SECY/GRSE/BD-69/CA/24/26-27 03 Sep 2026

To,

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: GRSE

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 542011

Sub: Annual Report 2025-26 of Garden Reach Shipbuilders & Engineers Limited

Dear Sir / Madam,

1. This is to inform that the 110th Annual General Meeting ('AGM') of the Company will be held on **Friday, 25th September, 2026 at 1030 hours** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the businesses as set out in the AGM Notice dated 29th Jul 2026 in accordance with the applicable circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The deemed venue for the 110th AGM shall be the Registered & Corporate Office of the Company at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024.

2. Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the **Annual Report 2025-26 of the Company** along with the Notice of 110th AGM which is being sent through electronic mode to the Members of the Company.

3. The Annual Report 2025-26 along with the Notice of the 110th AGM is also uploaded on the Company's website at www.grse.in.

4. This is for your information and record.

Thanking You,

Yours faithfully,
For **Garden Reach Shipbuilders & Engineers Limited**

SANDEEP MAHAPATRA
Digitally signed by SANDEEP MAHAPATRA
Date: 2026.09.03 14:50:58 +05'30'

Sandeep Mahapatra
Company Secretary and Compliance Officer
ICSI Membership No. ACS 10992

Encl: Annual Report 2025-26

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GRSE

एक नवरत्न केंद्रीय सार्वजनिक क्षेत्र उपक्रम
A NAVRATNA CPSE

Building Beyond Horizon

ANNUAL REPORT
FY 2025-26

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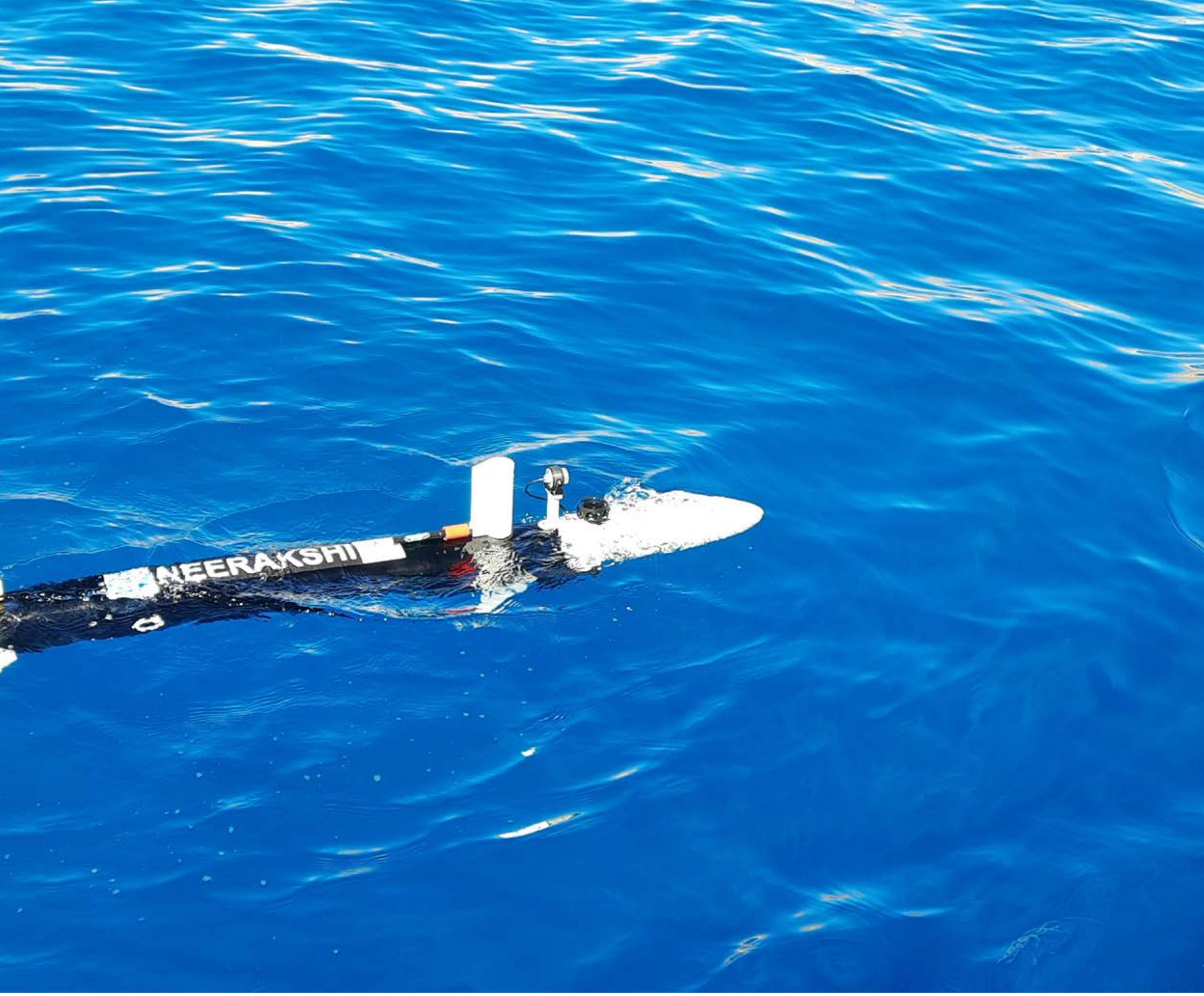


GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

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

Authenticated

Raksha Rajya Mantri

The Shipyard Behind India's Maritime Might

Garden Reach Shipbuilders & Engineers Ltd. (GRSE) ranks among the nation's foremost warship builders, functioning under the administrative control of the Ministry of Defence, Government of India. The shipyard carries the distinction of having delivered independent India's first indigenously built warship, INS Ajay, to the Indian Navy in 1961, and has since grown into the most prolific builder of warships in the country.

The year under review marked a defining chapter in this journey. In recognition of the Company's consistent financial and physical performance over the years, the Department of Public Enterprises, Ministry of Finance, Government of India, accorded **'Navratna' status to GRSE on 19 June 2026**, empowering the Company to make larger investments and pursue strategic opportunities with greater autonomy.

GRSE has delivered 118 warships to the Indian Navy, the Indian Coast Guard and friendly foreign governments, the highest by any Indian shipyard, and has built over 800 platforms in all. The Company's portfolio spans complex stealth frigates, anti-submarine warfare shallow water craft, survey and research vessels, patrol vessels, commercial multi-purpose vessels, hybrid electric ferries, 30 mm naval surface guns, advanced deck machinery, marine diesel engines and portable steel bridges. With four distinct shipyards in Kolkata and the capacity to construct 28 ships concurrently, GRSE continues to strengthen India's maritime security while extending the nation's shipbuilding footprint across the globe.

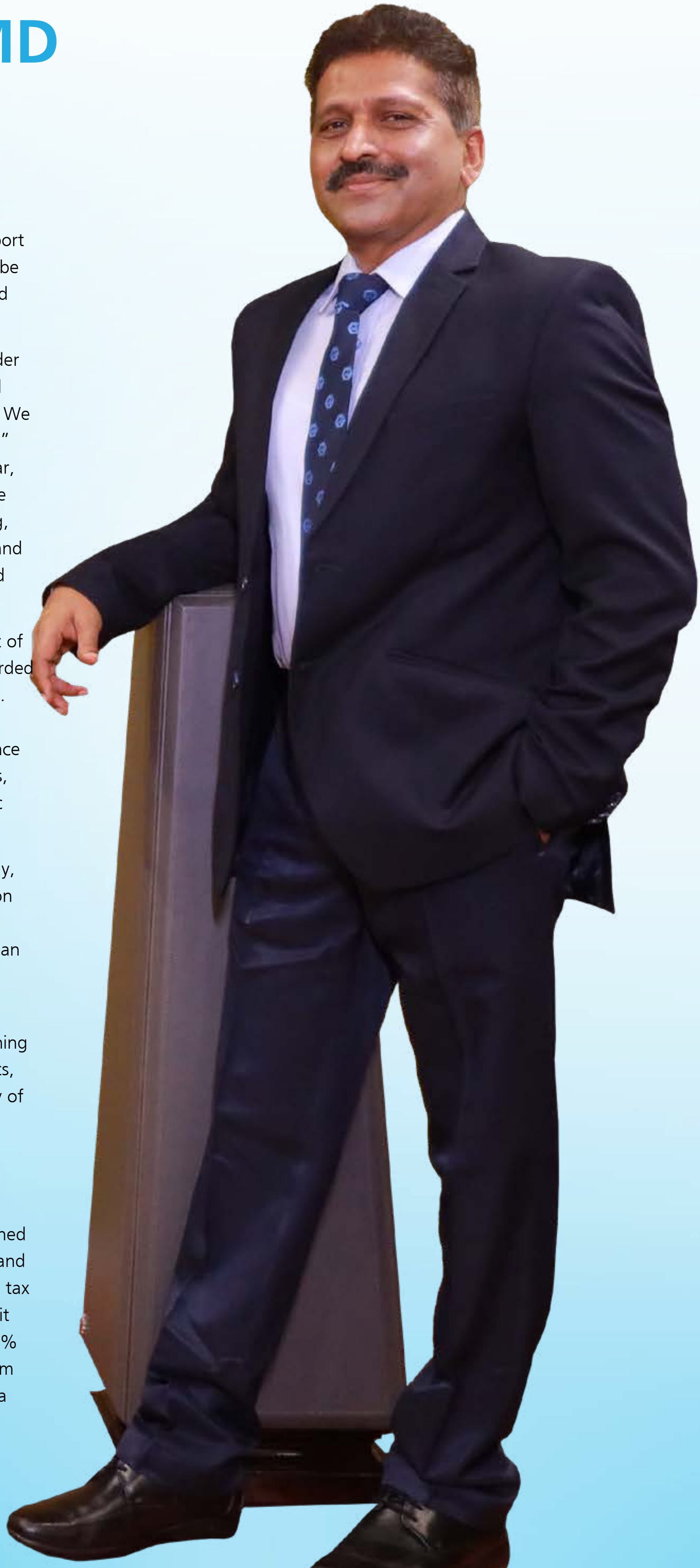
Our Vision

"To emerge as a globally competitive shipbuilder, recognized for excellence in design, innovation, engineering, sustainable technologies and timely delivery of world-class maritime vessels and systems - steering towards Maharatna recognition by FY 2035."

Our Mission

- Ensure global reputation by executing shipbuilding and engineering projects on time, meeting highest standards of quality and enhancing customer value.
- Adopt aggressive Business Development, Marketing and Bidding Strategy to win Domestic & Export Orders to ensure business growth & sustenance beyond execution period of existing Order Book.
- Meet revenue generation targets consistently, demonstrating business growth, laying foundation for "Maharatna" Status by 2035.
- Establish greenfield shipyards and commence operations, at locations external to extant premises at Kolkata, to fuel growth and overcome limitations to build/repair/recycle ships upto 400,000 DWT.
- Adopt and leverage new technology, including AI driven engineering excellence, to build autonomous/green platforms and also enhance efficiency of shipyard manufacturing processes, thus demonstrating commitment to sustainability.
- Upskilling human capital at GRSE to meet challenges of transition, disruptive technology and 6X business growth.

Message From CMD



Dear Shareholders,

It gives me great pleasure to welcome each one of you to this Annual General Meeting and to place before you the Annual Report of your Company for the Financial Year 2025-26, a year that will be etched as the best and the finest in the annals of GRSE's long and illustrious history.

