated 13 Feb 2023 for a period of three years.

Pursuant to the provisions of Section 152(2) of the Companies Act, 2013, Schedule IV of the Act and SEBI (LODR) (amended regulation of 2023) the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company. Therefore, approval of the shareholders

is sought for regularisation of the appointment of Shri Dattaprasad Prabhakar Kholkar (DIN:10054086) as an non official Part-time Independent Director on same terms and conditions as determined by the Government of India. Shri Dattaprasad Prabhakar Kholkar, if appointed as Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

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

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

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

BY ORDER OF THE BOARD
Mazagon Dock Shipbuilders Limited

Dockyard Road
Mumbai 400 010
Dated: 30 May 2023

(Vijayalakshmi Kumar)
COMPANY SECRETARY



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

Name of the Director	Cdr. Jasbir Singh, IN(Retd)	Shri. Dattaprasad Prabhakar Kholkar
DIN	08556592	10054086
Date of Birth	13.04.1967	05.11.1961
Designation	Director (Submarine & Heavy Engineering)	Independent Director
Date of Appointment	01 Nov 2019	23 Feb 2023
Disclosure of relationship between directors inter se	Nil	Nil
Directorship held in other listed Companies	Nil	Nil
Membership / Chairmanship in other listed Companies	Nil	Nil
Shareholding in Mazagon Dock Shipbuilders Limited	Nil	Nil
Brief Resume	<p>Cdr. Jasbir Singh, IN (Retd) has been associated with the Company since May 2010 and was appointed as a director on November 01, 2019. 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>	<p>Shri. Dattaprasad Prabhakar Kholkar is a B Tech in Mechanical Engineering from Goa Engineering College Ponda, Goa. He has more than 35 years of experience in areas of Trade and Commerce Business. His area of specialization are Management, Communication and Administration</p>

The Instructions for Members for Remote E-Voting and joining General Meeting are as under:

The remote e-voting period begins on Saturday, 23 September, 2023 at 9:00 A.M. and ends on Tuesday, 26 September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 20 September, 2023, 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 Wednesday, 20 September, 2023.

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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' 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 "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp 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 (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or 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. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.





Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
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 helpdesk.evoting@cdslindia.com 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.

3. 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.nsd.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:

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

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

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



7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join 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<Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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 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 or call on toll free no.: 022 48867000 and 24997000 or send a request to evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to alankit_md@alankit.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to alankit_md@alankit.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

- 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:-

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

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

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@mazdock.com and rta@alankit.com. The same will be replied by the company suitably.
- 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 or investor@mazdock.com. till **Wednesday, 20 September, 2023**. 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 FY23

Dear Members,

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you 90th Annual Report together with the audited financial statements of the Company for the year ended 31 Mar 2023 and reports of the Statutory Auditors' and the Auditor General of India thereon.

Important Events:

- i) Second Ship of Project Destroyer (P15B), 'Mormugao' was delivered on 24 Nov 2022 & commissioned on 18 Dec 2022 by Hon'ble Raksha Mantri, Shri. Rajnath Singh.



- ii) Fifth Scorpene Submarine of Project 75, 'Vagir' was delivered to the Indian Navy on 20 Dec 2022 and commissioned on 23 Jan 2023 by Admiral R Hari Kumar, PVSM, AVSM, VSM, ADC Chief of the Naval Staff.



- iii) Sixth Scorpene Submarine of Project 75 ' Vagsheer' launched on 20 Apr 2022.



- iv) Second Frigate of Project 17A, 'Udayagiri' and Fourth Destroyer of Project 15B, 'Surat' launched on 17 May 2022 in the presence of the Hon'ble Raksha Mantri, Shri Rajnath Singh.



- v) Fuel Cell Electric Vessel (FCEV) launched on 01 Jul 2022 which is the India's First Indigenous Hydrogen Powered Fuel Cell Electric Boat.



- vi) Third Frigate of Project 17A, 'Taragiri' launched on 11 Sept 2022 in the presence of FOC-in-C, Western Naval Command.



1. Financial Review

1.1 Financial Results and Performance Highlights:

PARTICULARS	(₹ in crore)	
	2022-23	2021-22
Revenue from operations	7827.18	5733.28
Profit before Tax (Before Exceptional Items)	1429.33	786.66
Profit for the year	1072.72	586.47
Gross Block	1493.57	1363.62
Net Block	1024.33	964.62
Working Capital	1945.34	1345.50
Net Worth	4177.56	3321.36
Finance Cost	6.37	7.16

During the year under review, the Company achieved the Revenue from Operations of ₹ 7827.18 crore as compared to the previous year ₹ 5733.28 crore. The Profit before tax and exceptional items is ₹ 1429.33 crore for 2022-23 as against ₹ 786.66 crore in the previous year. Highest ever Revenue from Operation with a whopping increase of more than 30% over the next best achieved in FY 2021-22. In the history of the Company, it is first time that Company is reporting PAT in four digits with a significant rise of 83% over the PAT of FY 2021-22.

Income Distribution for the year 2022-23 as against previous year is summarised as under:-

INCOME DISTRIBUTION	%	
	2022-23	2021-22
Cost of materials consumed	60.17	58.49
Employee benefit expenses	9.28	12.95
Finance costs	0.07	0.12
Depreciation and amortization expenses	0.88	1.21

INCOME DISTRIBUTION	%	
	2022-23	2021-22
Sub-Contracting charges	5.33	6.96
Power & Fuel	0.19	0.24
Expenses related to Projects	3.39	2.66
Other Expenses	2.56	2.95
Provisions	1.37	1.66
Exceptional Items	0.00	0.23
Tax Expense	4.18	3.02
Other Comprehensive Income	0.00	0.07
Total Comprehensive Income	12.56	9.44
Total	100	100

1.2 Consolidated Financial Statement:

The consolidated financial statements of your Company and its associate Company Goa Shipyard Limited (GSL) for the year ended 31 March 2023 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).



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

1.3 Capital Structure:

The Authorised Equity Share Capital of the Company as on 31 Mar 2023 stood at ₹ 323.72 crore comprising of 323720000 (Thirty-two crore thirty seven lakh twenty thousand) Equity shares of ₹ 10 each.

The Paid-up Equity Share Capital as on 31 March 2023 is ₹ 201.69 crore comprising of 20,16,90,000 (Twenty crore sixteen lakh ninety thousand) shares of ₹ 10 each. During the year under review there was no increase in the Authorised or Paid up Share Capital. The Company



has not issued any equity shares with differential rights as to the Dividend, Voting or otherwise, during the year under review.

1.4 Dividend:

The Interim dividend of ₹ 9.10 per equity share (91.00%), amounting to ₹ 183.54 crore was paid in the year 2022-23 in accordance with the provisions of the Income Tax Act, 1961, as approved by the Board of Directors in their meeting held on 10 Nov 2022. The Board of Directors recommended a Final Dividend of ₹ 138.36 crore which is 68.60% of the paid up share capital. The total Dividend declared for F.Y. 2022-23 is ₹ 321.90 crore, which is 159.60% of the paid up share capital including the interim dividend amounting to ₹ 183.54 crore.

1.5 Contribution to the Central Exchequer:

Your Company's contribution during 2022-23 to the Central Exchequer by way of Income Tax, GST, IGST on imports and custom duty was ₹ 1216.21 crore.

1.6 Public Deposits:

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding either at the beginning or at the end of the Financial year 2022-23.

1.7 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 ₹ 7827.18 crore for 2022-23 as against ₹ 5733.28 crore of the previous year.

Performance / Project Progress:

At present your Company is handling two major Shipbuilding projects for the Indian Navy, comprising of four Destroyers & four Frigates each. Besides, MDL is also handling construction of six Scorpene class Submarines for the Indian Navy, out of which five Submarines have already been delivered. Medium Refit cum Life Certification (MRLC) of INS Shishumar is currently at an advanced stage of refit completion and presently undergoing trials.

a) Destroyer Project

Destroyers are potent surface combatants that are contemporary and state-of-the-art platforms. First Destroyer was delivered on 28 Oct 2021 and has been commissioned into the Indian Navy on 21 Nov 2021. Second Ship of the project was delivered on 24 Nov 2022 and has been commissioned on 18 Dec 2022. The highlight of both these deliveries is that both the Ships have been delivered within contractual timelines with out any delay. The Third ship of the project was launched on 20 Apr 2019 and is currently undergoing Sea Trials and is expected to be delivered ahead of the contractual timelines. The fourth Ship of the Project was launched on 17 May 2022 and is currently at an advance stage of outfitting.

To enhance the pace of production and undertake parallel construction for third and fourth ships, your Company has adopted new method of Mega Block outsourcing with enhanced outfitting in the Machinery Compartments where Units / Blocks are constructed simultaneously at two different geographical locations and towed to MDL and joined together, facilitating launching of ship from MDL premises.

b) Frigate Project:

Production of the first ship had commenced on 16 Feb 2017 and the keel was laid on 28 Dec 2017. The first ship was Launched on 28 Sep 2019. Production of Second ship commenced on 27 Feb 2018 and Keel laid on 07 May 2019 and was launched on 17 May 2022. Production of third ship commenced on 31 Jan 2019 and Keel laid on 10 Sep 2020 and was launched on 11 Sep 2022. Production for fourth ship commenced on 22 Jan 2020.

In order to meet the contractual timelines, the Units and Blocks are being built at three (03) different geographical location. These Blocks are being constructed by resorting to the 'Integrated Construction Methodology' wherein the pre-outfitting of various element are being carried out at the Unit and Block stages itself. The infrastructure of the yard has been modernized for realizing 'Integrated Construction Methodology' that is at par with the global best practices for warship building. All the four ships are at an advanced stage of outfitting.

c) Submarines Project:

The Scorpene Submarines under construction at MDL are state-of-the-art Conventional Submarines being built in collaboration with Naval Group (NG), France.

Sr. No.	Scorpene Submarine	Delivered on	Commissioned on
1	First	21 Sep 2017	14 Dec 2017
2	Second	19 Sep 2019	28 Sep 2019
3	Third	15 Feb 2021	10 Mar 2021
4	Fourth	09 Nov 2021	25 Nov 2021
5	Fifth	20 Dec 2022	23 Jan 2023
6	Sixth	20 Apr 2022	undergoing trials

d) Submarine refit project MRLC:

Medium Refit cum Life Certification(MRLC) of INS Shishumar (SSK class) is at an advance stage of refit completion and is presently undergoing trials.

2.1 Capital Projects and their progress

- a) Your Company has undertaken construction of a new state-of-art Security Complex at the main entrance. This G+2 storey building will be equipped with latest Security equipment, Gadgets, Access Control etc. This Complex will be the centralized hub for key MDL departments such as Security, PRO, Safety, Fire, Estate and HSE for effective coordination. The project is expected to be completed by July 2023.



Proposed state of the art Security Complex

- b) Your Company has undertaken the construction of Submarine Launch Facility to facilitate load out/ launch of fully constructed Submarine from the Submarine Assembly Workshop at Alcock Yard. The project is expected to be completed by Sept 2023.



Proposed Submarine Launch Facility at Alcock Yard;

- c) Your Company has completed the work of "Capital Dredging of Navigational Channel from Kanhoji Angre Wet Basin (MDL Water Front) to Offshore Container Terminal berth of MbPT, Mumbai in Nov 2022. This will facilitate the movement of vessels independent of tide variation.
- d) Your Company is committed towards up gradation /modernization of existing facilities from time to time. The company is replacing existing 12 nos. LL cranes by new Cranes in a phased manner. Company has also commenced the work of replacement of old Caisson Gate of East Yard Dry dock by new Caisson gate.
- e) Your Company, in Jan 2022 completed modernization of MDL Medical & OHS Center to transform it into a 'State of the Art' Medical Centre in Jan 2022. The Medical Centre is equipped with latest cutting edge Medical Emergency Equipment and OPD Consulting Rooms for Doctors into modern aesthetically designed consulting rooms equipped with modern diagnostic equipment.
- f) Your Company has undertaken Setting up of a Centralized Kitchen at Alcock Yard spread over an area of 550 Sqm. The project is expected to be completed by June 2023.
- g) Your Company has completed modernization of MDL Guest House located at 17th & 18th floor of Angre House in Dec 2022. The Guest House has a tranquil ambience for pleasant stay of VVIPs/ VIPs/Visitors in Residential Complex and to enable preparation of quality food for the workplace of MDL the kitchen will be equipped with modern cooking equipment having a capacity to cook meals for 2500 personnel under hygienic conditions.

2.2 Other infrastructure projects:

Your Company is also exploring the possibility for setting up a green field shipyard at its Nhava Yard in a phased manner with short term and long term developments plan. Short term development shall enable MDL to facilitate the immediate use of the existing infrastructure for Shipbuilding and Ship Repair business whereas long term development is to facilitate construction of large size vessels and Submarines including major refits and repairs.

Towards undertaking the construction of advanced and next generation vessels, MDL intends to build a New Floating Dry Dock of 12000T capacity.

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

The progress of all the ongoing projects were affected in 2020-22 on account of pandemic. All efforts are being made to complete ongoing projects as per revised time schedules.

2.3 Performance against MOUs:

During the year, MDL had signed Memorandum of Understanding (MoU) with Ministry of Defence, Government of India for the financial year 2022-23. The MoU outlines targets and various performance parameters for the Company. The value of production was targeted at ₹ 7654 Crs. Achievement of value of production is ₹ 7,584.03 crs for FY 2022-23. During the year, your Company achieved a Profit Before Tax (PBT) before exceptional items of ₹ 1,429.33 crore. Final evaluation will be carried out post CAG Audit of the accounts for FY 2022-23. The Import Content in VOP for 2022-23 is Rs.2817.72 and for FY 2021-22 IS Rs. 1684.21 Cr.

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.

Under the "Atmanirbhar Bharat" initiative, MDL has undertaken the challenge of Indigenously Designing and Development of conventional Submarine.

In addition to the Midget Submarine, many other innovative R&D projects are currently in progress at Submarine division through collaboration with Academic Institutions, Start Ups & industry not only in the defence sector but also in the field of energy and

other civil applications. Military products like Expendable Underwater Target (EUT) and Mobile Target Emulator (MTE) which are being developed in partnership with the Industry and are designed to simulate the situation of actual moving submarine for training purpose and for decoy measures.

MDL has developed and launched India's first Fuel Cell powered Electric Vessel (FCEV) as a 'Proof of Concept'. This will provide a sustainable green technology solution for waterways transportation with zero emissions.



Team MDL, Navy and ASDP at launching of vagsheer

Modern marine transport solutions like Hybrid Electric & Solar boats which can provide an environment friendly options are also under development. This hybrid boat can offer a better alternative to conventional diesel boats. The R&D team is also developing prototype of Lithium Ion Battery system solution for conventional Submarines.

In addition to the above, MDL is actively participating in iDEX initiative of Govt. of India and in collaboration with Start-ups/ MSMEs/ Innovators has already accepted various challenges like Autonomous Underwater Swarm Drone, Development of Steering console for manoeuvring of Underwater platform, Design & Development of Submersible Boat etc.

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), 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. 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 of Ships quick and safe. The products are now 100% operational and are deployed in-house for weld inspections and underwater inspections. Once the AI learning is completed with the current deployment, the commercializing of AI products will be explored.

Your company is exploring development of innovative AI projects with the help of Domestic industry, academia and startups. Some of the major projects includes Artificial Intelligence (AI) enabled Autonomous Underwater Swarm Drones, Artificial Intelligence Based Predictive Maintenance of Ship Equipment and Artificial Intelligence Based Energy Management of Fuel Cell .

The in-house projects as well as projects in collaboration with academic institutions of repute like Welding Research Institute, Trichy, IISc Bangalore and NID are all aimed at solving the unique issues faced by the Ship 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 at the Dry Dock itself leading to significant cost saving to the Yard and reduction in the build period of the vessel.

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

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

Your Company has spent approximately 1.13 % of the total income as expenditure towards R&D during the FY year 2022-23. The various projects undertaken under R&D are elaborated in Appendix 'F'.

2.5. Indigenization & Make in India

1. 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. Till date MDL has indigenised 27 major items / system

for ships and Submarines. Some of the major items which have been indigenised include the Fire Fighting System for the Magazines (storage compartment on-board warship for Missiles, Torpedoes and other ammunition for the close range weapon system), Soda lime used in the carbon dioxide level monitoring system on-board submarines, Polychloroprene rubber flow straightener is used to bridge the gap between two casing panel so as to maintain the flow of water turbulent free, and GRP Panel provisioned for stream line the structure for a laminar flow and walls around the submarine.

2. Further indigenisation efforts are in progress for Shock mounts for attenuating the vibration levels of on-board machinery of Submarines, Rubber hoses for High pressure system, Ball valves for critical hydraulic system of submarines are presently in progress. There are many more items listed on the Srijan Defence Portal.
3. MDL has hosted 559 imported items of around ₹2474.31 Crores on the MoD/DDP initiated Srijan Defence portal. The website for the same is [website www.srijandefence.gov.in](http://www.srijandefence.gov.in).
4. MDL has contributed to Positive Indigenisation List (PIL) initiatives of MoD/DDP. The PIL-1 contains 05 items, PIL-2 contains 06 items, PIL-3 contains 134 items of MDL. Total 05 items are already indigenised amongst all the PILs and remaining items are in different stages of indigenisation.
5. Indigenisation of Conventional Submarine Design:

As a major leap in line with National Mission of "Atmanirbhar Bharat" and "Make in India" and with an aim of indigenizing the design of conventional submarines, MDL has initiated an ambitious program of Design and Construction of Indigenous Conventional Submarine.



Inauguration and Puja of Hull Prototype for Midget Submarine 24.03.2023

6. Indigenisation of Submarine Equipment:

MDL has proactively pursued indigenous development for items/ equipment for conventional Submarine. 31 out of total 165 submarine equipment have been indigenized. Balance 134 have been tendered and PSO for 26 have been issued including for Main Electric Propulsion Motor, 03 out of 26 equipment have been indigenized for conventional Submarine.

2.6 QUALITY CONCEPTS

1) 5S (Work Place Management System)

Your Company has implemented 5S (Workplace Management System) in the 20 Workshops/ Stores/Offices.

As a part of sustaining 5S certification, all 20 workshops/offices/stores were re-certified during the period of report for continuation of 5S certification through surveillance audit.

2) Quality Circles

The Quality Circle teams are solving at least three numbers 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 2022-2023 are as under:

- 16 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2022) hosted by M/s Quality Circle Forum of India, Mumbai Chapter from 17 to 18 Sep '22.
- 16 out of 11 QC teams won Gold (highest) Award and
- 05 QC team won Silver Award.

Awards Won by MDL QC teams at QC Events 22-23.

- a) "Best QC - Case Study Award" for the day one Presentation of CCQC-22 won by Rainbow QC Team from Welding Department of Shipbuilding.
- b) 1st and 3rd Prizes in "Slogan" Competition are also won MDL Personnel in CCQC-22.
- c) "Best of Best QC Award" - [Oral Presentation + Case Study] for the day one Presentation of CCQC-22 won by Shramik QC Team from Fitting and Machinery Shop of Shipbuilding.
- d) 11 QC teams from MDL participated in National Convention on Quality Concepts (NCQC -

2022) Aurangabad held at 27 to 30 Dec-2022. 08 out of 11 QC teams won PAR Excellence Award and 03 QC teams won Excellent Award.

- e) 02 Quality Circle Teams from MDL participated in International Convention on Quality Control Circles (ICQCC - 2022) Jakarta, Indonesia held in Nov 2022. Both MDL QC Teams won Gold Award.



ICQCC Gold Award to Perna team

Benchmarking

MDL has a long Legacy of producing more than 800 ships of various types. Over the year Quality Inspection Procedure has evolved to suit the latest construction methodology for Ships and Submarine.

MDL has three tier Quality Management System, which comprises self-Inspection by Production Quality Team constituted from the best qualified executives/ operatives/ staff followed by inspection by QA department and finally by the Customer rep. (WOT/THIRD PARTY) which leaves no scope for any error right from the raw material stage to post completion of final product. The non-conformity management with three level monitoring and advising does not allow any anomaly to remain un-attended/un-resolved.

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, specially Inspection process, (except those whose design module upload is in progress) are being managed through PLM, which offers potential cost savings and simplicity of a single system. All basic QIP and

one combine project QAP has been converted into PDM/PLM format with their relevant context parameters.

b. Inspection Process Achievement through Yard Practices Documentation and Modification:

- 1) In accordance with the Integrated Construction methodology, the process of existing QIP for preliminary shaft sighting was modified and implemented in the fourth Frigate.
- 2) To minimize the repeated type of inspection a mechanism was put in place and to save time, an amendment was done in the compartment dry survey process.
- 3) A detailed Quality Inspection procedure was prepared for identifying the pitting corrosion areas/eccentricity in shaft of the fourth Destroyer.
- 4) SQC section upgraded and documented the Inspection process of HVAC balancing, which leads to less rejections and reworks during Harbor acceptance trial (HATS) of ongoing projects.
- 5) SQC section has also modified and documented the Keel sighting activities for Frigates by considering mean weight of the Keel plates.

c. Integrated Construction & MEGA BLOCKS:

Integrated Construction (IC) is being implemented on a live project on Project P17A for the first time in the Warship Building history of the Nation. In IC, the pre-outfitted blocks are prepared at multiple geographical locations and thereafter assembled into a Ship of the Yard with a significant benefit of reduced build period. The concept leverages on executing various activities in parallel instead of Sequentially. One of the complex activities like shaft alignment that used to take 6-8 months has been reduced to less than two(2) months.

d. AI Enabled Innovations and AI Def Expo 2022

MDL in partnership with IIT Madras, Chennai(IITM) has designed and developed different ARTIFICIAL INTELEGANCE enabled products, out of which below mentioned two are being used on regular work by SB QA :

1. AI enabled Computerized Radiography.
2. AI enabled Advance Phase Array Ultrasonic Testing(APAUT).

These products are being developed for improved quality assurance of weld with less time, less labor consumption and higher efficiency. Both the products are safer than the conventional methods in many ways. With data migration, they will become more smart and AI UT can altogether replace radiography (y-rays).

Artificial Intelligence (AI) enabled weld inspection with computerized radiography has been frequently utilized for all the thickness. The results are visible as it has reduced the cost of film by reusing the imaging plate in place of hundreds of films.

Artificial Intelligence (AI) enabled Robotic Weld Inspection using advanced phased array technique: Once mature, this system will enable us to reduce the use of conventional RT in many folds.

Your company is also exploring the development of innovative AI projects like Artificial Intelligence (AI) enabled Autonomous Underwater Swarm Drones, Artificial Intelligence Based Predictive Maintenance of Ship Equipment and Artificial Intelligence Based Energy Management of Fuel Cell .

AI Def Expo 2022

Hon'ble Raksha Mantri Shri. Rajnath Singh launched 75 Artificial Intelligence products / solutions developed by DPSUs, SERVICES (IA, IN, IAF), DRDO, IDex, SIDM and associated Startups, as part of "AiDEF" event on 11th July 2022 at Vigyan Bhavan, New Delhi. This event showcased large number of AI projects / solutions that increase the efficiency of complex systems / manufacturing processes of the organizations with AI value addition. MDL presented it's 3 AI products in "AiDEF" expo which was well appreciated by Hon'ble Raksha Mantri during his visit at exhibition.

2.7 Quality Management System

Your Company is committed to implement Quality Management Systems (QMS) as per ISO 9001:2015 standard. 71 Lead Auditors and 77 Internal Auditors are trained for carrying out the Internal Audits for sustenance of QMS in Shipbuilding Division. As a part of sustaining QMS as per ISO 9001:2015 Standard,



1st Surveillance Audit for Submarine Division as per QMS ISO 9001:2015 was conducted on 26 & 27 Apr 2022 and successfully completed with 'NIL' Non-conformity reports by M/s IRQS with respect to the scope of "Design, Development, Construction, Refit, Test & Trials of Submarines. Based on audit results, M/s IRQS has recommended the continuation for "Certificate of Approval" of QMS ISO 9001:2015.

2.8 Information Technology

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

1. SAP Implementation

Implementation of e-Measurement Book (e-MB): In compliance with Govt. of India guidelines, Online measurement book 'e-MB' has been developed in existing SAP system in September 2022. This e-MB system will replace the existing system of physical Measurement Book for works undertaken by Technical Service Dept. The features of e-MB system include linking of each MB with service purchase order and its service line item, Automatic preparation of service entry sheet with e-MB submission, online document attachment facility.

2. Latest know how on IT

MDL is in the process of revamping MDL official website with new design, look, user features and product centric approach. The purpose and goal of the revamped website is to provide our Visitors / Clients / Vendors / Employees / other Stakeholders a user friendly platform which will give an insight of MDL and facilitate information about MDL's products and Services. The new website shall be interactive and provides convenient access to information about the company through classification under intuitive tabs such as About Us, Products, Services, Investors, Sustainability, Careers, Procurement and Employee information.

3. MoD guidelines on Safety measures adopted / safety measures followed

MoD guidelines related to Information Security are complied as and when received.

4. Achievements of IT in MDL

MDL is (International Organization for Standardization / International Electro Technical Commission) ISO/IEC 27001:2013 (Information Security Management System) ISMS Certified organization w.e.f November 22, 2022.

Indian Register Quality Systems has certified that the Information Security Management Systems (ISMS) of Mazagon Dock Shipbuilders Limited (MDL) has been assessed and found conforming to the Standard ISO/IEC 27001:2013. ISO 27001 is an international compliance framework set by the International Organization for Standardization (ISO). MDL has implemented an ISMS Information Security Management System and achieved conformity with the requirements for its Data Centre at Mumbai, Near Disaster Recovery (DR) at Mumbai & Far DR at Bangalore under CIT functions. ISO 27001 certification reinforces our commitment to Customers, Partners and Regulators to protect their information in all forms. This achievement demonstrates MDL's commitment to continual improvement, development, and protection of Information Assets/Sensitive Data by implementing appropriate Risk Assessments, Policies & Procedures and Controls.

5. Targets set and achieved for 2022-23

- Managed Print Services (MPS) implemented in MDL in January 2023. Around 250+ secured PIN based printers installed all over the yard. All printers are managed & monitored centrally through print server, hence print from any location within the yard is possible. New features of the printers reduced wastage of papers drastically.
- Network Monitoring System is implemented in November 2022 to reduce breakdown/fault finding of network equipment's.

2.9 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 MSE. During the FY 2022-23, your Company has achieved 34.20 % procurement from MSEs.

During the FY 2022-23 your Company had conducted two vendor development programs exclusively for MSes owned by SC/ST and Women entrepreneurs. Your Company had also arranged supplier meeting (Buyer Seller) during the year. To further enhance the vendor base, your Company had participated in eight online/offline national level programs conducted by MSME-Development Institute (DI) across India.

2.10 Marketing initiatives

During the financial Year 2022-23, MDL participated in DEFEXPO 2022 in Gandhinagar and Africa Aerospace and Defence (AAD) in City of Tshwane - South Africa

as an exhibitor for marketing and business promotions. The exhibitions immensely helped in showcasing MDL's capabilities and technical strength in warship building and submarine construction. The exhibitions were successful in projecting the image and capabilities of India in the defence production sector in general and warship/submarine building capabilities in particular. MDL had obtained various leads for potential future projects. MDL delegation visited 16th International Defence Exhibition 2023 (IDEX) and the 7th edition of Maritime Defence Exhibition 2023 (NAVDEX) held in Abu Dhabi. MDL was also part of Ministry of Defence, Government of India delegation who visited and participated in the seminars held in Tanzania, Malaysia, Australia and Bangladesh organized by High Commission of India. During the seminar MDL interacted with the Armed forces / Navy representatives wherein Indian shipbuilding capacities and capabilities were showcased.



Exhibition photo of African Aerospace Defence held in Sep 22

2.11 Health Safety & Environment Management System

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

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

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

system from OHSAS 18001:2007 to ISO 45001:2018 in Sept 2021. The Current HSEMS Certification is valid till July 2025.

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 programs organized by Institutes of National Importance and through sponsoring function 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.

A list of Programmes/Trainings conducted during 2022-23 is as below:

- a) To provide an opportunity to the grass root level employees to place their issues/suggestions directly before the management, an Interactive session of CMD & D(CP&P) along with employees under theme 'Sanskar Se Samrudhi' has been started since 09 Mar 2023 onwards wherein a total of 782 employees have participated under HR initiative. This Platform has received wide appreciation and is designed to bring a cultural change in the organization.
- b) A customised program 'Ethics for Corporate Governance' for Finance Directors of all DPSUs was conducted on 11 Nov '22 through External faculty at MDL.
- c) Three programs on Intellectual Property Rights (IPR), MOD, GOI's flagship program were conducted at MDL through External faculty to create an IPR driven Innovation Culture wherein 179 employees were benefited.
- d) A Customized Online Training platform (COLT) was developed by BEL for training Executives for IPR. 34 Executives from MDL were trained through this platform.
- e) In accordance with CVC guidelines, with a view to develop a highly ethical organisation, Executives were nominated for Exposure Visit at National Dairy Development Board (NDDB), Anand, Gujarat.



The exposure visit was a mix of classroom training with experiential learning by way of village visit. 3 programs have already been conducted and 65 Executives trained. The Executives trained at NDDDB, Anand further shared the knowledge via a capsule program with a view to develop the Culture, Ethics & Values for MDL. 12 such programs were conducted and around 1565 employees were trained.

- f) Executives who had received 'Certified Welding Inspector' training from Welding Research Institute (WRI), Trichy during FY 2021-22 further shared their knowledge to around 269 non-Executives during FY 2022-23.
- g) A customised certification program on 'Business Communication Skills' was conducted for a batch of 23 Executives through Engineering Staff College of India.
- h) Four programs were conducted on 'Retirement Planning' for the retiring employees. These programs were comprehensive programs encompassing 4 aspects of 'Diet Management', 'Wealth Management', 'Mind Management' & 'Wellness'.
- i) To hone the technical skills, Executives were nominated for various training programs like Fundamentals of Coating and Lining for Paint Officers, Industry 4.0, 'Material Management, Technology & Advances in Heat Treatment', Procurement through GeM Portal, Non-Destructive Testing in Level-II & III, Vibration Analysis etc.
- j) A customised training program on 'Project Management' was developed and conducted by National Academy of Indian Railways (NAIR) at Vadodara for 30 MDL Executives.
- k) Executives were nominated outside MDL for various programs conducted by Department of Public Enterprises (DPE). Topics include 'Project Planning & Monitoring', 'Outsourcing & Contract Management', 'Strategic Marketing Management', 'Industrial Artificial Intelligence in Industry 4.0', 'Leadership Development', 'Building Competencies for Personal Excellence', 'Risk Management', 'Decision Making with Data Analytics', 'Corporate Branding in Digital Era', 'Ethics in Governance & Preventive Vigilance', 'Supply Chain Management', 'Capital Market Reforms, Registration, e-invoicing, returns, TDS & GST', etc.
- l) Five programs on 'Wealth Management' were conducted wherein on roll employees were benefited.
- m) A Neuro Linguistic Programming (NLP) course was conducted through External faculty for HR Executives, wherein 10 HR Executives were certified as NLP Practitioner.
- n) With a view to develop a family feeling amongst the employees and dedication towards work, 2 capsule programs were developed viz 'Soch Badlo' for Non-Executives and 'Soch Banao' for Executives. A total of 633 Non-Executives were covered under 'Soch Badlo' & 577 Executives covered under 'Soch Banao'.
- o) One outbound 'Team Building' program was conducted for around 45 Senior level Executives at Lonavala. Similarly, 10 Outbound 'Team Building' programs were conducted for Non-Executives at RCF, Thal, Alibag wherein around 249 Non-Executives were covered under the said program.
- p) Information Security is a highly sensitive issue in current times and being a Defence PSU, further adds on to the vulnerability of the information. To sensitise the employees on the importance of Information Security, 10 programs were conducted in-house, benefiting around 684 employees.
- q) Cyber Security, which is of utmost importance in today's digital world needs to be addressed with high sensitivity. Around 12 programs were conducted on 'Cyber Security' benefiting 620 employees.
- r) A capsule program developed comprising 'Health', 'Safety' & 'Fire Fighting' was developed and conducted in-house. 30 programs have been conducted on the said topic and around 700 Employees were trained.
- s) Two days capsule program on 'Preventive Vigilance' was developed in line with CVC guidelines and 2 programs were conducted, benefiting around 85 employees.
- t) A customised program 'Life Vision Architect' was developed for MDL employees with a view to develop the employees internally & externally and develop dedication towards work. The program was conducted at Jeevanvidya foundation, Karjat; 10 programs were conducted and 993 employees were benefited.
- u) With a view to develop a pool of training faculty in-house, employees were nominated to 'Management of Training for Training Managers' was conducted at Shimla, wherein 16 employees were trained.

- v) Executives were nominated for External training programs for development of their Technical, Managerial and Behavioural Skills such as 'National Cost Convention' through ICAI, 'Legal Aspects of Contract Management' through ASCI, 'Higher Command Course' through Army War College, 'Enhancing Assertiveness & Positive Attitude & Disciplinary Rules, Procedure and Vigilance Proceedings in the Organization' through DPC, 'Emotional Intelligence-The Language of Leadership in a new hybrid world through IPE', 'How to be an Effective Vigilance Officer' through Sterling Institute of Corporate Conference and Events, 'International Maritime Law' through International Business Conference, 'Innovation of Decoding of Human Resources' through Indian Society for Training and Development, 'Leadership Excellence for Atma Nirbhar Bharat' through Indian Institute of Public Administration, 'Materials, Engineering, Technology and Advances in Heat Treatment' through ASM International, 'Strategy for Exports and Export Management & Executives Development Program for Defence Industries' through National Academy of Defence Production, 'ESG (Energy, Social & Governance) for Industry Transformation' through National Productivity Council (NPC), 'Administrative Effectiveness, Focus: Human Resource Management', 'Administrative Effectiveness, Focus Preventive Vigilance, E-Procurement & RTI', 'Developing Managerial Leadership Skill & E-Procurement & Tendering; GFR' through National Productivity Council, 'Interactive Workshop on Preparation of Financial Statements as per best Financial Reporting Practices' through Standing Conference of Public Enterprises, 'Procurement by CPSEs from MSEs and through GeM' through Indian Institute of Materials Management, 'Workshop on RTI' through Standing Conference of Public Enterprises, 'Emotional Intelligence for Vigilance Officers' through Sterling Institute of Corporate Conference and Events, 'Workshop on Power Quality' through Centre for Indian Industry, 'Transformational Leadership' through Manushou Uthan.
- w) One Executive was nominated for 'Technical Management Course' at INS Mandovi.
- x) Special emphasis is laid in MDL to develop the skills of women employees at MDL. In order to ensure safety and dignity of women employees, MDL had conducted two sensitization programs on 'Prevention of Sexual Harassment of Women at Workplace' (POSH). A total of 97 Employees had participated in the said program. 30th Regional Meet of Forum of Women in Public Sector (WIPS) was

conducted at Goa wherein 12 Women employees had been participated and in National Meet of Forum of women in Public Sector (WIPS) was conducted at Kolkata wherein 13 women employees participated. Training on 'Women Empowerment' was conducted wherein 130 women employees participated. On the occasion of Women's Day, MDL organized Self Defence program for women Executives wherein 25 women Executives benefited. Apart from that, participation of lady employees is ensured in all the above mentioned programs.

- y) An application 'e-library' was developed on MDL Intranet Portal for knowledge sharing, where all employees can contribute with e-books/ journals/ magazines to be read by all other employees.
- z) Various Institutes like Ordnance Factory, ISRO, RCF, ITI and other Educational Institutes visited MDL as part of Industry Institute Interface leading to interaction between MDL and Corporates/ Colleges.
- aa) MDC had conducted training for Board Level Executives on 'Strategic Conclave' on 28-29 Jan 2023 wherein 06 Board Level Executives participated, and Masterclass for Directors was conducted on 11-13 March 2023.

3.1 National Integration:

Your Company has undertaken a number of measures, which have immensely facilitated towards National Integration. Some of these activities are enumerated below:

- a) MDL follows all directives of the Government with regard to recruitment of SCs/STs/OBCs/PWDs and Minorities.
- b) Observes 'Quami Ekta Diwas' every year and extends financial assistance. This amount is primarily spent towards those children, who become destitute and orphan in Communal, Caste, Ethnic or Terrorist violence for Care, giving Education and Training for their effective rehabilitation.
- c) Consistent efforts in bringing the backward and downtrodden of the society in the mainstream through various CSR initiatives in the field of Health, Sanitation, Skill Development, Rural Development, Education and Rehabilitation etc.
- d) Women Empowerment through various measures such as Learning and Development initiatives, Committee on WIPS and through Internal Complaint Committee (ICC) for redress of complaints of Sexual Harassment.



3.2 New initiative by HR- SBC during FY 2022-23

- i) Your company assists employees in registering for pension under EPS-95 scheme. MDL has taken significant step in providing PPOs to retiring employees on the day of their retirement under the scheme PRAYAAS implemented by EPFO. Help desk has been set up under the concept of "Pension Mitra" to assist employees for exercising option for higher pension under the Para 11 (3) and Para 11 (4) of Employees Pension Scheme, 1995 in terms of direction given by Hon'ble Supreme Court vide Order dated 04th November 2022 and subsequent guidelines issued by EPFO in this regard.
- ii) All Non-Executives (retired before 2006, retired between 2006-2016 and retired after 2017) are extended similar coverage for medical expenses.
- iii) Earlier Health Insurance Policies for providing medical expenses coverage to retired employees is replaced by Self-Funded Scheme which is managed by MDL with assistance from Health Benefit Service Provider.

3.3 Welfare Activities

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

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 ₹ 45.78 Crore were disbursed towards treatment of the employees and their dependent family members during the FY 2022-23.

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, Subsidized Canteen Facility, Scholarship to Unemployed Wards of Employees etc.

1. Superannuation Benefits to Ex-employees

a) Post-Retirement Medical Scheme (PRMS):

Your Company has Post-Retirement Medical Scheme to provide medical facilities to the retired employees and their spouse. The Scheme is administered through a Health Service Benefit Provider and is funded directly by MDL. In terms of the Scheme, expenses incurred beyond the stipulated ceiling are also provided in case of critical diseases. MDL also provides medical expenses to Executives retired before 2007 and Non-Executives retired before 2006 as per extant Scheme.

Your Company has facilitated Group Personal Accident Policy covering all active employees (Executives and Non-Executives).

b) Executive's Superannuation (Pension) Scheme

Defined Contributory Superannuation (Pension) Scheme is in operation for Executives which is in line with the Department of Public Enterprise's Pay Revision Guidelines, operated through NPS, New Pension Scheme. MDL contributes 7% of Basic pay and DA to the Superannuation Pension Fund whereas minimum 3% contribution is made by the employees which is credited to National Pension Scheme.

c) Non-Executive's Superannuation (Pension) Scheme

Defined Contributory Superannuation (Pension) Scheme for Non-Executives is also operational in MDL similar to Pension Scheme for executives. The pension scheme is operated through NPS, New Pension Scheme. MDL contributes 5% of Basic pay and DA to the Superannuation Pension Fund whereas minimum 3% contribution is made by the employees which is credited to National Pension Scheme.

3.4 Manpower and Reservation of Posts for SCs/STs:

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

- b) Total manpower strength as on 31 Mar 2023 is at 5914 (including functional directors) out of which the number of persons on temporary rolls was 2926 of the total strength, 96 are Ex-servicemen, 825 are of Schedule Caste and 487 are of Scheduled Tribes. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees stood at 13.95% and 8.24% respectively.
- c) Number of persons on temporary rolls as on 31 Mar 2023 is 2926 out of which 388 belong to Scheduled Caste and 272 belong to the Scheduled Tribes category.
- d) Details of the statement showing position regarding representation of Schedule Castes and Schedule Tribes in various categories of post on 01 Jan 2022 and 01 Jan 2023 is annexed at Appendix 'A'

3.5 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 2023 is given below as directed by the Ministry of Defence, vide their letter Nos. 39(6)/99/D(B&C), dated 27 Aug 1999.

