



# गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड Garden Reach Shipbuilders & Engineers Limited

( भारत सरकार का उपक्रम , रक्षा मंत्रालय )

(A GOVERNMENT OF INDIA UNDERTAKING, MINISTRY OF DEFENCE)

CIN NO. : L35111WB1934GOI007891

SECY/GRSE/BD-69/Q4/19-20

06 June 2020

To,

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C-1, Block G,

Bandra Kurla Complex, Bandra (E),

Mumbai – 400 051

Symbol: GRSE

**BSE Limited**

Floor-25, Phiroze Jeejeebhoy Towers,

Dalal Street, Fort

Mumbai – 400 001

Scrip Code: 542011

**Sub: Audited Financial Results for the Quarter and Year Ended 31<sup>st</sup> March, 2020 and Recommendation of Final Dividend.**

Dear Sir / Madam,

1. This has reference to our letter No. SECY/GRSE/BD-69/CA/1/2020-21 dated 27 May 2020 on the subject matter of 'Intimation of Date of Board Meeting to, inter alia, consider and approve, Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 and to recommend final dividend for the financial year 2019-20, if any.'

2. In terms of Regulation 30 read with Part A of Schedule III and Regulation 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), we wish to inform that the Board of Directors of the Company has recommended a final dividend of ₹7.14 per equity share, including interim dividend of ₹5.74 per equity share paid, (i.e. 71.40% on the paid-up equity share capital) for the Financial Year 2019-20, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The final dividend would be paid within 30 days from the date of its declaration at the 104<sup>th</sup> AGM of the Company.

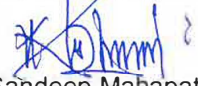
3. Further, pursuant to Regulation 33 of the SEBI LODR, please find enclosed herewith the following:

- a. Statement showing the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 including the Statement of Assets and Liabilities and Statement of Cash flow (as part of notes) for the period ended 31<sup>st</sup> March, 2020;
- b. Auditor's Report on the aforesaid Financial Results; and
- c. Declaration in respect of Unmodified Opinion on Audited Financial Results for the year ended 31<sup>st</sup> March, 2020.

4. The aforesaid Results were taken on record by the Board of Directors at its Meeting held on 06 June 2020. Necessary publications are also being made in English, Hindi and Local dailies.
5. The meeting commenced at 1400 Hours and concluded at 1800 Hours.
6. This is for your information and record.

Thanking You,

Yours faithfully,  
For GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED



Sandeep Mahapatra  
Company Secretary and Compliance Officer

Encl: As above

**Garden Reach Shipbuilders & Engineers Limited**  
(A Government of India Undertaking -Ministry of Defence)  
(CIN : L35111WB1934GOI007891)

Registered & Corporate Office : 43/46, Garden Reach Road, Kolkata 700024.  
E-mail : secygrse@vsnl.net / co.sec@grse.co.in, Website : www.grse.in, Ph : 033-24698100 to 8114, Fax : 033-24698150