For over six decades, your Company has stood shoulder to shoulder with the Indian defence establishment, blending shipbuilding and engineering excellence with an abiding sense of National service. We pride ourselves to epitomize "Athmanirbharta in warship building" and carried this legacy to an altogether new plane during the year, by delivering eight warships to the Indian Navy. This is despite the fact that the global environment continued to remain challenging, marked by geopolitical turbulence and supply chain constraints, and your Company converted every challenge into an opportunity and posted it's best ever financial and physical performance.

The crowning moment of this journey was when the Department of Public Enterprises, Ministry of Finance, Government of India accorded the coveted "Navratna" status to your Company on 19 June 2026. Coming close on the heels of the Schedule-A categorisation, this recognition of our consistent financial and operational performance confers greater autonomy for investments and strategic decisions, and affirms our standing as a frontline shipbuilder and a strategic National asset.

FY 26 stands out as the finest year in the history of your Company, with eight warships delivered to the Indian Navy, three of them on a single day, a first for the Nation, and every financial parameter scaling record highs on the strength of disciplined execution and an unrelenting pursuit of excellence.

With a healthy order book, the Next Generation Corvette (NGC) programme at the threshold of contract conclusion, and a widening presence in non-defence and export shipbuilding including exports, your Company has entered the new fiscal with confidence, clarity of purpose and considerable momentum.

A YEAR OF SETTING FINANCIAL RECORDS

I am delighted to report that your Company has crossed several financial milestones during FY 26. Revenue from operations touched ₹7,002 crore, breaching the ₹7,000 crore mark for the first time and registering a growth of 38% over the previous year. Profit before tax crossed the four digit threshold to reach ₹1,005 crore, while profit after tax rose to ₹748 crore, reflecting year on year growth of 43% and 42% respectively. Earnings per share improved to ₹65.29 from ₹46.04, and EBIDTA expanded to ₹1,070 crore from ₹756 crore, a

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rise of 41%. The net worth of your Company rose to ₹2,626 crore, while value added per employee more than doubled to ₹187.59 lakh. These outcomes flow from disciplined project execution, prudent procurement, higher productivity, rigorous cost control across all verticals and efficient treasury management.

The Market capitalisation of your Company touched to all time high of ₹40,533 crore during FY 2025-26. Your Company contributed ₹110.89 crore to the National Exchequer during the year. We have proposed a total dividend pay-out of ₹224.52 crore for FY 26, comprising two interim dividends and a final dividend, in keeping with our philosophy of rewarding shareholders while retaining adequate resources for future growth.

ACCELERATED PROJECT EXECUTION RATE

The financial results of the year rode on the strongest operational performance ever recorded by the shipyard. As I stated earlier, your Company delivered eight frontline warships to the Indian Navy during FY 26, the highest in its history. These comprised two P17A advanced frigates Himgiri and Dunagiri, two Survey Vessels (Large) Ikshak and Sanshodhak, and four Anti Submarine Warfare Shallow Water Craft Arnala, Androth, Anjadip and Agray. Also, in a proud first for the Nation, three warships of three different projects, Dunagiri, Sanshodhak and Agray, were delivered on a single day, on 30 March 2026. Two P17A frigates and three ASW SWC ships were delivered ahead of their contractual delivery dates, and all these ships delivered during the year already stand commissioned into the Indian Navy, a telling testimony to the quality of construction and the trust of our customer.

Our order book as on 30 Jun 2026 stood at ₹13,596 crore covering shipbuilding orders of ₹13,296 crore comprising 11 projects consisting of 44 platforms. I am happy to inform you that our orderbook has dropped below ₹15,000 crore, which I consider the refection of an excellent execution rate, and the orderbook shall get boosted with the conclusion of the impending, high value, NGC Contract.

The last frigate of the P17A project has crossed 85% physical progress and is planned for delivery during the current calendar year. Four of the eight anti-submarine swallow water crafts have already been delivered, and the balance of four ships shall be delivered during the current financial year. All the other shipbuilding projects, the four Next Generation Offshore Patrol Vessels, the Ocean Research Vessel, the Acoustic Research Ship, the two Coastal Research Vessels and the commercial ships & ferries are progressing satisfactorily, setting the stage for a steady stream of deliveries in the coming years.

Our commercial and green shipbuilding portfolio has continued to expand. Construction commenced on the thirteen hybrid ferries for the Government of West Bengal, the Trailing Suction Hopper Dredger for Bangladesh and the Acoustic Research Ship. During the year, we signed a contract with the Geological Survey of India for two Coastal Research Vessels, reinforcing our unique niche in research and survey platforms.

On the export front, I am delighted to share that your Company secured a further order from our German client for four 7500 DWT Multipurpose Vessels of the hybrid variant, taking the total German order tally to twelve vessels. Export revenue for the year surged to ₹270.70 crore from ₹73.63 crore, a growth of 268%, firmly establishing GRSE on the global shipbuilding map.

The prestigious Next Generation Corvette project for the Indian Navy, in which your Company emerged the successful bidder, has moved decisively forward, with price negotiations completed and the formal signing of the contract, valued at around ₹33,000 crore, is now awaited. Your company also received notification award for two projects, one from ONGC for construction of four platform support vessels and a fully electric tug from SMPK, Kolkata.

The Ship Repair vertical delivered a truly remarkable performance. Operating from the GRSE – KPDD facility, the vertical recorded a revenue of ₹273 crore in FY 26 against ₹114 crore in FY 25, crossing the ₹200 crore mark for the first time. The vertical has also gone international, with the Short Refit of the Seychelles Coast Guard ship PS Zoroaster completed and handed over ahead of schedule and the Normal Refit of the Mauritius Coast Guard ship CGS Barracuda, under execution, besides refits of Naval and Coast Guard platforms and commercial vessels. Significant refits completed in the recent period include the DRDO research vessel INS Sagardhwani and the Waterjet Fast Attack Craft INS Kalpeni.

Message From CMD Cont...

The Bailey Bridge division scaled a new peak as well, achieving a Value of Production of ₹202 crore and crossing the ₹200 crore mark for the first time, with production of 110 bridges aggregating 11,254 MT. The division supplied double lane modular bridges to the Border Roads Organisation, PWD Nagaland and NHIDCL, and rose splendidly to the occasion by rushing bridges to the Indian Army and PWD Uttarakhand to restore connectivity in the flood affected regions of Uttarakhand. The first ever supply of 60 metre Steel Through Type Permanent Bridges in Sikkim and Arunachal Pradesh, and the successful trials of an indigenously designed 400 feet Foot Suspension Bridge marked significant technological strides in development of new products. The division also exported 30 sets of bridges to Nepal, Sri Lanka and Bhutan during the year, and has signed a fresh contract for the supply of 25 more bridges to these friendly neighbourhood countries.

The Deck Machinery Unit, in parallel, supplied over forty major equipment for new construction platforms, further deepening our engineering portfolio.

At the Diesel Engine Plant, Ranchi, all 28 of the 1 MW Diesel Alternators for the Indian Navy's P17A programme were delivered, tested and commissioned, thereby completing this prestigious project.

ATMANIRBHARTA AND INNOVATION, THE ENGINES OF GROWTH

Self reliance remains the bedrock of our operating philosophy. The indigenously developed 30 mm Naval Surface Gun moved from development to production and induction during the year. Against the order for ten guns, eight guns were delivered during FY 26, of which three have completed sea trials and stand inducted into naval operations. The Indian Navy has placed a further order for seven guns and associated equipment, and orders for approximately 33 more guns are anticipated. A long term tripartite MoU with our technology partners aims to make India a manufacturing hub for this weapon system, for the Nation and for friendly foreign countries.

On the autonomous platforms front, 'Swadheen', our Unmanned Surface Vessel was demonstrated in real sea conditions in January 2026, showcasing autonomous navigation, waypoint tracking and station keeping. The concept design of an Extra Large Autonomous Underwater Vehicle has been submitted under the Make I route, and ground trials of ship based unmanned aerial systems were completed successfully.

Adaption of New Technology has been a focus area, and the robotic welding and painting facilities, the AI-enabled weld defect identification system and AI-enabled material code generation system

The conferment of Navratna status is both a recognition of our consistent performance and an enabler for the future, empowering your Company to invest with greater autonomy in pursuance of our "Vision 2035 goal of Maharatna status".

has propelled the Company further, along its Shipyard 4.0 journey. Products such as an active tank roll stabilisation system for naval ships and a heavy duty wearing surface for bridge decking are being jointly developed with start ups through the iDEX route. Indigenous equipment fit has crossed 90% on the ASW SWC ships, 87% on the Survey Vessels and 80% on the P17A frigates, while our intellectual property portfolio has grown to 218 IPRs filed, of which 117 stand granted.

Your Company launched the third edition of 'GRSE Accelerated Innovation Nurturing Scheme (GAINS-2025), and the open challenge received an overwhelming response with 101 proposals from innovators across the country. The three winning proposals, selected through a structured process, are fully funded by GRSE.

The conferment of Navratna status is both a recognition of our consistent performance and an enabler for the future, empowering your Company to invest with greater autonomy in pursuance of our "Vision 2035 goal of Maharatna status".

EXPANDING HORIZONS

Our current shipbuilding capacity caters for concurrent construction of 28 concurrent ships, and with the ongoing modernisation of our existing facilities, we intend to increase the capacity to concurrent construction of 32 platforms by end 2026. However, we consider that even this capacity would be inadequate to meet the huge demand that exists both in defence and non-defence segments. With this background, we have decided to go for both Brownfield and Greenfield expansion, both on the Western and Eastern seaboards.

Towards this, we plan to set up a shipyard in Raichak, West Bengal, which is closer to sea, and we expect the necessary approvals to be accorded during the current calender year, and will commence the infrastructure build up from 2027. The project is likely to take three to five years for fully operationalization like any shipbuilding facility creation. Similarly, on the Western Seaboard also, we are setting-up a full-fledged total ship solution facility, that would cater for shipbuilding, green ship recycling and ship repairs under one facility.

PEOPLE ....THE HEART OF OUR PERFORMANCE

The extraordinary results of FY 26 belong, above all, to the employees of GRSE. We continued to invest in structured training, leadership development and welfare measures that keep our workforce future ready for the projected six-fold growth in business. Women now constitute 9.5% of our workforce, and our sustained efforts towards an inclusive workplace were recognised with the Women in Public Sector Awards - 2026. Our people first approach, encompassing safety, health and equitable treatment, extends equally to our contractual workforce, and we remain committed to a culture that rewards initiative, learning and mutual respect. I would also like to inform you that in alignment with National priorities, over 69% of our procurement during the year was sourced from Micro and Small Enterprises, reaffirming our role as a catalyst for inclusive growth.

GOVERNANCE, SUSTAINABILITY AND SOCIAL COMMITMENT

The Company continues to maintain high standards of corporate governance and compliance, with focus on protecting the interests of shareholders and other stakeholders.

Responsible growth continues to define the GRSE way and during the year, a 250 kWp rooftop solar plant was commissioned at our Ranchi unit, taking the total installed solar capacity to 3,050 kWp, a significant step in our renewable energy journey. Green vessels, waste management, energy efficient lighting and water conservation remain integral to our operations.

Through our Corporate Social Responsibility initiatives, your company remain committed towards integrating our social and business goals in a sustainable manner focussing on healthcare, nutrition, education, skilling, swachhata and promotion of sports.

ACHIEVEMENTS, AWARDS & ACCOLADES

Your Company was rated "Excellent" in the MoU evaluation for FY 25 by the Department of Public Enterprises. Our quality journey received international acclaim with a gold award at the International Convention on Quality Control Circles 2025 at Taipei, while the Hon'ble Raksha Mantri conferred the award for Excellence in Financial Performance on your Company. I am also happy to inform you that during FY 2025 -26 your company received 26 awards for performance in multiple areas ranging from CSR & Corporate Governance to Rashtrabhasha Implementation & Artificial Intelligence.