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

i) Executives

Sr. no.	Grade	No. of Employees	Women	Percentage
1	E0	2	1	50.0
2	E1	8	2	25.0
3	E2	55	7	12.7
4	E3	180	18	10.0
5	E4	321	17	5.3
6	E5	201	7	3.5
7	E6	107	8	7.5
8	E7	43	7	16.3
9	E8	15		0
10	E9	4		0
11	CVO	1		0
12	Functional Directors	4		0
	Total	941	67.0	7.12

ii) Non-Executives (Operatives)

Sr. no	Grade	No. of Employees	Women	Percentage
1	WG-01	19	0	0
2	WG-02	358	0	0
3	WG-03	8	0	0
4	WG-04	88	0	0

Sr. no	Grade	No. of Employees	Women	Percentage
5	WG-05	2387	57	2.39
6	WG-06	655	14	2.14
7	WG-07	788	19	2.41
8	WG-08	74	0	0
9	WG-09	92	0	0
10	WG-10	36	0	0
11	WG-3A	2	0	0
12	WG-4A	91	0	0
	Total	4598	90	1.96

iii) Non-Executives (Staff)

Sr no.	Grade	No. of Employees	Women	Percentage
1	SI-02	2	0	0
2	SI-03	1	0	0
3	SI-05	237	41	17.30
4	SI-06	16	0	0
5	SI-07	51	10	19.61
6	SI-08	7	1	14
7	SI-09	25	2	8.00
8	SI-10	24	4	16.67
9	SI-4A	11	0	0.0
	Total	374	58	15.5

3.6. Persons with Disabilities (PWD) As On 31 Mar 2023:

The total number of physically challenged employees as on 31 Mar 2023 was 111 and its percentage to total employees works out to 1.88%.

Sr no.	Group	HI	LD	VI	TOTAL
1	GROUP-A	7	13	8	28
2	GROUP-B	0	0	0	0
3	GROUP-C	9	69	5	83
	Total	16	82	13	111

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

3.7 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 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 and Industrial Relations & Labour situation at MDL, Mumbai, in general, is normal and peaceful.

3.8 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 2022 and the representation of SCs / STs / Ex-servicemen as on 01 Jan 2022 are given at Appendices A, B & C to this Report.

3.9 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.

3.10 Report on Sexual Harassment under the Act.

Following enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redress) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment. 01 (One) complaints were received during the fiscal year out of which 01 was disposed-off.

4. Awards and Recognitions:

S. No	Awarding Authority	Awards For
1	Convention on Quality Concepts	<ul style="list-style-type: none"> 16 Quality Circle teams from MDL presented their case studies in Chapter Convention on Quality Concepts (CCQC-2022) hosted by M/s Quality Circle Forum of India, Mumbai Chapter from 17 to 18 Sep 2022. 11 out of 16 QC teams won Gold (highest) Award and 05 QC team won Silver Award.
2	International Convention on Quality Control Circles (ICQCC - 2022) Jakarta, Indonesia	02 Quality Circle Teams from MDL participated in International Convention on Quality Control Circles (ICQCC - 2022) Jakarta, Indonesia held in Nov 2022. Both MDL QC Teams won Gold Award
3	National Convention on Quality Concepts (NCQC - 2022)	11 QC teams from MDL participated in National Convention on Quality Concepts (NCQC - 2022) Aurangabad held at 27 to 30 Dec-2022. 08 out of 11 QC teams won PAR Excellence Award and 03 QC teams won Excellent Award.
4	MDL's in-house magazine "Jaltarang"	MDL's in-house magazine "Jaltarang" was selected as the best magazine by Ashirwad Rajbhasha Sansthan and on 20 September 2022 was awarded first prize by Honorable Governor Shri Bhagat Singh Koshyari at Raj Bhavan.

5. Official Language Implementation

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

- a) Hindi Diwas was celebrated in MDL on 14 September 2022 and Hindi Pakhwada was celebrated from 19 September 2022 to 29 September 2022 in which Hindi typing, Quiz, dictation, Translation, Hindi essay, Story-telling, Poetry-reading and Singing competitions were organized. Separate competitions are organized in MDL for Hindi speaking and non-Hindi speaking employees and officers. The program of singing competition started with the lighting of the lamp by the CMD.
- b) Under the Hindi Teaching Scheme, in the year 2022, in January-May and July-November session, a total of 17 officers/employees passed the Parangat examination.
- c) MDL's in-house magazine "Jaltarang" was selected as the best magazine by Ashirwad Rajbhasha Sansthan and on 20 September 2022 was awarded first prize by Honorable Governor Shri Bhagat Singh Koshyari at Raj Bhavan.
- d) Official language magazine "Jaltarang" published by MDL was awarded first prize on 25 July, 2022 by Mumbai TOLIC (Town Official Language Implementation Committee).
- e) Information related to implementation of Hindi was given through Hindi workshop by Hindi officers for the newly selected officers in MDL.
- f) 06 digital boards has been installed for displaying of "Aaj ka Shabd" and "Aaj ka Vichar" at major places of the company
- g) Officers and employees were given an incentive award of ₹ 5,000/- for maximum Hindi typing.
- h) Officer has been designated as Hindi Coordinator in each department of MDL for better implementation of Hindi.
- i) Hindi Diwas and Akhil Bharatiya Rajbhasha Sammelan was organized in Surat on 14-15 September, 2022 where 02 officers/employees participated in the Official Language Conference.

6. Vigilance Activities

Vigilance is an integral Managerial function. Vigilance department takes appropriate action to carry out preventive, participative and punitive vigilance in

Mazagon Dock Shipbuilders Limited (MDL). It promotes transparency, integrity, fairness, accountability in various activities including all commercial procurement functions, recruitment, outsourcing activities etc. Vigilance department suggests Systemic Improvements based on the investigation of the complaints/ spot checks/ CTE type examination and also ensures that integrity is maintained in all functions of the organization.

Activities carried out by Vigilance Department during the period from 01 April 2022 to 31 March 2023 are as follows.

i. CTE Type Examination:

As a part of Preventive Vigilance, CTE type intensive examination of Procurements/ Service Contracts/ Consultancy Contracts/ Subcontracts/ Outsourcing orders are taken to verify compliance to prescribed procedures and statutory norms/regulations. Five (05) such CTE type examinations were carried out by Vigilance department and Systemic Improvements were suggested.

ii. Complaints:

Vigilance department received 47 complaints. Investigation of 11 complaints were pending from 2021-22. Out of these cumulative 58 nos., investigation has been completed for 51 complaints and the remaining 07 complaints are under investigation at various stages as on 31 March 2023.

iii. Spot check/ Surprise Checks:

Surprise/Spot checks of various functions of the organization are also being conducted by Vigilance department. 13 nos. surprise/spot checks have been conducted and suggestions/corrective measures were recommended for Systemic Improvements.

iv. Scrutiny of Audit Reports & CAG Reports:

40 nos. of Audit Reports (CAG-01 no. & Internal Audit Reports -39 nos.) were scrutinized.

v. Disciplinary Proceedings:

The pending Disciplinary proceedings against delinquent executives are being closely monitored by Vigilance Department. As on 31 March 2023, 02 Major Disciplinary Proceeding are in process. Penal action is recommended against 03 employees and administrative actions such as recordable warning, advisory, counseling etc. were recommended against 10 employees. Administrative actions were taken against 13 employees.

vi. Vigilance Clearances:

Timely vigilance clearances were issued for personnel/ officials proceeding on foreign tours

and official duty abroad, compulsory retirement (FR 56J), separation (resignation/ retirement), DPC (Promotion), Board Level PESB Recruitment and attending interview/ forwarding application.

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

82 APRs of MDL Executives were scrutinized by Vigilance department manually. From the year 2022 onwards, online submission of APRs has been implemented. Exception report to enable faster scrutiny is under development.

viii. Preventive Vigilance:

Sixteen (16) Systemic Improvements in the areas of procurement, project execution and other organizational functions like HR, Medical, Administration etc. were suggested to management as an initiative for Preventive Vigilance and the same were accepted by the management and promulgated through Circulars by Directors concerned.

ix. Vigilance Awareness Week Activities:

- a) Observance of VAW – 2022 on the theme “Corruption free India for a developed Nation” as per CVC guidelines, was commenced with the Integrity Pledge on 31 October.2022 (Monday) at 10:00 a.m. during the Inaugural function which was led by CMD, MDL and attended by all Functional Directors, CVO, EDs and GMs/HODs. The digital version of MDL’s In-house Vigilance Journal “Sucharita (Vol. XXV)” was released during the Inaugural function of VAW-2022.
- b) In house activities like Essay, Slogan and Poster competitions were organized. An online quiz competition for all MDL employees and an online vendors meet were also organized to create awareness about Vigilance. A Street Play based on the theme of VAW 2022 was performed by students of Apprentice Training School of MDL at prominent places within MDL. Awareness on PIDPI was promoted by sending bulk SMS to stakeholders. A session on Preventive Vigilance and Case Studies was taken by CVO for executives of the Company.
- c) Outreach activities like Mini Marathon, Drawing, Essay, Slogan and Rangoli Competition were also organized at Zilla Parishad School, Shahapur and D B Mohane Ashram Shala, Shahapur, Maharashtra for creating awareness about Corruption among school children and citizens.

d) Similarly, Essay competition in NSTI(General), Mumbai and Drawing competition in NSTI(Women), Mumbai were also conducted on the theme of VAW 2022. Total 328 students of these institutes participated in the said competitions.

e) Certificates/Prize awards were given away to the winners of various competitions organized.

- x. During observance of VAW-2022, Sensitization programs on Vigilance Awareness and Preventive Vigilance were organised using in-house as well as external resources for MDL employees covering 336 executives and 243 non-executives at MDL so as to create awareness for eradicating corruption. Two-Days Training module on Preventive Vigilance as part of Induction/ Mid-Career Training:**

As per CVC guidelines to all CPSEs, 2-Days training module has been effectively implemented for MDL Executives at the Induction/Mid-Career level. Training has been imparted by MDL Vigilance Team to a total of 85 executives in 2 such batches during the year, in co-ordination with MDC.

xi. Exposure visit of executives at NDDDB Anand:

In terms of the CVC Letter No. 015/MXC/017 (Pt 16) dated 08 Jan’ 21, MDL in coordination with NDDDB, Anand organized Exposure Visit for executives at induction and mid-career level. This training at NDDDB was attended by 100 executives of MDL, in 03 batches for induction level and 02 batches for mid-carrier level executives.

xii. Capacity Building Initiative:

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



Vigilance Week Inauguration

7. Governance & Sustainability

7.1 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, 2023 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'.

7.2 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 145 applications and 09 First appeals through online/offline mode. The information/ replies sought for were duly furnished. The Quarterly Returns are being uploaded on the Central Information Commission's (CIC) website. Proactive disclosures of information were updated on the website of MDL under RTI Link as directed by CIC

7.3 Meetings of the Board

Against the Statutory requirement of minimum 4 meetings of the Board in a financial year, Ten meetings of the Board of Directors of the Company were held. These were on 30 May 2022, 30 July 2022, 10 Aug 2022, 27 Sep 2022, 10 Nov 2022, 06 Jan 2023, 21 Jan 2023, 30 Jan 2023, 28 Feb 2023 and 28 March 2023 were held during FY 2022-23.

7.4 Company's Policy on Directors Appointment and Remuneration

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

The Ministry of Defence (Administrative Ministry) 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.

According, to the Ministry of Corporate Affairs, Government of India's Gazette Notification No GSR 463 (E) dated 5 June 2015, your Company, 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.

7.5 Board Evaluation

Pursuant, to the Ministry of Corporate Affairs, Government of India's Gazette Notification No GSR 463 (E) dated 5 June 2015, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not required for your Company, as the performance of directors is evaluated by the Administrative Ministry.

7.6 Changes in the Board

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

VAdm. Narayan Prasad, IN(Retd) (DIN 08644492) was appointed as the Chairman & Managing Director w.e.f. 30 December 2019 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 29 November 2019. He superannuated on 31 January 2023, the Board placed on record its appreciation for the valuable support, contribution and guidance provided by VAdm Narayan Prasad, IN (Retd) during his tenure.

Shri. Sanjeev Singhal, (DIN 07642358) Director(Finance) has been entrusted with additional charge of CMD of the Company w.e.f. 01 February 2023 as per the directions of Department of Defence Production, Ministry of Defence.

Shri. Anurag Bajpai, JS(DIP/P&C) (DIN 08948155) was appointed as the Government Nominee Director (Part Time Official Director) on the Board of the Company w.e.f 10 November 2022 in place of Shri Sanjay Jaju, ex-Additional Secretary (DP) (DIN 01671018) pursuant to orders conveyed by the Ministry of Defence vide their letter dated 10 November, 2022. The Board placed on record it's appreciation for the support and contribution provided by Shri Sanjay Jaju during his tenure.

Cdr. Vasudev Puranik, IN (Retd) (DIN 09623387) was appointed as the Director (Corporate Planning & Personel) w.e.f. 09 June 2022 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 08 June 2022.

Shri. Dattaprasad Kholkar (DIN 10054086) was appointed as Independent Director (Part Time Non-Official) w.e.f. 23 Feb 2023 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 13 Feb 2023.



Shri. Shambhuprasad B Tundiya (DIN 03245725) was appointed as Independent Director (Part Time Non-Official) w.e.f. 24 Dec 2021 pursuant to appointment letter from Department of Defence Production, Ministry of Defence dated 24 Dec 2021. He resigned on 13 Nov 2022 due to pre-occupations, the Board placed on record its appreciation for the support and contribution provided by Shri. Shambhuprasad B Tundiya during his tenure.

7.7 Constitution of Audit Committee

Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder has been constituted by the Board. 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.

7.8 Declaration and Meeting of Independent Directors

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

A Separate Meeting of Independent Directors in accordance with the provisions of the Companies Act, 2013 was held on 28 March 2023 and all the Independent Directors were present.

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

7.9 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 2022-23 was ₹13.92 crore (2% of average profit of the previous three financial years as per section 198 of Companies Act 2013). In addition to above, a sum of ₹4.56 crore were carried forward from the previous financial year (2021-22). Out of total amount of ₹18.48 crore, your company spent ₹12.61 crore towards CSR activities during FY 2022-23 (current FY). Balance sum of ₹5.87 crore remains unspent

as several projects/programs could not be accomplished/completed due to delay in the submission of required documents and/or delay in execution of some projects by the implementing agencies. The same was transferred to the Unspent CSR expenses on 26 April 2023.

Your Company has executed 27 projects as part of its CSR initiatives mainly in sectors of Education, Health & Sanitation, Skill Development and Village Development. The executed projects are in line with schedule VII of the Companies Act. The details of the major projects executed in FY 2022-23 are as under: -

a) **COVID Management:** Keeping MDL's commitment to support the nation's fight against the Covid-19 pandemic, your Company has supported Cama & Albles Hospital, Mumbai towards supply of oxygen from Oxygen Tank to the hospital wards.

b) **Aspirational Districts:** In line with Pradhan Mantri TB Mukh Bharat Abhiyaan, your Company has supported District Administration in eradication of TB in Nandurbar district (one of the Aspirational Districts in Maharashtra). Under this project, MDL has supported District Administration - Nandurbar in setting up of a mobile diagnostic facility and also provided nutrition support to 400 TB patients.

MDL has continued its support for Gift Milk project in Gadchiroli district (another Aspirational district of Maharashtra) under which fortified milk was supplied to about 4400 students of 40 Govt. Schools in the district.

c) **Healthcare & Sanitation:** Your Company has continued undertaking new initiatives in the Healthcare sector in the FY 2022-23. MDL has supported a Charitable Hospital in Kota district (Rajasthan) by providing medical equipment. MDL has also supported construction of health & nutritional facility in Rajkot district (Gujarat). Your company has also commenced Anemia Mukh Bharat project which will benefit 10000 patients.

MDL continued its project in supporting and counseling more than 93,000 cancer patients at nine Regional Cancer Centres in 5 different States/UTs of India. Further, MDL provided much needed support for intellectually deficient children and adults at Children's Home in Mankhurd for the benefit of 265 children who are victims of natural calamity, social apathy and loss of parents. MDL has also made contribution to PMCARES fund.

In line with the Swachh Bharat Mission of Govt. of India, your company has continued the clean-ship of areas/wards in Mazagon, Mumbai. MDL has also made contribution to Swachh Bharat Kosh.

- d) **Education Sector:** Your Company has provided a 45 seater bus to Govt. Sainik School, Tilaiya in Jharkhand by augmenting transport facility for the school students.

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

- e) **Village Development:** Your Company has continued its support for Kharade Gram Panchayat in Shahapur District Thane under Model Village Development project and had taken several new initiatives on school education, drinking water and health sectors benefitting around 9000 persons in 04 Gram Panchayats. MDL has also provided support for construction of community hall in Yadadri Bhongir district of Telangana.

- f) **Skill Development:** Your company has supported vocational training to 100 youths as Machine Operator in Plastics Processing and Injection Moulding trade in Aurangabad and Chandrapur through Central Institute of Petrochemical Engineering & Technology (CIPET). Besides this, MDL has continued its support for apprenticeship training at Apprenticeship Training School, MDL. Your company has also supported 300 students of Govt. ITI - Chikaldhara in Amravati district through scholarship and exposure visit.



Trainees undergoing Practical Training at CIPET Chandrapur

- g) **Support for War Widows:** Your company has supported construction of hostel (4 units of 1BHK) for war widows (Veer Naris) at Mankhurd in Mumbai. MDL has also made contribution to Armed Forces Flag Day Fund.

- h) **Support to Technological Incubators:** MDL has continued its support to Partner Incubators under Innovations for Defence Excellence (iDEX) towards developing innovation ecosystem.

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

7.10 Environment and Pollution Control:

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

- i) MDL is committed to reduce the consumption of energy generated by fossil fuel and to increase the generation of renewable energy to the maximum possible extent. MDL has already installed 1.85 MWp Roof Top solar power plant.
- ii) Procurement of 40,000 Nos. 110V LED bulbs.
- iii) Procurement of 40 Nos. LED flood lights

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.

7.11 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.

- a) Clean-ship of adjacent areas/Roads of MDL by external agency: MDL has engaged a specific agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL.
- b) MDL carried out special Swachhta Drive at Sewari Fort.

7.12 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 regarding disclosure of particulars of employees drawing remuneration in excess of the specified limit.

7.13 Extract of Annual Return

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



7.14 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 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year i.e. 31 March 2023 and of the Profit and Loss of the Company for the year ending on 31 March 2023;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the Annual Accounts for the financial year ended on 31 March 2023 on a going concern basis;
- (e) The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7.15 Statutory Auditors and their Report

The Comptroller and Auditor General of India under Companies Act 2013, appointed M/s. C.R. Sagdeo & Co, Chartered Accountants Mumbai, as the Statutory Auditors of the Company for the financial year 2022-23 as MDL is a CPSE. The Auditors have certified the Accounts and their Report is placed as a part of Annual Report.

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

7.16 Comments of the Comptroller & Auditor General of India

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

7.17 Cost Auditors

M/s. Dhananjay V Joshi & Company, Mumbai, were appointed as Cost Auditors for conducting cost Audit of the Company under section 148 of the Companies Act, 2013 for the year 2022-23 and accordingly such accounts and records are made and maintained.

7.18 Secretarial Audit

M/s Ragini Chokshi & Co., Practising Company Secretaries, Mumbai were appointed to conduct Secretarial Audit of the Company for the financial year 2022-2023 pursuant to provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015. The Report of the Secretarial Audit in Form MR-3 is annexed to the Directors' Report as Appendix 3 and forms part of this report. The Report does not contain Qualification, Reservation or Adverse remark except that the Company did not have sufficient numbers of Independent Directors on the Board of the Company as stipulated under the SEBI (LODR) Regulations, 2015.

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

7.19 Adequacy of Internal Financial Controls with Reference to The Financial Statements

- i. The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies with well-defined annual audit program and significant audit observations are reported to the Audit Committee of Board of Directors. The Internal Audit function is headed at the level of Executive Director who is reporting directly to the Chairman & Managing Director.
- ii. The implementation of SAP/ERP system has helped to strengthen the Internal Control Systems with its in built checks and balances at various level of operations and it has set up disaster recovery site at distant locations.

- iii. The system of Internal Control comprises well defined organization structures, pre-identified authority level and procedure issued by management covering all vital and important areas of activities which includes Purchase, Stock verification, Inventory Consumption, Fixed Assets, Cash & Bank Management & Treasury, Payroll, HR, Risk Management, Statutory Compliance and all other activities involved in financial statement closing process.
- iv. Internal audit of specific areas of the Company's operations has been outsourced to Chartered Accountant firm. In addition to outsourced audit activities, other audit activities are carried out by in-house Internal Audit department. Audit reports given by Internal Auditors were reviewed by Audit Committee and necessary directives were issued. The Company had initiated suitable actions on the said directives.

8. 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'.

9. Business Risk Management

Pursuant to regulation 21 of the SEBI(LODR), 2015 the Company has constituted a Risk Management Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

10. Business Responsibility Sustainability Report (BRSR)

The Listing Regulations mandates the inclusion of the BRSR 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 BRSR disclosures into our Annual Report.

11. Future Outlook

Your Company has envisaged following measures of future outlook.

i. Infrastructure

Your Company is exploring the possibility for setting up a green field shipyard at its Nhava Yard in a phased manner with short term and long term developments plan. Short term development will enable MDL to facilitate the immediate use of the existing infrastructure for shipbuilding and ship

repair business whereas long term development will facilitate the construction of large size vessels and submarines including major refit and repairs.

To undertake the construction of advanced and next generation vessels, MDL intends to build a New Floating Dry Dock of 12000T capacity.

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

The progress of all the ongoing projects were affected in 2020-21 & 2021-22 on account of the prolonged pandemic situation worldwide. All efforts are being made to complete ongoing projects as per revised time schedules.

ii) Submarine Project

a) Project 75 (I):

MDL has been shortlisted as one of the Strategic Partners (SP) for future submarine project P 75(I). RFP from MoD for P75 (I) was issued on 20 July 2021 to shortlisted strategic partners and revised bid submission date is 01 Aug 2023.

b) Additional 03 nos. Scorpene class Submarines:

Preliminary proposal for additional 03 nos. Scorpene class Submarines with higher Indigenization content has been submitted to IHQ/MoD(N) on 10 Oct 2022. MDL comments on IN's SOC were forwarded on 08 Apr 2023. case is currently under deliberation at MOD.

c) Product Life Cycle Support for Conventional Submarines:

Successful completion of construction of two SSK class submarines, Modernization & Refit of four SSK class submarines, present construction of six Scorpene class submarines and Medium Refit cum Life Certification (MRLC) of one SSK class Submarine, INS Shishumar has forged MDL's position as the only Indian Shipyard with capabilities to build & provide Life Cycle Support for conventional submarines.

Medium Refit cum Life Certification (MRLC) of INS Shishumar, SSK class Submarine is currently in advanced stage of refit completion. RFP for second SSK class Submarine has been issued by IN on 28 Apr 2022 and order placement is expected by Jun 2023. MDL is fully poised to render Life Cycle support for Submarines of Indian and Foreign Navies.

**d) 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 dedicated Submarine Assembly Lines fully ready for operations. With these assembly lines, MDL has a capacity to undertake construction of 11 Submarines at any given time.

iii. Exports:

- a. Your Company has a rich legacy of building close to 801 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 MDL now intends to revamp its presence in the Export market. Highly competitive markets, changing technology, stringent quality criteria, increased expectations of the customer and competitive pricing of the products from North-East Asian countries are some of the challenges that MDL is working upon.
- 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 is 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 continue to rise. MDL has 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, hand-holding to the Customer's Shipyard for construction and first line repairs of Warships and auxiliary vessels and Training the technical teams from customer's side in the field of Setting to Work of systems and Ship trials. Your company has the capability for Refit, Overhaul and Life extension refits of Ships and Submarines. MDL has provided yard facility to a luxury yacht from Caymans Island and an Offshore supply vessel from United Arab Emirates. MDL intends to tap the global Ship Repairs market for both Naval and Commercial Ships, and Submarines in future.
- d. 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. MDL was awarded an order for supply of various types of valves from M/s. Fortune Engineering & Energy services, Dubai, United Arab Emirates.
- e. 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 Gol 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.

- f. 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.
- g. Products mentioned under R&D and diversification also have export potential. MDL is in touch with Indian Embassy's and also with authorised agents for export opportunities. MDL is also participating in various National & International level Defence Exhibitions like Defexpo, Aero India etc. to explore export opportunities.

Acknowledgements

Your Directors wish to place on record their gratitude and sincere appreciation for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India especially the Ministry of Defence, Department of Defence Production, the Indian Navy, Greater Mumbai Municipal Corporation,

Mumbai Port Trust, Principal Controller of Defence Accounts (Navy), the Departments of Customs, Income Tax and GST.

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

Sincere thanks also to all the Stakeholders for having unwavering confidence in the Company and willingness to extend all support to the Company.

For and on behalf of the Board
Sanjeev Singhal
Chairman & Managing Director
DIN: 07642358

Place: Mumbai
Date: 10 Aug, 2023



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 2022 and 1st January 2023

Classification of Posts / services	As on 01 st January 2022			As on 01 st January 2023		
	Total Strength	Schedule Caste	Schedule Tribe	Total Strength	Schedule Caste	Schedule Tribe
Permanent:						
Group "A" *	973	185	69	949	181	63
Group "B"	1	0	0	1	0	0
* Includes Board level executives						
Group "C" (Excluding Safaiwala)	2413	282	164	2086	259	153
Group "C" Safaiwala	3	3	0	0	0	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)	652	148	40	0	0	0
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)	2609	364	241	2908	385	270
Group "C" Safaiwala	0	0	0	0	0	0

Appendix 'B' to the Directors' Report:

Particulars of Recruitment made during the Calendar Year 2022. 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	
Permanent:						
Group "A"	4	1	1	1	0	ST Candidates Passing ICWA didn't apply for the post. The Post is re-advertised in 2023 with relax qualifying requirement.
Group "B"	1	0	0	0	0	
Group "C" " (Excluding Safaiwala) (Fix Term)	0	0	0	0	0	
Group "C" Safaiwala						
Fixed Term Contract for Two Years:						
Group "A"	0	0	0	0	0	
Group "B"	0	0	0	0	0	
Group "C" " (Excluding Safaiwala)	2542	257	196	271	177	Recruitment in Process
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 2023

Classification of Posts / services	Total Strength	Ex-service men		Women Employees	
		No	%	No	%
Permanent					
Group "A"	950	91	9.57	67	7.05
Group "B"					
Group "C" (Excluding Safaiwala)	2086	4	0.19	54	2.58
Group "C" Safaiwala					
Fixed Term Contract for Two Years					
Group "A"					
Group "B"					
Group "C" (Excluding Safaiwala)	2908	1	0.03	90	3.09
Group "C" Safaiwala					

Appendix ' D ' to Directors' Report

CORPORATE GOVERNANCE

1 PHILOSOPHY ON CORPORATE GOVERNANCE

Mazagon Dock Shipbuilders Limited (MDL)'s philosophy on Corporate Governance aims to achieve sustainable growth, maximize shareholders returns, optimize the utilization of resources towards the corporate goal, increase the value of the Organization, strengthen its relationships with its stakeholders and practice utmost degree of professionalism and integrity within the Organization and society at large. The Board and its Committees guide, support and supplement the Management team to achieve the set objectives and enrich stakeholders value.

Principles of Accountability, Transparency, Integrity, Social Responsibility, Environment and Regulatory compliances are integral to our functioning. Besides adhering to the provisions of the Listing Agreement, being a Government Company, its activities are subject to review by several external authorities like the Comptroller and Auditors General of India (CAG), the Central Vigilance Commission (CVC) and Parliamentary Committees.

The Corporate Governance disclosure in compliance with Regulation 34 & 53 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as mandated by the Securities and Exchange Board of India (SEBI) applicable on account of the Listing Agreement executed with the Stock Exchanges as well as notification on Corporate Governance for Public Sector Enterprises issued by the Department of Public Enterprises (DPE), are as under:

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors as on 31 March 2023

As on 31 March 2023 the Board of Directors of the Company comprised of four Whole time/Functional Directors, one Government Nominee Director and three Independent Directors as under:

Whole-time Directors:

Shri Sanjeev Singhal- Chairman & Managing Director (additional charge) & Director (Finance)

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

Shri Biju George- Director (Shipbuilding)

Cdr. Vasudev Puranik, IN (Retd)- Director (Corporate Planning & Personnel)

Government Nominee Director:

Shri Anurag Bajpai, Joint Secretary (DIP), Ministry of Defence

Independent Directors:

Shri. Mallikarjunarao Bhyrisetty

Smt. Neeru Singh Jagjeet Kaur.

Shri. Dattaprasad Kholkar

Note:

During the financial year 2022-23:

- VAdm. Narayan Prasad, IN(Retd) (DIN 08644492), Chairman & Managing Director of the Company superannuated on 31 January 2023.
- Shri. Sanjeev Singhal, (DIN 07642358) Director(Finance) has been entrusted with additional charge of CMD of the Company w.e.f. 01 February 2023 as per the directions of Department of Defence Production, Ministry of Defence.
- Shri Anurag Bajpai, JS (DIP) (DIN 08948155) was appointed as the Government Nominee Director w.e.f. 10 November 2023.
- Shri. Sanjay Jaju, AS(DP), (DIN 01671018) Government Nominee Director ceased to be a Director w.e.f 10 November 2022.
- Cdr. Vasudev Puranik IN(Retd) (DIN 09623387) was appointed as Director (Corporate Planning & Personnel) w.e.f 09 June 2022.
- Shri. Dattaprasad Kholkar (DIN 10054086) was appointed as Independent Director (Part Time Non-Official) w.e.f. 23 February 2023.
- Shri. Shambhuprasad Tundiya, (DIN 03245725) an Independent Director ceased to be a Director w.e.f 13 November 2022.



As on 31 March 2023, one position of functional Director (CMD) and three positions of the Independent Directors are lying vacant due to completion of their tenures as mentioned above. Your Company being a Government Company, the appointment of all Directors are made by the President of India, through the Administrative Ministry the Ministry of Defence.

At the time of listing, the Company had received exemptions from SEBI pursuant to the SEBI Exemption

Letter dated 17 Sept 2020 from the compliance of corporate governance requirements (pertaining to shortfall/lack of Woman Director and Independent Directors and composition of the Board and committees) as prescribed under paragraph (10) (F)(g)(i) of Part A of Schedule VI of the SEBI ICDR Regulations for the purpose of listing of Equity Shares on the Stock Exchanges. Your Company became a listed Company on 12 Oct 2020.

Directors are not inter-se related to each other.

2.2 Particulars of Directors including Board Meetings and attendance of Directors and their Committee details during the financial year 2022-23

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

Sl.	Directors	No of Board Meeting(s) held during respective tenure of Director	No. of Board Meeting(s) Attended	Attend-ance in the last AGM held on 27 Sep 2022	No of Director-ship in other Companies	Details of Directorship in other Listed Companies & category	No. of Committee Memberships across all Companies as on 31 March 2023 As Chairman As Member
	Whole-time/ Functional (Executive) Director						
1	VAdm. Narayan Prasad, IN (Retd) ex-Chairman & Managing Director till 31.01.2023	8	8	Yes	Nil	Nil	Nil Nil
2	Shri Sanjeev Singhal-Chairman & Managing Director (additional charge w.e.f 01.02.2023)	2	2	NA	Nil	Nil	Nil Nil
3	Cdr. Jasbir Singh, IN (Retd) (Director Submarine & Heavy Engineering)	10	10	Yes	Nil	Nil	Nil 1
4	Shri Sanjeev Singhal (Director Finance)	10	10	Yes	Nil	Nil	Nil 1
5	Shri Biju George (Director Shipbuilding)	10	10	Yes	Nil	Nil	Nil 1
6	Cdr. Vasudev Puranik, IN (Retd) (appointed as Director (Corporate Planning & Personnel) w.e.f 09 June 2022)	9	9	Yes	Nil	Nil	Nil Nil
	Government Nominee Director (Non-Executive)						
7	Shri Sanjay Jaju, IAS, AS(DP) till 10 Nov 2022	5	4	No	Nil	Nil	Nil Nil
8	Shri Anurag Bajpai, JS (DIP) w.e.f 10 Nov 2022	5	5	NA	Nil	4	Nil Nil
	Independent Non Executive Directors	10	10	Yes	Nil	Nil	1 1
9	Shri Mallikarjunarao Bhyrisetty	10	10	Yes	Nil	Nil	1 1
10	Smt. Neeru Singh Jagjeet Kaur	10	10	Yes	Nil	Nil	1 1
11	Shri Dattaprasad Kholkar (appointed as an Independent Director w.e.f. 23 Feb 2023)	2	1	NA	Nil	Nil	Nil Nil
12	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	5	1	No	Nil	Nil	Nil Nil

Notes:

- i) 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;
- ii) None of the Directors serves as a Director in more than 7 listed Companies and as Independent Director in more than 7 listed Companies;
- iii) 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.
- iv) As of 31 March 2023, none of the Directors is holding any share in the Company;
- v) Details of Directorship on the Board of other Companies and Committee positions are as on the date of cessation from the Board of the Company;

2.3 Meetings of the Board of Directors

During the financial year ended 31 March 2023, ten meetings of the Board of Directors of the Company were held as under:

Sl.No.	Date of Board Meeting
1	30 May 2022
2	30 July 2022
3	10 August 2022
4	27 September 2022
5	10 November 2022
6	06 January 2023
7	21 January 2023
8	30 January 2023
9	28 February 2023
10	28 March 2023

2.4 Skill/Expertise/Competence of the Board

Mazagon Dock Shipbuilders Limited, is a Government Company under section 2(45) of the Companies Act, 2013, under the administrative control of the Ministry of Defence, Department of Defence Production. The 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.

The power to appoint/re-appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation etc., is vested with the President of India through the Administrative Ministry. Therefore, 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 provides 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., The familiarization programme for Independent Directors is uploaded on the Company's website at <http://mazagondock.in>

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

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



3 SUB-COMMITTEES OF BOARD OF DIRECTORS

3.1 AUDIT COMMITTEE:

- a) During the financial year ending 31 March 2023, nine Audit Committee meetings were held on

Sl.No.	Date of Audit Committee Meeting
1	30 May 2022
2	06 June 2022
3	05 August 2022
4	10 August 2022
5	08 November 2022
6	10 November 2022
7	05 January 2023
8	30 January 2023
9	27 March 2023

- b) Composition of the Committee and Meetings attended by each Members of the Audit Committee for financial year 2022-23 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
1.	Shri Mallikarjunarao Bhyrisetty	Independent Director	Chairman	9	9
2.	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director	Member	6	Nil
3.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	9	9
4.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director	Member	9	9

- The Director (Finance) & CFO is a permanent invitee to the Committee.

- c) The terms of reference to the Audit Committee consists the following:

1. 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;
- approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:

- 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;
- changes, if any, in Accounting Policies and practices and reasons for the same;
- major Accounting entries involving estimates based on the exercise of judgement by Management;
- significant Adjustments made in the Financial Statements arising out of audit findings;
- compliance with Listing and other Legal requirements relating to Financial Statements;

- (vi) disclosure of any Related Party Transactions;
- (vii) modified opinion(s) in the Draft Audit Report.
- (e) reviewing, with the Management, the quarterly/half yearly Financial Statements before submission to the Board for approval;
- (f) reviewing with the Management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.) the Statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a Public or Rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- (g) reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- (h) approval or any subsequent modification of transactions of the Company with related parties;
- (i) scrutiny of Inter-Corporate Loans and Investments;
- (j) valuation of Undertakings or Assets of the Company wherever it is necessary;
- (k) evaluation of Internal Financial Controls and Risk Management Systems;
- (l) reviewing with the Management, performance of Internal Auditors, adequacy of the Internal Control Systems;
- (m) appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the Internal Auditors;
- (n) reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) discussion with Internal Auditors of any significant findings and follow up there on;
- (p) review the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- (q) review observations of statutory, internal & government auditors and provide recommendations based on the same;
- (r) to review the follow up action on the audit observations of the C&AG audit;
- (s) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (t) to look into the reasons for substantial defaults in the payment of the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividend and creditors);
- (u) to review the functioning of the Whistle Blower Mechanism;
- (v) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate;
- (w) review and monitor the Auditor's independence and performance and effectiveness of audit process;
- (x) examination of the Financial Statements and Auditor's Report thereon;
- (y) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.
- (z) Reviewing the utilisation of loans and/or advances from/investment by the Holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the Subsidiary, which-ever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
2. The Audit Committee shall mandatorily review the following information:
- (a) Management Discussion and Analysis of Financial condition and results of Operations;
- (b) statement of significant Related Party Transactions (as defined by the Audit Committee) submitted by Management;



- (c) Management letters/letters of Internal Control weaknesses issued by the Statutory Auditors;
- (d) Internal Audit reports relating to Internal Control weakness;
- (e) the appointment and removal of the Chief Internal Auditor, shall be subject to review of the Audit Committee;
- (f) statement of deviations:
- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2) NOMINATION AND REMUNERATION COMMITTEE:

- a) **During the financial year ending 31 March 2023, five Nomination and Remuneration Committee meetings were held on**

Sl.No.	Date of NRC Meeting
1	30 May 2022
2	05 August 2022
3	12 September 2022
4	08 November 2022
5	21 January 2023

- b) **Composition of the Committee and Meetings attended by each Members of the Nomination and Remuneration Committee(NRC) for financial year 2022-23 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
1.	Shri Mallikarjunarao Bhyrisetty	Independent Director	Chairman	5	5
2.	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director	Member	4	Nil
3.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	5	5
4.	Shri Anurag Bajpai, JS (DIP) (appointed as member of NRC w.e.f. 06 Jan 2023 till 28 Feb 2023)	Govt. Nominee Director	Member	1	1
5	Shri Dattaprasad Kholkar (appointed as member of NRC w.e.f. 28 Feb 2023)	Independent Director	Member	Nil	Nil

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

- c) **The terms of reference of the Nomination and Remuneration Committee consists of the following:**

1. To identify persons who may be appointed in senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

2. To recommend to the Board a policy, relating to the remuneration for the Key Managerial Personnel and other employees;
3. To recommend on the Annual Bonus/ Performance Pay/Variable Pay Pool and policy for its distribution across the executives;

4. Formulation and modification of schemes for providing perks and allowances for executives;
5. Any new scheme of compensation to executives and non-executives as the case may be;
6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
7. Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee.
8. Recommend to the board, all remuneration, in whatever form, payable to senior Management.

3.3) STAKEHOLDERS RELATIONSHIP COMMITTEE:

- a) **Composition of the Committee and Meetings attended by each Members of the Stakeholders Relationship Committee (SRC) for financial year 2022-23 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
1.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Chairperson	1	1
2.	Shri Mallikarjunarao Bhyrisetty	Independent Director	Member	1	1
3.	Shri. Sanjeev Singhal	Whole-time Director	Member	1	1
4.	Shri Biju George	Whole-time Director	Member	1	1
5.	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director	Member	1	Nil

- 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 30 May 2022.