**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2020**

(Rs. in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
	<b>INCOME</b>					
1	Revenue from Operations	45,668.72	36,963.12	48,920.99	1,43,329.53	1,38,642.16
2	Other Income	5,279.22	5,124.18	4,996.25	22,549.94	17,123.93
3	<b>Total income (1+2)</b>	<b>50,947.94</b>	<b>42,087.30</b>	<b>53,917.24</b>	<b>1,65,879.47</b>	<b>1,55,766.09</b>
	<b>EXPENSES</b>					
4	(a) Cost of materials consumed	18,517.13	18,468.81	26,207.02	69,169.71	68,018.44
	(b) Purchase of products for resale (B & D spares)	2,886.02	1,788.71	3,595.58	5,426.26	9,225.74
	(c) Changes in inventories of work-in- progress and scrap	(31.76)	(151.49)	(616.66)	(2,419.95)	(915.38)
	(d) Sub-contracting charges	6,313.46	4,202.13	4,109.80	17,007.21	12,580.02
	(e) Employee benefits expense	7,340.35	7,528.76	7,213.99	29,694.15	29,146.70
	(f) Finance costs	(35.14)	108.97	138.48	133.56	511.31
	(g) Depreciation and amortisation expense	789.20	748.87	666.27	3,008.92	2,708.47
	(h) Other expenses - project related	1,911.71	2,754.42	1,938.00	7,311.90	5,461.31
	(i) Other expenses	5,281.13	2,491.72	3,361.65	13,099.91	10,913.57
	<b>Total expenses</b>	<b>42,972.10</b>	<b>37,940.90</b>	<b>46,614.13</b>	<b>1,42,431.67</b>	<b>1,37,650.18</b>
5	Profit before exceptional items & tax (3 - 4)	7,975.84	4,146.40	7,303.11	23,447.80	18,115.91
6	Exceptional items	(1,060.70)	-	(1.72)	(1,060.70)	(219.89)
7	Profit before tax (5+6)	6,915.14	4,146.40	7,301.39	22,387.10	17,896.02
8	Tax expense (including deferred tax )	1,946.62	1,196.79	3,939.19	6,038.93	6,902.15
9	Profit for the period (7-8)	4,968.52	2,949.61	3,362.20	16,348.17	10,993.87
10	Other comprehensive income / (loss) (net of tax)	(641.31)	(181.53)	(709.08)	(1,185.91)	(637.21)
11	Total comprehensive income for the period (9 +10) [comprising profit and other comprehensive income for the period]	4,327.21	2,768.08	2,653.12	15,162.26	10,356.66
12	Paid - up equity share capital (Face value of Rs. 10/- each)	11,455.20	11,455.20	11,455.20	11,455.20	11,455.20
13	Other equity excluding revaluation reserves	-	-	-	92,567.90	92,375.51
14	Earnings per share (Basic & Diluted) (Rs.) (not annualised except 31.03.2019 and 31.03.2020 )	4.34	2.57	2.94	14.27	9.60

Notes:

- The Financial Results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015, as amended.
- Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defence production from the requirement of Segment Reporting.

(Contd. Page 2 )



3. As required under clause 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have carried out audit of the above Financial Results for the quarter and year ended 31.03.2020.
4. The Board at its meeting held on 06<sup>th</sup> June 2020, recommended a dividend of Rs. 1.40 per equity share (Face Value of Rs. 10/- per equity share) for the financial year 2019-20. This dividend is in addition to the interim dividend of Rs. 5.74 per equity share paid for the financial year.
5. On 20<sup>th</sup> September 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Income Tax at lower rate of 22% (effective tax rate 25.17 %) effective from 1 April 2019 (Assessment Year 2020-21), subject to certain conditions. The tax expenses for the quarter and year ended 31 March, 2020 have been provided for at reduced tax rate.
6. Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with Right of Use Asset recognized at an amount equal to the lease liability adjusted by any prepayments/ accruals recognized in the Balance Sheet immediately before the date of initial application, wherever applicable.
7. The COVID-19 has mostly impacted the physical performance of the Company. However, during the lockdown period, the Company continued with its design, planning and commercial activities. The Company is executing projects having long construction period and a catch-up plan is being finalized to cover-up the delay occurred on physical performance during the lockdown period. The financial implications on the business operations due to COVID-19 lockdown are yet to be ascertained.
8. The above Statement of Financial Results has been reviewed & recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 06<sup>th</sup> June, 2020.
9. The figures of quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the full financial year.

*July*  
*Fisher*



10. Figures for the previous periods/ year have been regrouped/reclassified/rearranged wherever considered necessary to make them comparable with figures of the current year.

**For A. Kayes & Co.**

Chartered Accountants

Firm Registration No - 311149E

*S.R. Biswas*  
**(CA. S.R. Biswas)**

Partner

Membership No. 051512

ICAI UDIN: 20051512AAAAAD5735

**For and on behalf of the Board of Directors**

*V.K. Saxena*

**Rear Admiral V.K. Saxena IN (Retd.)**

Chairman & Managing Director

DIN – 07696782

*May*

*fsdn*

Place : Kolkata

Date : 06<sup>th</sup> June, 2020





# Garden Reach Shipbuilders & Engineers Limited

Statement of Assets and Liabilities as at 31 March, 2020 is given below :

(₹ in Lakhs)