SETTING COURSE FOR THE NEXT HORIZON

While 2025 – 26 has been exciting, the year ahead also promises to be equally eventful. Multiple ship deliveries, launches and similar shipbuilding project milestones. Also, signing of the Next Generation Corvette contract will provide long term revenue visibility and open a new chapter in indigenous warship building.

With global shipyards operating at capacity and demand for quality tonnage rising, and with the government's shipbuilding incentives gathering pace, GRSE is placed at the centre of an unprecedented opportunity. Guided by our Vision 2035 roadmap towards attaining 'Maharatna' status, we will pursue growth across warships, weapons, commercial vessels and green & autonomous technologies, while ensuring that shareholder value is built on enduring foundations of sustainability and institutional credibility.

CONCLUSION

Swami Vivekananda urged us to "Arise, awake and stop not till the goal is reached," and I can say with pride that Team GRSE marches precisely to this very spirit!

FY 26 has been a defining year, one in which aspirations, performance and recognition converged. I assure you that this is only a trailer and your Company treats every such summit as a base camp for the next ascent, and will pursue excellence with even greater vigour in the years ahead.

I express my sincere gratitude to the Ministry of Defence, the Department of Defence Production and the Central and State Governments for their unwavering guidance and support. I am deeply thankful to the Indian Navy, the Indian Coast Guard and the Border Roads Organisation for reposing their trust and confidence in us. My heartfelt appreciation goes to the Board of Directors, our employees, supply chain partners and technology partners who have powered this historic voyage, and to you, our valued shareholders, for your steadfast confidence in GRSE. I look forward to your continued support as we set sail on the next phase of this exciting journey in this ocean of opportunities, towards newer horizons of success and excellence.

Jai Hind

CMDE PR HARI, IN (RETD.)

Chairman & Managing Director

The Values That Anchor Us

FAIRNESS

Every engagement at GRSE, whether with customers, suppliers, partners or colleagues, is conducted with honesty and transparency. We believe enduring business is built on principled conduct, and our record of repeat engagements bears testimony to the confidence that our fair dealings inspire. Transparency in every transaction remains the bedrock of the credibility we enjoy across the maritime ecosystem, fostering long-term relationships rooted in mutual respect.

GENEROSITY

We share success across every level of the organisation. Structured rewards, performance-linked incentives and recognition programmes celebrate individual and collective contribution, nurturing morale, loyalty and a sense of belonging. This spirit of generosity extends to investing in the personal and professional growth of our people, so that individuals rise together with the enterprise.

PURSUIT OF EXCELLENCE

Excellence is a habit we practise daily, in the ships we build, the services we render and the standards we set for ourselves. We invest continuously in modern technology, rigorous quality assurance and skill development, and pursue operational excellence through structured planning, performance measurement and a culture of accountability that keeps us ahead of evolving industry benchmarks. For us, excellence is not a destination; it is embedded in the Company's DNA.

COMMUNITY INVOLVEMENT

We hold ourselves accountable to the communities around us. Our Corporate Social Responsibility interventions in education, healthcare, skill building, infrastructure and environmental sustainability seek to create durable value for underserved and underprivileged sections of society. Active engagement with local stakeholders helps us address genuine community needs and fosters goodwill and social harmony wherever we operate.

INNOVATION

Innovation powers our competitive edge. From autonomous platforms and green vessels to AI-enabled shipyard processes, we encourage experimentation across every function and invest in research and development to remain at the forefront of maritime technology. We treat innovation not as a one-time achievement but as a continuous journey aligned to the future needs of our defence and commercial customers. GRSE Accelerated Innovation Nurturing Scheme (GAINS) a setp forward for Innovation

CONCERN FOR EMPLOYEES' WELFARE

Our people are our most valuable asset. We foster a workplace where ideas are welcomed, contributions are valued and careers are nurtured through training, learning resources and development opportunities. By promoting work-life balance, inclusivity and a safe working environment, we build a loyal and committed workforce that contributes meaningfully to the Company's mission.

Highlights of FY 2025-26

The year 2025-26 was the finest in the Company's history, with record financial results matched by the best-ever physical performance and crowned by the conferment of Navratna status by the Government of India.

FINANCIAL HIGHLIGHTS

REVENUE FROM OPERATIONS (₹ CRORE)

FY 2025-26	7,002.16
FY 2024-25	5,075.69

Growth ▲ 38%

VALUE OF PRODUCTION (₹ CRORE)

FY 2025-26	6,994.81
FY 2024-25	5,070.98

Growth ▲ 38%

EBIDTA (₹ CRORE)

FY 2025-26	1,069.69
FY 2024-25	756.10

Growth ▲ 41%

PROFIT BEFORE TAX (₹ CRORE)

FY 2025-26	1,004.70
FY 2024-25	703.29

Growth ▲ 43%

PROFIT AFTER TAX (₹ CRORE)

FY 2025-26	747.94
FY 2024-25	527.40

Growth ▲ 42%

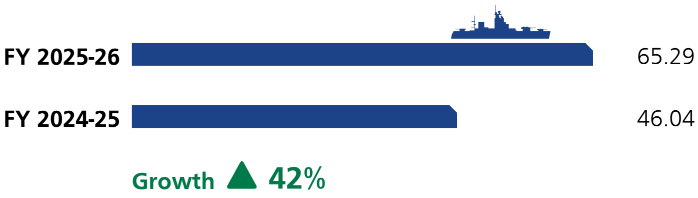
NET WORTH (₹ CRORE)

FY 2025-26	2,626.12
FY 2024-25	2,079.26

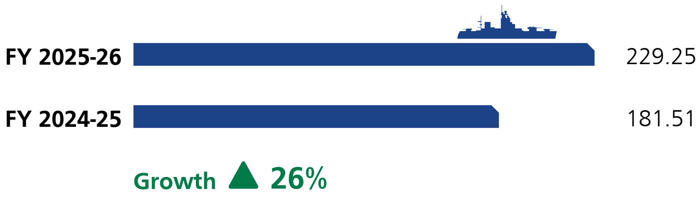
Growth ▲ 26%

FINANCIAL HIGHLIGHTS

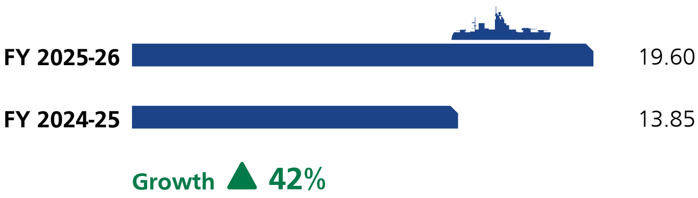
EARNINGS PER SHARE (₹)



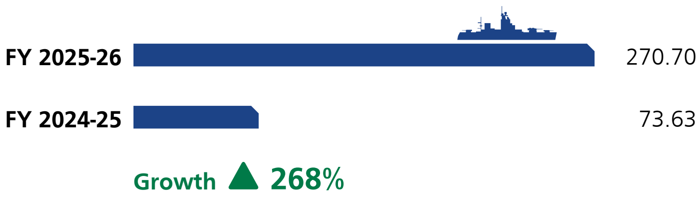
BOOK VALUE PER SHARE (₹)



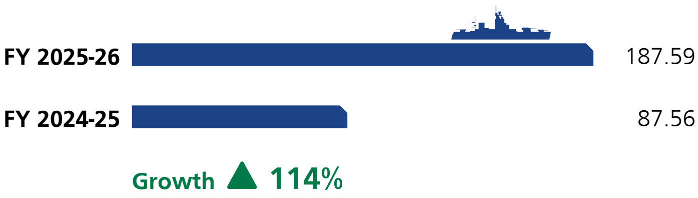
DIVIDEND PER SHARE (₹)



EXPORT REVENUE - VOP (₹ CRORE)



VALUE ADDED PER EMPLOYEE (₹ LAKH)



Operational and Strategic Highlights

Navratna status accorded to the Company by the Department of Public Enterprises, Ministry of Finance, Government of India, on 19 June 2026, in recognition of consistent financial and physical performance.

08 warships delivered to the Indian Navy, the best in the Company's history, including 03 warships on a single day (30 March 2026), a first for the country. 02 P-17A frigates and 03 ASW-SWCS were delivered ahead of schedule. All eight delivered ships has already been commissioned including 03 Warships on a single day.

Export contract signed for 04 Multi-Purpose Vessels CORAL 7500 (Hybrid) with M/s Carsten Rehder, Germany, valued at USD 62.44 million, taking the German order tally to 12 vessels. The export revenue reached ₹270.70 crore during the Financial Year 2025-26.

Order book of ₹15,324.13 crore as on 31 March 2026, spanning nine projects and 39 platforms, with the Company as L1 bidder for the Next Generation Corvette project of approximately ₹33,000 crore.

Ship repair revenue surged to ₹272.93 crore from ₹113.82 crore, with the refit of Seychelles Coast Guard ship PS Zoroaster completed ahead of schedule. The refit of Mauritius Coast Guard ship CGS Barracuda has also been completed.

Bailey Bridge vertical crossed the ₹200 crore mark for the first time, producing 110 bridges of 11,254 MT, including 30 sets exported to Nepal, Sri Lanka and Bhutan.

08 indigenously built 30 mm Naval Surface Guns delivered to the Indian Navy, with 03 inducted after successful sea trials and a follow-on order of ₹211.68 crore secured.

Swadheen Unmanned Surface Vessel demonstrated to the Indian Navy in real sea conditions and the Neerakshi Autonomous Underwater Vehicle demonstrated at CME Pune, marking strides in maritime autonomy.

All 28 1 MW Diesel Alternators for the P-17A frigate programme has been delivered, tested and commissioned by the Diesel Engine Plant, Ranchi.

Contribution of ₹110.89 crore to the National Exchequer by way of Income Tax and GST, and MoU rating of 'Excellent' with a score of 94.35 for FY 2024-25 from the Department of Public Enterprises.

Conferred the award for 'Excellence in Financial Performance' by the Hon'ble Raksha Mantri at Samudra Utkarsh, alongside the Women in Public Sector (WIPS) Award 2026 and a gold award at the International Convention on Quality Control Circles 2025, Taipei.

Shipbuilding:
Where the Fleet Takes Shape

Shipbuilding remains the core of GRSE's strength and the cornerstone of its contribution to national maritime security. The year 2025-26 was the finest in the Company's shipbuilding history: eight frontline and strategic warships were delivered to the Indian Navy, of which three, the P-17A advanced stealth frigate Dunagiri, the Survey Vessel (Large) Sanshodhak and the Anti-Submarine Warfare Shallow Water Craft Agray, were handed over on a single day, 30 March 2026, a first for the country. Two P-17A frigates and three ASW-SWCs were delivered ahead of schedule, and five ships were delivered during the year, including the frigate Himgiri, the survey vessel Ikshak and the ASW-SWCs Arnala, Androth and Anjadip, stand commissioned into the Indian Navy.

The order book has also acquired a distinctly global character. During the year, the Company signed an export contract with M/s Carsten Rehder Schiffsmakler and Reederei GmbH & Co. KG, Germany, for four Multi-Purpose Vessels CORAL 7500 (Hybrid) valued at USD 62.44 million, taking the German order tally to twelve multi-purpose vessels, and concluded a contract with the Geological Survey of India for two Coastal Research Vessels. Construction commenced on the hybrid ferries for the Government of West Bengal, the Trailing Suction Hopper Dredger for Bangladesh and the Acoustic Research Ship for NPOL-DRDO, with keels laid for nineteen platforms across nine keel-laying ceremonies during the year.