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 up to 31 March 2023:** 2

f) **Number of shareholders' complaints resolved up to 31 March 2023:** 2

g) **Number of shareholders' Complaints pending as on 31 March 2023:** Nil

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

a) **Composition of the Committee and Meetings attended by each Members of the CSR Committee for financial year 2022-23 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
1.	Shri Mallikarjunarao Bhyrisetty	Independent Director	Chairman	5	5
2.	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director	Member	3	Nil
3.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	5	5
4.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director	Member	5	4
5.	Shri. Biju George	Whole-time Director	Member	5	5
6.	Cdr. Vasudev Puranik, IN (Retd) (appointed as member of CSR Committee w.e.f. 30 July 2022)	Whole-time Director	Member	5	5

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 five meetings on

Sl.No.	Date of CSR Committee Meeting
1	05 August 2022
2	08 November 2022
3	09 November 2022
4	30 January 2023
5	21 March 2023

3.5) RISK MANAGEMENT COMMITTEE:

a) Composition of the Committee and Meeting attended by each Members of the Risk Management Committee (RMC) for financial year 2022-23 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
1.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director	Chairman	2	2
2.	Shri. Sanjeev Singhal	Whole-time Director	Member	2	2
3.	Shri. Biju George	Whole-time Director	Member	2	2
4.	Cdr. V. R. Puranik, IN (Retd) (appointed as member (Director) of RMC w.e.f. 30 July 2022)	Whole-time Director	Member	2	2
5.	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director	Member	1	Nil
6.	Smt. Neeru Singh Jagjeet Kaur	Independent Director	Member	2	2
7.	Shri Sanjay Kumar	General Manager	Member	2	1

**b) Scope and terms of reference:**

- (i) Framing, Implementing, Monitoring and Reviewing periodically the Risk Management and mitigation policies of the Company's operations.
 - (ii) Review reports from regulatory agencies related to Risk Management and Compliance issues and the Management responses.
 - (iii) Formulate policies and procedures establishing the Risk Management Governance, Risk Management procedures and Risk control infrastructure for operations.
 - (iv) Review significant risk exposures and steps, including policies and procedures, the Management has taken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, Technology (data security, information, business continuity risk, etc.).
 - (v) Review and evaluate the Company's practices with respect to risk assessment and risk Management.
- c) During the year, the Risk Management Committee had two meetings on 05 August, 2022 and 30 January 2023.

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

A Sub Committee of Board of Directors for investment of company's short term surplus funds was constituted by the Board and the following Directors were the members of the committee as on 31 March 2023.

Shri. Sanjeev Singhal	-	Chairman
Cdr. Jasbir Singh, IN (Retd)	-	Member
Shri. Biju George	-	Member

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

3.7) PROCUREMENT SUB COMMITTEE(PSC):

The Procurement Sub Committee consisted of following Directors as on 31 March 2023:

Shri. Sanjeev Singhal	-	Chairman
Cdr. Jasbir Singh, IN (Retd)	-	Member
Shri. Sanjeev Singhal	-	Member
Shri Biju George	-	Member
Cdr. Vasudev Puranik, IN (Retd)	-	Member
Shri Mallikarjunarao Bhyrisetty	-	Member
Smt Jagjeet Kaur Neeru Singh	-	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 ₹20,000 for attending each of our Board Meeting and ₹ 15,000 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 2022-23 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	V.Adm. Narayan Prasad, IN (Retd), CMD (till 31 January 2023)**	79,34,459.36	6,13,943.62	85,48,402.98
2	Cdr. Jasbir Singh, IN (Retd), Director (Submarines & Heavy Engineering)	71,69,442.00	6,25,964.64	77,95,406.64

(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
3	Shri Sanjeev Singhal, (additional charge of CMD & Director (Finance))	71,14,090.75	6,23,032.63	77,37,123.38
4	Shri Biju George, Director (Shipbuilding)	57,70,582.01	5,55,608.13	63,26,190.14
5	Cdr. Vasudev Puranik, IN(Retd) Director (Corporate Planning & Personnel) w.e.f. 09 June 2022	49,05,161.00	5,10,933.89	54,16,094.89

* *Retirement Benefit includes Gratuity if paid in this FY

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

During the financial year 2022-23, 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. Mallikarjunarao Bhyrisetty	2,00,000	4,50,000	6,50,000
2	Shri.Shambhuprasad Tundiya	20,000	30000	50,000
3	Smt. Jagjeet Kaur Neeru Singh	2,00,000	4,65,000	6,65,000
4	Shri. Dattaprasad Kholkar	20,000	-	20000

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

All the Board Members and Senior Management Personnel have provided the Annual Compliance Certificate duly signed by them as on 31 March 2023.

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

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

6. INSIDER TRADING POLICY

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

7. CEO/CFO CERTIFICATION

The Compliance Certificate issued by the CEO & CFO on the Financial Statements and Internal Controls related to the financial reporting for the year 2022-23 in accordance with Regulation 17(8) of SEBI(LODR) Regulations was submitted to the Board at the meeting held on 30 May 2023 and is attached to this Report.

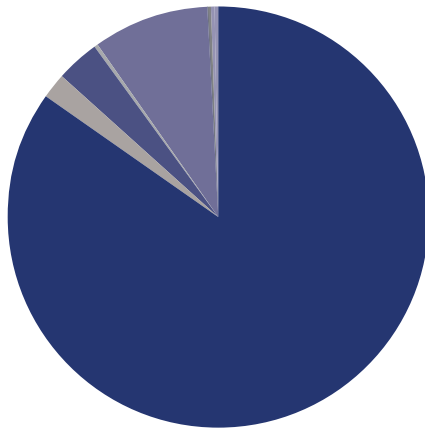
8. SHAREHOLDING PATTERN AS ON 31 MARCH 2023:

SR. NO.	CATEGORY	NUMBER OF SHARES HELD	% OF TOTAL HOLDING
1	PROMOTERS	171090983	84.83
2	CLEARING MEMBERS	315722	0.16
3	DOMESTIC COMPANIES	3418644	1.69
4	EMPLOYEES	73383	0.04
5	FOREIGN PORTFOLIO - CORP.	6634789	3.29
6	HUF	625569	0.31
7	INDIVIDUALS	18021034	8.94
8	INSURANCE COMPANIES	24966	0.01
9	NRI NON REP	144029	0.07



SR. NO.	CATEGORY	NUMBER OF SHARES HELD	% OF TOTAL HOLDING
10	NRI REP	738562	0.37
11	OTHER MUTUAL FUND	527654	0.26
12	ALTERNATIVE INVESTMENT FUND	63115	0.03
13	TRUSTS	11550	0.01
	TOTAL	201690000	100.00

SHAREHOLDING PATTERN



■	PROMOTERS - 84.83%
■	CLEARING MEMBERS - 0.16%
■	DOMESTIC COMPANIES - 1.69%
■	EMPLOYEES - 0.04%
■	FOREIGN PORTFOLIO - CORP. - 3.29%
■	HUF - 0.31%
■	INDIVIDUALS - 8.94%
■	INSURANCE COMPANIES - 0.01%
■	NRI NON REP - 0.07%
■	NRI REP - 0.37%
■	OTHER MUTUAL FUND - 0.26%
■	ALTERNATIVE INVESTMENT FUND - 0.03%
■	TRUSTS - 0.01%

9. TOP 10 SHAREHOLDERS AS ON 31 MARCH 2023

SR. NO.	CATEGORY	NUMBER OF SHARES HELD	% OF TOTAL HOLDING
1	THE PRESIDENT OF INDIA	171090983	84.8287
2	MKT CAPITAL LP	1240723	0.6152
3	DAMANI ESTATE AND FINANCE PVT LTD	1200000	0.5950
4	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	864642	0.4287
5	RADHAKISHAN SHIVKISHAN DAMANI	850000	0.4214
6	RAMESH DAMANI	631081	0.3129
7	MINOSHA INDIA LIMITED	600000	0.2975
8	BRIGHT STAR INVESTMENTS PVT LTD	590000	0.2925
9	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	565001	0.2801
10	PENSION RESERVES INVESTMENT TRUST FUND - ACADIAN	413741	0.2051
	TOTAL	201690000	100.00

10. ANNUAL GENERAL MEETINGS

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

FY	Place of Meeting	Date and time
2019-20	Registered Office of the Company at Dockyard Road, Mumbai-400 010	25 Sep 2020 at 1200 hrs
2020-21	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	28 Sep 2021 at 1100 hrs
2021-22	Registered Office of the Company at Dockyard Road, Mumbai-400 010 through VC	27 Sep 2022 at 1100 hrs

- b) No Special Resolution(s) were put up in the last three Annual General Meetings of the Company.
- c) One Ordinary Resolution was passed through postal Ballot on 26 Jan 2023 for appointment of Shri Anurag Bajpai, JS (DIP) as the Government Nominee Director.
- d) 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 at least in one leading English newspaper having wide circulation across the Country and at least 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 communique of the Company are also available on the website in a user friendly manner.

iv) Green Initiative:

Annual Report containing Financial Statements, Auditors' Report, Board Report, Management Discussion and Analysis Report(MDAR), Corporate Governance Report and Business Responsibility and Sustainability 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 90th Annual General Meeting of the Company for the year 2022-23 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, Circular No. 02/2021 dated January 13, 2021 and Circular No. 10/2022 dated December 28, 2022 on 27 September 2023 at 1100 hours.

b) Financial Year

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

c) Financial Calendar

The financial calendar to approve quarterly/annual audited financial results for the year 2023-24 is as under:

Approval of quarterly/annual audited financial results	Tentative date of the Meeting of the Board
30 June 2023	On or before 15 August 2023
30 September 2023	On or before 15 November 2023
31 December 2023	On or before 15 February 2024
31 March 2024	On or before 30 May 2024

d) Book Closure Date(s) for the purpose of AGM and Final Equity Dividend for FY 2022-23:

21 Sep 2023 to 27 Sep, 2023(Both days inclusive)

e) Dividend Payment Date

During the year, your Company has declared and paid Interim dividend of ₹ 9.10 per share of ₹ 10/- each in Nov 2022. The Final dividend of ₹ 6.86 Per Equity Share 68.60 % 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.

Particular	Interim Dividend for FY 2022-23	Final Dividend for FY 2022-23
Dividend per share	Rs. 9.10	Rs. 6.86
Declaration Date	10th Nov 2022	27th Sep 2023
Record Date	22nd Nov 2022	20th Sep 2023

f) Listing on Stock Exchanges as on 31 March 2023:

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 2023-24 have been paid to the Stock Exchanges.

h) Stock Codes:

BSE :543237 NSE : MAZDOCK

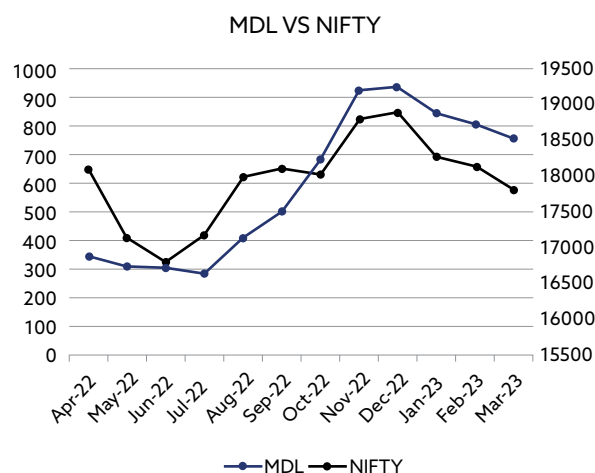
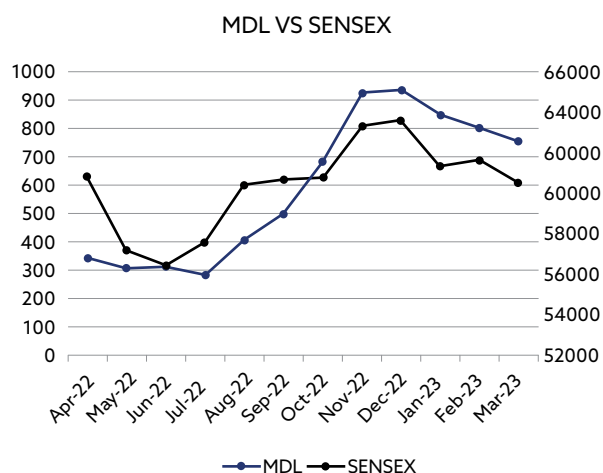
ISIN (for trading in Demat Form)

INE249Z01012

i) Stock Market Data: Company's share price on BSE and NSE for each month during the year and performance in comparison to BSE Sensex and NIFTY 50 was as follows:

BSE LIMITED			National Stock Exchange of India Limited		
Month	High (₹ Per Share)	Low (₹ Per Share)	Month	High (₹ Per Share)	Low (₹ Per Share)
April-2022	342.25	240.80	April-2022	342.40	240.20
May-2022	306.00	256.50	May-2022	306.05	256.20
June-2022	307.00	229.65	June-2022	307.50	229.45
July-2022	284.20	241.60	July-2022	284.90	241.55
August-2022	408.05	268.50	August-2022	408.00	268.45
September-2022	499.00	377.00	September-2022	498.80	376.20
October-2022	680.00	484.95	October-2022	680.00	486.30
November-2022	923.40	632.15	November-2022	924.10	632.55
December-2022	936.85	691.35	December-2022	936.40	691.00
January-2023	844.10	708.15	January-2023	844.25	708.50
February-2023	803.70	692.75	February-2023	803.90	691.60
March-2023	753.85	612.80	March-2023	754.00	612.00

BSE SENSEX			NSE NIFTY 50		
Month	High	Low	Month	High	Low
Apr-22	60845.10	56009.07	Apr-2022	18,114.65	16,824.70
May-22	57184.21	52632.48	May-2022	17,132.85	15,735.75
Jun-22	56432.65	50921.22	Jun-2022	16,793.85	15,183.40
Jul-22	57619.27	52094.25	Jul-2022	17,172.80	15,511.05
Aug-22	60411.20	57367.47	Aug-2022	17,992.20	17,154.80
Sep-22	60676.12	56147.23	Sep-2022	18,096.15	16,747.70
Oct-22	60786.70	56683.40	Oct-2022	18,022.80	16,855.55
Nov-22	63303.01	60425.47	Nov-2022	18,816.05	17,959.20
Dec-22	63583.07	59754.10	Dec-2022	18,887.60	17,774.25
Jan-23	61343.96	58699.20	Jan-2023	18,251.95	17,405.55
Feb-23	61682.25	58795.97	Feb-2023	18,134.75	17,255.20
Mar-23	60498.48	57084.91	Mar-2023	17,799.95	16,828.35



j) Registrar and Share Transfer Agents:

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

M/s Alankit Assignments Limited
205-208 Anarkali Complex,
Jhandelwala Extension,
New Delhi - 110055
Tel: +91-11-42541100; 42541234
Fax: +91-11-23552001
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 2023

CATEGORY	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF SHAREHOLDING
1 - 500	162088	97.19	9364790	4.64
501 - 1000	2641	1.58	2040154	1.01
1001 - 2000	1125	0.67	1653451	0.82
2001 - 3000	288	0.17	733379	0.36
3001 - 4000	162	0.10	589656	0.29
4001 - 5000	123	0.07	581462	0.29
5001 - 10000	177	0.11	1274013	0.63
10001 - 20000	84	0.05	1209923	0.60
20001 - 99999999999	94	0.06	184243172	91.35
Total	166782	100	201690000	100

m) Dematerialisation of shares and liquidity

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



Trading in Equity Shares of the Company is permitted only in Dematerialized form as per the notification issued by the Securities and Exchange Board of India. Total number of equity shares Dematerialised as on 31 March 2023 is as follows:

	No. of shares	% of paid up equity shares
Shares dematerialized with NSDL	189056274	93.74
Shares dematerialized with CDSL	12633726	6.26
Physical Shares	0	0.00
Total no. of shares	201690000	100.00

- n) Commodity price risk or Foreign Exchange Risk and hedging activities Relevant information in this regard is given in note no. 46 of Note to the Financial Statements provided in this Annual Report.

o) Plant/Facility Location:

In 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.

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 2022-23 the company did not comply with Regulation 17 of SEBI (LODR) due to which the NSE and BSE imposed penalty for non-compliance as tabulated below:

Period FY	Stock Exchange Bombay Stock Exchange (BSE) National Stock Exchange (NSE)	Letter/email dt	Amount (in ₹) (including GST)
2022-23	NSE for June 2022 quarter	22.08.2022	5,36,900
	BSE for June 2022 quarter	22.08.2022	5,36,900
	NSE for Sep 2022 quarter	21.11.2022	5,42,800
	BSE for Sep 2022 quarter	21.11.2022	5,42,800
	NSE for Dec 2022 quarter	21.02.2023	5,42,800
	BSE for Dec 2022 quarter	21.02.2023	5,42,800
	NSE for Mar 2023 quarter	22.05.2023	5,31,000
	BSE for Mar 2023 quarter	22.05.2023	5,31,000
	Total for FY 2022-23		43,07,000

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

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

Your Company in its replies 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). Therefore, regulations of the SEBI LODR pertaining to composition of the Board and constitution of the Board Committees were non-compliant due to unavailability of sufficient numbers of Independent Directors. Further, MDL has sought waiver under the policy for exemption of fines levied as per provisions of SEBI SOP circular under impossibility of compliance. Pursuant to the SEBI LODR SOP on non-compliances, it was informed that a case for waiver or reduction of fine shall be considered by the Stock Exchanges only where the applicant company has fully complied with all its compliances under the Listing Regulations and other applicable regulations and circulars issued thereunder. Further NSE vide letter dated 10 Nov 2022 has granted partial waiver for compliance of regulations 17, 18 & 19 of the SEBI LODR as the same were complied by the Company from the Mar 2022 quarter onwards, however similar letter from BSE is awaited.

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: <http://www.mazagondock.in>;

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

f) Dividend Policy

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

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

g) Credit Rating

During the year, M/s India Rating & Research Pvt Ltd have granted your Company a credit rating of IND AAA/Stable for fund based Bank facilities and IND AAA/Stable/IND A1+ for non-fund based limits.

h. Details of Unpaid Dividend as on March 31, 2023

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

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



Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2023.

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.32 to the Accounts.

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

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

(₹ In lakh)	
Particulars	Amount
Audit fees	16.45
Tax audit fees	1.50
Other Services	0.95
Reimbursement of expenses	Nil

m) Report on Sexual Harassment under the Act.

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

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

n) Public Grievance Committee

- a) Your Company constituted a Public Grievance Committee headed by an executive of the rank of Executive Director. The Committee examined and disposed grievances based on their merit. You can Lodge a complaint either on MDL website or by sending hard copy to The President, Redressal of Public Grievance committee.

- b) CPGRAMS (Central Public Grievance Redress and Monitoring System): An executive of the rank of Executive Director 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 have affirmed compliance with the code of conduct for Directors and Senior Management Executives of Mazagon Dock Shipbuilders Limited, for the year ended 31 March 2023.

Place: Mumbai

Date: 10 Aug, 2023

Sanjeev Singhal

Chairman & Managing Director (additional charge)

DIN: 07642358



Corporate Governance Report

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

We have examined the compliance of the conditions of Corporate Governance by **Mazagon Dock Shipbuilders Limited (L35100MH1934GOI002079)** ('the Company') for the financial year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, as carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India (the "ICSI"), was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V to the SEBI Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Department of Public Enterprises for the year ended March 31, 2023 except the following:

- As per Regulation 17 of the SEBI (LODR), 2015, and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
 - (a) Fifty percent of the Board of Directors as Non Executive and Independent Directors.

We further state that 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 RaginiChokshi and Co.
(Company Secretaries)

Makarand Patwardhan
(Partner)
C.P.NO. 9031
ACS NO. 11872

Place: Mumbai
Date: May 30, 2023

UDIN: AO11872E000512240
PR Certificate no.: 659/2020

ANNEXURE -E

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, 2022

- 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 Mallikarjunarao Bhyrisetty	Independent Director Chairman	5	5
2.	Cdr. Jasbir Singh, IN (Retd)	Whole-time Director Member	5	4
3.	Shri. Biju George	Whole-time Director Member	5	5
4.	Cdr. Vasudev Puranik, IN (Retd) (appointed as member of CSR Committee w.e.f. 30 July 2022)	Whole-time Director Member	5	5
5.	Smt. Neeru Singh Jagjeet Kaur	Independent Director Member	5	5
6	Shri. Shambhuprasad B Tundiya (ceased to be Director w.e.f 13 Nov 2022)	Independent Director Member	3	Nil

- Provide the web link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:
 - CSR Policy of MDL w.e.f. 22 Jan 2015:- <https://mazagondock.in/images/pdf/CSR-and-Sustainability-Policy-of-MDL-approved-on-22-01-2015.pdf>
 - Revised CSR Policy of MDL w.e.f. 17 Jun 2019:-<https://mazagondock.in/images/pdf/Revised-CSR-and-Sustainability-Policy-of-MDL-approved-on-17-06-2019.pdf>
 - Composition of CSR Board Committee:- https://mazagondock.in/images/pdf/board_Committee_composition_15112022.pdf
 - CSR projects approved by the Board: - <https://mazagondock.in/Expenditure.aspx>
- Provide the Executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:

Not applicable

- (a) Average Net Profit of the Company as per sub-section (5) of section 135:

₹ 69,617 Lakh.

- (b) Two percent of average Net Profit of the company as per sub-section (5) of section 135:

₹ 1848 Lakh (i.e. ₹1392 Lakhs as CSR Budget for FY 2022-23 + ₹ 456 Lakhs as carry forward from last FY).



- (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**
- (d) Amount required to be set off for the financial year, if any: **NA**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 1848 Lakh**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 1194 Lakh**
- (b) Amount spent in Administrative Overheads: **₹ 50 Lakh**
- (c) Amount spent on Impact Assessment, if applicable: **₹ 17 Lakh**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹ 1261 Lakh**
- (all figures are rounded off to the nearest rupee)
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of Fund	Amount.	Date of Transfer.
1261 Lakh	514 Lakh	26/04/2023	NA	NA	NA

(all figures are rounded off to the nearest rupee)

- (f) Excess amount for set-off, if any: **NA**

SL No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	
(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 programs or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Year [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
SL No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2019-20	NA	NA	NA	NA	NA	NA	NA
2	FY-2020-21	154 Lakh	NIL	NIL	NA	NA	NA	NA
3	FY-2021-22	456 Lakh	73 Lakh	383 Lakh	NA	NA	73 Lakh	NA

(all figures are rounded off to the nearest rupee)

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If Yes, enter the number of Capital Assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

SL. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		

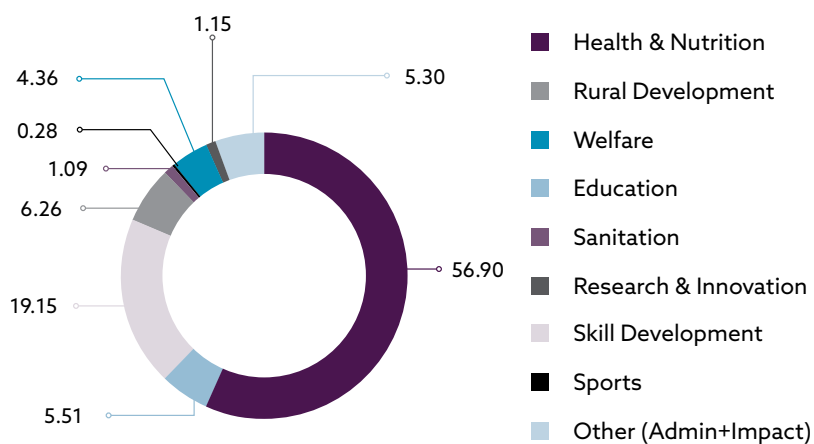
(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135:

The entire allocated CSR amount could not be spent due to delay in supply of imported material view ongoing Ukraine crises, Commercial actions at the end of implementing agencies, Administrative approval by competent authorities in State, non-availability of customized requirements of products, etc.

The unspent amount for ongoing CSR projects would be spent in the subsequent years as per CSR Rules.

Sectorwise CSR Expenditure in FY 2022-23 (in %)



Sd/-
(Chief Executive Officer or
Managing Director or Director)

Sd/-
(Chairman CSR Committee)



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 2022 -23 was as under:

A. Sustainable Development Projects

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

B. Energy Conservation Projects

1	Procurement of 110V LED bulbs.	40,000 Nos.	3000013632	28.02.2022	19,93,600
2	Procurement of LED flood lights	40 Nos.	3010008020	05.09.2022	62,931

C. Renewable Energy Projects

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

- Your Company has carried out trials of three projects with IIT Madras, Chennai for developing three Artificial Intelligence enabled products. The first product AI enabled Radiography inspection is based on Computed radiography which can replace imaging plates and provides immediate results, post inspection. The second product AI enabled Ultrasonic Non-destructive inspection uses ultrasound in phased array mode, providing high resolution digital images. This product is a safe alternative to the Radiographic inspections of welds. The third product AI enabled Remotely Operated Vehicles (ROV) that can carry out functionalities of underwater imaging, underwater thickness measurement of Ship's hull and underwater cleaning of Ship's hull. The AI enablement of these three products trains the neural network which improves the reliability and efficiency and eliminates human errors resulting in fast and accurate results. Your Company had launched these products during Defexpo held at Lucknow in Feb 2020. The products are now 100% operational and are deployed in-house for weld inspections and underwater inspections, for the undergoing projects.
- Your Company has validated an innovative Shaft Alignment Procedure where in the Propeller Shaft line assembly is completed in the Dry Dock itself.

In the conventional shaft alignment method, the time required to achieve alignment condition was more than a year which is the waiting time for shaft alignment activity. In the improvised alignment procedure, shaft line axis is derived using shaft designer software by simulating alignment condition with the estimated weight distribution and hull deflection values. The Plummer blocks and thrust bearing are loaded as per the calculations. Your Company has validated the procedure for Y12705 and this new procedure is implementing 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.

- Development of Basic design of Naval Ships: Your Company has leveraged its experience in the building of various type of warships to develop state-of-the-art basic design of vessels like Next generation Missile vessels, Next Generation Corvette, Next Generation Destroyers, Cadet training ships, Multi purpose vessels, Survey training Ships etc. As a next step towards this, your Company will carry out the model test of selected hulls of the above mentioned vessels to enable finalisation of propulsion system and fine tune the design.
- Product Data Management/Product lifecycle Management(PDM/PLM): Your Company is implementing PDM/PLM in the under construction

ships. PDM enables to manage the entire lifecycle of the ship through its design, production and service life. The PDM will serve as an information management system to foster seamless collaboration between various disciplines associated with the production of the ship including planning, design, production, procurement, maintenance and QA. PLM is an integrated information driven approach comprised of people, processes/practices and technology to all aspects of a product's life, from its design through manufacture, deployment and maintenance culminating in the product's removal from service and final disposal. PDM/PLM enables the yard to develop and maintain a digital replica of ships and makes the data accessible to the various agencies involved in the entire lifecycle of the ships.

5. Setting up of in-house Fluid Testing Laboratory:

- i) The Submarine Division of your Company has setup an in-house Fluid Testing Laboratory in Alcock Yard for testing the cleanliness, pH and water content of hydraulic oil (FHARI 7311) used in Submarine Project.
- ii) Initially, due to lack of facility, oil samples were sent to CETEC laboratory, France through Naval Group which used to take approx. 30-45 days to get test results resulting in production delay specially when a sample failed in first attempt, another 45 days were lost.
- iii) Your Company has set up its own facility by procuring an advanced version of Leica optical microscope DM4M and constructing an ISO Class-5 Clean Room apart from training and qualification of the operator. This has resulted in immediate testing of oil samples collected from the 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.

6. 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.
7. Your Company houses ultra-modern, state-of-the-art Virtual Reality Lab facility for validating 3 D models of the ship and its compartment layouts. This tool is very effective both economically and technologically since it reduces immense physical efforts on board. The facility is now augmented and updated with newer technologies like Augmented Reality, Avevanet and information hub. With Augmented reality modules and the gadgets, the 3D model can be ported to IPAD and Holo lens and can be viewed on board for possible evaluation and correction. The 3D model can be overlapped and calibrated on the actual site views to understand the mismatches and to evaluate the final fit arrangement. Aveva-net provides access to the latest model data to users at Navy and Production, by browsing through Intranet. Information hub can be browsed anywhere in the yard through a dedicated server and all the information regard each equipt and attributes can be obtained at one click of a button.
8. Your company has migrated to the post Covid era of using online video conferencing platforms for conducting discussions / meetings/ seminars. Most of the technical and commercial meetings are now conducted on these online platforms. Every department concerned is augmented with media set up including cameras, large screen LCD displays, etc. to facilitate this. This has considerably reduced the time required for commercial procedures, outstation station deputation expenses, etc The arrangement has also boosted the export related activities, discussions, negotiations etc.



APPENDIX ' G'

FORWARD LOOKING STATEMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2022-23

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

The global sea based Defence equipment market is segmented into Battle force ships (Destroyer, Frigate, Corvettes, Aircraft carrier, Torpedo boats, Support crafts) and Submarines (including Nuclear Submarines). Going forward the Battle force ships market is expected to be the fastest growing segment in the sea based defense equipment at a CAGR of 10% during 2021-26. The global shipbuilding industry comprises Construction and Modification of Ships, Offshore Vessels and Rigs.

The Indian Defence industry is primarily controlled by the Government and its agencies. India's Defence budget for FY 2023-24 was INR 5.94 lakh crores. The vision of the Government is to achieve a turnover of \$25 Bn including export of \$5 Bn in the Defence and Aerospace by 2025.

The domestic shipbuilding industry primarily caters to two sub-segments: The Indian Navy and Indian Coast Guard. Currently, its fleet consists of Aircraft carriers, Amphibious transport dock, Landing ship tanks, Destroyers, Frigates, Nuclear-powered attack Submarine, Conventionally powered attack Submarines, Corvettes, Mine Counter-Measure Vessels (MCMVs), large Offshore Patrol Vessels, Fleet Tankers and various auxiliary vessels and small Patrol Boats.

The Department of Defence Production (DDP) was set up in November 1962 with the objective of developing a comprehensive production infrastructure to produce the Weapons/ Systems/ Platforms/ equipment required for Defence. Over the years, the Department has established wide ranging production facilities for various Defence equipment through the Ordnance Factories, Defence Public Sector Undertakings (DPSUs) and also facilitated private Defence industry. Department also recognizes that true self-reliance is possible only, when the Technology is also with the country. Therefore, the Department has been encouraging promotion of Innovation and Intellectual Property creation in the Defence industry ecosystem of the country.

From the Maritime Defence Perspective, India is placed with a coastline of about 7500 KMs and territorial border over 15000 KMs. India being a maritime nation sits astride a large number of busy International Shipping Lanes that crisscross the Indian Ocean. India's economic resurgence is directly linked to her overseas Trade and Energy needs, most of which are transported by sea. India being a rapidly growing economy seeking new markets worldwide, the volume of maritime trade will only grow in times to come.

The Govt. of India has remained committed to strengthen the Defence capabilities at all levels and particularly Indian Navy with the required Blue water capability to handle asymmetrical threats. A high degree of Maritime Domain Awareness (MDA) is being maintained by utilizing Indian Navy (IN) assets and resources. A new Mission-based deployment concept has been implemented by the IN, the key enabler and guarantor of the country's maritime sovereignty. Therefore, Defence preparedness and strategy to safeguard the national interest gain paramount significance. India's geo strategic location in the Indian Ocean Region (IOR) also calls for unique approach for Maritime Defence.

Your Company is a Government of India Company, conferred with the 'Mini-ratna-I' status in 2006, by the Department of Public Enterprise. Your Company is a Defence Public Sector Undertaking shipyard under the Department of Defence Production, 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 India's only Shipyard to have built Destroyers and Conventional Submarines for the Indian Navy. Your Company is also

one of the initial shipyards to manufacture Corvettes (Veer and Khukri Class) in India.

Your Company's operations consists of business divisions of (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 electric Submarines for the MoD for use by the Indian Navy. Your Company's Shipbuilding and Submarine and Heavy Engineering divisions are both ISO 9001:2015 certified.

Your Company has built a total of 801 vessels including 27 warships and 7 submarines since 1960. 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. Your Company has also fabricated and delivered Jackets, main decks of Wellhead Platforms, Process Platforms and Jack up Rigs, etc.

Your Company plays a vital role in fulfilling the aspirations of the Indian Navy as major contributor to the Indian Defence Shipbuilding and Submarine construction requirements. Your Company has a rich legacy of building wide variety of high-tech Warships and has adopted the motto "Building Quality Ships On Time".

(B) SWOT ANALYSIS

2. STRENGTHS

- Your Company has set up a dedicated "Make in India" Department for Indigenization. Indigenous content in Warships & Submarines built has increased in the past 5 years. Large number of equipment have been Indigenized in order to give an impetus to the GoI's "Make in India" campaign. Indigenous content in Warships & Submarine has been increasing over the years and has led to a reduction in construction cost. Indigenization has reduced reliance on third party component manufacturers.
- Your Company being strategically located at busy international maritime route provides significant advantage. Location on Indian west coast connects with busy International Maritime route from Europe to Pacific. Being present in western India provides access to Client and Vendors resulting in closer co-ordination. Majority of sub-contractors in & around Mumbai provide ease of access to workforce. Location of facilities provide a strategic competitive advantage over peers.
- Your Company is the only Public Sector Defence Shipyard constructing conventional Submarines and Destroyers for the Indian Navy and are also one of the initial shipyards to manufacture Corvettes (Veer and Khukri Class) in India.
- Your Company had completed a modernization program upgrading itself to a world class infrastructure resulting in substantial reduction in construction/building period with technologies such as construction from Unit Assembly to Block Assembly, enabling Integrated Modular Construction. Accordingly, your Company has a capacity to build 10 Warships and 11 conventional Submarines simultaneously including following facilities:
 - Module workshop with two 50T EOT crane and retractable roof designed for fabrication of large hull blocks, substantially pre-outfitted within a covered environment.
 - Goliath crane with a capacity of 300 tonne with a span of 138 meter straddling over two slipways and the module shop.
 - New wet basin equipped with about 27,000 sq. meters of area to accommodate two large frigates and two submarines for outfitting.
 - Cradle assembly shop, used for fabrication and pre-outfitting of cradle structure in unit block assemblies.
- The Shipyard is headquartered in Mumbai which is also the headquarters of the Western Naval Command of the Indian Navy. Customers such as the Indian Navy, the Indian Coast Guard and vendors are based in Mumbai. This results in closer co-ordination and greater efficiencies.
- Your Shipyard has a freehold land spread over an area of 40 acres at Nhava, Navi Mumbai which can be developed into a greenfield shipyard at Nhava, Navi Mumbai with a Shiplift, Wet Basin, Workshops, Stores and Buildings and a Ship Repair facility as per the operational requirement of the Company.
- Company's senior management team with significant Industry experience, a large pool of experienced Naval Architects, Engineers and Draftsmen and Technical capabilities, quality and efficiency of vessels constructed by the Company, enhanced maturity in design and equipment available at the time of commencement of production provides an impetus to the pace of construction.



3. WEAKNESSES

- 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 manufacturing processes of our products are complex and involve some hazards. In addition, defects in or malfunctioning of our products could cause severe damage to property and death or serious injury to our customers' personnel, which could expose us to litigation and damages.
- Your Company is required to incur additional expenditure as the waterfront is prone to siltation and involves regular maintenance through dredging to maintain the water depth. This may affect our cost of operations and financial condition.
- 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 case of default.
- Dependency on Suppliers for timely delivery of Raw Materials, Equipment and Components and non-adherence to the agreed timelines may adversely affect delivery timelines of the Company.
- Critical dependency on foreign sources for Equipment, Weapons, Sensors and Propulsion systems.
- Your Company is dependent on MbPA for certain basic services required for daily operations. With our present infrastructure, we are unable to Dry Dock a vessel with all the appendages fitted on it which may adversely affect our future orders, growth and business prospects. Further, if our relationship with the MbPA is negatively affected in any manner or if MbPA is unable to provide these services it may have an adverse impact on our operations.
- We are subject to stringent labour laws and our workmen are unionised under a number of trade unions. Any labour disputes or unrests could lead to lost production, increased costs or delays which could lead to penalties.
- 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 adversely impact export opportunities.

4. OPPORTUNITIES

- Indian Navy announced an Indigenization Plan in July 2015 up to 2030 in pursuance of the Government of India's vision of Make in India. Industry to play a vital role to meet the sophisticated needs of the armed forces. Lists out the equipment which can be taken up for indigenization in the coming years. Encouraging all sectors of the industry to come forward and participate in indigenous development of Weapons, Sensors and other high-end equipment for the Indian Navy.
- Inland waterways traffic to shoot up 15x over the next 20 years. Capacity augmentation to result in 5x rise in traffic capacity, from the existing 350 million tons. This would bring in additional ship repair business for both State owned & Private Shipbuilders on each ship built. Assistance is available only after Construction & Delivery of Ship to the buyer. Relevant Policy has been approved by the cabinet.
- MDL is a strong contender for major future projects of Indian Navy, Indian Coast Guard and Overseas Clients. Some of the identified major Business Opportunities where MDL is a strong contender are 5 in numbers Next Generation Destroyers, Project P75(l) conventional Submarine 6 in numbers. Your Company as the lead shipyard for construction of frontline Warships and Submarines is a highly potential contender to build Warships and Submarines envisaged to meet Indian Navy's Acquisition Plan.
- 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.
- Defence Production Policy 2018 ("Draft DPP 2018") 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.
- The government has set aside ₹ 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.

- India's strategic position along the East bound and West bound International Trade routes offers an opportunity to undertake repairs of the vessels plying on these routes. A main Container route connecting America and Europe to the East passes very close to the Indian coastline, presenting a major opportunity for repairs.
- As per the national perspective plan of Sagarmala project, Coastal and Inland Waterways traffic is expected to shoot up 15 times over the next 20 years. Similarly, capacity augmentation is expected to result in a five times rise in traffic capacity, from the existing 350 million tonnes. This is expected to bring in additional ship repair business.
- 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

- MoD contracts including the Submarine refit contracts, which contribute to our revenues are subject to the timely completion of certain milestones and are subject to termination
- Any delays in procurement, nomination or any other decision making by our Customers and Collaborators may result in time and cost overruns in completion of our Shipbuilding and Submarine projects, which may have an adverse effect on our business, financial condition and results of operations.
- Any decline, delay or re-prioritisation of funding under the Indian Defence Budget or that of Customers including the MoD for use by the Indian Navy could adversely affect our ability to grow or maintain our Sales, Earnings, and Cash flow.

- Our Company or its technical collaborators may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.
- We may incur losses as a result of cost overruns, time overruns, lack of clarity in standards and specifications and stringent Defence procurement procedures which may have an adverse effect on our business, financial condition and results of operations.
- All our premises, including our Registered and Corporate Office is situated on land which is not entirely owned by us but is a combination of various parcels of land leased or acquired by us. There may be certain deficiencies in title on account of the acquired land. Further, if we fail to extend the Lease period on lease expiry at reasonable terms, it may have a material adverse effect on the business, financial condition and results of operations of our Company.
- As we are dependent on foreign suppliers for Weapons and Propulsions Systems to be fitted on the Warships and the Submarines, it may not be commercially viable to continue with telescopic designing of warship. Frozen design which ensures design and procurement maturities become inevitable for honouring contractual timelines and price-lines.
- India has reiterated, at a number of bilateral and multilateral platforms, its resolve to combat terrorism in all its forms. Manifestations of terrorism and radicalization are the biggest threats to peace and security that the world is facing today.