Particulars	As at 31 March, 2020 (Audited)	As at 31 March, 2019 (Audited)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	29,923.31	29,727.67
(b) Capital work-in-progress	5,151.52	3,418.60
(c) Intangible assets	445.56	497.52
(d) Financial assets		
(i) Investments	0.44	0.44
(ii) Other financial assets	7,660.42	18,177.09
(e) Non-current tax assets	12,060.02	9,171.48
(f) Other non-current assets	2,408.06	856.15
<b>(2) Current assets</b>		
(a) Inventories	44,102.22	34,956.91
(b) Financial assets		
(i) Current Investment	5,400.43	183.01
(ii) Trade receivables	53,528.00	21,985.99
(iii) Cash and cash equivalents	72,922.75	927.43
(iv) Bank balances other than (iii) above	1,88,207.93	1,98,012.61
(v) Other financial assets	20,732.75	43,704.64
(c) Other current assets	95,818.44	57,330.46
(d) Assets classified as held for sale	52.82	43.09
<b>TOTAL ASSETS</b>	<b>5,38,414.67</b>	<b>4,18,993.09</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	11,455.20	11,455.20
(b) Other equity	92,567.90	92,375.51
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
Trade payables	1,075.05	762.79
(b) Provisions	7,662.46	6,432.07
(c) Deferred tax liabilities (net)	953.78	1,122.53
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	293.43	1,390.82
(b) total outstanding dues other than (ii) (a) above	54,384.37	35,618.17
(iii) Other financial liabilities	2,426.41	2,152.46
(b) Other current liabilities	3,52,337.17	2,53,602.54
(c) Provisions	15,258.90	14,081.00
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,38,414.67</b>	<b>4,18,993.09</b>

For A. Kayes & Co.

Chartered Accountants

Firm Registration No - 311149E

*S.P. Biswas*

(CA. S.R. Biswas)

Partner

Membership No. 051512

ICAI UDIN: 20051512AAAAAD5735

Place of Signature : Kolkata

Date : 06<sup>th</sup> day of June, 2020



For and on behalf of the Board of Directors

*V.K. Saxena*

Rear Admiral V.K. Saxena IN (Retd.)

Chairman & Managing Director

DIN - 07696782

**Garden Reach Shipbuilders & Engineers Limited**  
Cash Flow Statement for the year ended 31 March, 2020

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2019
<b>A. Cash flow from operating activities:</b>				
Profit before taxation		22,387.10		17,896.02
Adjustments for -				
Interest income		(20,396.84)		(16,834.80)
Gain on fair valuation		(221.84)		(130.47)
Depreciation & amortisation expense		3,008.92		2,708.47
Retirement /Write off of Assets -Net		(110.53)		(17.03)
Finance cost		133.56		511.31
Unrealized loss/ (gain) on foreign exchange fluctuation		(24.59)		(2.56)
Liabilities no longer required written back		(639.03)		(10.55)
<b>Operating profit before working capital changes</b>		<b>4,136.77</b>		<b>4,120.41</b>
<b>Adjustments for changes in working capital :</b>				
(Increase)/Decrease in Trade and other receivables	(30,358.35)		(12,729.56)	
(Increase)/Decrease in Other financial assets	33,488.56		(22,455.17)	
(Increase)/Decrease in Other non-current assets	(1551.91)		(16.73)	
(Increase)/Decrease in Other current assets	(39,671.64)		(3,504.72)	
(Increase)/Decrease in Inventories	(9,145.31)		16,352.59	
Increase/(Decrease) in Trade payables	17,317.44		11,195.96	
Increase/(Decrease) in Provisions	2,239.54		(2,480.63)	
Increase/(Decrease) in Other financial liabilities	273.95		(2.32)	
Increase/(Decrease) in Other current liabilities	73,596.40	46,188.67	(14,238.00)	(27,878.58)
<b>Cash generated from/ (used in) operations</b>		<b>50,325.45</b>		<b>(23,758.18)</b>
Taxes paid (net of refunds)		12,458.21		12,590.92
<b>Net cash from/(used in) operating activities</b>		<b>62,783.65</b>		<b>(11,167.26)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Property, plant and equipment (including intangibles and capital work in progress)		(6,736.76)		(5,251.59)
Proceeds from maturity of fixed deposits		19,791.59		11,113.22
Interest received		11,440.14		13,919.25
<b>Net cash from/(used in) investing activities</b>		<b>24,494.97</b>		<b>19,780.88</b>
<b>C. Cash flow from financing activities:</b>				
Interest and other borrowing cost paid		(158.49)		(195.96)
Principal component of Lease Rent		(107.12)		
Interest component of Lease Rent		(47.82)		
Dividend paid (incl tax)		(7043.02)		(6,124.67)
Interim Dividend (incl tax)		(7,926.85)		(2,554.82)
<b>Net cash from/(used in) financing activities</b>		<b>(15,283.30)</b>		<b>(8,875.45)</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>		<b>71,995.32</b>		<b>(261.83)</b>
<b>Opening Cash and cash equivalents</b>		<b>927.43</b>		<b>1,189.26</b>
<b>Closing Cash and cash equivalents</b>		<b>72,922.75</b>		<b>927.43</b>