SHIPBUILDING SCORECARD FY 2025-26

39
Platforms under construction (as on 31 March)
(40 in FY 2024-25)

08
Warships delivered
(04 in FY 2024-25)

05
Ships commissioned during the year
(01 in FY 2024-25)

01
Launchings
(01 in FY 2024-25)

09 (19 platforms)
Keel layings
(03 in FY 2024-25)

₹ 6,490.61 crore
Total shipbuilding income
(₹ 4,757.03 crore in FY 2024-25)

Platforms Across the Maritime Spectrum

Frigate

Multi-role surface combatants equipped with advanced weapons, sensors and stealth features, frigates form the vanguard of blue-water operations. The P-17A advanced stealth frigates built at GRSE, including Himgiri and Dunagiri delivered during the year, rank among the most sophisticated warships constructed in the country.

Missile Corvette

Compact platforms carrying formidable firepower, missile corvettes deliver both offensive punch and defensive cover in complex naval scenarios, armed with state-of-the-art missile systems that make them a core component of the fleet.

Landing Ship Tank and Landing Craft Utility

Amphibious workhorses that ferry troops, vehicles and equipment to shorelines, these vessels provide strategic sealift and logistical muscle for combat operations as well as humanitarian assistance and disaster relief missions.

Anti-Submarine Warfare Corvette and Shallow Water Craft

Purpose-designed to detect, track and neutralise underwater threats, these platforms carry advanced sonar suites and anti-submarine weaponry. The Arnala-class ASW Shallow Water Craft delivered by GRSE are strengthening the Indian Navy's undersea defence in coastal waters.

Survey and Research Vessels

Hydrographic and oceanographic platforms that map the oceans and generate data critical for safe navigation and strategic maritime planning. GRSE is the only Indian shipyard with a specialisation in research ships, with an Ocean Research Vessel, an Acoustic Research Ship and Coastal Research Vessels currently under construction.

Patrol Vessel

Offshore and inshore patrol vessels safeguard coastal waters and enforce maritime law in national and international waters. Their versatility makes them ideal for surveillance, anti-smuggling operations and search and rescue, and the Next Generation Offshore Patrol Vessels under construction will add further teeth to this capability.

WJ-FAC, Hovercraft and Fast Interceptor Boat

High-speed platforms built for rapid response, these craft undertake interception, coastal patrol and rescue operations. The enduring trust of the Indian Navy and the Indian Coast Guard in these vessels continues to anchor a significant share of GRSE's revenue.

Fleet Replenishment Tanker

Force multipliers that sustain the fleet at sea with fuel, fresh water and provisions, fleet tankers extend mission endurance and enable continuous operations without the need to return to port.

Ship Repair:
Keeping Fleets Mission-Ready

GRSE's dedicated Ship Repair vertical has emerged as one of the Company's fastest-growing businesses. Operating from the three dry docks of the Kidderpore Dock system taken over from Syama Prasad Mookerjee Port, Kolkata under a Concession Agreement, the vertical manages scheduled, unscheduled and emergency repairs backed by a robust vendor network, a dependable supply chain and the full technical depth of GRSE's design and production teams. Services span dry docking, refit management, mechanical, electrical, hydraulic and piping works, failure analysis and technical studies, ensuring in-service support and fleet availability across the Indian Ocean Region.

From a modest beginning of approximately ₹19 crore in FY 2021-22, revenue from ship repair activities surged to ₹272.93 crore in FY 2025-26 from ₹113.82 crore in FY 2024-25, reflecting substantial growth and operational efficiency.

The vertical has also gone international. The Short Refit of the Seychelles Coast Guard ship PS Zoroaster, contracted at ₹29.05 crore, was completed and the ship was handed over on 14 May 2026, ahead of schedule, while the Normal Refit of the Mauritius Coast Guard offshore patrol vessel CGS Barracuda, valued at ₹123.07 crore, is under execution. Significant refits completed in the recent past include the DRDO research vessel INS Sagardhwani, the Waterjet Fast Attack Craft INS Kalpeni, an Indian Coast Guard Advanced OPV and several commercial vessels. Ongoing work includes the refit of MV Indira Point for the Directorate General of Lighthouses and Lightships and the construction of two pontoons on the west coast for the Indian Coast Guard.

Engineering:
Bridging Distances, Equipping Decks

The Engineering Division embodies GRSE's diversification beyond the waterline. The Division achieved a Value of Production of ₹216.56 crore in FY 2025-26 against ₹149.79 crore in FY 2024-25, its highest ever, powered by record bridge production and a widening deck machinery portfolio.

Portable Steel Bridges

Engineered for rapid deployment where conventional infrastructure cannot reach, GRSE's portable steel bridges restore connectivity in emergencies and open access to remote terrain. The Bailey Bridge unit produced 110 bridges aggregating 11,254 MT during the year, against 102 bridges of 7,715 MT in the previous year, and achieved a Value of Production of ₹202.07 crore, crossing the ₹200 crore mark for the first time in the vertical's history.

During the year, the Company exported 30 sets of bridges worth ₹27.20 crore to Nepal, Sri Lanka and Bhutan, delivered 20 sets of double-lane Modular Steel Bridges to the Border Roads Organisation, 07 sets of double-lane bridges to PWD Nagaland and 08 bridges to NHIDCL. In a demonstration of rapid-response capability, 05 sets of Bailey bridges were supplied to the Northern Command of the Indian Army and 07 sets of various spans to PWD Uttarakhand within a short span, restoring critical connectivity in the flood-affected regions of Uttarakhand. Under R&D initiatives, the Company completed the first-ever supply of 60-metre Steel Through Type Permanent Bridges in Sikkim and Arunachal Pradesh, designed in collaboration with BERD, Portugal, and successfully completed the trial assembly of an indigenously designed 400-feet Foot Suspension Bridge at its Belur works.

Deck Machinery

The ISO 9001:2015 certified Deck Machinery Unit, the only dedicated deck machinery design and manufacturing division among DPSU shipyards, has been equipping ships ranging from Fast Attack Craft to aircraft carriers for over three decades, with equipment certified by classification societies and Defence Quality Assurance. During the year, the Unit supplied over 40 major deck machinery equipment for new construction platforms and completed Factory Acceptance Trials for over 45 equipment, alongside harbour and sea acceptance tests at Chennai, Visakhapatnam, Mumbai, Karwar, Goa and Kolkata. The portfolio now extends to Tactical Air Navigation Systems, Power Distribution Panels, Marine Valves, Rail-Less Helo Traversing Systems with ground support equipment for MH60R, SK42C and ALH helicopters, foldable hangar doors, new generation helo harnessing and traversing systems and knuckle boom cranes.

Engines: The Ranchi Powerhouse

The Diesel Engine Plant at Ranchi anchors GRSE's drive for propulsion self-sufficiency. In partnership with MTU, Germany, the facility combines world-class engineering with local manufacturing, equipped with modern test benches for the assembly, testing and quality assurance of marine diesel engines.

The year was one of complete project closure and fresh milestones: all 28 of the 1 MW Diesel Alternators for the Indian Navy's P-17A frigate programme, built for both GRSE and MDL, were delivered, tested and commissioned. The Plant also installed, tested and commissioned an MTU 4000 series engine on board ICGS C-435 following W6 routines, and completed Factory Acceptance Trials of 04 of the 500 kW Diesel Alternators, with the balance sets in various stages of assembly and testing. The Bailey Bridge division at the Plant contributed a Value of Production of approximately ₹40.37 crore with production of 2,804 MT, in addition to base and depot spares worth ₹10.53 crore. Reinforcing the Company's green commitment, a 250 kWp rooftop solar plant was commissioned at the unit during the year, taking GRSE's total rooftop solar capacity to 3,050 kWp.

Atmanirbharta in Action

GRSE continues to champion the 'Make in India' initiative through transfer of technology, co-production, in-house design and local manufacturing. Indigenous equipment fit has crossed 90% on the Anti-Submarine Warfare Shallow Water Craft, 87% on the Survey Vessel (Large) and 80% on the P-17A frigates, among the highest levels achieved on Indian warships.

From Warships to Weapons

The 30 mm Naval Surface Gun, developed by GRSE to meet the demands of modern naval warfare, moved decisively from development to induction during the year. Against the Indian Navy's order for 10 guns valued at ₹248.50 crore, 08 guns were delivered during FY 2025-26, of which 03 completed sea trials and stand inducted into naval operations. The Indian Navy has placed a further order for 07 guns, a belting machine and a set of base and depot spares valued at ₹211.68 crore, and additional orders for approximately 33 guns with an estimated value of ₹990 crore are expected for upcoming ships of the fleet. A long-term tripartite MoU with M/s BHSEL and M/s Elbit Systems, Israel, covering manufacturing set-up, knowledge transfer and local vendor development, aims to make India a manufacturing hub for the gun, for domestic demand and for export to friendly foreign nations. Pre-delivery inspection, joint receipt inspection, setting-to-work, installation and trials on three ships were carried out entirely by Indian entities without any foreign involvement.

Indigenisation Milestones

- Positive Indigenisation Lists: 34 of the 41 GRSE items notified across the five PILs of the Ministry of Defence have been indigenised.
- SRIJAN Portal: 56 items uploaded, of which 44 items (34 PIL and 10 non-PIL) have been successfully indigenised.
- Make-II: 07 items identified under the industry-funded prototype development route, of which 04 have been successfully indigenised.
- Intellectual Property: 218 IPRs filed, of which 117 stand granted, comprising 20 patents, 77 copyrights and 20 trademarks, with 1,614 personnel trained on IPR awareness.

Technology Frontiers

The Swadheen Unmanned Surface Vessel achieved a major milestone with successful sea trials and demonstration to the Indian Navy on 16 January 2026, showcasing autonomous navigation, waypoint tracking and station-keeping in real sea conditions.
The indigenously developed Neerakshi Autonomous Underwater Vehicle was demonstrated at CME Pune on 28 July 2025, validating its capabilities for underwater surveillance, inspection and reconnaissance. A comprehensive concept design for an Extra Large Autonomous Underwater Vehicle was submitted to the Indian Navy under the Make-I route, and ground trials of ship-based unmanned aerial systems were successfully completed. Other indigenous developments during the year include the 60-metre steel through type bridge, a heavy-duty non-slip epoxy wearing surface for modular steel bridge decking and an active tank roll stabilisation system for naval ships, developed through the iDEX route. On the shop floor, robotic welding and painting, the second version of the AI-enabled weld defect identification system i-Weld and AI-enabled material code generation carried the Company further along its Shipyard 4.0 journey.