C. BUSINESS RISKS AND CONCERNS

6. Your Company has developed an appropriate Risk Management Framework to strategize, monitor, identify, assess and mitigate risks that may potentially impact the Company's performance and barriers to success. The risks that may affect the Company include:
 - The waterfront of our Company is prone to siltation and involves constant maintenance by Dredging to maintain the water depth. Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.
 - Delay in the deliveries may materially and adversely affect our Reputation, Operations and Financial condition and unsatisfactory quality of work performed by subcontractors could result in a negative impact on our business, reputation,



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

- Changing Laws, Rules and Regulations and legal uncertainties, including adverse application of Tax Laws and regulations, may adversely affect our business, results of operations and cash flows. The changing policy framework governing Defence procurement and manufacturing in India may result in our Company no longer being given such orders
- Labour is a major cost, accounting for about 10-15% of total cost. Lower labour cost compared with China, South Korea and Japan can improve competitiveness along with greater indigenization of the Company. Indian shipbuilders import 65-70% of equipment, due to absence of manufacturing equipment in the country and equipment costs constitute 50-55% of shipbuilding cost. This increases the cost of ships.
- Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could adversely affect our results of operations, therefore our current Order Book may not necessarily translate into future income in its entirety.
- Material disruptions to businesses around the world, leading to global economic slowdown was caused due to the outbreak of COVID 19 since December 2019 till 2021. While Government and central banks have reacted with revival policies and monetary interventions designed to stabilize economic conditions, the duration and extent of the COVID 19 outbreak, as well as the effectiveness of government measures has an impact on the operations of our Company as well.

7. The Performance Highlights of the company during the year ended 31 March, 2023 are as follows:

Particulars	₹ in lakhs)	
	As on 31 March 2023	As on 31 March 2022
Total Income	854066	616691
Revenue from Operations	782718	573328
Gross Margin (EBIDTA)	151128	86833
Profit Before Exceptional Items & Tax	142933	78666
Exceptional Item	-	1397

(₹ in lakhs)

Particulars	₹ in lakhs)	
	As on 31 March 2023	As on 31 March 2022
Profit Before Tax After Exceptional Items	142933	77269
Tax Expense	35661	18622
Profit After Tax	107272	58647
Net Worth	417756	332136
Book Value per share (in ₹)	207.13	164.48
Earnings per share (in ₹)	53.19	29.08
Dividend per share (in ₹)	15.96	8.73
Efficiency Ratios (%)	FY 2023	FY 2022
PBT Margin	18.26	13.72
PAT Margin	13.71	10.23
Debtors Turnover	7.66	5.72
Basic EPS	53.19	29.08

- Total Income has increased by 38.49% from ₹616691 lakhs in 2021-2022 to ₹ 854066 lakh in 2022-23.
- Revenue from Operations has increased from ₹573328 lakhs in 2021-2022 to ₹ 782718 lakhs in 2022-23.
- Profit Before Tax (PBT) has increased from ₹ 78666 lakhs in 2021-22 to ₹ 142933 lakhs in 2022-23.
- Book Value per Share has increased from ₹ 164.48 in 2021 -22 to ₹ 207.13 in 2022-23.
- Net Worth has increased by 25.78 % from ₹ 3,32,136 lakhs in 2021-2022 to ₹ 417756 lakh in 2022-23.

8. CORPORATE INITIATIVES FOR ENSURING SUSTAINED PERFORMANCE AND GROWTH :

- Augmentation of infrastructure and enhancing manufacturing capacity: MDL owns an area of 37 acres located at 10 nautical miles across the channel at Nhava, Navi Mumbai. The area can be developed as a greenfield shipyard with a Ship lift, Wet basin, Workshops, Stores & Buildings and a Ship Repair Facility. Submarine Launch facility and Blasting Painting chamber. Dredging of the water front to deepen the navigational channel.
- 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 is diversifying into various innovative products for both Domestic and International market apart from main weapon platform
- R&D initiatives in association with Academia and start-up - developed for underwater inspections of marine/civil infrastructure with advanced capabilities for feature recognition and developed as the replacement of film X-ray technique that is used currently in conventional radiography for weld inspection.
- Indigenization program initiated at the behest of MoD with 70% funding by the shipyard to industry partner to reduce imports as part of Atmanirbhar Bharat.
- MDL's flagship R&D program with the ultimate goal of designing India's first truly Indigenous Conventional Submarine. The prototype is scheduled to be commissioned by Dec 2024.
- Country's maiden fuel cell technology vessel with zero CO₂, NO_X, SO_X emission and cost effective sustainable green energy solution for inland waterways application. Proof of concept is already completed, 24 pax vessel is under development.
- Indigenous development of Lithium Ion Battery for Submarines. Battery module with 50 Ah Cell successfully developed along with Battery Monitoring System. Prototype of 100 KWH capacity is under development.
 - a) **Swarm Drones:** The swarm of AUVs will help in locating mines and neutralizing it after getting confirmation from mother ship.
 - b) **Mobile Target Emulator (MTE):** Attracts the torpedoes away from the counter maneuvering Submarine (target) by emulating the acoustic and dynamic behavior of a target submarine.
 - c) **Expendable Underwater Target (EUT):** To train the crew of IN ships, Submarine, aircraft in detecting, tracking & attacking an underwater target.
- R&D for Autonomous operation of Marine Tug Vessel: Upgradation of Tug vessel to autonomous navigation capability with full surface autonomy in compliant with IMO Level .

- Increased impetus on Ship Repair activities to increase client base, generate more revenues and reduce dependency on MoD. 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 aims to increase ship repair/refit business activities in the coming years.
- Exports have 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. Export of products to the international market reviving exports to Latin America, Africa, South East Asia, Middle East and Scandinavian regions, entering into agency agreements with sales agents in order to procure customers.

9. INFORMATION TECHNOLOGY

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

10. MARKETING AND BUSINESS DEVELOPMENT

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

11. HUMAN RESOURCE INITIATIVES

Your Company has taken a number of initiatives on the Human Resource Management (HRM) front.

Some of the initiatives are as below:

- a) Some important events like International Yoga Day, Har Ghar Tiranga and Samvidhan Diwas were celebrated under which various activities were held in order to spread awareness amongst Executives & Non-Executives.
- b) Shivaji Maharaj Jayanti, Dr Ambedkar Jayanti, Mahaparinirvan Diwas and Yard Open Day were celebrated as part of Employee engagement activities.
- c) All HR MoU parameters have been complied / achieved.



- d) Settlement of PF & Gratuity on the last day of the month has been initiated. Pension Payment Order (PPO) has been handed to employees on the last date of the month in which they attain the age of superannuation.
- e) Important events like the 'International Yoga Day' was celebrated in virtual mode on 21 Jun '22, Samvidhan Diwas (Constitution Day) on 26 Nov '22 and 'Satyanarayan Mahapooja' was celebrated at 17 Dec '22.
- f) The Departmental Promotion for executives in June '22 and Dec '22 and for non-executives w.e.f. 01 Oct '22 were completed in time.
- g) The Annual Performance Report for executives had been triggered online and the same has been completed for assessment year 2022-23.
- h) Annual Health Check-up for all employees was conducted. Total 5514 Employees completed Annual Medical Examination by certifying Surgeon till 31st March 2023
- i) HR Department has been complying with all applicable Industrial & Labour Laws, local laws like The Municipal Corporation Act and Other laws viz. RTI Act and Official Languages Act.
- j) MDL filled up 1765 vacancies during FY 2022-23 till 31 Dec '22 which includes vacancies filled under Government initiative of Recruitment under Mission Mode.
- k) MDL has been laying 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 programs organized by Institutes of National Importance and through sponsoring function based Seminar / Conferences / workshops.
- l) Clean-ship of adjacent areas/Roads of MDL by external agency: MDL has engaged a cleaning - specific agency for carrying out daily cleaning of roads (approx. 4.5 km) adjacent to MDL. MDL carried out special Swachhta Drive at Sewari Fort as part of Azadi ka Amrit Mahotsav Program.
- m) Various programs like Skill Mela, Mini Marathon, Quiz Competitions, Nukkad Natak, Tiranga yatra, Sports events were conducted for commemorating India@75 "Azadi ka Amrut Mahotsav".
- n) Training for BOAT Apprentices and Graduate Apprentices on 'Behavioural and Spiritual aspects' of 01 day was conducted for self development of apprentice students
- o) Training for employees of long absenteeism was conducted under 'Parihar' wherein 82 employees had attended.
- p) In order to empower the lady employees of MDL, MDC had conducted Leadership training for women employees wherein 230 lady employees/contractual had participated.
- q) To incentivize the employee for consistent improved performance and valuable contribution, Gift Cards were distributed to all employees (permanent and Fix Term) on the occasion of delivery of two Submarines (KARANJ & VELA) and one Destroyer (VISHAKHAPATTANAM).
- r) Distribution of Titan Wrist Watch to 479 no. of employees who have completed their 20 years of continuous permanent service in the Company prior to signing of MOS-2018.
- s) Implementation of extended zone of consideration in promotion of Non-executives for SC/ST employees
- t) In line with the clause no. 42.4 of MoS 2018 the canteen allowance was enhanced from ₹ 1300 per month to ₹ 1473/- per month. Earlier Coupon system was discontinued.
- u) Financial assistance of total ₹ 54,00,000/- was provided to the beneficiary of 9 deceased non - executives in death in harness during the financial year 2022-23.

12. Empowerment and Welfare of Women

- a) There are around 214 Women employees (executives and staff) in MDL. Women employees were imparted training on various topics viz. Leadership, Soft Skills and Technical training.
- b) MDL also provided Apprenticeship for skill enhancement in various trades to 90 girl Apprentices during FY 2022-23 during this Financial Year.
- c) Women employees are members in the Forum of Women in Public Sector (WIPS). WIPS carries out various women empowering activities viz. National & Regional Meet - WIPS, Celebration of International Women Day and Donation and Visit to Old Age Home near Mazagon.
- d) Following enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redress) Act, 2013, an Internal Complaint Committee (ICC) has been in place to deal with and redress complaints on sexual harassment.

- e) The Company provides Crèche facility for the children of Women / Lady employees under the supervision of a lady Doctor and one female attendant.
- f) Female employees who are on the permanent as well as Contract basis are entitled to Maternity Leave @ 180 days. Similarly, 45 days maximum leave is allowed in case of Miscarriage.



Second recognition award for best activity at 30th regional meet-wips - 12.11.2022

13. INFORMATION TECHNOLOGY for HUMAN RESOURCE:

- a) MDL launched online web portal for employees named MDL e-Connect where employees can access static employee details like Pay Slip, PF Slip, Contributory Pension details, Leave balance, Procedures/Manuals and Recent Circulars digitally. The process is a green initiative aimed at reducing the use of paper thereby the carbon footprint of MDL. The online system is simple and user-friendly and this will make the process hassle free for employees. It will also optimize the workload of HR by helping in compliance and reporting. The launch of these initiatives seeks to realize the goal of inclusive development by adopting to the technology. This will further consolidate MDL's initiative of digital transformation and MDL's commitment in participating with the Government of India's flagship initiative of Digital India.
- b) Payroll in SAP system has been merged to single payroll area from three different payroll areas having two different timelines for running of payroll. This has streamlined the payroll process bringing down the number of man-days required for running of payroll. This has also brought efficiency in payment of statutory dues, reconciliation of payroll data and posting of payroll data in finance module.

14. SKILL INDIA INITIATIVES:

In line with the Skill India Mission of Government of India, Your Company has set up an ambitious target for Skill Development Projects.:

a) Trade Apprentices:

- i. Induction of 445 nos. Apprentices in Oct Batch 2022, including 20 nos. Hearing Impaired students under CSR for the 2nd time in MDL.
- ii. Basic Training, Soft skill training and on-the-job training were imparted to trade apprentices.

b) Graduate & Diploma Apprentices:

- i. Selection of 200 nos. Diploma, Engineering Graduate & General Stream Graduate for One Year on-the-job apprenticeship training in MDL as per Apprentices Act under Board of Apprenticeship Training, Western Region (BOAT WR).
- ii. General Stream Graduate were selected for the first time in MDL and deputed to Finance, HR & Commercial dept. for training.
- iii. 67 nos. of Batch 21-22 completed one-year on-the-job training in March 23.

c) Marine Engineering Apprenticeship Scheme:

- i. 276 Nos. cadets of Shipping Corporation of India (SCI), Marine Engineering and Research Institute (MERI), TS-Rahman, AMET Chennai and BP marine Mumbai were trained in FY 2022-23.

14. INTERNAL CONTROL SYSTEM

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



Appendix 1

Form AOC-I

(₹in Lakh)

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

Part 'B' Associates & Joint Ventures		
Sl. NO	Name of Associates	GOA SHIPYARD LIMITED
1	Latest audited Balance Sheet Date	31 March 2023
2	Shares of Associates held by the company on the year end	
	Numbers	54957600
	Amount of Investment in Associates	600
	Extend of Holding %	47.21%
3	Description of how there is significant influence	Voting Rights

Appendix 2

Form No. AOC-2

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

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

1. Details of contracts of arrangements or transaction not at arm's length basis

(a)	Name (s)of the related party and nature of relationship : Not Applicable
(b)	Nature of contracts /agreements/transactions: Not Applicable
(c)	Duration of the contracts/agreements/transaction: Not Applicable
(d)	Salient terms of the contracts or agreements or transaction including the value, if any: Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions: Not Applicable
(f)	Date (s)of approval by the Board: Not Applicable
(g)	Amount paid as advances, if any : Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contractor arrangements or transaction at arm's length basis

2.1

(a)	Name (s) of the related party and nature of relationship : Indian Navy
(b)	Nature of contracts /agreements/transactions : Various Naval vessel construction and repair
(c)	Duration of the contracts/agreements/transaction : various
(d)	Salient terms of the contracts or agreements or transaction including the value, if any : -Not Applicable
(e)	Date (s)of approval by the Board : Not Applicable
(f)	Amount paid as advances, if any : Not Applicable

2.2

(a)	Name (s) of the related party and nature of relationship : Not Applicable
(b)	Nature of contracts /agreements/transactions : Not Applicable
(c)	Duration of the contracts/agreements/transaction Not Applicable
(d)	Salient terms of the contracts or agreements or transaction including the value, if any : Not Applicable
(e)	Date (s)of approval by the Board : Not Applicable
(f)	Amount paid as advances, if any : Not Applicable



Appendix 3

FORM NO MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023. 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 April 01, 2022 to March 31, 2023 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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the company during the audit period)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; (not applicable to the company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the company during the audit period)
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009; (not applicable to the company during the audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period)

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

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

The Company being a Government Company under the administrative control of the Ministry of Defence ("MoD"), Government of India, 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, and the DPE Guidelines on Corporate Governance, the Company could not comply with the following requirement:
 - a. Fifty percent of the Board of Directors as Non Executive and Independent Directors.

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, 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 the 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 as mentioned herein:

1. The Board of Directors of the Company at its Meeting held on November 10, 2022 has declared Interim Dividend of 91.00% i.e. ₹ 9.10 per equity share of face value of ₹10/- each aggregating to ₹ 183.54 crores for Financial Year 2022-23.
2. Ministry of Defence, Government of India appointed following Directors in MDL during the FY 2022-2023:
 - Appointment of Shri Anurag Bajpai, JS(DIP) as Part time Official Director with effect from November 10, 2022.
 - Appointment of Shri. Dattaprasad Prabhakar Kholkar as Part time Non-official Independent Director with effect from February 23, 2023.
 - Appointment of Cdr.Vasudev Ranganath Puranik, IN (Retd), as Director (Corporate Planning & Personnel) with effect from June 09, 2022.
3. Cessation of following Directors during the FY 2022-2023:
 - Cessation of Shri Sanjay Jaju as Non-Executive - Nominee Director with effect from November 10, 2022.
 - Cessation of Shri Shambhuprasad_B Tundiya Part time Non-Official Independent Director with effect from November 13, 2022.
 - Superannuation of VAdm Narayan Prasad, IN (Retd) as Chairman and Managing Director with effect from January 31, 2023, Shri Sanjeev Singhal, Director (Finance) of the Company, has been entrusted with the additional charge of the post of CMD of the Company for w.e.f. 1 Feb 2023 vide MOD letter dated January 31, 2023

For RaginiChokshi and Co.
(Company Secretaries)

Makarand Patwardhan

(Partner)

C.P.NO. 9031

ACS NO. 11872

UDIN: AO1187E000512295

PR Certificate no.: 659/2020

Place: Mumbai

Date: May 30, 2023

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,
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 400010** (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) 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 March 31, 2023 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	Shri Sanjeev Singhal	07642358	08/01/2020
2.	Shri Anurag Bajpai	08948155	10/11/2022
3.	Cdr. Jasbir Singh, IN (Retd)	08556592	01/11/2019
4	Shri Biju George	09343562	27/10/2021
5.	Shri Vasudev Ranganath Puranik	09623387	09/06/2022
6.	Shri Mallikarjunarao Bhyrisetty	06557777	24/12/2021
7	Smt Jagjeet Kaur Neeru Singh	09449410	27/12/2021
8.	Shri Dattaprasad Kholkar	10054086	23/02/2023

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 RaginiChokshi and Co.
(Company Secretaries)

Makarand Patwardhan
(Partner)

C.P.NO. 9031

ACS NO. 11872

UDIN: AO11872E000512141

PR Certificate no.: 659/2020

Place: Mumbai

Date: May 30, 2023



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 2023 and to the best of our knowledge and belief:
- (1) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - (2) These statements together present a true and fair view of the listed entity affair and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief no transactions entered in to by the listed entity, during the quarter/year ended on 31st March 2023 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 and 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 became 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.

Date – May 30, 2023
Place – Mumbai.

Sanjeev Singhal
Chairman and Managing Director
(Additional Charge) & Director (Finance)
(DIN: 07642358)

Appendix 6

Business Responsibility and Sustainability Report



ABOUT US

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



ABOUT BRSR

This Business Responsibility and Sustainability Report (BRSR) is a document that outlines initiatives and strategies related to Corporate Social Responsibility (CSR) and sustainability. The report also includes information on the company's Environmental, Social, and Governance (ESG) performance, as well as its efforts to minimize its impact on the environment, promote social justice, and maintain ethical business practices.

**SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

1.	Corporate Identity Number (CIN) of the Listed Entity	L35100MH1934GOI002079	
2.	Name of the Listed Entity	Mazagon Dock Shipbuilders Limited	
3.	Year of incorporation	1934	
4.	Registered office address	Dockyard Road Mumbai 400 010	
5.	Corporate address	Dockyard Road Mumbai 400 010	
6.	E-mail	investor@mazdock.com	
7.	Telephone	+91 22 2376 2000/ 3000/ 4000	
8.	Website	https://mazagondock.in	
9.	Financial year for which reporting is being done	2022-23	
10.	Name of the Stock Exchange(s) where shares are listed	Name of the Exchange	Stock Code
		Bombay Stock Exchange	543237
		National Stock Exchange	MAZDOCK
11.	Paid-up Capital	INR 201,69,00,000/-	
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Smt. Vijayalakshmi Kumar Company Secretary +91 22 2376 2010 Email id: mdlcs@mazdock.com	
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made under this report are made on a standalone basis for Mazagon Dock Shipbuilders Limited (MDL).	

II. Products/services**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing/building/ fabrication	Manufacturing/building/fabrication of Submarine & Ships	97.84%
2.	Repair activity	Medium Refit & Life Certification of Submarines & Ships	2.16%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing/building/fabrication of Submarine & Ships	3011289061000 (HSN code)	97.84%
2.	Medium Refit & Life Certification of Submarines & Ships	998729 (HSN code)	2.16%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	All the operations of Mazagon takes place at one location in Mumbai, Maharashtra. The North Yard, South Yard, Nhava Yard and Anik 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, and Wet Basin.		
International	Nil		

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	1 (Maharashtra)
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Approximately 0.073% of the total turnover is the contribution of exports.

c. A brief on types of customers

MDL caters to both national and international customers in the Defence sector as well as civil operations. However, majority of the company's business are for the Indian Defence Services namely Indian Navy (IN) and Indian Coast Guard (ICG).

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	941	874	92.88%	67	7.12%
2.	Other than Permanent (E)			0		
3.	Total employees (D + E)	941	874	92.88%	67	7.12%
WORKERS						
4.	Permanent (F)	2046	1992	97.36%	54	2.64%
5.	Other than Permanent (G)	2927	2834	96.82%	93	3.18%
6.	Total workers (F + G)	4973	4826	97.05%	147	2.95%

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	28	28	100%	0	
2.	Other than Permanent (E)	0	0	0		
3.	Total differently abled employees (D + E)	28	28	100%		
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	38	36	94.74%	02	5.26%
5.	Other than Permanent (G)	45	43	95.55%	02	4.45%
6.	Total differently abled workers (F + G)	83	79	95.18%	04	4.82%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12%
Key Management Personnel	5*	1	20%

*4 out of the 5 KMPs are also part of the Board.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.90	1.50	1.20	0.65	2.96	1.80	1.15	0.00	0.08
Permanent Workers	0.19	0.00	0.10	0.33	3.45	1.89	0.04	0.00	0.02

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Goa Shipyard Limited	Associate	47.21%	No

VI. CSR Details**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (in Rs.) - 782,718 Lakhs

(iii) Net worth (in Rs.) - 417,756 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Centralized Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances	18	0	All Resolved	22	0	All Resolved
Investors (other than shareholders)	NA	NA			NA		
Shareholders	Yes*	2	0	All Resolved	3	0	All Resolved
Employees and workers	Yes (Service related matters)	12	2	Resolution in progress	1	0	All Resolved
Customers	Yes**	All the complaints/ issues by customer (Indian Navy) are being discussed during Working Level Meetings and Combined Project Review Meetings by Controller of Warship Production and Acquisition (CWP&A). Since the project is carried out for Ministry of Defence, details of complaints cannot be put in public domain.					
Value Chain Partners	Yes	6	2	Resolution in progress	7	1	Resolution in progress
Other (please specify)	NA	NA			NA		

* The Stakeholder Relationship Committee of the Company redresses the complaints received from the shareholders as per SEBI Listing Regulations. Hence, there is no web link.

**MDL deals with Defence Customers and therefore all the communication are through confidential mode as per the requirement of Customer and is not part of public domain. The issues have been deliberated in structured meeting with Customers and have been attended.



24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	The waterfront of our Company is prone to siltation and involves constant maintenance of dredging to maintain the water depth.	R	Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.	The company keeps a regular check on the siltation and keeps constantly maintaining it by dredging to maintain the water depth.	Negative
2	Environmental-Water & Waste Management.	R	1)Water Scarcity 2) Environmental hazard and non-compliance of regulation pertaining to waste management.	We have adopted measures to save and efficiently use and reuse water. We also have systems for generation and disposal of waste.	Negative
3	MDL is committed to provide pollution free environment within its premises.	O	Safe environment at workplace.	-	Positive
4	Modernization of MDL Medical & OHS Center to transform it into 'State of the Art' Medical Centre in Jan 2023.	O	Health of employees/ workmen.	-	Positive
5	Company run Apprentice Training School	O	Provision of skilled manpower to MDL and other industries as well	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES



This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Yes, The policies are approved by Board/ Competent authorities as per the delegated powers.								
	c. Web Link of the Policies, if available	<p>All the SEBI mandated policies could be found at https://mazagondock.in/English/pages/Policies</p> <ol style="list-style-type: none"> 1. Health, safety and Environment Policy - https://mazagondock.in/images/pdf/H_S_E_M_S_POLICY.pdf P2, P3, P6 2. Dividend distribution policy - https://mazagondock.in/images/pdf/Dividend-Distribution-Policy-19052022.pdf P3, P4 3. Process of grievance redressal- https://mazagondock.in/images/pdf/Process-of-Redress-of-Grievance.pdf P3, P5, P9 4. Code of Business conduct and Ethics for board members- https://mazagondock.in/images/pdf/mdl-code-of-conduct-for-director-and-senior-mngt.pdf P1 5. Policy on Materiality for disclosure of event- https://mazagondock.in/images/pdf/mdl-materiality-policy-for-disclosure-of-events.pdf P1, P4, P7 6. CSR Policy- https://mazagondock.in/images/pdf/CSR-and-Sustainability-Policy-of-MDL-approved-on-22-01-2015.pdf P4, P8 7. Familiarization programme for Independent directors- https://mazagondock.in/images/pdf/mdl-familiarisation-programme-for-ind-directors.pdf P1 8. Materiality policy- https://mazagondock.in/images/pdf/policy-on-materiality-mdl05102018-8119.pdf P1, P7 9. Preservation of documents and Archival Policy - https://mazagondock.in/images/pdf/mdl-policy-on-preservation-of-documents.pdf P1 10. Related party transaction policy- https://mazagondock.in/images/pdf/related-party-transaction-policy.pdf P1, P4, P7 11. Code of internal procedures and conduct- https://mazagondock.in/images/pdf/Insider-Trading-Policy-MDL-05082019.pdf P1 12. Whistle blower policy- https://mazagondock.in/images/pdf/whistle-blower-policy.pdf P1 <p>Additionally, the company maintains a few other policies such as IT Policy that is available on the Intranet and the same is accessible to all employees.</p>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	The company's policies currently does not extend to its value chain partners. However, all MDL's vendors are obligated to abide by the Purchase Manual.								



Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> SEBI regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises CPSE issued by Department of Public Enterprises DPE ensuring ethical, transparent and accountable business conduct among others are followed by MDL. MDL's integrated Health, Safety & Environment Management System (HSEMS) is certified for ISO 14001:2015 and OHSMS (Occupational Health and Safety Monitoring System) and follows required operational standards accordingly. MDL's Quality Management Systems are conforming to the ISO 9001:2015, further MDL's Information Security Management System (ISMS) is conforming to ISO/IEC 27001:2013. MDL is a member of industrial bodies like FICCI, CII, SCOPE, ASSOCHAM etc. and hence works closely with the industry community. MDL has been instrumental in developing a defence manufacturing ecosystem in the country through engaging with Indian Private Industries including MSMEs, procurement through GeM portal, making available the opportunities for indigenization and Make in India through Srijan portal, and other initiatives for supporting Indian Industry. 								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>In its ESG Journey, MDL looks forward to set short, medium and long term targets for sustainability KPIs related to climate change, energy, water, waste management, air emission reduction, GHG reduction and biodiversity protection.</p>								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>Environment: The Company being a Defence Company, its products are tested at various stages of sea trials with involvement of running engines which emits diesel fuel exhaust fumes, which has an impact on environment. We aim to create a sustainable future through environment conservation activities for the community. All emissions and waste generated is monitored as prescribed by the Pollution Control Boards.</p> <p>Sustainability: The Company is also actively promoting socio- economic rejuvenation through targeted CSR activities such as healthcare including combating against COVID-19, Skill Development for Employment Enhancement & Self Employment, Education, Sanitation, Drinking Water, Environment Sustainability and Sports Development etc.</p> <p>Governance: MDL being a CPSE, the appointment of Directors are made by Govt. of India and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act / Rules / Regulations, to comply the same.</p> <p>- Cdr. Vasudev Puranik, IN (Retd)</p>								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Cdr. Vasudev Puranik, IN (Retd) Director (Corporate Planning and Personnel) +91 22 2376 4022 Email id : dcppoffice@mazdock.com</p>								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>The Company has dedicated committee for CSR, Sexual Harassment of Women at the Workplace and Risk management. For the other policies, the Company has adequate internal control on their review and implementation.</p>								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee				Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)				
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee and Audit Committee, as applicable. The periodicity of these reviews happens whenever an update is required due to change in applicable laws.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any	Complied except with respect to composition of the Board of Directors under SEBI (LODR) Regulations, due to non- appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the MoD for filling up the post and the same is pending with MoD/ DPE.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	In addition to periodic internal evaluation at Board and Committee level assurance, comfort is sought by MDL on its policies/procedures/codes through periodic audits by external agencies. For the purpose of this report through an extensive exercise, assessment of operationalization and effectiveness of policies mentioned in this section, is done by Dhir & Dhir Associates, an eminent Law firm.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/ No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLEWISE PERFORMANCE DISCLOSURE



This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	03	<ul style="list-style-type: none"> Ethics in corporate Governance Strategic Conclave for Board Level Executives. Masterclass for Directors 	90%
Key Managerial Personnel	04	<ul style="list-style-type: none"> Soch Banao Women Empowerment Design Thinking Cyber Security Awareness 	100%
Employees other than BoD and KMPs	13	<ul style="list-style-type: none"> Customized Management Development Program at IIM (Target Participants) International Maritime Laws and Its Significance in today's World. (Target Group- Legal & Contract Marketing) Parliamentary Procedures, Assurances & Questions. (Target Group-Corporate Planning) Project Management (Target Group-Senior Management) Design Thinking (Target Group-Senior Management) Exposure Visit for Mid-career and Induction Level Executives. (Target Participants-Mid and Junior Executives) Training on 'Intellectual Property Rights' (Target Participants) Fundamental of Coating and Lining for Paint Officers (target Group-Paint Shop & QA/QC) HSE Internal Auditor Cyber Jagrookata Diwas Symbiosis: Cross Functional Training Preventive Vigilance Soch Banao (Target Group-Executives) 	58.7%

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Workers	04	<ul style="list-style-type: none"> Life Vision Architect (Target Participants-Non-Executives) Team Building (Target Participants-Non-Executives) Soch Badlo (Target Participants-Non-Executives) Training on Health, Safety, Fire Fighting and First Aid 	74%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					
	Non-Monetary				
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Conduct, Discipline and Appeal Rules (CDA) 1980 deals with cases of corruption and bribery. The permanent/casual workers are guided by the standard procedures defined in the Standing Orders. Further the Code of Conduct, lays down the principles and standards that governs the actions of the Company and its employees. Also, Whistle Blower Policy has been formulated in the Company with a view to provide a mechanism for the Directors and Employees to report genuine concerns regarding the affairs of the Company to the Audit Committee.

Web link - <https://mazagondock.in/images/pdf/whistle-blower-policy.pdf>



5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable as there is no fines / penalties / action taken by any regulators/ law enforcement authority during the financial year.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topic/principles covered under the training	% age of value chain partners covered (by value)
During FY 2022-23, MDL has conducted two vendor development programs exclusively for MSEs owned by SC/ ST and Women entrepreneurs. Company had also arranged supplier meet (Buyer-Seller) during the year.	Complying with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012.	Though vendor meet has been conducted as part of the vigilance week Programme, we are currently unable to provide the data required in %. MDL shall take adequate measure to calculate this data from the upcoming years.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes in accordance with the relevant provisions of the Companies Act, 2013 and Code of conduct, the Board members shall:

- Inform changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board and the Guidelines of DPE.
- Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest.
- Should not use their official position for personal gains.

Web link: <https://mazagondock.in/images/pdf/mdl-code-of-conduct-for-director-and-senior-mngt.pdf>

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in the environmental and social impacts
R&D*	12.59 % (Total - Rs. 96.52 Crore allocated for R&D)	Nil (Total - Rs. 81.52 Crore allocated for R&D)	Hydrogen Fuel Cell Vessel, EV charger & Li-ion Batteries for Submarines (Rs. 12.15 Crore)
Capex*	10.57 % (Total - Rs. 114.98 Crore allocated for Capex)	Nil (Total - Rs. 245.44 Crore allocated for Capex)	

*The percentage mentioned above is amount used for R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts for out of the total amount in the respective category.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Standard Terms & Conditions of MDLs Contract agreements with vendors includes relevant compliance obligation from all Central and State Government Laws and ordinance dealing with the employment of persons including (but not by way of limitation), Interstate Migrant Workmen Act (Regulation of Employment and Condition of Service) Act 1979, The Employment of Children Act 1938, The Workmen's Compensation Act 1923, The Factories Act 1948, The Minimum Wages Act 1948, The Contract Labor (Regulation & Abolition) Act, 1970, the Apprentices Act 1970, the Apprentices Act 1961 and any statutory amendment or re-enactment thereof for the time being in force.

Further, MDL provides Purchase Preference to local suppliers, MSEs, Startups in accordance with the extant Government Policy 2012 (PPP-2012) and Purchase Preference to Make in India (PPP-MII 2017). Procurement valuing less than Rs. 200 Crores are sourced from indigenous vendors/ contracts.

- b. If yes, what percentage of inputs were sourced sustainably?

The value / percentage of inputs pertaining to sustainable source is currently not captured by the Company. However, the same shall be assessed and taken up by MDL accordingly in the upcoming years.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The main products built by the Company are Destroyers, Frigates and Submarines for use in Strategic/ National security applications. Once the products are delivered, they would generally not come back to the company except for refits. Hence, the company is not in a position to reclaim the products. However, MDL has a defined process in place for disposal of waste/ scrap generated in its operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable.



Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The company is currently not performing LCA for its products/services. However, the same would be assessed in the coming years and taken up accordingly.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
Not Applicable as the company is currently not performing LCA for its services.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Nil		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable. As mentioned above, once the products are delivered, they would generally not come back to the company except for refits. Hence, the company is not in a position to reclaim the products.					
E-waste						
Hazardous Waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials (as percentage of products sold) for each product category.
Not Applicable.	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Insurance		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	874	Refer	100%	874	100%	Nil	Nil	874	100%	Nil	Nil
Female	67	Note (i)	100%	67	100%	67	100%	Nil	Nil	67	100%
Total	941	below	100%	941	100%	67	100%	874	100%	67	100%
Other than Permanent Employees											
Male	Nil. There are no "other than permanent employees" in the company.										
Female											
Total											

(i) Medical needs of permanent employees/ workers have been taken care by company. Occupational Health Centre (OHC) set up in the company premises. In case of hospitalization, employees/ workers are referred to empanelled hospitals and expenses are borne by the company.

b. Details of measures for the well-being of workers:

	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Insurance		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1992	1992	100%	1992	100%	Nil	Nil	1992	100%	Nil	Nil
Female	54	54	100%	54	100%	54	100%	Nil	Nil	54	100%
Total	2046	2046	100%	2046	100%	54	100%	1992	100%	54	100%
Other than Permanent Workers											
Male	2834	2834	100%	2834	100%	Nil	Nil	2834	100%	Nil	Nil
Female	93	93	100%	93	100%	93	100%	Nil	Nil	93	100%
Total	2927	2927	100%	2927	100%	93	100%	2834	100%	93	100%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	As per the provisions of ESI Scheme					
Others - Please specify	Nil					



3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

We believe in inclusivity and providing an environment where our employees and workers feel safe and nurtured. In line with this, the company provides the differently abled employee/workers with ramps, railings and wheelchairs. The company is also open to incorporate any other facilities as and when required.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We at MDL provide equal employment opportunities to all individuals, regardless of their race, gender, religion, national origin, age, or disability and continuously work towards creating a fair and inclusive workplace where all employees feel valued, respected, and have an equal opportunity to succeed. Although it is not documented in a policy currently, we are committed to provide the same in the coming years. Additionally, company is complying with the Rights of Persons with Disabilities Act, 2016.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes
Permanent Workers	Yes, Employee grievance redress system in MDL is in force since 09.12.1985. In MDL, a standing committee consisting of a President and 3-4 Members is constituted by the Competent Authority for Executives and Non-Executives. These members are from the Middle and Senior Management Cadres of various departments. The various standing committees for redressal of grievance is as below: <ul style="list-style-type: none"> • Redressal of Public Grievances • Grievance redressal of Executives • Grievance redressal of Staff/Sub-Staff and Workmen • Grievance redressal cell for SC/ST employees • Redressal of complaints of sexual harassment • Redressal of problems of Minority community • Grievance redressal cell for Physically Challenged employees • Grievance redressal cell for Other Backward Class (OBC) employees • Management Representatives on the Bargaining Council
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of Employees and Worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	941	815	86.61%	963	843	87.54%
Male	874	766	87.64%	897	791	88.18%
Female	67	49	73.14%	66	52	78.78%
Total Permanent Worker	2046	2046	100.00%	2375	2375	100.00%
Male	1992	1992	100.00%	2320	2320	100.00%
Female	54	54	100.00%	55	55	100.00%

8. Details of training given to employees and workers:

	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	874	287	32.84	874	100	902	480	53.22	902	100
Female	67	9	13.43	67	100	66	42	63.64	66	100
Total	941	296	31.46	941	100	968	522	53.93	968	100
Workers										
Male	4826	1226	25.4	1144	23.7	4794	406	8.47	3266	68.13
Female	147	147	100	147	100	178	79	44.38	94	52.81
Total	4973	1402	28.19	1417	28.49	4972	485	9.75	3360	67.58

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	874	874	100	902	902	100
Female	67	67	100	66	66	100
Total	941	941	100	968	968	100
Workers						
Male	4826	2176	45.09	4794	3069	64.02
Female	147	129	87.75	178	61	34.27
Total	4973	2346	47.17	4972	3130	62.95



10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes). If yes, the coverage such system?

Yes, MDL is ISO 14001:2015 and ISO 45001:2018 certified. The company also has a Health, safety and environmental management system (HSEMS) implemented in all divisions covering 46 sections/ departments.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification & Risk Assessment (HIRA) has been done for all individual sections/ departments and are available in their respective departmental manual. The following measures are implemented to identify and assess hazards:

- Collecting and reviewing information about the hazards present or likely to be present in the workplace.
- Conducting initial and periodic workplace inspections of the workplace to identify new or recurring hazards.

- Investigating injuries, illnesses, incidents and close calls/near misses to determine the underlying hazards, their causes and safety and health program shortcomings.
- Group similar incidents and identifying trends in injuries, illness, and hazards reported.
- Considering hazards associated with emergency or non-routine situations.
- Determining the severity and likelihood of incidents that could result for each hazard identified and use this information to prioritize corrective actions.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y)

Yes. Incident Report system is in place & all stakeholders can report any potential hazards/ incidents to respective authorities.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, The company provides medical & Occupation Health & Safety (OHS) Center facility to all stakeholders inside the yard.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.18	0
Total recordable work-related injuries	Employees	0	0
	Workers	4	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company undertakes following measures to ensure a safe and healthy work place:

- i. Various Health talks/ awareness sessions are conducted by Medical & Occupation Health & Safety (OHS) Department.
- ii. Regular disposal of Bio-Medical Waste by MCGM authorized agency M/s SMS Envoclean.
- iii. Daily safety rounds, following Work Permit System, Safety Committee Meetings, Safety trainings to employees including Sub-Contract employees, celebrating Safety Week & organizing various competitions to promote safety.

Further, following steps are also adopted to ensure safe and healthy work place:

- Training provided to employees.
- Rewarding and awarding employees for safe behaviour.
- Displaying of safe practice posters and slogans.
- Good housekeeping in the factory premises.
- Appropriate tools for the job and regular equipment inspections.
- Incident reporting procedure in place.
- Accident investigation
- Maintaining records of first aid treatment, inspections, and incident reporting and training activities.
- Regular workplace inspection.
- Regular meetings on workplace safety.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1	0	The complaint was regarding Action on replacement of Gas stove despite BER and several reminders and the same has been resolved.	5	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 % (Safety Audit at MDL is conducted by the Directorate of Industrial Safety and Health (DISH) approved auditor)
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Lifeline installation on all the workshop roofs is planned in the FY 2023-24, to prevent any accidents due to fall from height.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, MDL provides Group Personal Accident Insurance and has a scheme for financial assistance for employees that died in harness or retired prematurely on account of incapacitation before attaining 55 years of age. Additionally, each worker contributes following amount in the event of death and the matching amount is contributed by Company.