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 on Cash Flow Statement as notified under the Companies (Indian Accounting Standards) Rules, 2015.

2. Cash and cash equivalents do not include any amount which is not available to the Company for its use.

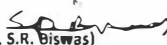
3. Cash and cash equivalents as at the Balance sheet date consists of :

(Rs. in lakh)

Particulars	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Balances with banks			
Current accounts		2,057.87	927.24
Bank Deposits with maturity of less than three months		70,864.73	
Cash in hand		0.15	0.19
<b>Cash and cash equivalents</b>		<b>72,922.75</b>	<b>927.43</b>

4. The figure in brackets represent cash outflow from respective activities.

For A. Kayes & Co.  
Chartered Accountants  
Firm Registration No - 311149E

  
(CA. S.R. Biswas)  
Partner  
Membership No. 051512  
ICAI UDIN: 20051512AAAAAD5735

Place of Signature : Kolkata  
Date : 6<sup>th</sup> day of June, 2020



For and on behalf of the Board of Directors

  
Rear Admiral V.K. Saxena IN (Retd.)  
Chairman & Managing Director  
DIN - 07696782



## **INDEPENDENT AUDITOR'S REPORT**

To

The Board of Directors

Garden Reach Shipbuilders & Engineers Limited.

43/46, Garden Reach Road,

Kolkata-700024

**Report on the audit of the Financial Results**

### **Opinion**

We have audited the accompanying financial results of Garden Reach Shipbuilders & Engineers Limited (the company) for the quarter and year ended 31 March, 2020, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMD1/80/2019.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive





income and other financial information for the quarter and year ended 31 March, 2020.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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 the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Financial Results**

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Results**

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

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The figures for the quarter ended March 31,2020 as reported in the Statement are the balancing figures in respect of the year ended March 31,2020 and published year to date figures up to the end of the third quarter of the relevant financial year. The figures of the third quarter are only reviewed and not subjected to audit.

**For A.Kayes & Co.**  
Chartered Accountants  
Firm Registration No. 311149E

Place of signature: Kolkata

  
(CA. S.R. Biswas)

Date: 06<sup>th</sup> June,2020

Partner

Membership No. 051512

UDIN: 20051512AAAAAD5735





# गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड Garden Reach Shipbuilders & Engineers Limited

( भारत सरकार का उपक्रम , रक्षा मंत्रालय )

( A GOVERNMENT OF INDIA UNDERTAKING, MINISTRY OF DEFENCE )

CIN NO. : L35111WB1934GOI007891

SECY/GRSE/BD-69/Q4/19-20

06 June 2020

To,

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C-1, Block G,

Bandra Kurla Complex, Bandra (E),

Mumbai – 400 051

Symbol: GRSE

**BSE Limited**

Floor-25, Phiroze Jeejeebhoy Towers,

Dalal Street, Fort

Mumbai – 400 001

Scrip Code: 542011

**Sub: Declaration in respect of Unmodified Opinion on Audited Financial Results for the year ended 31<sup>st</sup> March, 2020 - Reg 33(3)(d)**

Dear Sir/ Madam,


1. In terms of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Statutory Auditors of the Company M/s. A. K. Kayes & Co., Chartered Accountants (Firm Regn. No.: 311149E) have issued an Audit Report with Unmodified Opinion on the Annual Audited Financial Results of the Company for the year ended 31<sup>st</sup> March, 2020.

2. This is for your information and record.

Thanking You,

Yours faithfully,

For GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

  
S. S. Dogra 06/06/2020

Director (Finance) & CFO