A Decade of Financial Progress

(₹ in Lakh)

PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
FINANCIAL POSITION										
Equity Share Capital	12384	11455	11455	11455	11455	11455	11455	11455	11455	11455
Reserve & Surplus	95767	90698	92376	92568	102257	114334	129927	155889	196471	251157
Net Worth	108151	102154	103831	104023	113712	125789	141382	167344	207926	262612
Capital Employed	98112	102154	103831	104023	113712	125789	141382	167344	207926	262612
Gross Block	60454	47233	39959	43081	49614	68703	72970	75421	81618	92426
Net Fixed Assets	35834	38917	30225	30369	34020	50065	50761	49257	51516	57614
Working Capital	62278	60249	68476	56100	54298	56904	72497	98943	137494	183732
OPERATING RESULTS										
Sales	22162	23390	14677	21784	51573	21262	33234	112758	107773	1558497
Value of Production	92784	134552	137877	142470	113276	174528	254784	358846	507098	699481
Value Added	47487	62659	61398	68734	66966	81088	95381	133521	147975	299213
Profit Before Tax	2089	12775	17896	22387	20712	25724	30522	48092	70329	100470
Provision for Tax	865	3535	6902	6039	5365	6771	7709	12365	17589	25676
Profit After Tax	1223	9240	10994	16348	15347	18953	22812	35727	52740	74794
APPROPRIATION										
CSR Reserve	94	-	-	-	-	-	-	-	-	-
General Reserve	-	9554	-	-	-	-	-	-	-	-
Dividend on Equity	5408	5080	7961	8179	5728	6644	7102	10722	15865	22452*
Tax on Dividend	1101	1034	1636	1352	-	-	-	-	-	-
RATIOS										
PBT / Capital Employed	0.02	0.13	0.17	0.22	0.18	0.20	0.22	0.29	0.34	0.38
PBT / Production (VoP)	0.02	0.10	0.13	0.16	0.18	0.15	0.12	0.13	0.14	0.14
Production (VoP) / Capital Employed	0.95	1.32	1.33	1.37	1.00	1.39	1.80	2.14	2.44	2.66
Value Added / Production (VoP)	0.51	0.47	0.45	0.48	0.59	0.46	0.37	0.37	0.29	0.43
No. of Employees	2401	2214	2100	1973	1900	1790	1747	1649	1690	1595

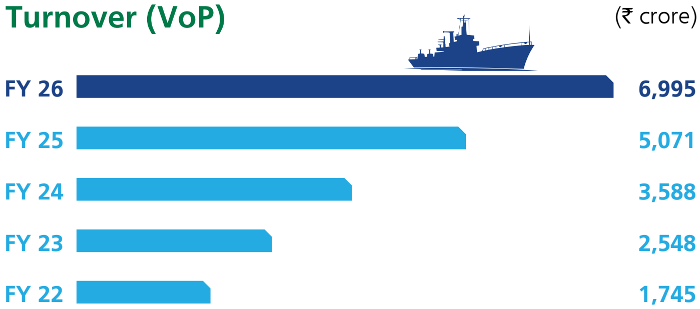
* Comprising interim dividends of ₹12.90 per share paid during the year and the final dividend of ₹6.70 per share recommended by the Board, subject to approval of the Shareholders.

Five Years of Accelerating Growth

Revenue from operations has grown from ₹1,754 crore in FY 2021-22 to ₹7,002 crore in FY 2025-26, an increase by 4 times and Profit After Tax has risen from ₹190 crore to ₹748 crore over the same period, recording an increase by 4 times. The total order book stood at ₹15,324.13 crore as on 31 March 2026, and the Company is the L1 bidder for the Next Generation Corvette project of approximately ₹33,000 crore, for which price negotiations stand completed.

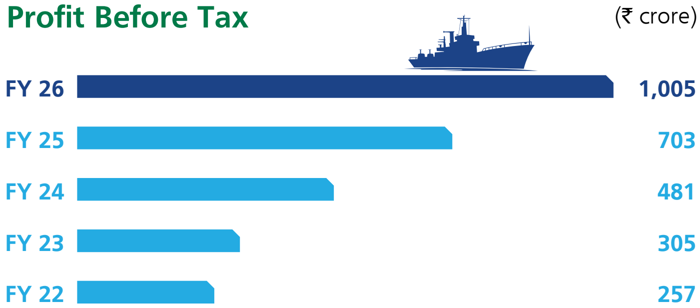
Turnover (VoP)

(₹ crore)



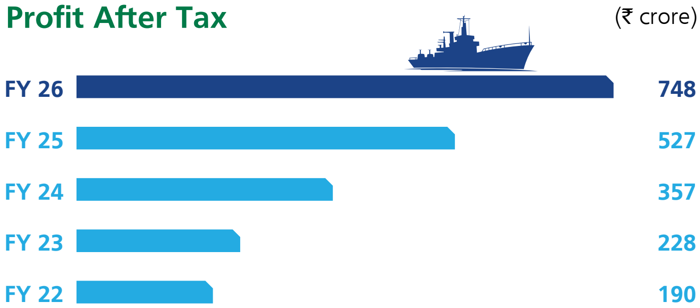
Profit Before Tax

(₹ crore)



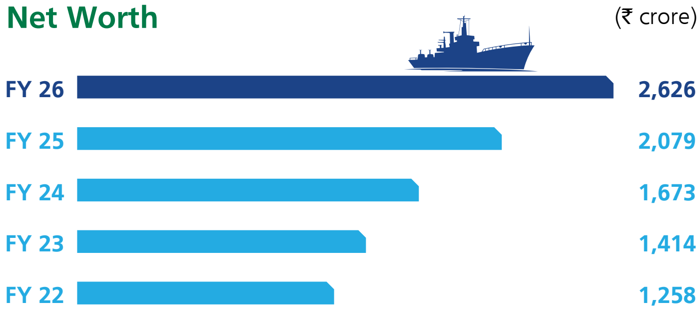
Profit After Tax

(₹ crore)



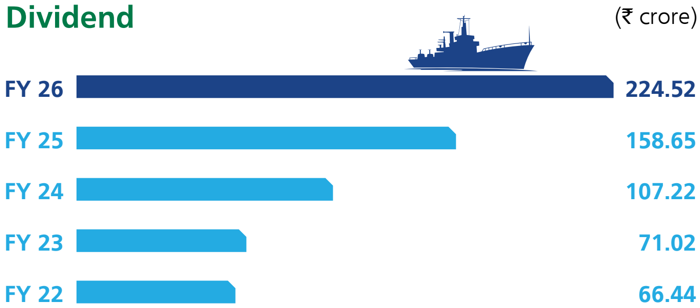
Net Worth

(₹ crore)



Dividend

(₹ crore)



Manpower

(No.)

Relationships:
The Capital That Compounds

Our relationship capital is anchored in the trust and long-standing engagements we maintain with the defence forces, partners, employees and institutions. These connections have been vital in building resilience, delivering value and reinforcing our role in nation building.

Six Decades with the Indian Navy and the Indian Coast Guard

The partnership that began with the delivery of INS Ajay in 1961 has grown into the deepest customer relationship in Indian shipbuilding: 118 warships delivered to Indian and foreign maritime forces and over 800 platforms built in service of the nation's naval objectives. Close collaboration with the naval directorates ensures alignment with operational needs and keeps this relationship rooted in trust and performance.

Vendor and MSME Ecosystem

We nurture a diverse vendor ecosystem with a special emphasis on Micro and Small Enterprises, in alignment with national priorities. Of the total procurement of ₹2,026.12 crore in FY 2025-26, **₹1,401.36 crore, over 69%, was sourced from MSEs**, including ₹103.06 crore from women-owned MSEs and ₹29.32 crore from MSEs owned by SC/ST entrepreneurs. Procurement through the Government e-Marketplace reached ₹1,115.47 crore, 55.05% of total procurement, surpassing the target of ₹1,100 crore set by the Administrative Ministry. The Company is onboarded on all five operational TReDS platforms, and no MSME invoice was paid beyond the 45-day timeline prescribed under the MSMED Act during the year.

Our People

Our 1,595 employees form the foundation of everything we build. Policies on inclusivity, welfare and continuous learning support their expertise, discipline and commitment. Women constitute 9.5% of the workforce, reflecting steady progress towards greater diversity, and the Company was honoured with the Women in Public Sector (WIPS) Award 2026 at the 36th National Meet of WIPS.

Experienced Workforce

GRSE is steered by a team of highly qualified and experienced professionals across shipbuilding, design, engineering, finance, human resources and operations. This depth of talent underpins the Company's high standards of project execution, evidenced by deliveries ahead of schedule, and sustained customer satisfaction.

Wider Institutional Linkages

Our relationships extend to government agencies, state bodies, classification societies including IRS, ABS, BVR and DNV, and industry associations such as FICCI, CII and SIDM. These engagements strengthen our industry positioning, enable knowledge exchange and ensure compliance with the highest standards of governance and quality.

A Deliberately Diversified Business

To expand capabilities and revenue streams, the Company has diversified into ship repair, commercial shipbuilding for domestic and export markets, portable steel bridges, deck machinery, marine diesel engines and naval surface guns. A dedicated Commercial Shipbuilding division now drives the Company's thrust in the non-defence segment, which accounts for about 22.5% of the order book. These initiatives support vertical integration, enabling tighter control over quality and timelines, and reinforce GRSE's position as a comprehensive maritime solutions provider.

Board of Directors

Commodore P R Hari, IN (Retd.)
Chairman & Managing Director

Cmde P R Hari, IN (Retd.) (DIN: 08591411), with over 36 years of experience, assumed charge as Chairman & Managing Director on 10 June 2022. He holds a Bachelor's Degree in Mechanical Engineering and a Master's Degree in Defence & Strategic Studies, and is an alumnus of the Defence Services Staff College, Wellington, the Army War College, Mhow, and the Naval War College, Goa. His distinguished naval career spanned key appointments in strategy and operations, technical administration and tactical decision-making, including nine afloat appointments, seven on frontline warships, and the distinction of serving as Commissioning Engineer Officer of India's first indigenously built stealth frigate, INS Shivalik. He joined the Company in 2016 as Chief General Manager (PP&C) and served as Director (Personnel) from 21 October 2019 to 10 June 2022, leading the Human Resources, Corporate Planning and Technical functions. Under his stewardship, the Company delivered its best-ever financial and physical performance in FY 2025-26 and attained Navratna status.

Dr. Vijay Namdeorao Zade, JS (NS)
Government Nominee Director

Dr. Vijay Namdeorao Zade (DIN: 05142336), Joint Secretary (Naval Systems), Department of Defence Production, Ministry of Defence, is the Part-Time Official (Government Nominee) Director of the Company. A 2002 batch IAS officer of the Punjab cadre, he holds a Doctorate in Horticulture (Post Harvest Technology) from the Indian Agricultural Research Institute, New Delhi, a Master's in Business Administration from Sikkim Manipal University, Gangtok, and an M.Sc. in Public Management and Governance from the London School of Economics & Political Science, London. Before joining the IAS, he worked as a Junior Scientist at NRCG, Pune and in the Indian Audit and Accounts Service. He brings vast administrative experience across the Governments of Punjab and Maharashtra and the Union Territory of Chandigarh, spanning Finance, Housing and Urban Development, Health and Family Welfare, Mining, Governance Reforms, Excise and Taxation, Industry and allied departments, besides serving as Managing Director and Board member of State PSUs. As Joint Secretary (Naval Systems) since May 2026, he deals with the financial, administrative and operational matters of the Defence Public Sector Undertaking shipyards, indigenisation of technologies and related policy matters, and also handles international defence industrial cooperation with SAARC, ASEAN and East Asian countries. He has no inter-se relationship with other Directors of the Company and does not hold any equity shares of the Company.

Commander Shantanu Bose, IN (Retd.)
Director (Shipbuilding)

Cdr Shantanu Bose, IN (Retd.) (DIN: 09631817), a qualified naval architect, served the Indian Navy for 23 years before joining the Company in 2013, and assumed charge as Director (Shipbuilding) on 08 June 2022. He completed his B.Tech in Naval Architecture & Shipbuilding from the Cochin University of Science and Technology, a Diploma from IIT Delhi and a Post Graduate Diploma in Management from the Jamnalal Bajaj Institute of Management Studies, University of Mumbai, and is a member of the Institution of Engineers (India) and the Institution of Naval Architecture. He has steered the adoption of Integrated Construction methodology, the Virtual Reality Laboratory for design and the implementation of Product Data Model and Product Lifecycle Management systems, while driving R&D, infrastructure modernisation and indigenisation across the Company's construction programmes.