- In case of accidental death - Rs.50
- In case of natural death - Rs.25



2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

MDL has taken following measures to ensure that statutory dues have been deducted and deposited by the value chain partners: -

- All the Vendors & Contractors possess valid PAN
- All the Vendors & Contractors are registered under GST Act and relevant rules
- The bills of the suppliers/ Contractors are cleared after ensuring compliances of statutory provisions by the Supplier/ Contractors.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Indicate input material	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes)

Yes, it is provided for both Executive and Non-Executive. MDL has a consultancy policy in place that provides for Re-engagement of retired executives on Fixed Tenure or Contract basis.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The company provides for certain mandates in the tender that the supplier needs to follow. However, the company, currently, do not conduct the assessment of its value chain partners. The same shall be analysed and taken up accordingly in the coming years.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable since the company currently does not undertake any assessment for its value chain partners.

PRINCIPLE 4**Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

Our process of stakeholder identification involves identifying key internal and external stakeholders followed by analyzing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritize our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organization strategy. Stakeholder engagement at MDL is an ongoing process wherein the Company interacts with its stakeholders at different levels to understand and address their expectations and collaborates with them for creating shared value. The Company has built a constructive relationship with all its stakeholders based on mutual trust, transparency, ethics and accountability. Continuous two-way dialogue process with stakeholders along with their feedbacks on various issues concerning the company's operations has enabled us to establish sustainable relationships with the stakeholders. Apart from Customers, Suppliers, Employees, Shareholders, Government, Regulatory & Statutory Bodies, are considered as key stakeholder of the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Letters, Meeting	Monthly, Quarterly, Half Yearly, as and when required	Issues related to Technical, Logistic, timelines, terms and condition etc.
Vendors / Suppliers	No	Website, Emails, MDL e-portal, Meeting	Against Specific Tender Monthly, Quarterly, Yearly against specific Tender	Tenders are hosted on website.
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publication, Annual Reports	As and when required	Shareholders meeting and Resolution of grievance
Employees	No	Employee portal, E-Newsletter, circulars	Monthly, Weekly, Occasionally and Fortnightly	Information on Company activities
Industry bodies, Regulators	No	Email, Letters, Meeting	As and when required	Compliance of applicable laws
Government; NGO; local communities; media, industry analysts, society at large	No	As and when required: Governance, periodic reporting; RFIs / RFPs; Presentation project meetings; reviews; due diligence; calls and meetings; conference and seminars; press conferences; media interviews and quotes; sponsored events, Analyst meetings	Monthly, Quarterly, Half Yearly	Communicate Performance and strategy; Share and contribute to insight into public and business concerns; Discuss response to responsible business issues of MDL.



Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

MDL currently does not consult with its stakeholders to identify and manage environmental and social topics. However, the company is committed to incorporating this mechanism in the upcoming financial year as per requirements.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The company currently does not consult with its stakeholders to support the identification and management of environmental, and social topics. However, the need for the same shall be assessed and taken up accordingly.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalized segments of society. All CSR programs are aligned to the CSR Policy of the Company. Critical focus areas of the Company's CSR mandate include Health, Nutrition & Sanitation, Skill Development, Education and Rural Development.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	941	158	16.8	968	69	7.1
Other than permanent		Nil			Nil	
Total Employees	941	158	16.8	968	69	7.1
Workers						
Permanent	2046	Nil				
Other than permanent	2927	151	5.1		Nil	
Total Workers	4973	151	3.0			

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent		Nil					Nil			
Male	941			941	100%	963			963	100%
Female	67			67	100%	66			66	100%
Other than Permanent	Nil					Nil				
Male										
Female										
Workers										
Permanent		Nil					Nil			
Male	1992			1992	100%	2320			2320	100%
Female	54			54	100%	55			55	100%
Other than Permanent										
Male	4225	3199	75.72	1026	24.28	4214	3870	91.84	344	8.16
Female	359	124	34.54	235	65.46	289	155	53.63	134	46.37

3. Details of remuneration/salary/wages, in the following format:

Amount in Rs.

	Male		Female	
	Number	Median remuneration/ Salary/ Wages of respective category	Number	Median remuneration/ Salary/ Wages of respective category
Board of Directors (BoD)*	04	3,78,507	00	NA
Key Managerial Personnel	04	3,78,507	01	1,89,336
Employees other than BoD and KMP	874	1,62,957	66	1,59,723
Workers	4826	58,360	147	36,426

*The remuneration median for Board of Directors only includes the 4 fulltime Directors

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes)

Yes, The Head of Department for HR is a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation. The Whistle Blower Policy, Code of Conduct and Grievance Policy holds a strong commitment to protect the identity of the

complainant and maintain confidentiality through each stage of investigation.

Internal complaints committee has been founded as per statutory provisions to address and resolve the issues raised out of sexual harassment, works committee deals with complaints related to working conditions, safety issues etc. and grievance redressal policy provides mechanism to report and resolve employee grievances.

MDL has the following committees in place to redress grievance related to human rights:

- Redressal of Public Grievances Committee
- Grievance Redressal of Executives for all Yards of MDL Committee



- Grievance Redressal Cell for SC/ST Employees Committee
- Grievance Redressal of Staff/ Sub-staff & Workmen of MDL Committee,
- Redressal of Complaints of Sexual Harassment Committee,
- Women/ WIPS Cell Committee
- Redressal of problems of Minority Communities Committee
- Grievance Redressal Cell for Physically Challenged Employees Committee
- Grievance Redressal Cell for Other Backward Class (OBC) Employees Committee

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	1	0	Resolved	1	0	Resolved
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other Human Rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The company has following policies in place to prevent adverse consequences to the complainant in discrimination and harassment cases

- Public Interest Disclosure & Protection of Informer (PIDPI)
- Whistle Blower Policy

8. Do human rights requirements form part of your business agreements and contracts?

Yes, Contract agreements includes relevant compliance obligation with regards to all Central and State Government Laws and ordinance dealing with the employment of persons including (but not by way of limitation), Interstate Migrant Workmen (Regulation of Employment and Condition of Service) act 1979, The Employment Of Children Act 1938, The Workmen's Compensation Act 1923, The Factories Act 1948, The Minimum Wages Act 1948, The Contract Labour (Regulation & Abolition) Act, 1970, The Apprentices Act 1970, The Apprentices Act 1961 and any other statutory amendment or re-enactment thereof.

9. Assessments for the year:

	% of your plants and Offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100 %
Forced/involuntary labour	100 %
Sexual Harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others - please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable. No adverse remarks have been raised in the assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints

The company is committed to make changes in the processes as and when required and has an open door policy towards all employees and stake holders. However, no such compelling case for process modification has arisen during the reporting period.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The company currently does not undertake any Human rights due diligence, However, it is open to assessing the relevance of it and implementing it in the upcoming years.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The company provides infrastructure support to differently abled visitors i.e., ramps, wheelchair and railings.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100 %
Discrimination at workplace	100 %
Child Labour	100 %
Forced Labour / Involuntary Labour	100 %
Wages	100 %
Others - Please Specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable. No adverse remarks have been raised in the assessment.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Megajoules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	61220448.10	62002970.00
Total fuel consumption (B)	3513320.16	4062777.6
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	64733768.26	66065747.60
Energy intensity per rupee of turnover Mega Joules/ turnover lakh	82.70	115.23
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not applicable, since the Company is not in the category of Designated Consumers mandated under PAT Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	7500	5000
(iii) Third party water	318448	308485
(iv) Seawater / desalinated water	6000	7500
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	331948	320985
Total volume of water consumption (in kilolitres)	331948	320985
Water intensity per rupee of turnover Kilolitre/ Turnover in lakh	0.42	0.55
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, none of the independent assessments / evaluation or assurance has been carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. MDL has implemented a mechanism for Zero Liquid Discharge in their SSA (Submarine Section Assembly) workshop which consists of Sewage Treatment Plant, Grey wastewater Treatment plant, Oil water Treatment Plant in the year 2016-17. The sewage treatment plant is designed to treat up to 2 m³/hr. of domestic sewage to desired quality as being discharged or being reused as water for flushing/gardening. Sewage treatment plant focuses on reducing the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water and Disinfection of the clarified water using hypochlorite solution.

Grey Water Treatment Plant (GWTP) is designed to treat up to 4 m³/hr. of waste water to the desired quality and being reused. GWTP reduces the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water, Disinfects clarified water using hypochlorite solution and Filtrates the clarified water using pressure sand filter and absorption by using activated carbon filter to reduce the TSS level in the filtered water.

Oil water Treatment Plant is designed to treat up to 5 m³/hr. of oil water to the desired quality and being reused. Various units of a plant are Collection Sump, Raw sullage transfer pumps, corrugated plate interceptor, final holding tank, oil sensor unit and transfer pumps.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NO _x	Nil	Nil	Nil
SO _x			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Air, Water & Noise testing done quarterly by accredited agency M/s Skylab.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	589.13	686.81
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	12561.02	12616.73
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/lakhs	0.017	0.023
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

MDL being a defence PSU, primarily engaged in construction of warships and submarines for Indian Navy, once delivered, MDL have no control over its products i.e. warships and submarines. It is pertinent to mention that Green House Gas emissions generally takes place once the ships/ submarines becomes operational throughout its life span and not during its construction phase. Hence, no independent assessment/ evaluation/ assurance has been carried out by an External Agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes.

- The company has installed Solar panels with total installed capacity as 1850 KWP as part of their renewable energy to reduce Greenhouse Gas emissions, providing energy of 390 KWP at MDL SB-Pipe Shop rooftop, MDL EY-Pipe Shop, P&A Shop rooftop and Bond Store rooftop, 350 KWP at Submarine Workshop Alcock Yard, 100 KWP at SB-Sheet metal shop rooftop and 650 KWP at Anik Chembur Yards, Cradle Assembly Shop & EY Store Building terrace and 360 KWP at MDL NY Assembly Shop and FOB Shop rooftop and FOB shop rooftop.
- MDL also has Electronic Golf cars (4 seater and 8 seater), which does not contribute to greenhouse gas emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	3	0
Bio-medical waste (C)	0.075	0.15707
Construction and demolition waste (D)	19073.01	60677.14
Battery waste (E)	0	0.63
Radioactive waste (F)	0	0
Other Hazardous waste. Please Specify, if any. (G) 1. Used oil (lubricant)	44.1	0
Other Non-hazardous waste generated (H).		
1. Wood waste (Scrap, wood logs)	386.1	301.79
2. Steel Waste (MS Scrap, SS Scrap)	2118.54	1030.81
3. Aluminum Waste (Scrap, Cable waste)	10.5	14
4. Copper Waste (Scrap, Cable Scrap)	18.67	17.8
5. Brass Scrap	0.96	0
6. Cu-Ni Scrap	8	4.5
Total (A+B + C + D + E + F + G + H)	21662.955	62046.82707
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2542.77	1368.90
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	2542.77	1368.90



Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

MDL is disposing Rubbish/Refuse generated in its yards through NGOs/Sahakari Sansthas on 'NO CHARGE/NO PAYMENT' basis since year 2010-11. It is being done successfully on day to day basis and the system is working satisfactorily. It is able to achieve zero garbage status by developing these Sahakari Sansthas. MDL has a different rate contracts for clearing accumulated scrap i.e. M.S / Wooden / Copper/Aluminium and Furniture etc. along with all the other rubbish materials like rubber, paper etc. Plastic is collected by NGO/Contractor daily and further sorted by them for reusing & recycling of material. Separate storage bins have been provided for wooden, metal, ferrous, non-ferrous scrap to facilitate smooth & safe disposal and other various scraps i.e. metal/ wooden etc. are auctioned through Disposal Cell.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion of construction of piled jetties and extension of existing slipway for installation of Goliath Crane at North yard under RED category.	RED/L.S.I (R44) No:- Format1.0/ CAC/UAN	07-09-2022	Maharashtra Pollution Control Board	Yes	https://www.mpcb.gov.in/sites/default/files/cac-meetings/atr/action_taken_28.pdf

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Serial Number	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any action
YES. MDL is compliant with the applicable environmental law/ regulations/ guidelines in India.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	5393679.98	5928610.00
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	5393679.98	5928610.00
From non-renewable sources		
Total electricity consumption (D)	55826768.10	56074360.00
Total fuel consumption (E)	3513320.16	4062777.60
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	59340087.26	60137137.60

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Mazagon Dock has been assessed by National Productivity Council which conducted Energy Audit in 2016. However, no assessment has taken place in the reporting year

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment - please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	328448	317485
- No treatment		
- With treatment - please specify level of treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)	328448	317485

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agency.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil, The company does not withdraw, consume and discharge in areas of water stress.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil, The company does not withdraw, consume and discharge in areas of water stress.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by any external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	The company did not measure its Scope 3 emissions in the reporting year. However, it is working towards providing the relevant data in the upcoming years.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

MDL is in the process of appointing an agency to carry out Biodiversity Study at its proposed development of Nhava Yard.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Recycling of Rubbish/garbage	Rubbish which includes all dry waste including plastic collected by NGO/Contractor daily. This rubbish further sorted by them for reuse & recycling of material. This service by NGO/Contractor is on no profit no loss basis.	Significant reduction in percentage of dry waste.
2	Grey water treatment Plant	It is designed to treat up to 4 m ³ /hr. of waste water to the desired quality and being reused. GWTP reduces the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water, Disinfects clarified water using hypochlorite solution and Filtrates the clarified water using pressure sand filter and absorption by using activated carbon filter to reduce the TSS level in the filtered water.	Reducing Biological Oxygen Demand, Chemical Oxygen Demand and Total Suspended Solids resulting in negligible contamination and improved water quality.
3	Sewage Treatment Plant	The sewage treatment plant is designed to treat up to 2 m ³ /hr. of domestic sewage to desired quality as being discharged or being reused as water for flushing/gardening. Sewage treatment plant focuses on reducing the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water and Disinfection of the clarified water using hypochlorite solution.	Reducing Biological Oxygen Demand, Chemical Oxygen Demand and Total Suspended Solids resulting in negligible contamination and improved water quality.
4	Oil water treatment plant	It is designed to treat up to 5 m ³ /hr. of oil water to the desired quality and being reused. Various units of a plant are Collection pump, Raw sullage transfer pumps, corrugated plate interceptor, final holding tank, oil sensor unit and transfer pumps.	Removes oils, grease and hydrocarbons, leaving only the non-hazardous water for being reused.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, MDL's Contingency Plan emerge from a thorough analysis of threats and risks that the organization may face and are primarily aimed to minimize the impact of a foreseeable event that could cause damage to property or injury to employees. The Contingency Plan enunciated provide sufficient time for senior management officials to take preventive steps for normalizing any untoward situation such as Accidents, Fire, Explosions & Natural Disaster etc. and can be implemented either in whole or part, depending upon the situation. The plans enable management officials to know exactly what actions are to be taken when situation turns abnormal or become a law and order problem. "Who is to be informed", "Who is to do what" and "Who is to be where" are the basic considerations while preparing the Contingency Plan.

There is a Long Term Business Continuity Vision Plan till 2033 guided by the Government of India through the Ministry of Defence which is a confidential document.



8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has not been any significant adverse impact to the environment, arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The company currently does not assess its value chain partners for environmental impacts.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations. 4
- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Standing Conference of Public Enterprises (SCOPE)	National
2	Confederation of Indian Industry (CII)	National
3	Society of Defence Technologists (SODET)	National
4	Indian Shipbuilders Association (ISBA)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective active taken
	Nil	

Leadership Indicators

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, If available
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The Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. The Company has a Code of Conduct Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/Industry bodies.

PRINCIPLE 8**Businesses should promote inclusive growth and equitable development****Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and Brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Nil					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Nil						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The company understands that, there is a strong agreement to the fact that efforts must be continually made to protect the lives of communities living in and around the Company's area of operations. Community can raise their grievances through the Public Grievance Portal.

Weblink: <https://mazagondock.in/English/Forms/PublicGrievance>

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	34.20 %	25.02%
Sourced directly from within the district and neighbouring districts	20.56 %	19.72 %

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable.	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Nandurbar	86,10,000/-
2	Maharashtra	Gadchiroli	35,88,000/-



3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, the Company has a government mandated Public Procurement Policy for Micro and Small Enterprises (MSE)

(b) From which marginalized /vulnerable groups do you procure?

As per the Public Procurement Policy, preference is given to MSEs, MSEs owned by Schedule Caste/Schedule Tribes (SC/ST) & Women.

(c) What percentage of total procurement (by value) does it constitute?

MSMEs constitute almost 34.20 % of the total procurement. Procurement from SC/ST MSEs and Womens MSEs are 0.010 % and 0.94 % respectively.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective Action taken
This does not apply to us as there has not been any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Health, Nutrition & Sanitation Project	196034	100%. The beneficiaries are always from the under privileged, marginalized, vulnerable and backward community of the society.
2	Skill Development Project	975	
3	Education Project	875	
4	Rural Development Project	7223	
5	Others (Research, Welfare, Sports etc.)	96	

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Indian Navy has a well-established structure and periodic meetings for raising issues. Same is being followed and complied by the Company. These documents are treated as confidential by Indian Navy.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	MDL provides elaborate Standard Operating Procedures for all its products. The same specifies safe and responsible usage of the product.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the Year	Pending resolution at end of year	Remarks	Received during the Year	Pending resolution at end of year	Remarks
Data Privacy	Nil			Nil		
Advertising	Nil			Nil		
Cyber-security	01	Nil	Reported to CERT-In & CIRA	05	Nil	Reported to CERT-In & CIRA
Delivery of essential services	Nil			Nil		
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes, the company has a cyber-security policy formulated. The same is stored on the intranet and is accessible to all employees.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

The company has taken following corrective actions:

- CSG-DDP (Cyber Security Group- Department of Defence Production), CIRA (cyber Investigation Research Agency), CERT-In, NIC (National Informatics Center) etc. issues advisories related to Cyber Security. These are also promulgated and users are sensitized.
- Periodic VAPT Audits are conducted.
- Reports of Cyber Security Status and action taken are regularly sent to CSG-DDP.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the company's products and services can be found on our website and social media handles. The link to the same are as follows:

Website- <https://mazagondock.in/>

Twitter: https://twitter.com/i/flow/login?redirect_after_login=%2FMazagonDockLtd

Facebook: <https://www.facebook.com/MDLMumbai>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Through our elaborate standard operating procedures and manuals, we ensure that our consumers are equipped with the knowledge and skills necessary to use our products and services safely

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The consumers are informed of any risk of disruption/ discontinuation of essential services via periodical meetings where consumer is updated about status of project.



4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No.

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

Nil.

b) Percentage of data

Nil.

ALIGNMENT OF NGRBC PRINCIPLES WITH SDGs

NGRBC	Sustainable Development Goals
Principle 1	SDG 16,17
Principle 2	SDG 2,6,7,8,10,12,13,14,15
Principle 3	SDG 1,3,4,5,8,9,11
Principle 4	SDG 1,5,9,11,16
Principle 5	SDG 5,8,16
Principle 6	SDG 2,3,6,7,10,12,13,14,15
Principle 7	SDG 2,7,10,11,13,14,15,17
Principle 8	SDG 1,2,3,4,5,6,8,9,11,13,14,15,16,17
Principle 9	SDG 2,4,12,14,15



Country's maiden fuel cell technology vessel with zero CO₂, NO_x, SO_x emission and cost effective sustainable green energy solution for inland waterways application.

OUR COMMITMENT TO ENVIRONMENT

Water Management



Efficient water management plays a pivotal role in sustainable water conservation. It involves implementing strategies and policies to allocate, distribute, and utilize water resources effectively. In line with the same, MDL has implemented a mechanism for Zero Liquid Discharge in their SSA (Submarine Section Assembly) workshop which consists of Sewage Treatment Plant, Grey wastewater Treatment plant, Oil water Treatment Plant in the year 2016-17. The sewage treatment plant is designed to treat up to 2 m³/hr. of domestic sewage to desired quality as being discharged or being reused as water for flushing/gardening. Sewage treatment plant focuses on reducing the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water and Disinfection of the clarified water using hypochlorite solution.

Grey Water Treatment Plant (GWTP) is designed to treat up to 4 m³/hr. of waste water to the desired quality and being reused. GWTP reduces the BOD (Biological Oxygen Demand), COD (Chemical Oxygen Demand) and TSS (Total Suspended Solids) level in treated water, Disinfects clarified water using hypochlorite solution and Filtrates the clarified water using pressure sand filter and adsorption by using activated carbon filter to reduce the TSS level in the filtered water.

Oil water Treatment Plant is designed to treat up to 5 m³/hr. of oil water to the desired quality and being reused. Various units of a plant are Collection Sump, Raw sullage transfer pumps, corrugated plate interceptor, final holding tank, oil sensor unit and transfer pumps.

Energy Conservation



Energy conservation is the practice of reducing energy consumption to minimize our environmental impact and preserve valuable resources. It involves adopting energy-efficient technologies, optimizing energy use in buildings, industries, and transportation, and promoting behavioral changes that prioritize responsible energy usage. As an effort from our side, we have made certain changes and additions in our processes to reduce our GHG emissions. These are as follows:

- We use renewable source of electricity
- MDL has installed Solar panels as part of their renewable energy to reduce Greenhouse Gas emissions, providing energy of 390 KW and 650 KW located at its North, South, East and Anik Chembur Yards
- We have Electronic Golf cars (4 seater and 8 seater), which does not contribute to greenhouse gas emissions.

Waste Management



Waste management is a crucial aspect of sustainable development. To ensure the effectiveness of waste management practices, continuous monitoring and evaluation are carried out. Regular audits and inspections help identify areas for improvement and ensure compliance with environmental regulations.

MDL is disposing Rubbish/Refuse generated in the MDL yards through NGOs/Sahakari Sansthas on 'NO CHARGE/ NO PAYMENT' basis since year 2010-11. It is being done successfully on day to day basis and the system is working satisfactorily. MDL is able to achieve 0 garbage status by developing these Sahakari Sansthas. MDL has a different rate contracts for clearing accumulated scrap i.e. M.S / Wooden / Copper/Aluminum and Furniture etc. along with all the other rubbish materials like rubber, paper etc. Plastic is collected by NGO/Contractor daily and further sorted by them for reusing & recycling of material. Separate storage bins have been provided for wooden, metal, ferrous, non-ferrous scrap to facilitate smooth & safe disposal and other various scraps i.e. metal/ wooden etc. are auctioned through Disposal Cell.

OUR COMMITMENT TO SOCIAL

Community empowerment



The company has executed several projects as part of its CSR initiatives mainly in sectors of Health, Nutrition & Sanitation, Education, Rural Development, Skill Development and promotion of sports. Substantial contributions were also made by MDL to support the nation's fight against the Covid-19 pandemic, mainly in the aspirational district of Nandurbar and Government hospitals in Mumbai.

The CSR Budget for the FY 2021-22 was Rs.14.13 Cr. In addition to above, a sum of Rs. 1.54 Cr were carried forward from the previous financial year (2020-21). Out of total amount of Rs 15.67 Cr, MDL has spent Rs. 11.11 Cr towards CSR activities during FY 2021-22.

The company has executed 57 projects as part of its CSR initiatives during FY 2021-22. A sum of Rs. 4.56 Cr remains unspent as several projects/programs could not be accomplished/completed due to delay in the submission of required documents and/or delay in execution of some projects by the implementing agencies.

The CSR Budget for the FY 2022-23 is Rs.13.92 Cr. In addition to above, a sum of Rs. 4.56 Cr were carried forward from the previous financial year (2021-22). Out of total amount of Rs 18.48 Cr, MDL has planned to spend Rs. 11.11 Cr towards annual theme of Health & Nutrition (63%), Rs. 2.94 Cr towards Skill Development (16%), Rs 1.08 Cr towards Education (6%), Rs. 1.06 Cr towards Rural Development (6%) and Rs. 1.74 Cr towards other sectors which include welfare of war widows, promotion of sports, research etc. (9%)

Employee Participation and Well-being



MDL shall be focused on creating and executing initiatives to keep employee engagement levels at their highest by building & sustaining leadership connect, rewards and recognition and by bringing in fun elements to work from time to time in the Organization.

Our employees are our hearts, minds and hands when it comes to fulfilling our social responsibility.

With a commitment to fostering a positive and inclusive workplace, the company has implemented several initiatives

aimed at enhancing the well-being of its employees and encouraging their active participation. The company has established comprehensive health and safety programs, including regular medical check-ups, mental health support, and awareness campaigns. Moreover, they have created platforms for open communication and feedback, enabling employees to voice their opinions, ideas, and concerns. Through employee engagement activities, such as team-building exercises, training programs, and recreational events, Mazagon Dock Shipbuilders ensures a healthy work-life balance and a sense of belonging among its workforce. By prioritizing employee well-being and participation, MDL strengthens its overall organizational performance and nurtures a positive work culture.

Grievance Redressal



The importance of grievance redressal in an organization cannot be overstated. A well-functioning grievance redressal system ensures that employees have a fair and effective mechanism to address their concerns, conflicts, and grievances. It provides a platform for employees to voice their grievances, which is crucial for maintaining a positive work environment and fostering employee satisfaction and well-being. By promptly and transparently addressing grievances, organizations demonstrate their commitment to fair treatment, respect, and employee rights. This, in turn, helps in building trust, enhancing employee morale, and reducing workplace conflicts. Overall, a robust grievance redressal system is an essential component of organizational success, employee engagement, and maintaining a harmonious work culture.

At MDL, Employee grievance redress system is in force since 09.12.1985. A standing committee consisting of a President and 3-4 Members is constituted by the Competent Authority for Executives and Non-Executives. These members are from the Middle and Senior Management Cadres of various departments.

OUR COMMITMENT TO GOVERNANCE

Policies & Processes



The company has established an extensive framework of policies and procedures, accompanied by relevant Standard Operating Procedures (SOPs), to effectively guide and regulate its day-to-day activities and operations. These policies and procedures serve as a blueprint for employees, outlining the expected standards, protocols, and best practices to be followed across various departments and functions.

By having a comprehensive set of policies, MDL ensures consistency, accountability, and compliance in its operations. These policies address various aspects, including but not limited to, quality control, safety protocols, ethical guidelines, data privacy, environmental sustainability, and employee conduct. They provide a clear roadmap for employees, enabling them to navigate their responsibilities and make informed decisions aligned with the company's values and objectives.



MDL has been awarded for excellent CSR work in Healthcare Sector at the India CSR & Sustainability Conclave 2023 at India Habitat Center, New Delhi



Independent Auditors' Report

To,
**Members of Mazagon Dock Shipbuilders Limited,
Mumbai**

Report on 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, 2023, the Statement of Profit and Loss Account (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The Standalone Financial Statement").

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 31st March, 2023 and its profit, total comprehensive income, changes in equity and its cash flow 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 ("SA's") specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 Leased hold properties in name of company are pending. (Refer Note 2 Point No. x)
2. Balance of advances to vendors and balances outstanding in trade payables are subject to confirmation. (Refer Note 34 Point No 1)
3. Balance due from/to Indian Navy (Debtors) is subject to reconciliation and confirmation. (Refer Note 34 Point No 2)

Our opinion is not modified in respect of these matters.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Revenue Recognition for Ship/Submarine Construction & repair contracts</p> <p>Referred to in Note No. 1 - 2.2(j) of the Financials Statements</p> <p>The company recognizes the revenue from Ship/ Submarine Construction/ repair contracts when the company satisfies a performance obligation by transferring goods or service to a customer.</p>	<ul style="list-style-type: none"> • We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	The company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.	<ul style="list-style-type: none"> Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract. In this regard, we have relied on the data provided by the technical departments.
	When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.	<ul style="list-style-type: none"> Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs provided by the management.
	For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)	<ul style="list-style-type: none"> Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.

Information other than the Standalone Financial Statement and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report, Overall Business Operations, Management and Corporate Governance but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the Standalone 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 Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have perform on the other information that we obtained prior to the date of this auditor's 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 matters to those charged with governance.

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 Companies Act, 2013 ("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 (including other comprehensive income), change in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

- This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- The Management are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statement:

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements 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 Standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure I**" a statement on the matters specified in paragraph 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), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

- e) In view of exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by Ministry of Corporate Affairs, the provision 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 with reference to Standalone Financial Statements of the Company and 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 control over financial reporting with reference to Standalone Financial Statements.
- 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 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; (Reference of Note No.33 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. (Reference of Note No 37 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.
- iv. a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 51 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity(ies) ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity(ies) ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. The reporting responsibility on the accounting software for maintaining the books of accounts which has the feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023 vide MCA notification G.S.R. 235E dated 31st March, 2022. Therefore, reporting under Rule 11(g) of Companies (Audit & Auditor) Rules, 2014 is not applicable for financial year ended on March 31, 2023.

For C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN - 23109127BGQVHZ6233

Date: 30th May, 2023
Place: Mumbai



Annexure 'I' to the Independent Auditor's Report

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mazagon Dock Shipbuilders Limited of even date)

i. In respect of the Company's Property, Plant & Equipment and Intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;

(B) The Company has maintained proper records showing full particulars of Intangible assets;

(b) The Company has a program of verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the

nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management through an External Auditor during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;

(c) The Title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreement is duly executed in favor of the lessee) are held in the name of the Company except for the list of immovable properties and the lease agreements expired but yet to be renewed disclosed as follows:

(Rs. in lakhs)

Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in name of company*
					Indicate if in dispute
Lease hold Land					
North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S. N. Co)	NO	1966	In Year 1960, Mazagon Dock private Limited (MDPL) was acquired by Govt. of India (Gol). An Agreement dated 19th April 1960, was executed between the president of India and M/s British Steam Navigation company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O S. N.Co.) to acquire the shares of MDPL held by them. Later, the company's name was changed to 'Mazagon Dock Limited' (MDL) and thereafter to Mazagon Dock Shipbuilders limited. The updation with respect to the name of the company in the land records/lease agreement and the renewal of lease agreement for south yard land are under process.
North Yard, Near Residential Colony, MDL, Mumbai	-			1975	
South Yard, Near Module shop, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)		1959	
South Yard, Near Mogul House, MDL, Mumbai	-			1947	
355 Phase North yard	9,699	Mumbai Port Trust (MBPT)		1976	
Extension of Phase II	3,051			1979	
Extension of Slipway in SY	5,136			1995	
Additional water area for Extension of Slipway	2,539			2003	
Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)		1984	The company is in possession of approx. 10-acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanent tenancy rights co-terminus with the leasehold rights of ONGC with the CIDCO land in their possession.

(Rs. in lakhs)

Description of Property	Gross Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in name of company*
					Indicate if in dispute
Building					
Flats at Vashi	14	City and Industrial development Corporation of Maharashtra Ltd (CIDCO)		1985	Registration of Deed of apartments is pending. However, the share certificates and other documents are in the name of the Company.

- (d) The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) According to the information and explanations given to us, there are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

ii. In respect of the Company's Inventory:

- (a) As per the information and explanations given to us, the Inventory (except those held with third parties) has been physically verified by the management and the external auditor during the year at reasonable intervals. The coverage and procedures of the

verification carried out by the management are appropriate. The discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of accounts. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

- (b) As per the information, explanations and supporting given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly statements filed by the company with banks are not in agreement with the books of account of the Company, the details with reasons are as follows;

Month	Drawing Power (DP) calculation as per DP statement submitted to bank In Lakhs	Drawing Power (DP) calculation as per Books of accounts In Lakhs	Difference in Amounts In Lakhs	Variance (%)
Jun-22	(6,76,370)	(6,55,732)	(20,638)	(3.05%)
Sep-22	(7,78,025)	(7,55,241)	(22,784)	(2.93%)
Dec-22	(7,09,730)	(6,89,092)	(20,638)	(2.91%)
Mar-23	(8,78,713)	(8,27,369)	(51,344)	(5.84%)

Our observations with regards to variance are as follows:

The stock statement is required to be submitted to the bank by the prescribed due date. As per the explanation given by the company, a provisional statement is submitted to the bank by the due date and the actual figures vary in certain cases after finalization of accounts. The Company has not availed any fund-based facility during the year and has availed only non-fund-based facility from the bank during the year.

- iii. According to the information and explanation given to us and on the basis of our examination of the records of

the Company, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the provisions of clause 3(iii)(a) to 3(iii)(f) of the order are not applicable to the Company;

- iv. The Company has not granted any loan, given any guarantee or provided any security covered under Section 185 of the Act. Section 186 of the Act relating to investments, loans granted, guarantees given and security provided is not applicable to the Company being a Government Company engaged in Defence equipment production;



- v. According to the explanation and information given to us, the Company has not accepted deposits or amounts which are deemed to be deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi. We have broadly reviewed the cost records maintained by the Company, as prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate and complete;
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- (a) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been fully deposited as at March 31, 2023 on account of dispute are given below:

Name of the Statute	Period	Amount (In Lakhs)	Forum where dispute is pending	Part-payment made under protest (In Lakhs)
Central Excise Act, 1944	FY 2001-02 to FY 2003-04 and FY 2007-08	249.74	CESTAT, Mumbai	Nil
	FY 2000-01	15.00	Commissioner, Mumbai	Nil
BST Act, 1959 CST Act,	FY 1980-81 to FY 2004-05 FY 2011-12	99,642	Maharashtra Sales Tax Tribunal, Mumbai	261
MVAT Act, 2002	FY 2005-06 to FY 2013-14, FY 2016-17, FY 2017-18	16,125	Jt. Commissioner of Sales Tax & MSTT	404.00
Karnataka Sales Tax Act	FY 1989-90, FY 1990-91, FY 1992-93, FY 1995-96 to FY 1996-97	316.40	Karnataka Sales Tax Appellate Tribunal	12.60
Service Tax	FY 2001-02 to FY 2003-04	4,522	Bombay High Court	Nil
Custom Duty	FY 2007-08	59.00	Assistant Commissioner of Customs	Nil

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. According to the information and explanation given to us,
- (a) The Company has not taken any loans or borrowings from any lender. Accordingly, the provisions of clause 3(ix)(a) of the order is not applicable to the Company;
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or government authority;
- (c) The Company has not obtained any term loans during the year. Accordingly, the provision of clause 3(ix)(c) of the Order is not applicable.
- (d) No funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has not taken any funds from the entity or person on account of or to meet the obligations of its associate. The company does not hold any investment in any subsidiary or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its associates. The company does not hold any investment in any subsidiary or joint venture. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made

any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, clause 3(x)(b) of the order is not applicable to the company;

- xi. To the best of our knowledge and according to the information and explanations given to us:
- (a) No fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year;
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) No whistle-blower complaints were received during the year by the company;
- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards;
- xiv. (a) According to the information and explanations given and based on our examination, the company has an Internal Audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the internal Auditors for the period under audit;
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. According to the information & explanation given to us and as per the records examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 xvi (a), (b), (c) & (d) of the Order are not applicable to the company;
- xvii. According to the information and records examined by us the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, clause 3 xvii of the Order is not applicable to the company;
- xviii. There has been no resignation of the Statutory Auditors during the year, Accordingly, clause 3 xviii of the Order is not applicable to the company;
- xix. In our opinion and according to the information and explanations given to us, there is no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. (a) CSR activities and expenses are pertaining to Ongoing projects only. Accordingly, clause 3 xx (a) of the Order is not applicable to the company;
- (b) Yes, an amount of Rs. 5.14 Crores which is unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing projects, has been transferred to special account which is in compliance with the provision of sub-section (6) of section 135 of the said Act;
- xxi. There is no qualifications or adverse remarks in the CARO Report of the Associate Company namely, Goa Shipyard Limited, which is included in the Consolidated Financial Statements.

For C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN - 23109127BGQVHZ6233

Place: Mumbai
Date: 30.05.2023



Annexure II to Independent Auditor's Report

To,
The Members of Mazagon Dock Shipbuilders Limited,
Mumbai

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 implication 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 our verifications of the records of the Company, the Company has an ERP system in place to process all the transactions through the IT System. All the processing of accounting transactions are mapped through ERP. Therefore, any implications of processing accounting transactions outside IT system on the integrity of the accounts alongwith financial implications does not arise.
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests 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 our verifications of the records of the Company, there were no cases of waiver/ write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loans in FY 2022-23.
3. Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central/ State Government or its Agencies were properly accounted for / utilized as per its terms and conditions? List the case of deviation.
 - According to the information and explanations given to us and based on our verifications of the records of the Company, there were no such cases of any funds received by the Company during FY 2022-23 from Central/State governments or it's agencies under any schemes.

For C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN - 23109127BGQVHZ6233

Place: Mumbai
Date: 30.05.2023

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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility:

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

financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2023, 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 C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN - 23109127BGQVHZ6233

Date: 30th May, 2023
Place: Mumbai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 him vide his Audit Report dated 30 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2023 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 auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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


**(Rajesh Ranjan, IA&AS)
Principal Director of Audit
(Defence-Commercial)**

**Bangalore
Date: 28.07.2023**



Standalone Balance Sheet

as at March 31, 2023

₹ in lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	77,763	71,354
Right-of-use assets	2	22,934	24,302
Capital work-in-progress	3	6,162	8,694
Other intangible assets	2	1,736	806
		1,08,595	1,05,156
Financial assets			
Investments	4	600	600
Trade receivable	5	1,802	1,773
Other financial assets	6	13,167	14,116
Deferred tax assets (net)	7	45,010	44,683
Non-current tax assets (net)		26,550	31,320
Other non-current assets	8	83,814	72,792
Total non-current assets		2,79,538	2,70,440
Current assets			
Inventories	9	7,35,686	7,70,010
Financial assets			
Trade receivables	10	1,00,233	1,00,541
Cash and cash equivalents	11	1,86,842	72,047
Bank balances other than cash and cash equivalents	12	11,41,800	10,76,000
Other financial assets	13	22,140	14,066
Contract assets		28,323	40,700
Assets held for sale		32	44
Other current assets	14	3,93,463	5,79,536
Total current assets		26,08,519	26,52,944
TOTAL ASSETS		28,88,057	29,23,384
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	20,169	20,169
Other equity		3,97,587	3,11,967
Total equity		4,17,756	3,32,136
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability		31	474
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		-	-
ii. total outstanding dues other than (i) above	16	1,802	1,773
Other financial liabilities	17	48	97
Long-term provisions	18	41,085	56,473
Other non-current liabilities	19	13,350	14,037
Total non-current liabilities		56,316	72,854
Current liabilities			
Financial liabilities			
Lease Liability		573	690
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		4,659	15
ii. total outstanding dues other than (i) above	20	4,41,620	6,16,550
Other financial liabilities	21	14,658	16,973
Contract liability		19,33,334	18,70,776
Other current liabilities	22	1,728	1,923
Short-term provisions	23	17,413	11,467
Total current liabilities		24,13,985	25,18,394
Total liabilities		24,70,301	25,91,248
TOTAL EQUITY AND LIABILITIES		28,88,057	29,23,384
Significant accounting policies and notes to the financial statements	1 to 56		

As per our report of even date

C. R. Sagdeo & Co.Chartered Accountants
Firm Registration No. 108959W

Sd/-

Sachin V. LuthraPartner
Membership No. 109127

30th May, 2023

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

Sanjeev SinghalChairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-

Cdr Jasbir Singh, IN (Retd)Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-

Vijayalakshmi Kamal Kumar

Company Secretary

Statement of Standalone Audited Profit & Loss

for the year ended March 31, 2023

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
	INCOME			
1	Revenue from operations	24	7,82,718	5,73,328
2	Other income	25	71,348	43,363
3	Total income		8,54,066	6,16,691
4	EXPENSES			
	Cost of materials consumed	26	4,44,585	2,69,307
	Procurement of base and depot spares		69,322	91,365
	Employee benefit expenses	27	79,271	79,873
	Finance costs	28	637	716
	Depreciation and amortization expenses		7,558	7,451
	Sub-contract		45,508	42,935
	Power and fuel		1,646	1,473
	Other expenses - project related	29	28,875	16,434
	Other expenses	30	21,992	18,216
	Provisions	31	11,739	10,255
	Total expenses		7,11,133	5,38,025
5	Profit before tax and exceptional items		1,42,933	78,666
6	Exceptional items		-	1,397
7	Profit before tax and after exceptional items		1,42,933	77,269
8	Tax expense			
	Current tax		35,887	20,944
	Deferred tax (credit) / charge		(327)	(2,322)
	Adjustment of tax relating to earlier years		101	-
9	Profit for the year / period		1,07,272	58,647
10	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined employee benefit plan		(11)	(543)
	Income tax effect		3	137
11	Total comprehensive income for the year/period		1,07,264	58,241
12	Earning per share			
	Basic and Diluted (₹)		53.19	29.08
	Significant accounting policies and notes to the financial statements	1 to 56		

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-
Vijayalakshmi Kamal Kumar
Company Secretary



Statement of Standalone Cash Flows

for the year ended March 31, 2023

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
A	Cash flow from operating activities		
	Profit before tax but after exceptional items	1,42,933	77,269
	Adjustments for :		
	(+) Non cash expenditure and non operating expenses		
	Depreciation / amortization	7,558	7,451
	Finance cost	637	716
	Amortization of prepaid rentals	15	15
	(-) Non operating income		
	(Profit) / Loss on sale of fixed assets	(90)	256
	Interest income	(60,177)	(34,748)
	Dividend received	(2,665)	(2,336)
	Amortization gain on deferred deposits of vendors	(5)	(7)
	Amortization of deferred revenue (customer funded assets)	(687)	(763)
	Interest Income on deferred payment liability to foreign supplier	(474)	(398)
	Interest Income on deferred deposit with MbPT	(23)	(22)
	Operating profit before working capital changes	87,022	47,433
	Movement in working capital		
	Decrease / (Increase) in Inventories	34,324	(1,81,149)
	Decrease / (Increase) in Trade receivables and loans and advances	776	(3,756)
	Decrease / (Increase) Other current and non current assets	1,15,014	(2,48,961)
	(Decrease) / Increase in Trade payables and provisions	(1,80,192)	(52,866)
	(Decrease) / Increase in Other current and non current liabilities	60,031	4,53,281
	Cash flow from operations	1,16,975	13,982
	Direct tax paid (net of refunds)	(31,215)	(30,245)
	Net cash from (used in) operating activities (A)	85,760	(16,263)
B	Cash flow from investing activities		
	Purchase of property, plant and equipment (net of adjustments)	(13,557)	(3,201)
	Capital work in progress	2,532	(679)
	Proceeds from sale of property, plant and equipment	131	127
	Capital advance	(526)	(239)
	Interest received	60,177	34,748
	Dividend received	2,665	2,336
	Principal portion of lease payments	(588)	(452)
	Net cash from / (used in) investing activities (B)	50,834	32,640
C	Cash flow from financing activities		
	Dividend paid	(21,642)	(18,011)
	Finance costs - Lease	(155)	(310)
	Finance costs - Others	(2)	-

Statement of Standalone Cash Flows

for the year ended March 31, 2023 (Contd..)

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
	Net cash from / (used in) financing activities (C)	(21,799)	(18,321)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,14,795	(1,944)
	Cash and cash equivalents at the beginning of the period	72,047	73,991
	Cash and cash equivalents at the end of the period	1,86,842	72,047

Note: Figure in bracket indicate outflow

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
	Components of cash and cash equivalents:		
	Balances with banks:-		
	- In Current accounts		
	i) In India	35,208	4,191
	ii) Outside India	35	32
	- In flexi deposit accounts	1,51,599	67,824
	Total	1,86,842	72,047

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-
Vijayalakshmi Kamal Kumar
Company Secretary



Statement of Changes in Equity

for the year ended March 31, 2023

(A) Equity share capital

For the period ended March 31, 2023

₹ in lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
20,169	-	20,169	-	20,169

For the period ended March 31, 2022

₹ in lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
20,169	-	20,169	-	20,169

(B) Other equity

For the period ended March 31, 2023

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2022	73,443	2,31,244	5	1,039	12,123	(5,887)	3,11,967
Adjustments during the year				(2)			(2)
Profit / (loss) for the year	1,07,272						1,07,272
Other comprehensive income / (loss) for the year						(8)	(8)
Dividends							
Interim	(18,354)						(18,354)
Final	(3,288)						(3,288)
Balance as at March 31, 2023	1,59,073	2,31,244	5	1,037	12,123	(5,895)	3,97,587

For the period ended March 31, 2022

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2021	32,807	2,31,244	5	1,039	12,123	(5,481)	2,71,737
Profit / (loss) for the year	58,647						58,647
Other comprehensive income / (loss) for the year						(406)	(406)
Dividends							
Interim	(14,320)						(14,320)
Final	(3,691)						(3,691)
Balance as at March 31, 2022	73,443	2,31,244	5	1,039	12,123	(5,887)	3,11,967

Statement of Changes in Equity

for the year ended March 31, 2023 (Contd..)

The description of the nature and purpose of reserve within equity is as follows:

Capital reserve: The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

Capital redemption reserve: These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

Other Comprehensive Income: These reserves are created on account of actuarial valuation of defined employee benefit plan.

Indigenisation Fund: These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

Dividend: The Board has recommended the final dividend for FY 2022-23 of ₹ 13,836 lakhs (i.e ₹ 6.86 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

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.

₹ in lakhs

Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
A	Assets Owned by MDL											
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772
2	Buildings: i) Factory Building	6,271	5,675			11,946	927	246			1,173	10,773
	ii) Office and Staff Quarters											
	a) RCC	5,200	542			5,742	988	123		1	1,110	4,632
	b) Non RCC	1,532	184			1,716	223	63		-	286	1,430
	iii) Others (Temporary structure)	109	7			116	97	6		-	103	13
3	Road	1,110	3,208			4,318	661	291		-	952	3,366
4	Plant and Equipment	25,842	1,593		480	26,955	8,209	1,808		461	9,556	17,399
5	Furniture and Fixtures	1,918	196		22	2,092	1,048	174		11	1,211	881
6	Vehicles	2,011	196		4	2,203	1,633	98		4	1,727	476
7	Office Equipment	4,061	220		13	4,268	2,416	596		17	2,995	1,273
8	Computers and Data Processing Units											
	i) Desktops, Laptops etc.	704	144		2	846	629	72		2	699	147
	ii) Server and Network	4,534	17		14	4,537	3,042	680		12	3,710	827
9	Loose Tools	626	16		-	642	552	55		-	607	35
10	Ship - Launches and Boats	4,917	17		-	4,934	587	173		-	760	4,174
11	Electrical Installation and Equipments	2,816	119		28	2,907	1,186	266		26	1,426	1,481
12	Right to use asset - Leasehold land	28,363	-		-	28,363	4,106	1,368		-	5,474	22,889
13	Right to use asset - Vehicles	449	53			502	404	53			457	45
	Sub-total	1,01,238	12,187		563	1,12,862	26,708	6,072		534	32,246	74,530
	Previous Year's Figures	79,156	23,389		1,310	1,01,238	21,792	5,821		905	26,708	57,364

Note: Vessels under the head "Launches and Boats" costing ₹ 4,917 lakhs (2022 - ₹ 4917 lakhs) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1938 / Indian Vessels Act, 1917.



₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
B	Jointly Funded Assets											
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,214	507	-	-	3,721	13,030
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	146	29	-	-	175	1,500
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12
3	Plant and Equipment	7,533	-	-	-	7,533	2,346	389	-	-	2,735	4,798
4	Electrical Installation and Equipments	649	-	-	-	649	314	62	-	-	376	335
5	Furniture and Fixtures	216	-	-	-	216	105	20	-	-	125	91
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9
7	Computers and Data Processing Units											
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	204	39	-	-	243	939
	Sub-total	28,059	-	-	-	28,059	6,932	1,046	-	-	7,978	21,127
	Previous Year's Figures	28,013	42	-	-	28,059	5,884	1,048	-	-	6,932	22,129
	Total Tangibles Assets (A+B)	1,29,296	12,187	-	-	1,40,921	33,640	7,118	-	534	40,224	95,656
	Previous Year's Figures	1,07,169	23,431	-	-	1,29,296	27,676	6,869	-	905	33,640	79,493

₹ in lakhs

Intangible Assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
A	Assets Owned by MDL											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	905	63	-	-	968	184
2	Other than SAP-ERP	4,796	1,370	-	-	6,166	4,174	377	-	-	4,551	622
	Sub-total	5,885	1,370	-	-	7,255	5,079	440	-	-	5,519	806
	Previous Year's Figures	5,689	196	-	-	5,885	4,497	582	-	-	5,079	1,192

Note 2 - Property, Plant and Equipment (Contd..)

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
B	Jointly Funded Assets											
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	Sub-total	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	Total Intangible Assets (A+B)	7,066	1,370	-	-	8,436	6,260	440	-	-	6,700	806
	Previous Year's Figures	6,870	196	-	-	7,066	5,678	582	-	-	6,260	1,192
	Total Assets (i+ii)	1,36,362	13,557	-	563	1,49,357	39,900	7,558	-	534	46,924	96,462
	Previous Year's Figures	1,14,039	23,627	-	1,310	1,36,362	33,354	7,451	-	905	39,900	80,685

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 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.

(ii) 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.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) 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.

(v) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements for the year ended 31st March, 2022.

(vi) Building as at 31st March 2023 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.

(vii) Capital expenditure on Research and Development aggregating to ₹ 2120 lakhs (Previous year - ₹ 628 lakhs) is reflected under respective various heads in the above note.



Note 2 - Property, Plant and Equipment (Contd..)
(viii) 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	Total
												as on 31-03-2023	as on 31-03-2022
1	Total Cost upto 31.03.2023	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

₹ in lakhs

ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2023

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Lease hold Land					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-			1959	
	South Yard, Near Mogul House, MDL, Mumbai	-			1947	
PPE	355 Phase North yard	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process.MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	Extension of Phase II	3,051			1979	
	Extension of Slipway in SY	5,136			1995	
	Additional water area for Extn of Slipway	2,539			2003	
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
Building						
	Flats at Vashi	14	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Registration of Deed of apartment is pending however, the share certificates and other documents are in the name of the Company. Execution of deed of apartment for 09flats is under process with CIDCO.
Investment Property	Land	-	-	-	-	-
	Building	-	-	-	-	-
Noncurrent asset held for sale	Land	-	-	-	-	-
	Building	-	-	-	-	-
Others		-	-	-	-	-

₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-22	As on 31-03-2021
A	Assets Owned by MDL												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	6,134	143	-	6	6,271	660	273	-	6	927	5,344	5,474
	ii) Office and Staff Quarters						-						
	a) RCC	5,174	26	-	-	5,200	708	280	-	-	988	4,212	4,466
	b) Non RCC	1,435	97	-	-	1,532	163	60	-	-	223	1,309	1,272
	iii) Others (Temporary structure)	102	7	-	-	109	65	32	-	-	97	12	37
3	Road	673	437	-	-	1,110	637	24	-	-	661	449	36
4	Plant and Equipment	24,833	1,314	-	306	25,842	6,672	1,818	-	281	8,209	17,633	18,161
5	Furniture and Fixtures	1,898	50	-	30	1,918	890	173	-	15	1,048	870	1,008
6	Vehicles	2,006	15	-	10	2,011	1,386	257	-	10	1,633	378	620
7	Office Equipment	3,822	279	-	41	4,061	1,817	643	-	44	2,416	1,645	2,005
8	Computers and Data Processing Units						-						
	i) Desktops, Laptops etc.	782	1	-	79	704	619	89	-	79	629	75	163
	ii) Server and Network	4,249	321	-	37	4,534	2,353	714	-	25	3,042	1,492	1,896
9	Loose Tools	622	5	-	1	626	483	70	-	1	552	74	139
10	Ship - Launches and Boats	4,917	-	-	-	4,917	413	174	-	-	587	4,330	4,504
11	Electrical Installation and Equipments	2,569	266	-	20	2,816	966	239	-	19	1,186	1,630	1,603
12	Right to use asset - Leasehold land	8,719	20,426	-	782	28,363	3,704	827	-	425	4,106	24,257	5,015
13	Right to use asset - Vehicles	449				449	256	148			404	45	193
	Sub-total	79,156	23,389	-	1,310	1,01,238	21,792	5,821	-	905	26,708	74,530	57,364
	Previous Year's Figures	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	57,364	58,633

Note: Vessels under the head "Launches and Boats" costing ₹ 4,917 lakhs (2022 - ₹ 4,917 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.



₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-22	As on 31-03-2021
B	Jointly Funded Assets												
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	2,753	461	-	-	3,214	13,030	13,491
	ii) Office and Staff Quarters												
	a) RCC	1,646	-	-	-	1,646	117	29	-	-	146	1,500	1,529
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	102	19	-	-	121	12	31
3	Plant and Equipment	7,491	42	-	-	7,533	2,002	344	-	-	2,346	5,187	5,489
4	Electrical Installation and Equipments	649	-	-	-	649	253	61	-	-	314	335	396
5	Furniture and Fixtures	216	-	-	-	216	85	20	-	-	105	111	131
6	Office Equipment	153	-	-	-	153	119	25	-	-	144	9	34
7	Computers and Data Processing Units												
	i) Server and Network	338	-	-	-	338	286	52	-	-	338	0	52
8	Ship - Launches and Boats	1,143	-	-	-	1,143	167	37	-	-	204	939	976
	Sub-total	28,013	42	-	-	28,059	5,884	1,048	-	-	6,932	21,127	22,129
	Previous Year's Figures	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	22,129	23,289
	Total Tangibles Assets (A+B)	1,07,169	23,431	-	-	1,29,296	27,676	6,869	-	-	905	95,656	79,493
	Previous Year's Figures	1,03,514	3,923	-	-	1,07,169	21,592	6,320	-	-	236	79,493	81,922

₹ in lakhs

Intangible Assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-22	As on 31-03-2021
A	Assets Owned by MDL												
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	833	72	-	-	905	184	256
2	Other than SAP-ERP	4,600	196	-	-	4,796	3,664	510	-	-	4,174	622	936
	Sub-total	5,689	196	-	-	5,885	4,497	582	-	-	5,079	806	1,192
	Previous Year's Figures	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,192	1,680

₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021	As on 31-03-2021
B	Jointly Funded Assets												
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-	-
	Sub-total	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-	-
	Previous Year's Figures	1,181	-	-	-	1,148	33	-	-	-	1,181	-	33
	Total Intangible Assets (A+B)	6,870	196	-	-	7,066	5,678	582	-	-	6,260	-	1,192
	Previous Year's Figures	6,603	267	-	-	6,870	4,890	788	-	-	5,678	-	1,713
	Total Assets (i+ii)	1,14,039	23,627	-	-	1,36,362	33,354	7,451	-	905	39,900	-	80,685
	Previous Year's Figures	1,10,117	4,190	-	-	1,14,039	26,482	7,108	-	236	33,354	-	83,635

- (i) Depreciation of ₹ Nil pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 1143 lakhs)
- (ii) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vi) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements of FY 2021-22.
- (vii) Building as at 31st March 2022 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.
- (viii) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of Rs.Nil. (previous year: ₹ 2282 lakhs)



Note 2 - Property, Plant and Equipment (Contd..)
(ix) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	₹ in lakhs											
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2022	Total as on 31-03-2021
1	Total Cost upto 31.03.2022	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

(x) Title deeds of immovable properties not held in the name of the company as on 31.03.2022

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	₹ in lakhs									
						Reason for not being held in the name of the company	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2022	Total as on 31-03-2021				
PPE	Lease hold Land														
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (GoI). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the updation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.									
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975										
	South Yard, Near Module shop, MDL, Mumbai	-			1959										
	South Yard, Near Mogul House, MDL, Mumbai	-			1947										
	355 Phase North yard	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease.									
	Extension of Phase II	3,051			1979	Renewal of lease agreements are under process. MDL is regularly paying rent according to the terms and condition of the old lease agreement.									
	Extension of Slipway in SY	5,136			1995										
	Additional water area for Extn of Slipway	2,539			2003										
	Part of Nhava yard land	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.									
	Building														
	Flats at Vashi	14.00	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Deed of apartment is pending, however share certificates and other documents are in the name of the Company.									
Investment Property	Land	-	-	-	-										
	Building	-	-	-	-										
Noncurrent asset held for sale	Land	-	-	-	-										
	Building	-	-	-	-										
Others		-	-	-	-										

Note 3 - Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Capital work-in-progress				
1. Own resources				
A. Tangible assets				
Opening balance	8,694		7,974	
Add: Expenditure during the period	9,602		24,110	
Less: Capitalisation during the period	(12,134)	6,162	(23,390)	8,694
B. Intangible assets under development				
Opening balance	-		-	
Add: Expenditure during the period	1,370		196	
Less: Capitalisation/adjustments during the period	(1,370)	-	(196)	-
2. Funded by Indian Navy				
Submarine facilities upgradation project				
Opening balance	-		41	
Add: Expenditure/adjustments during the period	-		2	
Less: Capitalisation/adjustments during the period	-	-	(43)	-
		6,162		8,694

Ageing for capital work-in-progress as at March 31, 2023 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	759	1,591	121	3,691	6,162
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2022 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	395	107	5,284	2,908	8,694
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2023 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2022 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

*The capital work-in-progress does not include items whose completion is overdue or has exceeded its cost compared to its original plan.



Note 4 - Non-current investments

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Investments in equity instruments (At cost, unquoted)				
In Equity shares of Associate Concern - Goa Shipyard Limited		600		600
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in Previous year - 5,49,57,600 Equity shares of ₹ 5 each fully paid up)		600		600

Note 5 - Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
(Unsecured, considered good)				
Deferred debts		2,276		2,231
Less: Amount receivable within 12 months		(474)		(458)
		1,802		1,773

Ageing for trade receivables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,802	1,802
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,773	1,773
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Note 6 - Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
(Unsecured, considered good)				
Security deposits:				
Security deposits with Mumbai Port Trust		427		403
Other deposits		341		338
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)		340		340
Leave encashment fund		12,059		13,035
		13,167		14,116

Note 7 - Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Deferred tax assets / (liabilities)				
Deferred tax assets				
Provisions	51,378		51,063	
Others	-	51,378	-	51,063
Deferred tax liabilities				
Depreciation	(6,368)	(6,368)	(6,380)	(6,380)
Deferred tax assets (net)		45,010		44,683

Note 8 - Other non-current assets

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Capital advances		869		343
Deposits with custom and excise authorities		-		20
Other receivables - considered good	957		742	
Other receivables - considered doubtful	2,790		2,791	
Less: Allowance for doubtful receivables	(2,790)	957	(2,791)	742
Advances paid to vendors - considered doubtful	5		4	
Less: Allowance for doubtful advances	(5)	-	(4)	-
VAT / sales tax receivable		6,491		6,516
GST input tax credit				
Services	23,238		16,091	
Materials	52,009	75,247	48,758	64,849
Prepaid expenses				
Prepaid deposits (MbPT)	41		57	
Less: amortisation / unwinding of prepaid deposits	(15)		(15)	
Less: current year portion	(15)	11	(15)	27
Others		239		295
		83,814		72,792

Note 9 - Inventories

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Raw materials				
Material in stores	8,405		11,860	
Less: Provision for obsolescence	(75)	8,330	(125)	11,735
Stores and spares				
Material in stores	2,172		2,300	
Less: Provision for obsolescence	(162)	2,010	(143)	2,157
Equipment for specific projects				
Material in stores/site	6,53,564		6,00,026	
Less: Provision for obsolescence	(1,014)		-	

**Note 9 - Inventories (Contd..)**

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
	6,52,550		6,00,026	
Stock in transit	13,476		6,892	
Materials pending inspection	58,118	7,24,144	1,48,798	7,55,716
Scrap		1,202		402
		7,35,686		7,70,010

Note:

- (i) Inventory costing ₹ 27,055 lakhs (Previous year: ₹ 18,565 lakhs) is held with other vendors.
(ii) Inventory costing ₹ 659 Lakhs (Previous year: ₹ Nil) is held at customer's store.
(iii) As on 31st March, 2023, Inventory held on behalf of Navy is ₹ 1,499 lakhs (Previous year - ₹ 1,499 lakhs) which is excluded from above inventory.

Note 10 - Trade receivables - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Trade receivables considered good - unsecured		1,00,233		1,00,541
Trade receivables considered doubtful - unsecured		75,275		79,915
Total		1,75,508		1,80,456
Loss allowance		(75,275)		(79,915)
Total trade receivables (current)		1,00,233		1,00,541

Ageing for trade receivables-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	76,885	13,646	9,115	174	413	1,00,233.00
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	92,827	3,334	891	90	3,399	1,00,541
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Note 11 - Cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Cash and cash equivalents				
Balances with banks:-				
- In current accounts				
i. In India	35,208		4,191	
ii. Outside India	35	35,243	32	4,223
- In flexi deposit accounts		1,51,599		67,824
		1,86,842		72,047

Note 12 - Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		11,41,793		10,75,999
Earmarked balances with banks for Unpaid Dividend		7		1
		11,41,800		10,76,000

Note 13 - Other financial assets - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Insurance claims receivable		71		-
Interest accrued on deposits and advances		22,069		14,066
		22,140		14,066

Note 14 - Other current assets

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
(Unsecured, considered good, unless otherwise specified)				
Advances				
Advances paid to vendors	3,92,841		5,78,872	
Travel advance to employees	91		12	
Employee related	87		137	
Others	20	3,93,039	151	5,79,172
Prepaid expenses				
Prepaid deposits (MbPT)	15		15	
Others	409	424	349	364
		3,93,463		5,79,536

Note 15 - Share Capital

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Authorized share capital				
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
Issued, subscribed and fully paid-up shares				
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.		20,169		20,169
		20,169		20,169
Particulars	March 31, 2023		March 31, 2022	
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	No. of shares	Percentage holding	No. of shares	Percentage holding
Shareholder				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%

**Note 15 - Share Capital (Contd..)**

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Particulars	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Particulars	March 31, 2022		March 31, 2021		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Note 16 - Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Deferred payment liability to a foreign supplier		2,276		2,231
Less: Amount payable within 12 months		(474)		(458)
		1,802		1,773

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,802	1,802
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,773	1,773
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Note 17 - Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Security and other deposits		48		97
		48		97

Note 18 - Provisions - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Employee benefits				
Post retirement benefit schemes				
Medical	9,302		9,720	
Gift card	140	9,442	191	9,911
Leave salary encashment		10,260		10,475
Other provisions				
Provision for liquidated damages	18,983		35,821	
Others	2,400	21,383	266	36,087
		41,085		56,473

Note 19 - Other non-current liabilities

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Funds received from customer for infrastructure projects	92,761		92,761	
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	
Less: Amortisation of deferred revenue	(5,995)	13,347	(5,308)	14,034
Deferred deposits		3		3
		13,350		14,037

Note 20 - Trade payables - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Other vendors		4,41,146		6,16,092
Deferred payment liability to a foreign supplier		474		458
		4,41,620		6,16,550

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4,659	-	-	-	-	4,659
Others	4,31,060	10,560	-	-	-	4,41,620
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	15	-	-	-	-	15
Others	5,66,526	49,630	343	28	23	6,16,550
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

**Note 21 - Others financial liabilities - current**

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Retention money payable		57		216
Liquidated damages payable		-		2,704
Interest payable on advances received from customer		1,753		1,820
Employee related		12,357		11,839
Others		47		46
Security and other deposits		437		347
Unclaimed dividend		7		1
		14,658		16,973

Note 22 - Other current liabilities

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Statutory dues		1,725		1,917
Deferred deposits		3		6
		1,728		1,923

Note 23 - Provisions - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Employee benefits				
Post retirement benefit				
Medical	1,032		1,039	
Gift card	81	1,113	117	1,156
Leave salary encashment		2,127		2,533
Gratuity		1,435		1,393
Other provisions				
Guarantee repairs	12,312		5,959	
Custom duty	426	12,738	426	6,385
		17,413		11,467

Note 24 - Revenue from operations

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Contract revenue				
Ship construction		6,66,772		4,34,026
Sale of goods				
Sale of base and depot spares		74,764		98,367
Sale of Services				
Ship Repair		16,867		39,368
Other operating revenue				
Sale of scrap and stores	947		623	
Sale of services (others)	1,771		725	
Reversal of Liquidated damages	20,797			
Changes in Inventory of Scrap	800	24,315	219	1,567
		7,82,718		5,73,328

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

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
The amount of contract revenue recognised as revenue for the period		7,58,403		5,71,761
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		14,42,479		16,23,805
The amount of advances received (gross)		33,47,493		34,53,884
The amount of retentions by customers		42,861		26,788

Note 24 - Revenue from operations (Contd..)

- 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.
- Revenue from operations includes revenue from Export of goods/services is Rs. 573 Lakhs that is 0.07% of Revenue from operation.

Note 25 - Other Income

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Interest from				
Deposits with banks	59,618		34,787	
Less: Interest liability to customer on advances	(1,753)		(1,820)	
	57,865		32,967	
On income tax refund	1,171		275	
Other interest	1,141	60,177	1,506	34,748
Dividend from Goa Shipyard Ltd.		2,665		2,336
Liabilities / provisions no longer required written back		3,708		1,496
Insurance claims		392		259
Profit on Sale / scrapping of fixed assets (net)		90		101
Liquidated damages recovered				
Capital		17		30
Others		1,508		1,558
Miscellaneous income / recoveries		1,464		577
Amortisation gain on deferred deposits of vendors		5		7
Unwinding of lease charges - Land		57		889
Unwinding of lease charges - Vehicles		60		179
Amortisation of deferred revenue (customer funded assets)		687		763
Interest Income on deferred payment liability to foreign supplier		474		398
Interest Income on deferred deposit with MbPT		23		22
Foreign exchange variation (net)		21		-
		71,348		43,363

Note 26 - Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Opening stock				
Raw materials, stores and spares	14,160		13,274	
Equipment for specific projects	6,00,026		5,57,126	
Stock-in-transit and materials pending inspection	1,55,690	7,69,876	18,470	5,88,870
Add: Purchases		4,12,518		4,52,135
		11,82,394		10,41,005
Less: Closing stock				
Raw materials, stores and spares	(10,577)		(14,160)	
Equipment for specific projects	(6,53,564)		(6,00,026)	
Stock-in-transit and materials pending inspection	(71,594)	(7,35,735)	(1,55,690)	(7,69,876)
		4,46,659		2,71,129
Less: Provision for obsolete stock		(29)		(76)
Less: Stores and spares consumption included in other expenses		(2,045)		(1,746)
		4,44,585		2,69,307

**Note 27 - Employee benefit expenses**

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Salaries, wages, allowances and bonus		62,603		61,590
Pension		2,236		2,083
Contribution to provident fund		4,053		4,111
Contribution to employees state insurance scheme		-		49
Workmen and staff welfare expenses		6,810		8,369
Gratuity		938		895
Encashment of privilege leave		2,631		2,776
		79,271		79,873

The total Employee benefit expenses incurred amounting to ₹ Nil (Previous year : ₹ 1,397 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for the year.

Note 28 - Finance cost

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Interest cost on deferred deposits of vendors		6		8
Interest cost on deferred payment liability to foreign supplier		474		398
Interest cost on lease		155		310
Others		2		-
		637		716

Note 29 - Other expenses - Projects related

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Technician fees and other expenses		1,784		4,500
Advising team fees and other expenses		16,377		6,925
Facility hire		3,703		2,283
Bank charges and guarantee commission		190		128
Travelling expenses		47		78
Sea trial, launching and commissioning expenses		566		2,160
Legal, professional and consultant fees		5,946		173
Miscellaneous expenses		262		187
		28,875		16,434

Note 30 - Other expenses

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Repairs and maintenance:				
Buildings	312		465	
Plant and machinery	289		376	
Steam launches and boats, motor cars, lorries, etc.	656		1,527	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(1)	1,256	(82)	2,286
Facility hire	542		498	
Water expenses	266		300	
Rent	1,520		4,524	
Insurance	1,093		867	
Rates and taxes	3,243		711	
Bank charges and guarantee commission	14		18	
Printing and stationery	22		40	
Travelling expenses	890		520	
Business promotion expenses	753		278	
Sea trial, launching and commissioning expenses	35		3	
Corporate membership expenses	58		48	

Note 30 - Other expenses (Contd..)

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Foreign exchange variation (net)	11		14	
Miscellaneous expenses	1,051		813	
Audit fees	12		12	
Vehicle hire charges	85		59	
Legal, professional and consultant fees	358		788	
Books and periodicals	26		45	
Postage, telegrams and phones	99		141	
Training expenses	293		69	
CISF and security board expenses	2,787		2,594	
Directors fees and expenses	20		7	
Provision for obsolete stock	29		76	
Liquidated damages	3,354		-	
Consumption of stores and spares etc.	2,045		1,746	
Other interest	267		632	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,848	20,736	1,112	15,930
		21,992		18,216

Foreign Exchange gain for the year ended 31st March, 2023 is ₹ 761 lakhs and foreign exchange gain for previous year is ₹ 2004 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 ₹ 9,652 lakhs (Previous year - ₹ 7,524 lakhs) is reflected under respective various heads in the above note.

Note 31 - Provisions

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Doubtful debts / receivable		2,130		3,707
Guarantee repairs		6,353		5,000
Others		3,256		1,548
		11,739		10,255

Note 32 - 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.

Note 33 - Contingent Assets, Contingent Liabilities and Commitments:**33.1 Amounts for which Company may be contingently liable:**

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
A.	Contingent Assets	-	-
B.	Contingent Liabilities and Commitments		
(i)	Estimated amount of contracts remaining to be executed on capital account.*	3,500	3,003
(ii)	b) Estimated amount of liquidated damages on contracts under execution.**	83,579	1,04,485
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	61,095	33,680
	(b) Guarantees and counter guarantees	5,288	1,955
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.***	25,79,820	50,48,406
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

**Note 33 - Contingent Assets, Contingent Liabilities and Commitments: (Contd..)**

*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

**The sanction for extension of delivery dates of P17A project is under approval with customer. The total financial implication is Rs.83,579 lakhs in the event of not considering deferment of deliveries by customer.

***Indemnity Bond of Rs 11,66,200 Lakhs pertaining to P15A project is expired. The customer has approached the company for extending the period of indemnity bond

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

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
(i)	Suppliers and sub-contractors	1,315	4,162
(ii)	Others	2,369	2,369
(iii)	Interest on (i) and (ii) above	789	2,408
		4,473	8,938

33.3 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 2023	31st March 2022
(i)	Sales Tax *	1,16,084	1,17,616
(ii)	Excise Duty		
	(a) On Vendors	217	210
	(b) On MDL	33	32
		250	242
		1,16,333	1,17,858

* Against the above claim, part payments of ₹ 682 lakhs (Previous year - ₹ 684 lakhs) have been made under protest.

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

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4,522	4,426
(iii)	Income Tax*	-	2,055
		4,537	6,496

*The provision towards income tax liability is available in the books of accounts.

33.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities

₹ in lakhs

Particulars	31st March 2023	31st March 2022
Custom Duty	59	8

Note 34

34.1 Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

34.2 Balances due to / from Indian Navy (Debtors) included in current assets / current liabilities/Advances are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

Note 35 - Normal Operating Cycle

1. The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-

- 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.

Note 36 - Employee Benefits as per Ind AS 19**36.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
(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	4,001	4,058
2. Employers' Contribution to Employees' State Insurance	0	49
3. Employers' Contribution to EPS (Employees' Pension Scheme)	2,236	2,083
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	53	53

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)	March 31, 2023	March 31, 2022
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.60%	7.14%
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.

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Opening Balance	20,364	23,145
Add : Credit from Company	600	1,044
Less : Amount paid towards claims	(5,525)	(5,197)
Add : Interest credited	1,148	1,372
Closing Balance	16,587	20,364
Present value of past service benefit	16,641	20,377

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

**Note 36 - Employee Benefits as per Ind AS 19 (Contd..)****36.2 Actuarial valuation of liability towards Gratuity****Defined Benefit Plans Gratuity - as per actuarial valuation**

The Ind AS-19 Employee Benefits 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

Sr No.	Particulars	31st March 2023	31st March 2022
i)	Assumptions		
	a) Discount Rate	7.60%	7.14%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	15
ii)	Table showing changes in present value of obligations		
	Present value of obligations as at beginning of year	20,377	22,929
	Add: Transfer of canteen employees liability	-	-
		20,377	22,929
	Interest cost	1,242	1,401
	Current service cost	843	897
	Benefits paid	(5,525)	(5,197)
	Actuarial (gain) / loss on obligations	(295)	348
	Present value of obligations as at end of year	16,641	20,377
iii)	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	20,364	23,145
	Expected return on plan assets	1,454	1,611
	Contributions	600	1,044
	Benefits paid	(5,525)	(5,197)
	Actuarial (gain) / loss on plan assets	(306)	(239)
	Fair value of plan assets at the end of year	16,586	20,364
iv)	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	20,364	23,145
	Actual return on plan assets	1,454	1,611
	Contributions	600	1,044
	Benefits paid	(5,525)	(5,197)
	Fair value of plan assets at the end of year	16,586	20,364
	Funded status	55	13
	Excess of Actual over estimated return on plan assets	-	-
v)	Actuarial gain / loss recognized		
	Actuarial (gain) / loss for the year - obligation	11	587
	Actuarial (gain) / loss for the year - plan assets	-	-
	Total (gain) / loss for the year	11	587
	Actuarial (gain) / loss recognised in the year	11	587
	Un-recognised actuarial (gains) / losses at the end of year		
vi)	The amounts to be recognized in the balance sheet		
	Present value of obligations as at the end of year	16,641	20,377
	Fair value of plan assets as at the end of the year	16,586	20,364
	Funded status	(55)	(13)
	Net Asset / (Liability) recognized in balance sheet	(55)	(13)
vii)	Expenses recognized in statement of Profit and Loss		
	Current service cost	843	897
	Interest cost	(211)	(210)
	Expected return on plan assets		
	Expenses recognized in statement of profit and loss	631	687

Note 36 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
viii)	Expenses recognized in Other Comprehensive Income		
	Actuarial (gain) / loss recognised in the year	11	587
ix)	Current/Non-current Liability		
	Current Liability	4,184	5,950
	Non-current Liability	12,457	14,427
	Present Value of the Defined Gratuity Benefit Obligation	16,641	20,377

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 7.10% (Previous year - 6.64%)	546 3.28%		573 2.81%	
if Discount rate is increased to 8.10% (Previous year - 7.64%)		508 3.05%		534 2.62%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.5% (Previous year - 7.50%)	314 1.89%		335 1.64%	
if Discount rate is decreased to 6.5% (Previous year - 6.50%)		308 1.85%		328 1.61%

36.3 Actuarial valuation of liability towards Leave Encashment**Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 Employee Benefits 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

Sr No.	Particulars	31st March 2023	31st March 2022
i)	Assumptions		
	Discount rate	7.60%	7.14%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	12	15
ii)	Table showing changes in present value of obligations		
	Present value of obligation as at the beginning of the year	13,007	13,434
	Add : Liability Transfer from Canteen Employees	-	-
		13,007	13,434
	Interest cost	838	852
	Current service cost	979	1,024
	Benefits paid	(1,895)	(1,944)
	Actuarial (gain) / loss on obligations	(544)	(359)
	Present value of obligation as at the end of the year	12,387	13,007

**Note 36 - Employee Benefits as per Ind AS 19 (Contd..)**

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
iii)	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at the beginning of the year	13,035	13,819
	Expected return on plan assets	931	962
	Contributions	-	-
	Benefits paid	(1,895)	(1,944)
	Actuarial gain / (loss) on plan assets	(12)	198
	Fair value of plan assets at the end of the year	12,059	13,035
iv)	Tables showing fair value of plan assets		
	Fair value of plan asset at the beginning of the year	13,035	13,819
	Actual return on plan assets	931	962
	Contributions / (withdrawals)	-	-
	Benefits paid	(1,895)	(1,944)
	Actuarial gain / (loss) on plan assets	(12)	198
	Fair value of plan asset at the end of the year	12,059	13,035
	Funded status	328	(28)
v)	Actuarial gain / loss recognized		
	Actuarial (gain) / loss for the year - obligation	(544)	(359)
	Actuarial (gain) / loss for the year - plan assets		
	Total (gain) / loss for the year	(544)	(359)
	Actuarial (gain) / loss recognised in the year	(544)	(359)
	Un-recognised actuarial (gains) / losses at the end of year		
vi)	The amounts to be recognized in the balance sheet		
	Present value of obligation as at the end of the year	12,387	13,007
	Fair value of plan assets as at end of the year	12,059	13,035
	Funded status	(328)	28
	Unrecognized actuarial (gains) / losses	-	-
	Net asset / (liability) recognized in balance sheet	(328)	28
vii)	Expenses recognized in statement of profit and loss		
	Current service cost	979	1,024
	Interest cost	838	852
	Actuarial (gain) / loss recognised in the year	(544)	(359)
	Expenses recognized in the statement of profit and loss	1,274	1,518
viii)	Current/Non-current Liability		
	Current Liability	2,310	2,533
	Non-current Liability	10,077	10,474
	Present Value of the Defined Leave Encashment Benefit Obligation	12,387	13,007

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 7.10% (Previous year - 6.64%)	512 4.13%		516 3.97%	
if Discount rate is increased to 8.10% (Previous year - 7.64%)		474 3.83%		478 3.67%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.5% (Previous year - 7.50%)	512 4.13%		515 3.96%	
if Discount rate is decreased to 6.5% (Previous year - 6.50%)		479 3.87%		481 3.70%

Note 36 - Employee Benefits as per Ind AS 19 (Contd..)**36.4 Actuarial valuation of liability towards Provident Fund****Defined Benefit Plan Provident Fund as per actuarial valuation**

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.

The details of fund and plan assets are given below:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Fair value of plan assets	74,476	80,409
Present value of defined benefit obligations	(74,476)	(80,409)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government, public sector and corporate bonds

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Provident Fund interest rate guarantee	8.15%	8.10%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.60%	7.14%
Govt. of India - Bond yield for the outstanding term of assets	7.30%	6.61%
Expected average remaining working lives of employees (years)	12	15

Note 37 - Provisions made, utilised, written back :

Sr No.	Particulars	₹ in lakhs	
		31st March 2023	31st March 2022
a)	Provision for Custom Duty Demand:		
	Opening Balance	426	426
	Additions	-	-
	Utilised/Adjusted	-	-
	Closing Balance	426	426
b)	Provision for Liquidated Damages:		
	Opening Balance	35,821	52,934
	Additions	-	-
	Adjusted	(16,838)	(17,113)
	Closing Balance	18,983	35,821
c)	Provision for Guarantee Repairs:		
	Opening Balance	5,959	959
	Additions	6,353	5,000
	Utilised/Adjusted	-	-
	Closing Balance	12,312	5,959
d)	Other Provisions:		
	Opening Balance	107	107
	Additions	2,241	-
	Utilised/Adjusted	(107)	-
	Closing Balance	2,241	107



Note 38 - Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2023 based on available information with the Company are as under:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Payment made beyond the appointed day during the year	5,115	1,573
Interest accrued and remaining unpaid on above	30	20

Note 39 - Other Expenses include:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Remuneration to the Statutory Auditors		
i) Audit fees	12	12
ii) Tax audit fees	2	2
	14	14

Note 40 - Russian (USSR) deferred State Credit

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9,628 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 ₹ 474 lakhs (Previous year - ₹ 458 lakhs) includes yearly installment of ₹ 214 lakhs (Previous year - ₹ 214 lakhs) and ₹ 260 lakhs (Previous year - ₹ 244 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2023. These payments are reimbursable by Indian Navy. Accordingly, ₹ 6,640 lakhs (amortised costs of ₹ 2,276 lakhs) held at foreign supplier deferred credit as on 31st March 2023.