Captain P Sunilkumar, IN (Retd.)
Director (Corporate Planning & Personnel)

Capt P Sunilkumar, IN (Retd.) (DIN: 11193635), joined GRSE in September 2016 after nearly 22 years of commissioned service in the Indian Navy, and assumed charge as Director (Corporate Planning & Personnel) with effect from 14 July 2025. An alumnus of the Naval College of Engineering, he holds a B.Tech (Mechanical) from JNU, New Delhi, and Master's degrees in Systems and Controls Engineering from IIT Bombay and in Defence & Strategic Studies from Madras University. Prior to this appointment, he was Chief General Manager and Unit In-Charge of the Fitting Out Unit, responsible for the outfitting of all three P-17A ships and one Survey Vessel with a workforce exceeding 2,000 personnel. He is a certified Project Management Professional and Certified International Supply Chain Professional, holding diplomas in Supply Chain Management and Human Resource Management.

Board of Directors Cont.

Shri Niranjan Mukund Bhalerao
Director (Finance) & CFO

Shri Niranjan Mukund Bhalerao (DIN: 10941391), aged 54 years, assumed charge as Director (Finance) & Chief Financial Officer of the Company with effect from 06 October 2025. He has completed his B. Com from Pune and is a Fellow Member of the Institute of Chartered Accountants of India. He began his career in 1996 with Indian Oil Corporation Limited, a Maharatna Public Sector Undertaking, and brings 29 years of varied experience across Refineries, Pipelines and the Corporate Office, having handled assignments spanning management accounting, banking, corporate taxation covering both direct and indirect taxes, internal audit, corporate affairs, shipping, contracts, city gas distribution and joint venture and subsidiary operations. He served as Nominee Director of Kochi Salem Pipeline Private Limited, a joint venture of Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited, from 26 February 2025 to 22 August 2025. He has no inter-se relationship with other Directors of the Company and does not hold any equity shares of the Company.

Shri Kamleshbhai Shashikantbhai Mirani
Independent Director

Shri Kamleshbhai Shashikantbhai Mirani (DIN: 11118795) was appointed Independent Director with effect from 21 May 2025. A commerce graduate from Saurashtra University, Rajkot, he brings extensive experience in public sector administration and real estate, having held key advisory and leadership positions with the Rajkot Municipal Corporation, the Gujarat State Road Transport Corporation and the Telephone Advisory Committee, Government of India. His tenure across these bodies encompassed initiatives for the upliftment of underprivileged communities, strengthening of social infrastructure, oversight of financial and administrative operations and improvement of grievance redressal and public service delivery.

Corporate Information

BOARD OF DIRECTORS

Cmde. P R Hari, IN (Retd.)
Chairman & Managing Director

Dr. Vijay Namdeorao Zade, IAS, JS (NS)
Government Nominee Director
(From 05 Jun 2026)

Cdr. Shantanu Bose, IN (Retd.)
Director (Shipbuilding)

Capt. P Sunilkumar, IN (Retd.)
Director (Corporate Planning & Personnel)

Shri Niranjan Mukund Bhalerao
Director (Finance)
(From 06 Oct 2025)

Shri Kamleshbhai Shashikantbhai Mirani
Part-time Non-Official (Independent) Director
(From 21 May 2025)

Shri Rajeev Prakash, IP&TAFS, JS (NS)
Government Nominee Director
(Upto 27 Apr 2026)

Shri Dinesh Mahur, IAS, AS (DP)
Government Nominee Director
(From 27 Apr 2026 upto 05 Jun 2026)

CHIEF VIGILANCE OFFICER

Abhishek Ranjan, IOFS

INDEPENDENT EXTERNAL MONITORS

Shri Lov Verma, IAS (Retd.)

Shri Debashis Bandyopadhyay,
Ex-Director (HR), BHEL

COMPANY SECRETARY AND COMPLIANCE OFFICER

Shri Sandeep Mahapatra

SENIOR MANAGEMENT

Shri Venkatesh Murthy
Executive Director (CSB)

Cmde. Rajat Manchanda, IN (Retd.)
Executive Director (TS & YEM)

Cmde. Indrajit Dasgupta, IN (Retd.)
Executive Director (SR & TU)

Cmde. Vinith Aerat, IN (Retd.)
Executive Director (BG & S)

Cmde. Vikas Kaushal, IN (Retd.)
Chief General Manager (PMT-P17A, NGC, ASWSWC & SVL) (FT)

Cmde. Nitin Nangia, IN (Retd.)
Chief General Manager (PS)

Cmde. Ramesh Menon, IN (Retd.)
CGM (BB & DEP)

Smt. Aparajita Ghosh
Chief General Manager (Finance)

Cdr. Manoj Kumar Gupta, IN (Retd.)
Chief General Manager (CC)

Cdr. Satish Chandra Jha, IN (Retd.)
Chief General Manager (FOJ)

Shri Goutam Karmakar
Chief General Manager (RBD)

Cmde Sreekumar Srinivasan, IN (Retd.)
Chief General Manager (MW)

Cmde Rajat Nagar, IN (Retd.)
Chief General Manager (Commercial)

Shri Gulshan Ratan
General Manager (CP, VD & Indigenisation)

Shri Rajeev Shrivastava
General Manager (HR & A)

Shri Prashanta Kumar Mondal
General Manager (QA)

Shri Kingshuk Mistry
General Manager (PS-NGOPV & Dredger)

Cdr. Aravind Shankar, IN (Retd.)
General Manager (CSB)

Shri Manas Kumar Pandey
General Manager (HP & IP)

Shri Sanjay Sarkar
General Manager (Technical)

Smt. Swagata Sen Roy
General Manager (CP & CC)

Shri Jayanta Kumar Sen
General Manager (PDS)

Shri Bipu Kumar Das
General Manager (FOJ)

Cdr Pinakesh Das, IN (Retd.)
General Manager (SR)

Cdr Ambuj Kumar, IN (Retd.)
General Manager (P 17A)

Cdr Ravi Kumar Sharma, IN (Retd.)
General Manager (Design)

BANKERS

State Bank of India
PNB
IDBI Bank
ICICI Bank
HDFC Bank Axis Bank
Bank of Baroda
Yes Bank
RBL Bank
Federal Bank
IndusInd Bank

STATUTORY AUDITORS

M/s. Guha Nandi & Co.
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Mehta & Mehta
Practicing Company Secretaries

COST AUDITORS

M/s. Bandyopadhyaya Bhaumik & Co.
Cost Accountants

REGISTRAR & TRANSFER AGENT

M/s. Alankit Assignments Limited

REGISTERED OFFICE

GRSE Bhavan,
61, Garden Reach Road,
Kolkata - 700 024.

CIN No.: L35111WB1934GO1007891

Website: www.grse.in

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Board of Directors is delighted to present the Annual Report on the performance of your Company and its Audited Financial Statements for the Financial Year ended 31st March 2026, along with the Reports of the Statutory Auditors and the Comptroller & Auditor General of India (C&AG) thereon.

Directors' Report

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The financial performance of your Company has been exceptional during the financial year 2025-26. During the year, the Company has registered a growth in Revenue from Operation by 38%, by registering ₹7,002.16 crore against ₹5,075.69 crore in the previous year. Furthermore, EBIDTA and PAT also experienced robust growth, increasing by 41% and 42%, respectively, highlighting our strong operational performance and profitability.

The financial highlights for the financial year 2025-26 and 2024-25 are as follows:

(₹ in crore)

Particulars	2025-26	2024-25
Value of Production	6,994.81	5,070.98
Revenue from Operation	7,002.16	5,075.69
Profit Before Depreciation, Interest and Tax	1,069.69	756.10
Finance Cost	16.12	10.32
Depreciation	48.87	42.49
Profit Before Tax	1,004.70	703.29
Provision for Tax	256.76	175.89
Profit After Tax	747.94	527.40
Other Comprehensive Income (Net of Tax)	2.82	(2.56)
Total Comprehensive Income	750.76	524.84

The financial position of your Company as on 31 March 2026 and 31 March 2025 is appended below:

(₹ in crore)

Particular	As on 31 March 26	As on 31 March 25
Capital Employed	2,626.12	2,079.26
Gross Block	924.26	816.18
Net Block	576.14	515.16
Working Capital	1,837.32	1,374.94
Net Worth	2,626.12	2,079.26
Value Added	2,992.13	1,479.75
Value of Production	6,994.81	5,070.98
Profit Before Tax	1,004.70	703.29

Particular	As on 31 March 26	As on 31 March 25
Ratios:		
Profit before interest and tax: Capital Employed (%)	38.87	34.32
Profit after tax: Net Worth (%)	28.48	25.36
Gross Profit: Capital Employed (%)	40.73	36.36
Profit Before Tax: Value of Production (%)	14.35	13.87
Value of Production: Capital Employed (%)	266.36	243.88
Current Ratio (In times)	1.25	1.17
Return on Equity (%)	31.79	28.11
Trade Receivables Turnover Ratio (In times)	9.46	22.38
Trade Payable Turnover Ratio (In times)	3.76	3.57

Value of Production

Your company has achieved a record Value of Production ('VoP') of ₹6,994.81 crore as against ₹5,070.98 crore during the previous year. The comparative VoP for the three Divisions of the Company are as follows:

(₹ in crore)

Year	Ship Division	Engineering Division	Engine Division	Misc.	Total
2025-26	6,762.28	216.56	14.72	1.25	6,994.81
2024-25	4,870.85	149.79	50.34	-	5,070.98

Net Worth

Your Company reported a Net worth of ₹2,626.12 crore as on 31 March 2026 against ₹2,079.26 crore as reported on 31 March 2025.

Value Addition

The Value added during the financial year under review was ₹2,992.13 crore as against ₹1,479.75 crore during the previous year. The Value added per employee rose to ₹187.59 lakh compared to ₹87.56 lakh in the previous year.

Appropriations

Based on the financial performance of your Company in the year 2025-26, the Board of Directors are pleased to recommend the following appropriations from the disposable surplus:

(₹ in crore)

Profit After Tax	747.94
Other Comprehensive income for the year, Net of Tax	2.82
Total Comprehensive income for the period	750.76
Less:	
Final Dividend of FY 2024-25 on the Paid-up Capital	56.13
Interim Dividend of FY 2025-26	147.77
Balance retained in Statement of Profit & Loss	546.86

Contribution to the Exchequer

During the financial year 2025-26, your Company contributed ₹110.89 crore to the National Exchequer by way of Income Tax and GST.

Dividend Distribution Policy

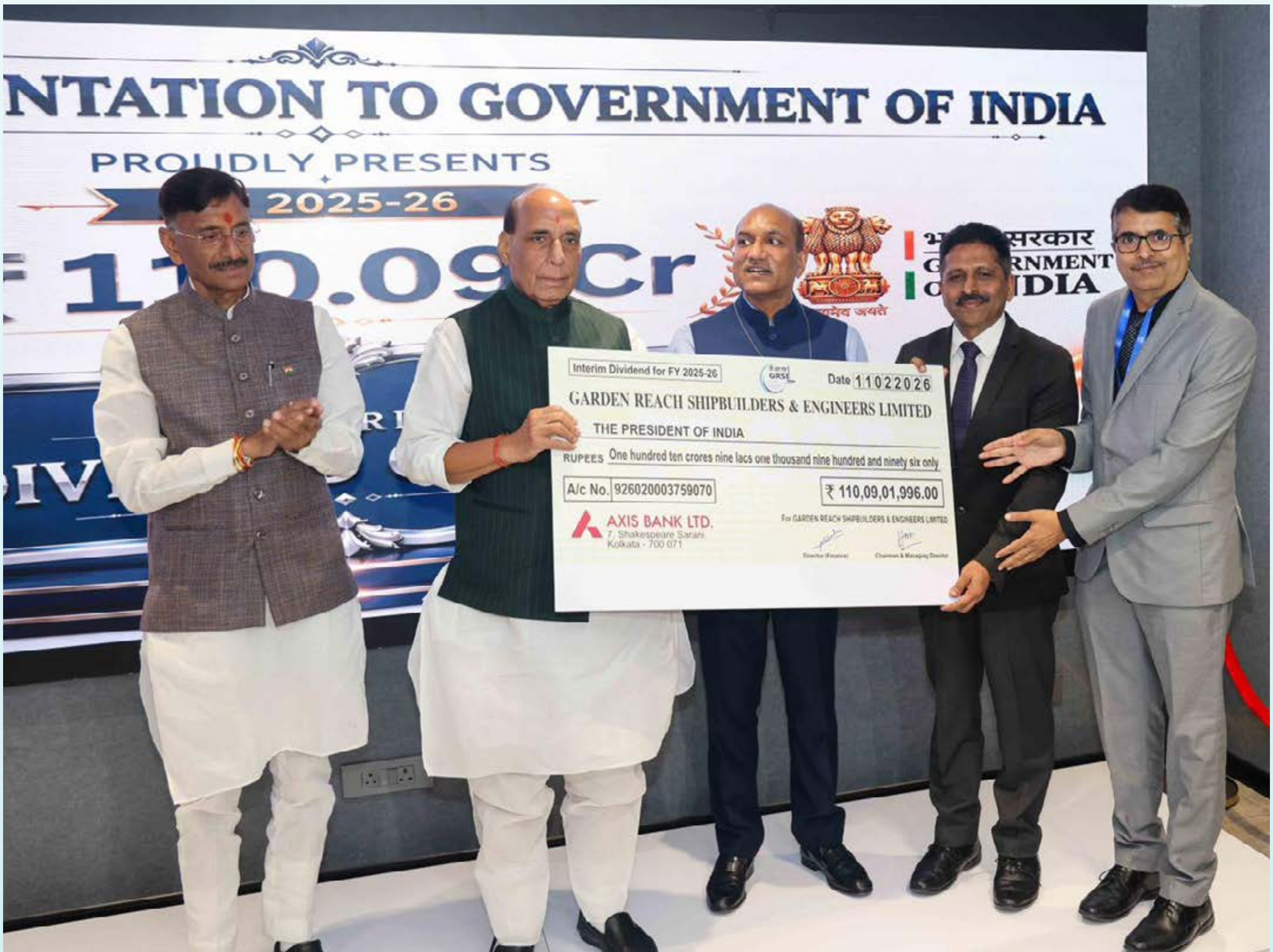
Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of the Company have formulated a Dividend Distribution Policy keeping in view the provisions of SEBI Listing Regulations, the Companies Act, 2013 and Guidelines issued by the Department of Public Enterprises (DPE) and the Department of Investment and Public Asset Management (DIPAM). The Policy is available on the Company's website at https://grse.in/wp-content/uploads/2022/04/GRSE-Dividend-Distribution-Policy.pdf.

Dividend

Pursuant to the approval of the Board of Directors on 04 Nov 2025, your Company has paid an interim dividend of ₹5.75/- per equity share of face value of ₹10/- each to Shareholders who were on the Register of Members as on 11 Nov 2025, being the record date fixed for this purpose. Further, pursuant to the approval of the Board of Directors on 28 Jan 2026, your Company has paid an 2nd interim dividend of ₹7.15/- per equity share of face value of ₹10/- each to Shareholders who were on the Register of Members as on 03 Feb 2026, being the record date fixed for the payment of 2nd Interim Dividend. Thereafter, the Board, at its meeting held on 28 Apr 2026 has recommended final dividend of ₹6.70/- per equity share of face value of ₹10/- each for the financial year 2025-26. Thus, the total dividend for the financial year 2025-26, if approved by the Shareholders, would be ₹19.60/- per equity share.

MOU Rating

Your Company has been rated "**Excellent**" with a score of **94.35** out of 100 as per MoU Evaluation for **FY 2024-25** by the Department of Public Enterprises. Further, on the basis of actual achievements vis-à-vis parameters laid down in the MoU signed with the Government of India, your Company is expected to be rated "**Excellent**" again for its performance during the **FY 2025-26**.



Directors' Report

PERFORMANCE OF THE COMPANY DURING THE YEAR

A. SHIPBUILDING

The total shipbuilding income achieved by the Company during 2025-26 is ₹ 6,490.61 crore, as against ₹4,757.03 crore in 2024-25. Notably, during the FY 2025-26 the Company delivered 08 Nos. frontline/ strategic Ships to the Indian Navy and of which during the year 05 ships are already commissioned by the Indian Navy.

The shipyard also completed following important milestones during the year:

(a) Ship Launches – One (Naval Warship)

(b) Keel Laying – Nine (Two Naval Warships and 7 Non-defence platforms)

(c) Plate Cutting – Eleven non-Defence vessels

The company currently is executing 11 projects consisting of 39 platforms.

During the year, your company signed an export contract with the M/s Carsten Rehder Schiffsmakler and Reederei GmbH & Co. KG Germany for Design, development, construction and delivery of 04 Nos. Multi-Purpose Vessel CORAL 7500 on 19 Sep 2025 for a total contract value 62.44 million USD. These hybrid Vessels with Green Initiatives & Attributes will advance the idea of "Make in India, Make for World' to a new level, marking a key milestone in its global outreach and export capabilities.

The Company has also signed the Contract for Construction of two Coastal Research Vessels (CRVs) for the Geological Survey of India (GSI) on 11 Jun 2025.

B. SHIP REPAIR

The ship repair business has witnessed multi-fold increase in the revenue over the past four years, and this performance growth is the result of the company aggressively pursuing high value tenders of offloaded refits of Indian Navy, Coast Guard and other commercial vessels. In addition to Indian vessels, the Company also won export orders for refit of 01 ship each from Mauritius Coast Guard (MCGS Barracuda) and Seychelles Coast Guard (PS Zoroaster) for a value of ₹123.07 crore and ₹29.05 crore respectively.

During the year 2025-26 the revenue from Ship Repair activities surged to ₹272.93 crore from ₹ 113.82 crore in the year 2024-25, reflecting exponential growth and operational efficiency.

Significant refits completed in the recent past include two Naval ships, an Indian Coast Guard Advanced OPV, Seychelles Coast Guard vessel SCGS Zoroaster and a few commercial vessels. Presently major ongoing work include refits of Mauritius Coast Guard OPV MCGS Barracuda, MV Indira Point of DGLL, Govt. of India and construction of 02 Pontoons in the west coast for Indian Coast Guard.

C. ENGINEERING DIVISION

The Value of Production (VoP) achieved by the Engineering Division during the financial year 2025-26 amounted to ₹216.56 crore in comparison to ₹149.79 crore during financial year 2024-25.

Portable Steel Bridge Unit

During 2025-26, the Bailey Bridge unit has achieved a Value of Production (VoP) of ₹202.07 crore. This included the production of 110 bridges totalling 11,254 MT, compared to 102 bridges totalling 7,715 MT in the preceding year.

The Company has also exported 30 sets of Bridges to Nepal, Sri Lanka and Bhutan amounting to ₹27.20 crore (11 sets of Bridges under Ministry of External Affairs to Sri Lanka and Nepal, 16 Sets of Bridges to Ministry of Infrastructures and Transport, Bhutan and 03 Sets of Bridges to Private Agencies in Nepal & Bhutan) during 2025-26.

Your Company has delivered successfully 20 sets of Double Lane MSBs to BRO under the MOU with DGBR (BRO). The Company has also been successful in delivering 07 sets of Double Lane Bridges to PWD Nagaland and 08 bridges to NHIDCL (Ministry of Road Transport and Highways under MoUs). All these bridges hold utmost importance for restoration and developmental works in the far-flung hilly regions of the country.

During the year, your Company achieved a major milestone through delivery of 05 sets of Bailey bridges for Northern Command (Indian Army) and 07 sets of various spans of Bailey Bridges to PWD Uttarakhand in a short span to restore immediate and critical geo-connectivity in the flood affected regions of Uttarakhand.

Under R&D initiatives, your Company has completed the supply of 60 Meters Steel Through Type Permanent Bridge for the 1st time at Sikkim and Arunachal Pradesh. Design of these bridges was carried out in collaboration with BERD, Portugal.

Also, assembly and load testing /trials of the 400 feet Foot Suspension Bridge were completed successfully at Belur works/GRSE.

Deck Machinery Unit

Your Company is the only DPSU shipyard which has a dedicated division for design, development & manufacturing of Deck Machinery. The Deck Machinery Unit of GRSE, an ISO 9001-2015 qualified marine deck equipment manufacturing unit, has been designing and manufacturing a range of equipment for applications onboard ships over the last over three decades. These equipment conforms to the stringent marine operational requirements for certification by Classification Societies (IRS/ABS/RINA) and Defence Quality Assurance. The Company has been supplying Deck Machinery to the Indian Navy & Indian Coast Guard for decades and had maintained a varied portfolio of products ranging from Aircraft handling equipment to Deck Machinery, from vessels ranging from FACs to Aircraft Carriers. In the recent past, The Company has supplied several equipment such as Anchor/ Mooring Capstans, Windlass, RLHTS, Telescopic Hangers, Boat Davits, Deck Cranes, Accommodation Ladders etc for P15Bs, DSVs, PCVs, SVLs, ASWSWCs, P17As and NGOPVs. GRSE has extensively worked on certain niche Helicopter Handling Equipment such as RLHTS, GSEs & Telescopic Hangers. This equipment's are performing well on Seagoing Platforms and the Company also provides pan India support to the Indian Navy and Coast Guard by way of supply of spares and repair assistance through partnerships with reputed engineering firms at all ports in the country.

In the preceding year the Company has added new equipment to its portfolio, some of which includes:

(a) Tactical Air Navigation System (TACAN).

(b) Power Distribution Panels (PDPs)

(c) Marine Valves (Hull & Line)

(d) Rail Less Helo Traversing System (RLHTS & Ground Support Equipment for handling MH60R, SK42C and ALH series helicopters

(e) Foldable Hanger Doors.

(f) New Generation Helo Harnessing and Traversing System

(g) Knuckle Boom Cranes/ Knuckle Telescopic Boom Cranes

The Unit has also undertaken Factory Acceptance Trials (FATs) for over forty-five (45) Nos. deck machinery equipment, in addition to Harbour Acceptance Test (HATs), Sea Acceptance Test (SATs) across various platforms and locations including Chennai, Vizag, Mumbai, Karwar, Goa and Kolkata.

Further, during the year, the Unit has supplied over forty (40) Nos. of different types of major deck machinery equipment for installation on multiple new construction yards, in addition to meeting ABER and B&D requirements.

D. ENGINE DIVISION

The Diesel Engine Plant (DEP) of your Company at Ranchi has successfully completed the prestigious 1MW DA Project for Indian Navy's P-17A Frigates being built by GRSE and MDL.

DEP, Ranchi has also installed, tested and commissioned one (01) MTU 4000 series engine onboard ICGS C-435 post W6 routines and successful Factory Acceptance Trials.