Note 41

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

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

Note 42 - Related Party Disclosure

As MDL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities

i) Key Managerial Personnel**a) Functional Directors & Company Secretary**

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2023		
			Salary	Company Contribution to PF / Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairman and Managing Director	79	6	85
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	72	6	78
Shri Sanjeev Singhal**	(From 08.01.2020)	Director (Finance)	71	6	77
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	58	6	64
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	49	5	54
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	26	3	29

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2022		
			Salary	Company Contribution to PF / Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	56	7	63
Cmde T V Thomas (Retd)	(Upto 30.06.2021)	Director (Corporate Planning & Personnel)	54	1	55
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	49	6	55
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	47	6	53
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	19	5	24
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	21	3	24

* As per Statement of Profit and Loss Account.

**Shri Sanjeev Singhal holds Additional Charge of Chairman and Managing Director from 01.02.2023

Besides the remuneration indicated above, the Chairman and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.

b) PART TIME NON-OFFICIAL DIRECTORS

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March, 2023	31st March, 2022
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	7	2
Shri Shambhuprasad Baldevdas Tundiya	(Upto 13.11.2022)	Independent Director	1	2
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	7	2
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	-	-

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

**Note 42 - Related Party Disclosure (Contd..)****ii) Other Related Parties**

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

a) Ministry of Defence

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable / (payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2023	7,58,403	1,75,508	18,358
	31st March,2022	5,71,761	1,80,456	15,278

b) Goa Shipyard Ltd. (Associate Company)

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.***	31st March,2023	2,665
	31st March,2022	2,336

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

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

Note 43 - Earnings per share (EPS)

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
	Earning Per Share (EPS) - Basic and Diluted		
	Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	1,07,272	58,647
	Adjustment to Restated Net Profit / (Loss):		
	None		
A	Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)	1,07,272	58,647
B	Weighted average number of equity shares for calculating basic EPS	20,16,90,000	20,16,90,000
C	EPS (₹) - Basic (A/B)	53.19	29.08
D	Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)	1,07,272	58,647
	Weighted average number of equity shares	20,16,90,000	20,16,90,000
	Effect of dilution:	-	-
E	Weighted average number of equity shares for calculating diluted EPS	20,16,90,000	20,16,90,000
F	EPS (₹) - Diluted (D/E)	53.19	29.08

Note 44 - Statement of Income tax expense and accounting

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
A	Profit Before Tax as per Statement of Profit & Loss	1,42,933	77,269
B	Tax at statutory rate (%)	25.168%	25.168%
C	Tax expenses at statutory rate	35,973	19,447
	Prior year tax	101	-
		36,074	19,447
	Adjustment for permanent difference		
1	Expenses disallowed/Income allowed	2,100	1,111
2	Income exempt under Income Tax Act	(17)	(30)
3	Others	(2,498)	(2,872)
D	Total Permanent Difference	(414)	(1,791)
	Adjustment for timing difference		

Note 44 - Statement of Income tax expense and accounting (Contd..)

Sr No.	Particulars	31st March 2023	31st March 2022
1	Difference between book depreciation and income tax depreciation	1,576	1,682
2	Provision for anticipated losses and gains	2,314	11,296
3	Disallowances under Sec 43B	(1,049)	49
4	Others	(2,784)	(5,289)
E	Total timing difference	58	7,739
F	Net Adjustments	(356)	5,948
G=F*B	Tax expenses/(Savings) thereon	(90)	1,497
H	Current Tax (C+G)	35,884	20,944
	Current Tax as per Books	35,884	20,944
I	Deferred Tax charge /(Credit)	(327)	(2,322)
J	Short (excess provision for earlier year)	101	
K	Total Tax expenses (H+I+J)	35,658	18,622

Note 45 - Fair Value Measurement**Financial Instruments by Category**

₹ in lakhs

Particulars	31st March 2023			31st March 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Security Deposits	-	-	427	-	-	403
Russian Deferred Debit	-	-	2276	-	-	2233
Financial Liabilities						
Russian Deferred Credit	-	-	2276	-	-	2233
Security Deposits	-	-	48	-	-	97

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.

**Note 45 - Fair Value Measurement (Contd..)****Financial assets and liabilities measured at amortised cost**

₹ in lakhs

Particulars	Fair value Hierarchy	31st March 2023		31st March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Security deposits	Level 3	451	427	451	403
Russian Deferred Debit	Level 3	6640	2,276	6869	2,233
Financial liabilities					
Russian Deferred Credit	Level 3	6640	2,276	6869	2,233
Security Deposits	Level 3	54	48	106	97

Note 46 - Financial risk management**a) Credit Risk**

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade Receivables and contract asset

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investemnt of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

c) Market Risk**i) Foreign currency risk and sensitivity**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Note 46 - Financial risk management (Contd..)

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

ii) Foreign Currency Risk Exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

₹ in lakhs

Particulars	EUR	GBP	NOK	SEK	USD
Financial Liabilities					
31st March 2023	11,584	589	6	1	1,784
31st March 2022	11,981	14	16	1	761

Sensitivity

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

₹ in lakhs

Particulars	Fair value Hierarchy	Impact on Profit Before Tax	
		31st March 2023	31st March 2022
EUR Sensitivity*			
	INR/EUR increases by 5%	579	599
	INR/EUR decreases by 5%	(579)	(599)
GBP Sensitivity*			
	INR/GBP increases by 5%	29	1
	INR/GBP decreases by 5%	(29)	(1)
USD Sensitivity*			
	INR/USD increases by 5%	89	38
	INR/USD decreases by 5%	(89)	(38)

* Holding all other variables constant

Note 47 - Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital."

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

**Note 48 - Expenditure on Corporate Social Responsibilities (CSR) Activities**

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

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2022-23	2021-22
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	436	593
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	311	282
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	55	5
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	3	79
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	296	-
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	14	21
Clause (x)	Rural development projects;	79	56
	Total	1,194	1,036

₹ in lakhs

Particulars	2022-23	2021-22
Unspent amount brought forward	456	154
Amount required to be spent by the Company during the period	1,392	1,413
Amount spent during the period (incl. Administration Expenses)	1,261	1,111

₹ 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
1,261	514	26.04.2023	-	-	-

Note 49

The delays in the completion of the projects due to covid pandemic situation is taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ Nil (Previous year ₹ 1397 lakhs) towards employee benefits, ₹ Nil (Previous year ₹ Nil) towards depreciation, and ₹ Nil (Previous year - ₹ Nil) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2022-23. The Company doesn't foresee any change in the orders under execution due pandemic.

Note 50

MDL maintains independent PF Trust for employees. In FY 2022-23, MDSL employee PF trust has recognised capital loss of ₹ Nil (Previous year ₹ 1545 lakhs) against the investment made in previous years. As per the terms & condition provided under employee PF scheme 1952, employer shall be liable to bear the loss of the trust. Consequently, provision of ₹ Nil (Previous year ₹ 1545 lakhs) is recognised in accounts of FY 2022-23.

Note 51

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52

In FY 2016-17, the provision of Rs. 20797 Lakhs was created for Liquidated Damages (LD) for second submarine and the same was adjusted in retained earnings in the Reinstated Financials prepared from 01/04/2015. In FY 2022-23, the company received confirmation from customer regarding levy of LD of Rs. 3354 Lakhs for delay of second submarine against provision of Rs 20797 Lakhs. In view of, considering the finalisation of LD during the year company has accounted for Rs. 3354 Lakhs as Liquidated Damages (LD) and adjusted the debtors to that extent. Further, the provision created in earlier year is now reversed and shown as other operating income as per company's accounting policy.

Note 53 - Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-22	(6,76,370.23)	(6,55,732.29)	(20,637.94)	-3.05%
Sep-22	(7,78,024.97)	(7,55,240.64)	(22,784.33)	-2.93%
Dec-22	(7,09,729.69)	(6,89,091.89)	(20,637.80)	-2.91%
Mar-23	(8,78,713.11)	(8,27,369.00)	(51,344.11)	-5.84%

The stock statement is required to be submit in the bank with in schedule due date. The quarterly provisional stock statement is submitted by the company to bank. However, the actual figures may vary after finalisation of account. MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

Note 54 - Disclosure of Relationship with Struck off Companies is as under

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2023	31st March, 2022	
Vidhan Marketing Private Limited.***	Shares held by struck off Company - Investor	-	-	-
Universal Flexibles Private Limited	Vendor	1	1	-

*** The Amount of shares held at Face Value is ₹ 500 (Previous Year - ₹ 1000)

Note 55 - Financial Ratios

Sr No.	Particulars	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
		Audited March 31, 2023	Audited March 31, 2022		
a.	Current Ratio (in times) (Current Assets / Current Liabilities)	1.08	1.05	2.58%	-
b.	Debt - Equity Ratio (in times) (Total long - term debt / Shareholder's funds)	N.A	N.A	N.A	-

**Note 55 - Financial Ratios (Contd..)**

Sr No.	Particulars	Year Ended		% change to preceding year	Explanation for change in the Ratio by more than 25% as Compared to preceding year
		Audited March 31, 2023	Audited March 31, 2022		
c.	Debt Service Coverage Ratio (in times) (NPAT+Dep+Int on loan / Int on loan + Loan repayment in a year)	N.A	N.A	N.A	-
d.	Return on Equity Ratio (%) (Net Earnings / Average Shareholder's Equity)	28.61%	18.80%	52.21%	Change is due to increase in Net Profit as compared to previous year.
e.	Inventory Turnover Ratio (in times) (Cost of Goods sold / Average Inventory)	0.94	0.79	19.34%	-
f.	Trade Receivables turnover Ratio (in times) (Credit sales / Average Account Receivables)	7.66	5.72	33.92%	Change is due to increase in Revenue from operation by 36.52% as compared to previous year.
g.	Trade Payables turnover Ratio (in times) (Credit Purchases / Average Account Payables)	0.77	0.72	7.46%	-
h.	Net capital turnover Ratio (%) (Net Sales / Average Net Working Capital)	4.76	4.34	9.54%	-
i.	Net profit Ratio (%) (NPAT / Net sales)	13.71%	10.23%	33.98%	Change is due to increase in Revenue from operation and Other Income resulting in higher net profit.
j.	Return on Capital Employed (%) (EBIT / Capital Employed)	34.37%	23.90%	43.79%	Change is due to increase in earnings as compared to previous year.
k.	Return on Investment (%) (Income on Invested Funds / Average Invested Funds)	5.46%	3.91%	39.55%	Change is due to increase in amount of fixed deposits and increase in rate of interest on FDR and dividend received.

Note 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

C. R. Sagdeo & Co.

Chartered Accountants
Firm Registration No. 108959W

Sd/-

Sachin V. Luthra

Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

Sanjeev Singhal

Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-

Cdr Jasbir Singh, IN (Retd)

Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-

Vijayalakshmi Kamal Kumar

Company Secretary



Consolidated Financial Statements



Independent Auditors' Report

To,
**Members of Mazagon Dock Shipbuilders Limited,
Mumbai**

Report on 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, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 31st March, 2023 and its profit, total comprehensive income, changes in equity and its cash flow 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 ("SA's) specified under section 143(10) of the Companies Act, 2013. 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 ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 Leased hold properties in name of company are pending.
(Refer Note 2 Point No. x)
2. Balance of advances to vendors and balances outstanding in trade payables are subject to confirmation.
(Refer Note 34 Point No 1)
3. Balance due from/to Indian Navy (Debtors) is subject to reconciliation and confirmation.
(Refer Note 34 Point No 2)

Our opinion is not modified in respect of these matters.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Revenue Recognition for Ship/Submarine Construction & repair contracts</p> <p>Referred to in Note No. 1 - 2.2(j) of the Financials Statements</p> <p>The company recognizes the revenue from Ship/ Submarine Construction/ repair contracts when the company satisfies a performance obligation by transferring goods or service to a customer.</p>	<ul style="list-style-type: none"> We have verified the contractual terms with respect to performance obligations and criteria for transfer of control of goods or services to the customer for recognition of revenue.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	The company transfers control of goods or service over time, and, therefore, satisfies a performance obligation and recognizes revenue over time after fulfilling one of the criteria mentioned in the aforesaid note.	<ul style="list-style-type: none"> Studied the Cost cycle process for allocating the actual expenses incurred on various projects as per contract. In this regard, we have relied on the data provided by the technical departments.
	When the control of the produced goods and rendered services is transferred over time to the customer, revenue is recognized over time under the percentage of completion method (PoC). Penalties if any, are reduced from the revenue.	<ul style="list-style-type: none"> Verified the Cost sheet determining the Revenue recognition for fixed price contracts and cost plus contracts including the actual cost incurred up to the date and its comparison with overall contract price and further estimated costs provided by the management.
	For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred)	<ul style="list-style-type: none"> Verified the input cost incurred over the time for satisfaction of performance obligation. Conducted Test check of the System and procedures adopted for recording the flow of transactions along with the audit trail.

Information other than the Consolidated Financial Statement and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report, Overall Business Operations, Management and Corporate Governance but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the Consolidated 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 Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have perform on the other information that we obtained prior to the date of this auditor's 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 matters to those charged with governance.

Other Matters

- The Consolidated Ind AS Financial Statements include the Company's share of Net Profit (including other comprehensive income) of Rs 72.96 Crore for the year ended 31st March, 2023, 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.

- 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

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 Companies Act, 2013 ("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 (including other comprehensive income), change in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.
- 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.



3. In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
4. The Management are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Consolidated Financial Statements 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 Consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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) Rule, 2014.
 - e) In view of exemption given vide notification no. G.S.R 463(E) dated June 05, 2015 issued by Ministry of Corporate Affairs, the provision 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 with reference to Consolidated Financial Statements of the Company and 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 control over financial reporting with reference to Consolidated Financial Statements.
 - 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 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 Consolidated Financial Statements; (Reference of Note No.33 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. (Reference of Note No 37 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.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 51 to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity(ies) ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 51 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity(ies) ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and



appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. The reporting responsibility on the accounting software for maintaining the books of accounts which has the feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023 vide MCA notification G.S.R. 235E dated 31st March, 2022. Therefore, reporting

under Rule 11(g) of Companies (Audit & Auditor) Rules, 2014 is not applicable for financial year ended on March 31, 2023.

For C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN - 23109127BGQVIA2273

Date: 30th May, 2023
Place: Mumbai

Annexure I 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, 2023 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 the audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting:**

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

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 C. R. Sagdeo & Co,
Chartered Accountants
F.R.N: 108959W

CA. Sachin V. Luthra
Partner
Membership No.: 109127
UDIN-23109127BGQVIA2273

Date: 30th May, 2023
Place: Mumbai

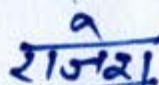
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAZAGON DOCK SHIPBUILDERS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of Consolidated Financial Statements of **Mazagon Dock Shipbuilders Limited, Mumbai** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2023.

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 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of its associate, **Goa Shipyard Limited, Goa**. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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


**(Rajesh Ranjan, IA&AS)
Principal Director of Audit
(Defence-Commercial)**

**Place: Bangalore
Date: 28.07.2023**



Consolidated Balance Sheet

as at March 31, 2023

₹ in lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	77,763	71,354
Right-of-use assets	2	22,934	24,302
Capital work-in-progress	3	6,162	8,694
Other intangible assets	2	1,736	806
		1,08,595	1,05,156
Financial assets			
Investments	4	58,860	54,232
Trade receivable	5	1,802	1,773
Other financial assets	6	13,167	14,116
Deferred tax assets (net)	7	45,010	44,683
Non-current tax assets (net)		26,550	31,320
Other non-current assets	8	83,814	72,792
Total non-current assets		3,37,798	3,24,072
Current assets			
Inventories	9	7,35,686	7,70,010
Financial assets			
Trade receivables	10	1,00,233	1,00,541
Cash and cash equivalents	11	1,86,842	72,047
Bank balances other than cash and cash equivalents	12	11,41,800	10,76,000
Other financial assets	13	22,140	14,066
Contract assets		28,323	40,700
Assets held for sale		32	44
Other current assets	14	3,93,463	5,79,536
Total current assets		26,08,519	26,52,944
TOTAL ASSETS		29,46,317	29,77,016
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	20,169	20,169
Other equity		4,55,847	3,65,599
Total equity		4,76,016	3,85,768
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability		31	474
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		-	-
ii. total outstanding dues other than (i) above	16	1,802	1,773
Other financial liabilities	17	48	97
Long-term provisions	18	41,085	56,473
Other non-current liabilities	19	13,350	14,037
Total non-current liabilities		56,316	72,854
Current liabilities			
Financial liabilities			
Lease Liability		573	690
Trade payables		-	-
i. total outstanding dues of micro and small enterprises		4,659	15
ii. total outstanding dues other than (i) above	20	4,41,620	6,16,550
Other financial liabilities	21	14,658	16,973
Contract liability		19,33,334	18,70,776
Other current liabilities	22	1,728	1,923
Short-term provisions	23	17,413	11,467
Total current liabilities		24,13,985	25,18,394
Total liabilities		24,70,301	25,91,248
TOTAL EQUITY AND LIABILITIES		29,46,317	29,77,016
Significant accounting policies and notes to the financial statements	1 to 55		

As per our report of even date

C. R. Sagdeo & Co.

Chartered Accountants

Firm Registration No. 108959W

Sd/-

Sachin V. Luthra

Partner

Membership No. 109127

30th May, 2023

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

Sanjeev Singhal

Chairman and Managing Director (Additional Charge) & Director (Finance)

DIN - 07642358

Sd/-

Cdr Jasbir Singh, IN (Retd)

Director (Submarines & Heavy Engineering)

DIN - 08556592

Sd/-

Vijayalakshmi Kamal Kumar

Company Secretary

Statement of Consolidated Audited Profit & Loss

for the year ended March 31, 2023

₹ in lakhs

Sr No.	Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
	INCOME			
1	Revenue from operations	24	7,82,718	5,73,328
2	Other income	25	68,683	41,027
3	Total income		8,51,401	6,14,355
4	EXPENSES			
	Cost of materials consumed	26	4,44,585	2,69,307
	Procurement of base and depot spares		69,322	91,365
	Employee benefit expenses	27	79,271	79,873
	Finance costs	28	637	716
	Depreciation and amortization expenses		7,558	7,451
	Sub-contract		45,508	42,935
	Power and fuel		1,646	1,473
	Other expenses - project related	29	28,875	16,434
	Other expenses	30	21,992	18,216
	Provisions	31	11,739	10,255
	Total expenses		7,11,133	5,38,025
5	Profit before tax and exceptional items		1,40,268	76,330
6	Exceptional items		-	1,397
7	Profit before tax and after exceptional items		1,40,268	74,933
8	Tax expense			
	Current tax		35,887	20,944
	Deferred tax (credit) / charge		(327)	(2,322)
	Adjustment of tax relating to earlier years		101	-
9	Profit for the year / period (excluding associate)		1,04,607	56,311
10	Share of Net Profit/(loss) of associate		7,296	4,773
11	Profit for the year		1,11,903	61,084
12	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined employee benefit plan		(11)	(543)
	Income tax effect		3	137
	Remeasurement of post employment benefit obligation of associate		(3)	(69)
13	Total comprehensive income for the year/period		1,11,892	60,609
14	Earning per share			
	Basic and Diluted (₹)		55.48	30.29
Significant accounting policies and notes to the financial statements		1 to 55		

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-
Vijayalakshmi Kamal Kumar
Company Secretary



Statement of Consolidated Cash Flows

for the year ended March 31, 2023

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
A	Cash flow from operating activities		
	Profit before tax but after exceptional items	1,40,268	74,933
	Adjustments for :		
	(+) Non cash expenditure and non operating expenses		
	Depreciation / amortization	7,558	7,451
	Finance cost	637	716
	Amortization of prepaid rentals	15	15
	(-) Non operating income		
	Profit / Loss on sale of fixed assets	(90)	256
	Interest income	(60,177)	(34,748)
	Amortization gain on deferred deposits of vendors	(5)	(7)
	Amortization of deferred revenue (customer funded assets)	(687)	(763)
	Interest Income on deferred payment liability to foreign supplier	(474)	(398)
	Interest Income on deferred deposit with MbPT	(23)	(22)
	Operating profit before working capital changes	87,022	47,433
	Movement in working capital		
	Decrease / (Increase) in Inventories	34,324	(1,81,149)
	Decrease / (Increase) in Trade receivables and loans and advances	776	(3,756)
	Decrease / (Increase) Other current and non current assets	1,15,014	(2,48,961)
	(Decrease) / Increase in Trade payables and provisions	(1,80,192)	(52,866)
	(Decrease) / Increase in Other current and non current liabilities	60,031	4,53,281
	Cash flow from operations	1,16,975	13,982
	Direct tax paid (net of refunds)	(31,215)	(30,245)
	Net cash from (used in) operating activities (A)	85,760	(16,263)
B	Cash flow from investing activities		
	Purchase of property, plant and equipment (net of adjustments)	(13,557)	(3,201)
	Capital work in progress	2,532	(679)
	Proceeds from sale of property, plant and equipment	131	127
	Capital advance	(526)	(239)
	Interest received	60,177	34,748
	Dividend received	2,665	2,336
	Principal portion of lease payments	(588)	(452)
	Net cash from / (used in) investing activities (B)	50,834	32,640
C	Cash flow from financing activities		
	Dividend paid	(21,642)	(18,011)

Statement of Consolidated Cash Flows (Cont..)

for the year ended March 31, 2023

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
	Finance costs - Lease	(155)	(310)
	Finance costs - Others	(2)	-
	Net cash from / (used in) financing activities (C)	(21,799)	(18,321)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,14,795	(1,944)
	Cash and cash equivalents at the beginning of the period	72,047	73,991
	Cash and cash equivalents at the end of the period	1,86,842	72,047

Note: Figure in bracket indicate outflow

₹ in lakhs

Sr No.	Particulars	Year Ended March 31, 2023 Audited	Year Ended March 31, 2022 Audited
	Components of cash and cash equivalents:		
	Balances with banks:-		
	- In Current accounts		
	i) In India	35,208	4,191
	ii) Outside India	35	32
	- In flexi deposit accounts	1,51,599	67,824
	Total	1,86,842	72,047

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-
Vijayalakshmi Kamal Kumar
Company Secretary



Statement of Changes in Equity

for the year ended March 31, 2023

(A) Equity share capital

For the period ended March 31, 2023

₹ in lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
20,169	-	20,169	-	20,169

For the period ended March 31, 2022

₹ in lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2022
20,169	-	20,169	-	20,169

(B) Other equity

For the period ended March 31, 2023

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2022	1,26,302	2,32,017	5	1,039	12,123	(5,887)	3,65,599
Profit / (loss) for the year	1,04,607						1,04,607
Adjustments during the year				(2)			(2)
Share of change in reserves of associate	7,293						7,293
Other comprehensive income / (loss) for the year						(8)	(8)
Dividends							
Interim	(18,354)						(18,354)
Final	(3,288)						(3,288)
Balance as at March 31, 2023	2,16,560	2,32,017	5	1,037	12,123	(5,895)	4,55,847

For the period ended March 31, 2022

₹ in lakhs

Particulars	Retained Earnings	General Reserve	Capital Reserve	Indigenisation Fund	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
Balance as at April 1, 2021	83,299	2,32,017	5	1,039	12,123	(5,481)	3,23,002
Profit / (loss) for the year	56,311						56,311
Share of change in reserves of associate	4,703						4,703
Other comprehensive income / (loss) for the year						(406)	(406)
Dividends							
Interim	(14,320)						(14,320)
Final	(3,691)						(3,691)
Balance as at March 31, 2022	1,26,302	2,32,017	5	1,039	12,123	(5,887)	3,65,599

Statement of Changes in Equity

for the year ended March 31, 2023 (Cont..)

Capital reserve: The capital reserve was created till 1974 on the realized profit on sale of fixed asset.

Capital redemption reserve: These reserves are created out of redemption of 7% redeemable cumulative preference shares and buyback of equity shares.

Other Comprehensive Income: These reserves are created on account of actuarial valuation of defined employee benefit plan.

Indigenisation Fund: These fund was created as per Indigenisation policy for providing support for future indigenisation. No provision has been made since FY 2020-21.

Dividend: The Board has recommended the final dividend for FY 2022-23 of ₹ 13,836 lakhs (i.e ₹ 6.86 per share). This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

As per our report of even date

C. R. Sagdeo & Co.
Chartered Accountants
Firm Registration No. 108959W

Sd/-
Sachin V. Luthra
Partner
Membership No. 109127

30th May, 2023
Place - Mumbai

For and on behalf of the Board of Directors

Sd/-
Sanjeev Singhal
Chairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-
Cdr Jasbir Singh, IN (Retd)
Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-
Vijayalakshmi Kamal Kumar
Company Secretary

**Note 1: Statement of Significant Accounting Policies****1) Principles of Consolidation**

The consolidated financial Statements consist of Mazagon Dock Shipbuilders Limited ("The Company") and its associate company. The Consolidated Financial Statements are prepared on the following basis:

Investments in associates where the Company holds more than 20% of equity are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28- "Investments in Associates and Joint Ventures".

The consolidated financial statements are prepared using uniform accounting policies and are presented to the extent possible in the same manner as the Company's separate financial statement except where adjustment for the differences are immaterial/ impractical.

The goodwill/capital reserve arising on acquisition of Associate is included in the carrying amount of the investment and disclosed separately. The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

2) Corporate information:

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

3) Significant accounting policies:**3.1 Basis of preparation:**

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

3.2 Summary of significant accounting policies:**a) Use of estimates:**

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the

estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

Estimates and assumptions are required in particular for:

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

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

ii. Recognition and measurement of defined benefit obligations:

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

iii. Recognition of deferred tax assets:

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

iv. Recognition and measurement of other provisions:

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

v. Discounting of long-term financial liabilities

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

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

b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

i. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii. A liability is treated as current when it is:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

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

c) Property, plant and equipment:

- i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

- Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.
- When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
- Spares purchased along with PPE are capitalised.
- The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
- Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

**ii. Depreciation:**

- (a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60
Plant & Machinery	Goliath crane (300 ton capacity)	30

- (b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.
- (c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.
- (d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.
- (e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.
- (f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (g) Depreciation on property, plant and equipment commences when the assets are ready for intended use
- (h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.
- (i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.
- (j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

d) Intangible assets:

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

e) Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Investment in associate:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

Exemption availed under Ind AS 101: On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

g) Foreign currency transactions:

The financial statements are prepared in Indian Rupees being the functional currency.

- Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.

- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

h) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

i) Inventory valuation

- 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.

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-executive 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.

₹ in lakhs

Note 2 - Property, Plant and Equipment

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-23	As on 31-03-2022
A	Assets Owned by MDL												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	6,271	5,675	-	-	11,946	927	246	-	-	1,173	10,773	5,344
	ii) Office and Staff Quarters												
	a) RCC	5,200	542	-	-	5,742	988	123	-	1	1,110	4,632	4,212
	b) Non RCC	1,532	184	-	-	1,716	223	63	-	-	286	1,430	1,309
	iii) Others (Temporary structure)	109	7	-	-	116	97	6	-	-	103	13	12
3	Road	1,110	3,208	-	-	4,318	661	291	-	-	952	3,366	449
4	Plant and Equipment	25,842	1,593	-	480	26,955	8,209	1,808	-	461	9,556	17,399	17,633
5	Furniture and Fixtures	1,918	196	-	22	2,092	1,048	174	-	11	1,211	881	870
6	Vehicles	2,011	196	-	4	2,203	1,633	98	-	4	1,727	476	378
7	Office Equipment	4,061	220	-	13	4,268	2,416	596	-	17	2,995	1,273	1,645
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	704	144	-	2	846	629	72	-	2	699	147	75
	ii) Server and Network	4,534	17	-	14	4,537	3,042	680	-	12	3,710	827	1,492
9	Loose Tools	626	16	-	-	642	552	55	-	-	607	35	74
10	Ship - Launches and Boats	4,917	17	-	-	4,934	587	173	-	-	760	4,174	4,330
11	Electrical Installation and Equipments	2,816	119	-	28	2,907	1,186	266	-	26	1,426	1,481	1,630
12	Right to use asset - Leasehold land	28,363	-	-	-	28,363	4,106	1,368	-	-	5,474	22,889	24,257
13	Right to use asset - Vehicles	449	53	-	-	502	404	53	-	-	457	45	45
	Sub-total	1,01,238	12,187	-	563	1,12,862	26,708	6,072	-	534	32,246	80,616	74,530
	Previous Year's Figures	79,156	23,389	-	1,310	1,01,238	21,792	5,821	-	905	26,708	74,530	57,364

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2022 - ₹ 4917 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.



₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
B	Jointly Funded Assets											
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	3,214	507	-	-	3,721	12,523
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	1,646	-	-	-	1,646	146	29	-	-	175	1,471
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	121	-	-	-	121	12
3	Plant and Equipment	7,533	-	-	-	7,533	2,346	389	-	-	2,735	4,798
4	Electrical Installation and Equipments	649	-	-	-	649	314	62	-	-	376	273
5	Furniture and Fixtures	216	-	-	-	216	105	20	-	-	125	91
6	Office Equipment	153	-	-	-	153	144	-	-	-	144	9
7	Computers and Data Processing Units											
	i) Server and Network	338	-	-	-	338	338	-	-	-	338	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	204	39	-	-	243	900
	Sub-total	28,059	-	-	-	28,059	6,932	1,046	-	-	7,978	21,127
	Previous Year's Figures	28,013	42	-	-	28,059	5,884	1,048	-	-	6,932	22,129
	Total Tangibles Assets (A+B)	1,29,296	12,187	-	-	1,40,921	33,640	7,118	-	534	40,224	95,656
	Previous Year's Figures	1,07,169	23,431	-	-	1,29,296	27,676	6,869	-	905	33,640	79,493

₹ in lakhs

Intangible Assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
A	Assets Owned by MDL											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	905	63	-	-	968	121
2	Other than SAP-ERP	4,796	1,370	-	-	6,166	4,174	377	-	-	4,551	622
	Sub-total	5,885	1,370	-	-	7,255	5,079	440	-	-	5,519	806
	Previous Year's Figures	5,689	196	-	-	5,885	4,497	582	-	-	5,079	806

Note 2 - Property, Plant and Equipment (Contd..)

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-22	Additions	Adjustments	Disposal	Balance 31-03-23	Opening 01-04-22	For the period	Adjustments	Disposal	Balance 31-03-23	As on 31-03-2022
B	Jointly Funded Assets											
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	Sub-total	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	Previous Year's Figures	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	Total Intangible Assets (A+B)	7,066	1,370	-	-	8,436	6,260	440	-	-	6,700	806
	Previous Year's Figures	6,870	196	-	-	7,066	5,678	582	-	-	6,260	1,192
	Total Assets (i+ii)	1,36,362	13,557	-	563	1,49,357	39,900	7,558	-	534	46,924	96,462
	Previous Year's Figures	1,14,039	23,627	-	1,310	1,36,362	33,354	7,451	-	905	39,900	80,685

(i) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 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.

(ii) 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.

(iii) No provision for impairment of assets has been considered necessary during the period as required under Ind AS - 36 Impairment of Assets.

(iv) 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.

(v) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements for the year ended 31st March, 2022.

(vi) Building as at 31st March 2023 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.

(vii) Capital expenditure on Research and Development aggregating to ₹ 2120 lakhs (Previous year - ₹ 628 lakhs) is reflected under respective various heads in the above



Note 2 - Property, Plant and Equipment (Contd..)

note.

(viii) Assets jointly funded by MDL and Indian Navy

₹ in lakhs

Sr. Particulars No.	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 31-03-2023	Total as on 31-03-2022
1	Total Cost upto 31.03.2023	33,963	703	64,467	345	96	1,984	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	-	237	133	10,753	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	-	237	133	10,753	10,753

ix) Title deeds of immovable properties not held in the name of the company as on 31.03.2023

₹ in lakhs

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	Lease hold Land					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (Govl). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders limited. Considering the facts, the up-dation with respect to name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N.Co Ltd)	NO	1975	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process.MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	South Yard, Near Module shop, MDL, Mumbai	-	Mumbai Port Trust (Mbpt)	NO	1959	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	South Yard, Near Mogul House, MDL, Mumbai	-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1947	Registration of Deed of apartment is pending however, the share certificates and other documents are in the name of the Company. Execution of deed of apartment for 09flats is under process with CIDCO.
PPE	355 Phase North yard Extension of Phase II	9,699			1976	
	Extension of Slipway in SY	3,051			1979	
	Additional water area for Extn of Slipway	5,136			1995	
	Part of Nhava yard land	2,539			2003	
	Building					
	Flats at Vashi	14	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	
Investment Property	Land	-	-	-	-	
	Building	-	-	-	-	
Noncurrent asset held for sale	Land	-	-	-	-	
	Building	-	-	-	-	
Others		-	-	-	-	

₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-22	As on 31-03-2021
A	Assets Owned by MDL												
1	Freehold Land	10,772	-	-	-	10,772	-	-	-	-	-	10,772	10,772
2	Buildings: i) Factory Building	6,134	143	-	6	6,271	660	273	-	6	927	5,344	5,474
	ii) Office and Staff Quarters												
	a) RCC	5,174	26	-	-	5,200	708	280	-	-	988	4,212	4,466
	b) Non RCC	1,435	97	-	-	1,532	163	60	-	-	223	1,309	1,272
	iii) Others (Temporary structure)	102	7	-	-	109	65	32	-	-	97	12	37
3	Road	673	437	-	-	1,110	637	24	-	-	661	449	36
4	Plant and Equipment	24,833	1,314	-	306	25,842	6,672	1,818	-	281	8,209	17,633	18,161
5	Furniture and Fixtures	1,898	50	-	30	1,978	890	173	-	15	1,048	870	1,008
6	Vehicles	2,006	15	-	10	2,011	1,386	257	-	10	1,633	378	620
7	Office Equipment	3,822	279	-	41	4,061	1,817	643	-	44	2,416	1,645	2,005
8	Computers and Data Processing Units						-						
	i) Desktops, Laptops etc.	782	1	-	79	704	619	89	-	79	629	75	163
	ii) Server and Network	4,249	321	-	37	4,534	2,353	714	-	25	3,042	1,492	1,896
9	Loose Tools	622	5	-	1	626	483	70	-	1	552	74	139
10	Ship - Launches and Boats	4,917	-	-	-	4,917	413	174	-	-	587	4,330	4,504
11	Electrical Installation and Equipments	2,569	266	-	20	2,816	966	239	-	19	1,186	1,630	1,603
12	Right to use asset - Leasehold land	8,719	20,426	-	782	28,363	3,704	827	-	425	4,106	24,257	5,015
13	Right to use asset - Vehicles	449				449	256	148			404	45	193
	Sub-total	79,156	23,389	-	1,310	1,01,238	21,792	5,821	-	905	26,708	74,530	57,364
	Previous Year's Figures	75,501	3,923	-	268	79,156	16,868	5,160	-	236	21,792	57,364	58,633

Note: Vessels under the head "Launches and Boats" costing ₹ 4917 lakhs (2022 - ₹ 4917 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.



₹ in lakhs

Note 2 - Property, Plant and Equipment (Contd..)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
B	Jointly Funded Assets											
1	Buildings: i) Factory Building	16,244	-	-	-	16,244	2,753	461	-	-	3,214	13,030
	ii) Office and Staff Quarters											
	a) RCC	1,646	-	-	-	1,646	117	29	-	-	146	1,500
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-
2	Roads	133	-	-	-	133	102	19	-	-	121	12
3	Plant and Equipment	7,491	42	-	-	7,533	2,002	344	-	-	2,346	5,187
4	Electrical Installation and Equipments	649	-	-	-	649	253	61	-	-	314	335
5	Furniture and Fixtures	216	-	-	-	216	85	20	-	-	105	111
6	Office Equipment	153	-	-	-	153	119	25	-	-	144	9
7	Computers and Data Processing Units											
	i) Server and Network	338	-	-	-	338	286	52	-	-	338	0
8	Ship - Launches and Boats	1,143	-	-	-	1,143	167	37	-	-	204	939
	Sub-total	28,013	42	-	-	28,059	5,884	1,048	-	-	6,932	21,127
	Previous Year's Figures	28,013	-	-	-	28,013	4,724	1,160	-	-	5,884	22,129
	Total Tangibles Assets (A+B)	1,07,169	23,431	-	-	1,29,296	27,676	6,869	-	-	905	95,656
	Previous Year's Figures	1,03,514	3,923	-	-	1,07,169	21,592	6,320	-	-	236	79,493

₹ in lakhs

Intangible Assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
A	Assets Owned by MDL											
1	Computer Software/SAP-ERP	1,089	-	-	-	1,089	833	72	-	-	905	184
2	Other than SAP-ERP	4,600	196	-	-	4,796	3,664	510	-	-	4,174	622
	Sub-total	5,689	196	-	-	5,885	4,497	582	-	-	5,079	806
	Previous Year's Figures	5,422	267	-	-	5,689	3,742	755	-	-	4,497	1,192

Note 2 - Property, Plant and Equipment (Contd..)

₹ in lakhs

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as on 01-04-21	Additions	Adjustments	Disposal	Balance 31-03-22	Opening 01-04-21	For the period	Adjustments	Disposal	Balance 31-03-22	As on 31-03-2021
B	Jointly Funded Assets											
1	Computer Software/SAP-ERP	1,000	-	-	-	1,000	1,000	-	-	-	1,000	-
2	Other than SAP-ERP	181	-	-	-	181	181	-	-	-	181	-
	Sub-total	1,181	-	-	-	1,181	1,181	-	-	-	1,181	-
	Previous Year's Figures	1,181	-	-	-	1,181	1,148	33	-	-	1,181	33
	Total Intangible Assets (A+B)	6,870	196	-	-	7,066	5,678	582	-	-	6,260	1,192
	Previous Year's Figures	6,603	267	-	-	6,870	4,890	788	-	-	5,678	1,713
	Total Assets (i+ii)	1,14,039	23,627	-	1,310	1,36,362	33,354	7,451	-	905	39,900	80,685
	Previous Year's Figures	1,10,117	4,190	-	268	1,14,039	26,482	7,108	-	236	33,354	80,685

- (i) Depreciation of ₹ Nil pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses. (previous year: ₹ 1143 lakhs)
- (ii) Government of Kerala has assigned "Free of Cost" (Recorded at Nominal value) 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vi) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has approached to the Tariff Authority for Major Ports (TAMP) for fixation of rates. Accordingly, TAMP issued an order for fixation of rates in case of 4 plots. Therefore, based on the order of TAMP, Company has recognised the Right to use of asset-lease hold in financial statements of FY 2021-22.
- (vii) Building as at 31st March 2022 includes ₹ 146.60 Lakh (original cost) (previous year: ₹ 146.60 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Mazagon Dock Shipyard Limited, Garden Reach Shipbuilders and Engineers Limited and Goa Shipyard Limited.
- (viii) Due to re-allocation of funds from Indian Navy, the asset funded by Indian Navy is increased by amount of Rs.Nil. (previous year: ₹ 2282 lakhs)



Note 2 - Property, Plant and Equipment (Contd..)
(ix) Assets jointly funded by MDL and Indian Navy

Sr. No.	Particulars	₹ in lakhs											
		Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2022	Total as on 31-03-2021
1	Total Cost upto 31.03.2022	33,963	703	64,467	345	96	1,984	162	241	1,418	133	1,03,512	1,03,512
2	Less: Funded By Navy	27,922	682	60,313	345	96	1,825	154	241	1,181	-	92,759	92,759
3	Funded By MDL	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753
	Previous Year's Figures	6,041	21	4,154	-	-	159	8	-	237	133	10,753	10,753

(x) Title deeds of immovable properties not held in the name of the company as on 31.03.2022

Relevant line item in the balance sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deeds holders in a promoter director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
						₹ in lakhs
PPE	Lease hold Land					
	North Yard, Near Mazdock House, Mumbai	-	Peninsular & Oriental Steam Navigation Company (P&O S.N.Co)	NO	1966	In Year 1960, Mazagon Dock Private Limited (MDPL) was acquired by Govt. of India (Gol). An Agreement dated 19th April 1960, was executed between the President of India (Govt. of India) and M/s British Steam Navigation Company Ltd (B.I.S.N.CO. Ltd) & M/s Peninsular & Oriental steam Navigation Company (P & O. S. N. Co.) to acquire the shares of MDPL held by them. Later Company's name was changed to 'Mazagon Dock Limited' (MDL) thereafter to Mazagon Dock Shipbuilders name of the Company in the land records/lease agreements and renewal of lease with respect to land at south yard, MDL, Mumbai are under process.
	North Yard, Near Residential Colony, MDL, Mumbai	-	British India Steam Navigation Company Limited (B.I.S.N Co Ltd)	NO	1975	
	South Yard, Near Module shop, MDL, Mumbai	-			1959	
	South Yard, Near Mogul House, MDL, Mumbai	-			1947	
	355 Phase North yard Extension of Phase II	9,699	Mumbai Port Trust (Mbpt)	NO	1976	Land at mumbai taken from Mbpt, mumbai on lease. Renewal of lease agreements are under process. MDL is regularly paying rent according to the terms and condition of the old lease agreement.
	Extension of Slipway in SY	3,051			1979	
	Additional water area for Extn of Slipway	5,136			1995	
	Part of Nhava yard land	2,539			2003	
		-	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1984	The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
	Building					
	Flats at Vashi	14.00	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)	NO	1985	Deed of apartment is pending, however share certificates and other documents are in the name of the Company.
Investment Property	Land	-	-	-	-	-
Noncurrent asset held for sale	Building	-	-	-	-	-
Others	Land	-	-	-	-	-
	Building	-	-	-	-	-
	Land	-	-	-	-	-
	Building	-	-	-	-	-
	Others	-	-	-	-	-

Note 3 - Capital work-in-progress

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Capital work-in-progress				
1. Own resources				
A. Tangible assets				
Opening balance	8,694		7,974	
Add: Expenditure during the period	9,602		24,110	
Less: Capitalisation during the period	(12,134)	6,162	(23,390)	8,694
B. Intangible assets under development				
Opening balance	-		-	
Add: Expenditure during the period	1,370		196	
Less: Capitalisation/adjustments during the period	(1,370)	-	(196)	-
2. Funded by Indian Navy				
Submarine facilities upgradation project				
Opening balance	-		41	
Add: Expenditure/adjustments during the period	-		2	
Less: Capitalisation/adjustments during the period	-	-	(43)	-
		6,162		8,694

Ageing for capital work-in-progress as at March 31, 2023 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	759	1,591	121	3,691	6,162
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2022 as follows:

₹ in lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	395	107	5,284	2,908	8,694
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2023 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as at March 31, 2022 as Follows:

₹ in lakhs

Intangible assets under development ageing schedule	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

*The capital work-in-progress does not include items whose completion is overdue or has exceeded its cost compared to its original plan.

**Note 4 - Non-current investments**

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Investments in equity instruments (Unquoted)		
In Equity shares of Associate Concern - Goa Shipyard Limited	58,860	54,232
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)		
	58,860	54,232

Note 5 - Trade receivables - non-current

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
(Unsecured, considered good)		
Deferred debts	2,276	2,231
Less: Amount receivable within 12 months	(474)	(458)
	1,802	1,773

Ageing for trade receivables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,802	1,802
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	-	-	-	1,773	1,773
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Note 6 - Other financial assets - non-current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
(Unsecured, considered good)				
Security deposits:				
Security deposits with Mumbai Port Trust		427		403
Other deposits		341		338
Fixed deposits with bank with maturity over 12 months (The above deposits are under lien with Mumbai Port Trust)		340		340
Leave encashment fund		12,059		13,035
		13,167		14,116

Note 7 - Deferred tax assets (net)

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Deferred tax assets / (liabilities)				
Deferred tax assets				
Provisions	51,378		51,063	
Others	-	51,378	-	51,063
Deferred tax liabilities				
Depreciation	(6,368)	(6,368)	(6,380)	(6,380)
Deferred tax assets (net)		45,010		44,683

Note 8 - Other non-current assets

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Capital advances		869		343
Deposits with custom and excise authorities		-		20
Other receivables - considered good	957		742	
Other receivables - considered doubtful	2,790		2,791	
Less: Allowance for doubtful receivables	(2,790)	957	(2,791)	742
Advances paid to vendors - considered doubtful	5		4	
Less: Allowance for doubtful advances	(5)	-	(4)	-
VAT / sales tax receivable		6,491		6,516
GST input tax credit				
Services	23,238		16,091	
Materials	52,009	75,247	48,758	64,849
Prepaid expenses				
Prepaid deposits (MbPT)	41		57	
Less: amortisation / unwinding of prepaid deposits	(15)		(15)	
Less: current year portion	(15)	11	(15)	27
Others		239		295
		83,814		72,792

Note 9 - Inventories

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Raw materials				
Material in stores	8,405		11,860	
Less: Provision for obsolescence	(75)	8,330	(125)	11,735
Stores and spares				
Material in stores	2,172		2,300	
Less: Provision for obsolescence	(162)	2,010	(143)	2,157
Equipment for specific projects				
Material in stores/site	6,53,564		6,00,026	
Less: Provision for obsolescence	(1,014)		-	
	6,52,550		6,00,026	
Stock in transit	13,476		6,892	
Materials pending inspection	58,118	7,24,144	1,48,798	7,55,716
Scrap		1,202		402
		7,35,686		7,70,010

**Note 9 -Inventories (Contd..)****Note:**

- (i) Inventory costing ₹ 27,055 lakhs (Previous year: ₹ 18,565 lakhs) is held with other vendors.
(ii) Inventory costing ₹ 659 Lakhs (Previous year: ₹ Nil) is held at customer's store.
(iii) As on 31st March, 2023, Inventory held on behalf of Navy is ₹ 1,499 lakhs (Previous year - ₹ 1,499 lakhs) which is excluded from above inventory.

Note 10 - Trade receivables - current

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Trade receivables considered good - unsecured	1,00,233	1,00,541
Trade receivables considered doubtful - unsecured	75,275	79,915
Total	1,75,508	1,80,456
Loss allowance	(75,275)	(79,915)
Total trade receivables (current)	1,00,233	1,00,541

Ageing for trade receivables-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	76,885	13,646	9,115	174	413	1,00,233
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	92,827	3,334	891	90	3,399	1,00,541
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Note 11 - Cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Cash and cash equivalents				
Balances with banks:-				
- In current accounts				
i. In India	35,208		4,191	
ii. Outside India	35	35,243	32	4,223
- In flexi deposit accounts		1,51,599		67,824
		1,86,842		72,047

Note 12 - Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
In fixed deposit accounts - more than 3 months but not more than 12 months maturity		11,41,793		10,75,999
Earmarked balances with banks for Unpaid Dividend		7		1
		11,41,800		10,76,000

Note 13 - Other financial assets - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Insurance claims receivable		71		-
Interest accrued on deposits and advances		22,069		14,066
		22,140		14,066

Note 14 - Other current assets

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
(Unsecured, considered good, unless otherwise specified)				
Advances				
Advances paid to vendors	3,92,841		5,78,872	
Travel advance to employees	91		12	
Employee related	87		137	
Others	20	3,93,039	151	5,79,172
Prepaid expenses				
Prepaid deposits (MbPT)	15		15	
Others	409	424	349	364
		3,93,463		5,79,536

Note 15 - Share Capital

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Authorized share capital				
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
Issued, subscribed and fully paid-up shares				
20,16,90,000 (Previous year - 20,16,90,000 equity shares of ₹ 10 each) equity shares of ₹ 10 each.		20,169		20,169
		20,169		20,169

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	Percentage holding	No. of shares	Percentage holding
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Shareholder				
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%

**Note 15 - Share Capital (Contd..)**

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Particulars	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Particulars	March 31, 2022		March 31, 2021		% Change during the year
	No. of shares	Percentage holding	No. of shares	Percentage holding	
Shareholder					
President of India and his nominees	17,10,90,983	84.83%	17,10,90,983	84.83%	0.00%

Note 16 - Trade payables - non-current

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Deferred payment liability to a foreign supplier	2,276	2,231
Less: Amount payable within 12 months	(474)	(458)
	1,802	1,773

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,802	1,802
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	-	-	-	1,773	1,773
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Note 17 - Other financial liabilities - non-current

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Security and other deposits	48	97
	48	97

Note 18 - Provisions - non-current

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Employee benefits		
Post retirement benefit schemes		
Medical	9,302	9,720
Gift card	140	191
Leave salary encashment	10,260	10,475
Other provisions		
Provision for liquidated damages	18,983	35,821
Others	2,400	266
	41,085	56,473

Note 19 - Other non-current liabilities

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Funds received from customer for infrastructure projects	92,761		92,761	
Less: Transferred to fixed assets for capitalisation	(73,419)		(73,419)	
Less: Amortisation of deferred revenue	(5,995)	13,347	(5,308)	14,034
Deferred deposits		3		3
		13,350		14,037

Note 20 - Trade payables - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Other vendors		4,41,146		6,16,092
Deferred payment liability to a foreign supplier		474		458
		4,41,620		6,16,550

Ageing for trade payables-non-current outstanding as at March 31, 2023 is as follows:

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4,659	-	-	-	-	4,659
Others	4,31,060	10,560	-	-	-	4,41,620
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

₹ in lakhs

Particulars	Outstanding for following periods from due dates of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	15	-	-	-	-	15
Others	5,66,526	49,630	343	28	23	6,16,550
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Note 21 - Others financial liabilities - current

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Retention money payable		57		216
Liquidated damages payable		-		2,704
Interest payable on advances received from customer		1,753		1,820
Employee related		12,357		11,839
Others		47		46
Security and other deposits		437		347
Unclaimed dividend		7		1
		14,658		16,973

Note 22 - Other current liabilities

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Statutory dues		1,725		1,917
Deferred deposits		3		6
		1,728		1,923

**Note 23 - Provisions - current**

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Employee benefits				
Post retirement benefit				
Medical	1,032		1,039	
Gift card	81	1,113	117	1,156
Leave salary encashment		2,127		2,533
Gratuity		1,435		1,393
Other provisions				
Guarantee repairs	12,312		5,959	
Custom duty	426	12,738	426	6,385
		17,413		11,467

Note 24 - Revenue from operations

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Contract revenue				
Ship construction		6,66,772		4,34,026
Sale of goods				
Sale of base and depot spares		74,764		98,367
Sale of Services				
Ship Repair		16,867		39,368
Other operating revenue				
Sale of scrap and stores	947		623	
Sale of services (others)	1,771		725	
Reversal of Liquidated damages	20,797		-	
Changes in Inventory of Scrap	800	24,315	219	1,567
		7,82,718		5,73,328

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

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
The amount of contract revenue recognised as revenue for the period		7,58,403		5,71,761
Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)		14,42,479		16,23,805
The amount of advances received (gross)		33,47,493		34,53,884
The amount of retentions by customers		42,861		26,788

- 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.
- Revenue from operations includes revenue from Export of goods/services is Rs. 573 Lakhs that is 0.07% of Revenue from operation.

Note 25 - Other Income

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Interest from				
Deposits with banks	59,618		34,787	
Less: Interest liability to customer on advances	(1,753)		(1,820)	
	57,865		32,967	
On income tax refund	1,171		275	
Other interest	1,141	60,177	1,506	34,748
Liabilities / provisions no longer required written back		3,708		1,496

Note 25 - Other Income (Contd..)

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Insurance claims		392		259
Profit on Sale / scrapping of fixed assets (net)		90		101
Liquidated damages recovered				
Capital		17		30
Others		1,508		1,558
Miscellaneous income / recoveries		1,464		577
Amortisation gain on deferred deposits of vendors		5		7
Unwinding of lease charges - Land		57		889
Unwinding of lease charges - Vehicles		60		179
Amortisation of deferred revenue (customer funded assets)		687		763
Interest Income on deferred payment liability to foreign supplier		474		398
Interest Income on deferred deposit with MbPT		23		22
Foreign exchange variation (net)		21		
		68,683		41,027

Note 26 - Cost of materials consumed

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Opening stock				
Raw materials, stores and spares	14,160		13,274	
Equipment for specific projects	6,00,026		5,57,126	
Stock-in-transit and materials pending inspection	1,55,690	7,69,876	18,470	5,88,870
Add: Purchases		4,12,518		4,52,135
		11,82,394		10,41,005
Less: Closing stock				
Raw materials, stores and spares	(10,577)		(14,160)	
Equipment for specific projects	(6,53,564)		(6,00,026)	
Stock-in-transit and materials pending inspection	(71,594)	(7,35,735)	(1,55,690)	(7,69,876)
		4,46,659		2,71,129
Less: Reduction in Value-included in Other Expenses				
Less: Provision for obsolete stock		(29)		(76)
Less: Stores and spares consumption included in other expenses		(2,045)		(1,746)
		4,44,585		2,69,307

Note 27 - Employee benefit expenses

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Salaries, wages, allowances and bonus		62,603		61,590
Pension		2,236		2,083
Contribution to provident fund		4,053		4,111
Contribution to employees state insurance scheme		-		49
Workmen and staff welfare expenses		6,810		8,369
Gratuity		938		895
Encashment of privilege leave		2,631		2,776
		79,271		79,873

The total Employee benefit expenses incurred amounting to ₹ Nil (Previous year : ₹ 1,397 lakhs) towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for the year.

**Note 28 - Finance cost**

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Interest cost on deferred deposits of vendors		6		8
Interest cost on deferred payment liability to foreign supplier		474		398
Interest cost on lease		155		310
Others		2		-
		637		716

Note 29 - Other expenses - Projects related

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Technician fees and other expenses		1,784		4,500
Advising team fees and other expenses		16,377		6,925
Facility hire		3,703		2,283
Bank charges and guarantee commission		190		128
Travelling expenses		47		78
Sea trial, launching and commissioning expenses		566		2,160
Legal, professional and consultant fees		5,946		173
Miscellaneous expenses		262		187
		28,875		16,434

Note 30 - Other expenses

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Repairs and maintenance:				
Buildings	312		465	
Plant and machinery	289		376	
Steam launches and boats, motor cars, lorries, etc.	656		1,527	
Less: Work done internally and other expenditure which has been included in other heads of expenses	(1)	1,256	(82)	2,286
Facility hire	542		498	
Water expenses	266		300	
Rent	1,520		4,524	
Insurance	1,093		867	
Rates and taxes	3,243		711	
Bank charges and guarantee commission	14		18	
Printing and stationery	22		40	
Travelling expenses	890		520	
Business promotion expenses	753		278	
Sea trial, launching and commissioning expenses	35		3	
Corporate membership expenses	58		48	
Foreign exchange variation (net)	11		14	
Miscellaneous expenses	1,051		813	
Audit fees	12		12	
Vehicle hire charges	85		59	
Legal, professional and consultant fees	358		788	
Books and periodicals	26		45	
Postage, telegrams and phones	99		141	
Training expenses	293		69	
CISF and security board expenses	2,787		2,594	
Directors fees and expenses	20		7	
Provision for obsolete stock	29		76	
Liquidated damages	3,354		-	
Consumption of stores and spares etc.	2,045		1,746	

Note 30 - Other expenses (Contd..)

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Other interest	267		632	
Amortisation / unwinding of prepaid deposits (MbPT)	15		15	
Corporate social responsibility expenses	1,848	20,736	1,112	15,930
		21,992		18,216

Foreign Exchange gain for the year ended 31st March, 2023 is ₹ 761 lakhs and foreign exchange gain for previous year is ₹ 2004 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 ₹ 9,652 lakhs (Previous year - ₹ 7,524 lakhs) is reflected under respective various heads in the above note.

Note 31 - Provisions

₹ in lakhs

Particulars	March 31, 2023		March 31, 2022	
Doubtful debts / receivable		2,130		3,707
Guarantee repairs		6,353		5,000
Others		3,256		1,548
		11,739		10,255

Note 32 - 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.

Note 33 - Contingent Assets, Contingent Liabilities and Commitments:**33.1 Amounts for which Company may be contingently liable:**

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
A.	Contingent Assets	-	-
B.	Contingent Liabilities and Commitments		
(i)	Estimated amount of contracts remaining to be executed on capital account.*	3,500	3,003
(ii)	b) Estimated amount of liquidated damages on contracts under execution.**	83,579	1,04,485
(iii)	Position of non-fund based limits utilized for:		
	(a) Letters of credit	61,095	33,680
	(b) Guarantees and counter guarantees	5,288	1,955
(iv)	Indemnity Bonds issued by the Company to customers for various contracts.***	25,79,820	50,48,406
(v)	Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	467	467

*Considering the nature of business and to avoid excessive details, Other Commitments related to purchase of Inventory, Services, Employee contracts etc. made in the normal course of business are not disclosed.

**The sanction for extension of delivery dates of P17A project is under approval with customer. The total financial implication is Rs.83,579 lakhs in the event of not considering deferment of deliveries by customer.

***Indemnity Bond of Rs 11,66,200 Lakhs pertaining to P15A project is expired. The customer has approached the company for extending the period of indemnity bond

**Note 33 - Contingent Assets, Contingent Liabilities and Commitments: (Contd..)****33.2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:**

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
(i)	Suppliers and sub-contractors	1,315	4,162
(ii)	Others	2,369	2,369
(iii)	Interest on (i) and (ii) above	789	2,408
		4,473	8,938

33.3 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 2023	31st March 2022
(i)	Sales Tax *	1,16,084	1,17,616
(ii)	Excise Duty		
	(a) On Vendors	217	210
	(b) On MDL	33	32
		250	242
		1,16,333	1,17,858

* Against the above claim, part payments of ₹ 682 lakhs (Previous year - ₹ 684 lakhs) have been made under protest.

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

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
(i)	Excise Duty	15	15
(ii)	Service Tax (including interest and penalties)	4,522	4,426
(iii)	Income Tax*	-	2,055
		4,537	6,496

*The provision towards income tax liability is available in the books of accounts.

33.5 Appeals pending against disputed demands pending before Adjudicating / Appellate authorities

₹ in lakhs

Particulars	31st March 2023	31st March 2022
Custom Duty	59	8

Note 34

34.1 Letters seeking confirmation of balances in the accounts of sundry creditors were sent to vendors. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

34.2 Balances due to / from Indian Navy (Debtors) included in current assets / current liabilities/Advances are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

Note 35 - Normal Operating Cycle

1. The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

Note 35 - Normal Operating Cycle (Contd..)

The Normal Operating Cycle in respect of different business activities is defined as under-

- a) In case of ship / submarine building and ship/submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/Letter of Intent (LOI) to the date of expiry of guarantee period.
- b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

Note 36 - Employee Benefits as per Ind AS 19**36.1 Various benefits provided to employees are classified as under:-****(I) Defined Contribution Plans**

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
(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	4,001	4,058
2. Employers' Contribution to Employees' State Insurance	0	49
3. Employers' Contribution to EPS (Employees' Pension Scheme)	2,236	2,083
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	53	53

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)	March 31, 2023	March 31, 2022
Actuarial valuation was performed by an actuary in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-		
1 Discount Rate (per annum)	7.60%	7.14%
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.

₹ in lakhs

Particulars	March 31, 2023	March 31, 2022
Opening Balance	20,364	23,145
Add : Credit from Company	600	1,044
Less : Amount paid towards claims	(5,525)	(5,197)
Add : Interest credited	1,148	1,372
Closing Balance	16,587	20,364
Present value of past service benefit	16,641	20,377

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

**Note 36 - Employee Benefits as per Ind AS 19 (Contd..)****36.2 Actuarial valuation of liability towards Gratuity****Defined Benefit Plans Gratuity - as per actuarial valuation**

The Ind AS-19 Employee Benefits 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

Sr No.	Particulars	31st March 2023	31st March 2022
i)	Assumptions		
	a) Discount Rate	7.60%	7.14%
	b) Salary Escalation	7.00%	7.00%
	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	7.00%	7.00%
	d) Expected average remaining working lives of employees (years)	12	15
ii)	Table showing changes in present value of obligations		
	Present value of obligations as at beginning of year	20,377	22,929
	Add: Transfer of canteen employees liability	-	-
		20,377	22,929
	Interest cost	1,242	1,401
	Current service cost	843	897
	Benefits paid	(5,525)	(5,197)
	Actuarial (gain) / loss on obligations	(295)	348
	Present value of obligations as at end of year	16,641	20,377
iii)	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	20,364	23,145
	Expected return on plan assets	1,454	1,611
	Contributions	600	1,044
	Benefits paid	(5,525)	(5,197)
	Actuarial (gain) / loss on plan assets	(306)	(239)
	Fair value of plan assets at the end of year	16,586	20,364
iv)	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	20,364	23,145
	Actual return on plan assets	1,454	1,611
	Contributions	600	1,044
	Benefits paid	(5,525)	(5,197)
	Fair value of plan assets at the end of year	16,586	20,364
	Funded status	55	13
	Excess of Actual over estimated return on plan assets	-	-
v)	Actuarial gain / loss recognized		
	Actuarial (gain) / loss for the year - obligation	11	587
	Actuarial (gain) / loss for the year - plan assets	-	-
	Total (gain) / loss for the year	11	587
	Actuarial (gain) / loss recognised in the year	11	587
	Un-recognised actuarial (gains) / losses at the end of year		
vi)	The amounts to be recognized in the balance sheet		
	Present value of obligations as at the end of year	16,641	20,377
	Fair value of plan assets as at the end of the year	16,586	20,364
	Funded status	(55)	(13)
	Net Asset / (Liability) recognized in balance sheet	(55)	(13)
vii)	Expenses recognized in statement of Profit and Loss		
	Current service cost	843	897
	Interest cost	(211)	(210)

Note 36 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
	Expected return on plan assets		
	Expenses recognized in statement of profit and loss	631	687
viii)	Expenses recognized in Other Comprehensive Income		
	Actuarial (gain) / loss recognised in the year	11	587
ix)	Current/Non-current Liability		
	Current Liability	4,184	5,950
	Non-current Liability	12,457	14,427
	Present Value of the Defined Gratuity Benefit Obligation	16,641	20,377

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 7.10% (Previous year - 6.64%)	546 3.28%		573 2.81%	
if Discount rate is increased to 8.10% (Previous year - 7.64%)		508 3.05%		534 2.62%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.5% (Previous year - 7.50%)	314 1.89%		335 1.64%	
if Discount rate is decreased to 6.5% (Previous year - 6.50%)		308 1.85%		328 1.61%

36.3 Actuarial valuation of liability towards Leave Encashment**Defined Benefit Plan Leave Encashment as per actuarial valuation**

The Ind AS-19 Employee Benefits 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

Sr No.	Particulars	31st March 2023	31st March 2022
i)	Assumptions		
	Discount rate	7.60%	7.14%
	Rate of increase in compensation levels	7.00%	7.00%
	Expected average remaining working lives of employees (years)	12	15
ii)	Table showing changes in present value of obligations		
	Present value of obligation as at the beginning of the year	13,007	13,434
	Add : Liability Transfer from Canteen Employees	-	-
		13,007	13,434
	Interest cost	838	852
	Current service cost	979	1,024
	Benefits paid	(1,895)	(1,944)



Note 36 - Employee Benefits as per Ind AS 19 (Contd..)

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
	Actuarial (gain) / loss on obligations	(544)	(359)
	Present value of obligation as at the end of the year	12,387	13,007
iii)	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at the beginning of the year	13,035	13,819
	Expected return on plan assets	931	962
	Contributions	-	-
	Benefits paid	(1,895)	(1,944)
	Actuarial gain / (loss) on plan assets	(12)	198
	Fair value of plan assets at the end of the year	12,059	13,035
iv)	Tables showing fair value of plan assets		
	Fair value of plan asset at the beginning of the year	13,035	13,819
	Actual return on plan assets	931	962
	Contributions / (withdrawals)	-	-
	Benefits paid	(1,895)	(1,944)
	Actuarial gain / (loss) on plan assets	(12)	198
	Fair value of plan asset at the end of the year	12,059	13,035
	Funded status	328	(28)
v)	Actuarial gain / loss recognized		
	Actuarial (gain) / loss for the year - obligation	(544)	(359)
	Actuarial (gain) / loss for the year - plan assets		
	Total (gain) / loss for the year	(544)	(359)
	Actuarial (gain) / loss recognised in the year	(544)	(359)
	Un-recognised actuarial (gains) / losses at the end of year		
vi)	The amounts to be recognized in the balance sheet		
	Present value of obligation as at the end of the year	12,387	13,007
	Fair value of plan assets as at end of the year	12,059	13,035
	Funded status	(328)	28
	Unrecognized actuarial (gains) / losses	-	-
	Net asset / (liability) recognized in balance sheet	(328)	28
vii)	Expenses recognized in statement of profit and loss		
	Current service cost	979	1,024
	Interest cost	838	852
	Actuarial (gain) / loss recognised in the year	(544)	(359)
	Expenses recognized in the statement of profit and loss	1,274	1,518
viii)	Current/Non-current Liability		
	Current Liability	2,310	2,533
	Non-current Liability	10,077	10,474
	Present Value of the Defined Leave Encashment Benefit Obligation	12,387	13,007

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is decreased to 7.10%)	512		516	
(Previous year - 6.64%)	4.13%		3.97%	
if Discount rate is increased to 8.10%)		474		478

Note 36 - Employee Benefits as per Ind AS 19 (Contd..)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
(Previous year - 7.64%)		3.83%		3.67%
Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)				
if Discount rate is increased to 7.5%)	512		515	
(Previous year - 7.50%)	4.13%		3.96%	
if Discount rate is decreased to 6.5%)		479		481
(Previous year - 6.50%)		3.87%		3.70%

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

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.

The details of fund and plan assets are given below:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Fair value of plan assets	74,476	80,409
Present value of defined benefit obligations	(74,476)	(80,409)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government, public sector and corporate bonds.

The principal assumptions used in determining the present value of obligation of interest guarantee under the deterministic approach are as follows:

Particulars	₹ in lakhs	
	31st March, 2023	31st March, 2022
Provident Fund interest rate guarantee	8.15%	8.10%
Salary increase rate	7.00%	7.00%
Govt. of India - Bond yield for the outstanding term of liabilities	7.60%	7.14%
Govt. of India - Bond yield for the outstanding term of assets	7.30%	6.61%
Expected average remaining working lives of employees (years)	12	15

Note 37 - Provisions made, utilised, written back :

Sr No.	Particulars	₹ in lakhs	
		31st March 2023	31st March 2022
a)	Provision for Custom Duty Demand:		
	Opening Balance	426	426
	Additions	-	-
	Utilised/Adjusted	-	-
	Closing Balance	426	426
b)	Provision for Liquidated Damages:		
	Opening Balance	35,821	52,934
	Additions	-	-

**Note 37 - Provisions made, utilised, written back : (Contd.)**

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
	Adjusted	(16,838)	(17,113)
	Closing Balance	18,983	35,821
c)	Provision for Guarantee Repairs:		
	Opening Balance	5,959	959
	Additions	6,353	5,000
	Utilised/Adjusted		-
	Closing Balance	12,312	5,959
d)	Other Provisions:		
	Opening Balance	107	107
	Additions	2,241	
	Utilised/Adjusted	(107)	
	Closing Balance	2,241	107

Note 38

Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2023 based on available information with the Company are as under:

₹ in lakhs

Particulars	31st March, 2023	31st March, 2022
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Payment made beyond the appointed day during the year	5,115	1,573
Interest accrued and remaining unpaid on above	30	20

Note 39 - Other Expenses include:

₹ in lakhs

Particulars	31st March, 2023	31st March, 2022
Remuneration to the Statutory Auditors		
i) Audit fees	12	12
ii) Tax audit fees	2	2
	14	14

Note 40 - Russian (USSR) deferred State Credit

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 9,628 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 ₹ 474 lakhs (Previous year - ₹ 458 lakhs) includes yearly installment of ₹ 214 lakhs (Previous year - ₹ 214 lakhs) and ₹ 260 lakhs (Previous year - ₹ 244 lakhs) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March 2023. These payments are reimbursable by Indian Navy. Accordingly, ₹ 6,640 lakhs (amortised costs of ₹ 2,276 lakhs) held at foreign supplier deferred credit as on 31st March 2023.

Note 41

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

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

Note 42 - Related Party Disclosure

As MDL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities

i) Key Managerial Personnel**a) Functional Directors & Company Secretary**

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2023		
			Salary	Company Contribution to PF / Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(Up to 31.01.2023)	Chairman and Managing Director	79	6	85
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	72	6	78
Shri Sanjeev Singhal**	(From 08.01.2020)	Director (Finance)	71	6	77
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	58	6	64
Cdr.Vasudev Puranik	(From 09.06.2022)	Director (Corporate Planning & Personnel)	49	5	54
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	26	3	29

₹ in lakhs

Particulars	Appointment	Designation	31st March, 2022		
			Salary	Company Contribution to PF / Pension	Total*
Vice Admiral Narayan Prasad (Retd)	(From 30.12.2019)	Chairman and Managing Director	56	7	63
Cmde T V Thomas (Retd)	(Upto 30.06.2021)	Director (Corporate Planning & Personnel)	54	1	55
Cdr Jasbir Singh	(From 01.11.2019)	Director (Submarine & Heavy Engineering)	49	6	55
Shri Sanjeev Singhal	(From 08.01.2020)	Director (Finance)	47	6	53
Shri Biju George	(From 27.10.2021)	Director (Shipbuilding)	19	5	24
Smt.Vijayalakshmi Kamal Kumar	(From 19.12.2017)	Company Secretary	21	3	24

* As per Statement of Profit and Loss Account.

**Shri Sanjeev Singhal holds Additional Charge of Chairman and Managing Director from 01.02.2023

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.

**Note 42 - Related Party Disclosure (Contd..)****b) PART TIME NON-OFFICIAL DIRECTORS**

₹ in lakhs

Particulars	Appointment	Designation	Sitting Fees	
			31st March,2023	31st March,2022
Shri Mallikarjunarao Bhyrishetty	(From 24.12.2021)	Independent Director	7	2
Shri Shambhuprasad Baldevdas Tundiya	(Upto 13.11.2022)	Independent Director	1	2
Smt. Jagjeet Kaur Neeru Singh	(From 27.12.2021)	Independent Director	7	2
Shri. Dattaprasad Prabhakar Kholkar	(From 23.02.2023)	Independent Director	-	-

Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person are Nil (Previous Year: Nil)

ii) Other Related Parties

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

a) Ministry of Defence

₹ in lakhs

Particulars	Year ended	Revenue from related party	Amounts receivable / (payable) by related parties	Dividend paid/ payable
Ministry of Defence	31st March,2023	7,58,403	1,75,508	18,358
	31st March,2022	5,71,761	1,80,456	15,278

b) Goa Shipyard Ltd. (Associate Company)

₹ in lakhs

Particulars	Year ended	Dividend
Goa Shipyard Ltd.***	31st March,2023	2,665
	31st March,2022	2,336

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

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

Note 43 - Earnings per share (EPS)

₹ in lakhs

Sr No.	Particulars	31st March 2023	31st March 2022
	Earning Per Share (EPS) - Basic and Diluted		
	Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (₹ in lakhs)	1,11,903	61,084
	Adjustment to Restated Net Profit / (Loss):		
	None		
A	Net Profit / (Loss) for calculation of basic EPS (₹ in lakhs)	1,11,903	61,084
B	Weighted average number of equity shares for calculating basic EPS	20,16,90,000	20,16,90,000
C	EPS (₹) - Basic (A/B)	55.48	30.29
D	Net Profit / (Loss) for calculation of diluted EPS (₹ in lakhs)	1,11,903	61,084
	Weighted average number of equity shares	20,16,90,000	20,16,90,000
	Effect of dilution:	-	-
E	Weighted average number of equity shares for calculating diluted EPS	20,16,90,000	20,16,90,000
F	EPS (₹) - Diluted (D/E)	55.48	30.29

Note 44 - Fair Value Measurement**Financial Instruments by Category**

₹ in lakhs

Particulars	31st March 2023			31st March 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Security Deposits	-	-	427	-	-	403
Russian Deferred Debit	-	-	2,276	-	-	2,233
Financial Liabilities						
Russian Deferred Credit	-	-	2,276	-	-	2,233
Security Deposits	-	-	48	-	-	97

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements. "

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets and liabilities measured at amortised cost

₹ in lakhs

Particulars	Fair value Hierarchy	31st March 2023		31st March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Security deposits	Level 3	451	427	451	403
Russian Deferred Debit	Level 3	6,640	2,276	6,869	2,233
Financial liabilities					
Russian Deferred Credit	Level 3	6,640	2,276	6,869	2,233
Security Deposits	Level 3	54	48	106	97

Note 45 - Financial risk management**a) Credit Risk**

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Note 45 - Financial risk management (Contd..)****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 investment 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
Financial Liabilities					
31st March 2023	11,584	589	6	1	1,784
31st March 2022	11,981	14	16	1	761

Sensitivity

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

Note 45 - Financial risk management (Contd..)

₹ in lakhs

Particulars	Fair value Hierarchy	Impact on Profit Before Tax	
		31st March 2023	31st March 2022
EUR Sensitivity*			
	INR/EUR increases by 5%	579	599
	INR/EUR decreases by 5%	(579)	(599)
GBP Sensitivity*			
	INR/GBP increases by 5%	29	1
	INR/GBP decreases by 5%	(29)	(1)
USD Sensitivity*			
	INR/USD increases by 5%	89	38
	INR/USD decreases by 5%	(89)	(38)

* Holding all other variables constant

Note 46 - Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital."

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Note 47 - Expenditure on Corporate Social Responsibilities (CSR) Activities

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

₹ in lakhs

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2022-23	2021-22
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	436	593
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	311	282
Clause (vi)	Measures for the benefit of armed forces veterans, war widows and their dependents	55	5
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	3	79
Clause (viii)	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;	296	-

**Note 47 - Expenditure on Corporate Social Responsibilities (CSR) Activities (Contd..)**

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	2022-23	2021-22
Clause (ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government	14	21
Clause (x)	Rural development projects;	79	56
	Total	1,194	1,036

₹ in lakhs

Particulars	2022-23	2021-22
Unspent amount brought forward	456	154
Amount required to be spent by the Company during the period	1,392	1,413
Amount spent during the period (incl. Administration Expenses)	1,261	1,111

₹ 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
1,261	514	26.04.2023	-	-	-

Note 48

The delays in the completion of the projects due to covid pandemic situation is taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to ₹ Nil (Previous year ₹ 1397 lakhs) towards employee benefits, ₹ Nil (Previous year ₹ Nil) towards depreciation, and ₹ Nil (Previous year - ₹ Nil) towards sub contract for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2022-23. The Company doesn't foresee any change in the orders under execution due pandemic.

Note 49

MDL maintains independent PF Trust for employees. In FY 2022-23, MDSL employee PF trust has recognised capital loss of ₹ Nil (Previous year ₹ 1545 lakhs) against the investment made in previous years. As per the terms & condition provided under employee PF scheme 1952, employer shall be liable to bear the loss of the trust. Consequently, provision of ₹ Nil (Previous year ₹ 1545 lakhs) is recognised in accounts of FY 2022-23.

Note 50 - Additional Notes to the Consolidated Financial Statements**50.1 Interest in Associate**

Name of the Company	Country of Incorporation	% of Ownership as at 31st March 2022	% of Ownership as at 31st March 2021
Goa Shipyard Limited	India	47.21%	47.21%

Note 50 - Additional Notes to the Consolidated Financial Statements (Contd..)**50.2 Disclosure of Additional Information pertaining to the Parent Company and Associate**

Name of the Company	Share of Profit/(Loss)					
	31st March, 2023					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	93.48%	1,04,607	72.73%	-8	93.48%	1,04,599
Goa Shipyard Limited	6.52%	7,296	27.27%	-3	6.52%	7,293
Total	100%	1,11,903	100%	-11	100%	1,11,892

Name of the Company	Share of Profit/(Loss)					
	31st March, 2022					
	As % of Consolidated Profit/(Loss)	Amount in ₹ Lakhs	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Mazagon Dock Shipbuilders Ltd	92.19%	56,311	85.47%	-406	92.24%	55,905
Goa Shipyard Limited	7.81%	4,773	14.53%	-69	7.76%	4,704
Total	100.00%	61,084	100.00%	-475	100.00%	60,609

Note 51

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 52

In FY 2016-17, the provision of Rs. 20,797 Lakhs was created for Liquidated Damages (LD) for second submarine and the same was adjusted in retained earnings in the Reinstated Financials prepared from 01/04/2015. In FY 2022-23, the company received confirmation from customer regarding levy of LD of Rs. 3,354 Lakhs for delay of second submarine against provision of Rs 20,797 Lakhs. In view of , considering the finalisation of LD during the year company has accounted for Rs. 3,354 Lakhs as Liquidated Damages (LD) and adjusted the debtors to that extent. Further, the provision created in earlier year is now reversed and shown as other operating income as per company's accounting policy.

Note 53 - Borrowings from Banks or Financial Institutions on the basis of security of current assets is disclosed as under

₹ in lakhs

Month	Drawing Power (DP) calculation as per DP statement submitted to Bank	Drawing Power (DP) calculation as per Books of Accounts	Difference in Amounts	Variance (%)
Jun-22	(6,76,370.23)	(6,55,732.29)	(20,637.94)	-3.05%
Sep-22	(7,78,024.97)	(7,55,240.64)	(22,784.33)	-2.93%
Dec-22	(7,09,729.69)	(6,89,091.89)	(20,637.80)	-2.91%
Mar-23	(8,78,713.11)	(8,27,369.00)	(51,344.11)	-5.84%

The stock statement is required to be submit in the bank with in schedule due date. The quarterly provisional stock statement is submitted by the company to bank. However, the actual figures may vary after finalisation of account. MDL has not availed any fund based facility during the year. MDL is availing only non-fund based facility from the bank.

**Note 54 - Disclosure of Relationship with Struck off Companies is as under**

₹ in lakhs

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		31st March, 2023	31st March, 2022	
Vidhan Marketing Private Limited.***	Shares held by struck off Company - Investor	-	-	-
Universal Flexibles Private Limited	Vendor	1	1	-

*** The Amount of shares held at Face Value is ₹ 1,000

Note 55

In the preparation of these Ind AS Financial Statements, figures for the previous year have been regrouped / reclassified, wherever considered necessary to conform to current year presentation.

As per our report of even date

C. R. Sagdeo & Co.Chartered Accountants
Firm Registration No. 108959W

Sd/-

Sachin V. LuthraPartner
Membership No. 109127

30th May, 2023

Place - Mumbai

For and on behalf of the Board of Directors

Sd/-

Sanjeev SinghalChairman and Managing Director (Additional Charge) & Director (Finance)
DIN - 07642358

Sd/-

Cdr Jasbir Singh, IN (Retd)Director (Submarines & Heavy Engineering)
DIN - 08556592

Sd/-

Vijayalakshmi Kamal Kumar

Company Secretary





(Government Of India Enterprise, Ministry of Defence)

CIN: L35100 MH1934 GOI 002079

Dockyard Road, Mumbai 400 010

Tel.: +91 22 2376 2000 / 3000 / 4000

Website: www.mazagondock.in