GRSE has also set up a dedicated production line for Bailey Bridge Components at DEP unit at Ranchi, where Bailey Bridge Division of DEP Unit achieved a VoP of approx. ₹40.37 crore and production of 2804 MT during the financial year 2025-26. In addition to the above, the unit has supplied B & D spares worth ₹10.53 crore during the FY 2025-26.

During the year the DEP Unit has successfully completed Factory acceptance Trials of 04 nos 500 KW DAs and balance DG sets are in various stages of assembly and testing. The Unit has also recently upgraded the Load control system of the old Test Bed for concurrent trials of two engines.

E. NSG PROJECT

In line with Govt of India's vision of achieving Self-reliance in defence manufacturing, Naval Surface Gun (NSG) has been developed by your Company along with M/s BHSEL, Hyderabad to meet the emerging requirements of modern naval warfare at best level of effectiveness and suitable either as main armament for small size vessels or as secondary armament for larger ship.

With the entered MoU in place with collaborative partners for 15 Years, GRSE is expecting additional orders in the near future for approximately 33 guns with an estimated order value of ₹990.00 crore, for Indian Navy's ships planned for induction into the fleet. In addition, GRSE is also in discussions with the Indian Coast Guard (ICG) regarding the upgradation of Guns onboard ICG ships to enhance defence capability. GRSE has also participated in the EOI issued for the indigenous development of the gun under the Make II route, reinforcing its commitment to the Govt of India's vision of self-reliance in defence and expanding its footprint in the naval weapon systems domain.

EXPORT INITIATIVES

Your Company has taken initiatives to export Naval ships to the friendly foreign countries and has identified SAARC, ASEAN, African & Latin American countries as the focus areas. Further, GRSE regularly supplies Portable Pre-fabricated Steel (Bailey, Bailey Suspension & Modular) Bridges and its components to the neighbouring countries such as Nepal, Bhutan, Sri Lanka, Myanmar and Bangladesh. Efforts are also on to further enhance the export of Bailey Bridges and their components to other friendly foreign countries as well. Your company has been nominated by Ministry of Defence (MoD) to focus on Export Promotion for 11 countries (Bangladesh, Oman, Philippines, Saudi Arabia, Seychelles, UAE, Malaysia, Vietnam, Morocco, Madagascar & New Zealand).

During FY 2025-26, your Company has generated revenue (VoP) of ₹270.70 crore from export orders which includes ₹161.47 crore from Shipbuilding, ₹86.14 crore from Ship Repair and ₹23.09 crore from the Bailey Bridges. The Company has exported/ executing Export Orders for 07 Countries (Bangladesh, Germany, Mauritius, Nepal, Bhutan, Sri Lanka & Seychelles) and has generated revenue (VoP) of ₹270.70 crore from export orders.

The export orders of the Company also include building of one Trailing Suction Hopper Dredger-TSHD for Bangladesh, eight Multi-Purpose Vessels – MPV and four Multi-Purpose Vessel (Hybrid) – MPV(H) for Germany worth of 186 Million USD. The Company had signed a contract for Short Refit (SR-2) of Seychelles Coast Guard Ship 'PS Zoroaster' having basic Contract Value ₹29.05 crore. The same has been handed over to the Seychelles Coast Guard, Govt. Republic of Seychelles on 14 May 2026, ahead of its schedule. The Company also signed contract for Normal Refit of Mauritius Coast Guard Ship 'CGS Barracuda' having basic Contract Value of ₹123.07 crore.

The Engineering Division of the Company has signed a Contract for Supply of 25 Nos. Misc., types & spans of Portable Pre-Fabricated Steel Bridges to Sri Lanka, Nepal and Bhutan.

ORDER BOOK POSITION

The total order book position of your Company for the three (3) divisions as on 31 Mar 2026 is as follows:

(₹ in crore)

Sl. No.	DIVISION / DEPTS	Closing order Value as on 31 Mar 2026
A	**Ship Division**	
	Ship (including Gun and B&D Spares)	14,968.98
	Ship Repair & AMCs	133.42
	Total Ship Division	**15,102.40**
B	**Engineering Division**	
	Bailey Bridge	128.47
	Deck Machinery & Pump	7.21
	Total Engineering Division	**135.68**
C	**Engine Division**	**86.05**
	Total (A+B+C)	**15,324.13**

Further, your company has emerged as the L1 shipyard for the Next Generation Corvette project. The price negotiation has already been completed and we are awaiting the formal signing of the contract to the tune of around ₹33,000 crore.

NEW INITIATIVES

Towards long-term business growth there is a need to embrace new technologies, and your company has taken up following major initiatives through signing of Memorandum of Understanding (MoUs) during FY 2025-26:

(a) MoU with Bharat Sanchar Nigam Limited (BSNL) to strengthen digital connectivity infrastructure.

(b) Tripartite MoU with Blue Horizon Strategic Engineering Pvt. Ltd. (BHSEL) and M/s Elbit System Land Ltd., Israel for development and manufacture of Naval Surface Gun indigenously at India and series supply to Indian Navy and Indian Coast Guard.

(c) MoU signed with IIT-KGP (Department of Ocean Engineering & Naval Architecture) to provide industry exposure and improve industry academia interaction.

(d) MoI with M/s Bernd Becker Shipmanagement GmbH & Co. KG, Germany for construction & supply of vessels by GRSE.

(e) MoI & SA with M/s Carsten Rehder Schiffsmakler und Reederei GmbH & Co. KG, Hamburg, Germany for construction and delivery of CORAL 7500-HYBRID Multi-Purpose Vessels.

(f) MoI with M/s Arya Shipping BV, Herten, The Netherlands for construction and delivery of 3,600 TDW Hybrid Propulsion Cargo Vessels.

(g) MoU with M/s SWAN Defence and Heavy Industries Ltd. Gujarat for Strengthening indigenous shipbuilding capabilities in commercial segment.

(h) MoU with M/s Reintjes GmbH, Germany for collaborative approach regarding long-term arrangements comprehensively covering Assembly and Testing of gearboxes at GRSE facility including lifetime support for Spares and Services for such gearboxes assembled at GRSE.

(i) 02 separate MoUs with M/s Caterpillar INC, Irving, USA for the production, sale and service of High Speed and Medium Speed Engines.

(j) MoU with Kalyani Strategic Systems Limited (KSSL), Pune to mutually identify opportunities in defence manufacturing and collaborate on the same.

(k) MoU with Hindustan Shipyard Ltd., Visakhapatnam (HSL) for collaboration in construction of commercial vessels like MR Tankers (Product Carriers), Very Large Gas Carriers (VLGC) and to form Consortium for Bid submissions of tenders of SCI and any other similar future project on mutual agreements.

(l) MoU with Andhra Pradesh Maritime Board (APMB) to facilitate and promote investments in the state of Andhra Pradesh on shipbuilding.

(m) 02 MoUs with Deendayal Port Authority, Gujarat: for Strategic Alliance through mutual assistance and cooperation in Setting up Green Field Shipyard and construction of Green Tug in compliance with the GTTP specifications.

(n) MoU with Modest Infrastructure Private Limited (MIPL) to set up and run a green field shipyard at Ratanpar Shipyard, Bhavnagar, Gujarat.

(o) MoU with Shipping Corporation of India (SCI) and with Syama Prasad Mookerjee Port (SMPK) to explore and pursue joint business opportunities within the domestic markets with focus on new building projects for commercial ships and building of GTTP compliant Green Tugs.

(p) MoU with Indian Port Rail & Ropeway Corporation Limited (IPRCL) for development, execution, implementation of infrastructure projects including shipbuilding, ship repair and bridges and allied civil works.

(q) MoU with M/s Navsys Marine Technology Pvt. Ltd, Hyderabad, to create a preferential supply/ demand line for ships being built by GRSE.

(r) MoU with M/s Sunstone Maritime Group A/S Copenhagen Denmark to leverage respective expertise, infrastructure and technological capabilities to explore opportunities for joint construction of vessel.

(s) MoU with M/s Kongsberg Maritime AS, Norway for construction and delivery of Polar Research Vessel similar to the vessel Sir David Attenborough.

(t) MoU with M/s Serco Inc., USA for joint development of the SWATH Research Vessel based if contract of such vessel is awarded to GRSE.

(u) MoU with M/s Tardid Technologies Pvt. Ltd. Bengaluru for joint development of ASV MCM project, manufacture of multipurpose autonomous vessels and Allied AI requirements in Ship Building.

(v) MoU with M/s Aries marine LLC, Dubai, UAE to explore potential export opportunities especially in Commercial Offshore Vessel segment as part of GRSE's initiative towards global market expansion.

(w) Tripartite MoU with Indian Coast Guard Station Vadinar and Garrison Engineer (I) (CG&P), MES, Porbandar for Design, Construction & Provisioning of Steel Pontoon (55 Mtrs) for FPV type of Ship at CG Jetty, Vadinar.

(x) Tripartite MoU with Commander, DHQ-15 OKHA, ICGS and Garrison Engineer (I) (CG&P), Porbandar for Design, Construction & Provisioning of 01 Pontoon at CG Jetty, Okha.

(y) MoU with M/s Centum Electronics Limited, Bangalore for collaborative framework regarding formation of a business partnership aimed at the joint research and development (R&D) of Tactical / Air Navigation System (TACAN) for Indian Navy / Indian Warships / DPSU/PSU/ Private Shipyards.

(z) MoU with M/s Berg Propulsion Production AB, Sweden to leverage capabilities and technical know-how for various propulsion equipment and system.

RESEARCH & DEVELOPMENT

Your Company has continued to strengthen its position as a leading indigenous defence and shipbuilding organization, making significant strides in advanced maritime technologies, autonomous systems, and green vessel development. The Company's R&D efforts remained aligned with the national vision of Atma Nirbhar Bharat and Maritime India Vision 2030. The R&D initiatives of the Company demonstrate commitment to innovation across multiple domains such as Green shipping and sustainable technologies, Autonomous surface and underwater systems, Advanced defence platforms and Integrated unmanned ecosystems, focusing on advancing indigenous capabilities, fostering strategic collaborations, and delivering cutting-edge maritime solutions for both defence and commercial sectors. During the year the Company has spent Rs 37.53 crore on R&D related activities. The initiatives to indigenously develop latest technology in collaboration with industry partners have been summarised as follows:-

(a) Green Energy Technology – Hybrid Electric Feeries

Green/ renewable energy usage is a major focus area globally. Building upon the successful prototype development and delivery of the electric ferry *'Dheu'* to the Government of West Bengal, GRSE leveraged its in-house design expertise and R&D capabilities to secure a major order for 13 hybrid electric ferries (7 vessels of 100 passenger capacity and 6 vessels of 200 passenger capacity). During the year the design phase for all vessels was substantially completed, incorporating advanced hybrid propulsion systems optimized through R&D and model testing. The project reflects GRSE's capability to translate research into scalable commercial solutions. These ferries are expected to significantly reduce emissions and operational costs, supporting national goals for green shipping and inland waterways modernization.

(b) Autonomous Vessels

Autonomous systems are set to revolutionize the maritime sector. With extensive expertise in designing and building complex platforms, GRSE is actively collaborating with start-ups and innovators to develop cutting-edge autonomous technologies.

(c) Advancement in Unmanned Surface Vessels (USVs)

GRSE continued to expand its footprint in autonomous maritime systems through the development and demonstration of the Swadheen Unmanned Surface Vessel (USV). A major milestone was achieved with the successful sea trials and demonstration of Swadheen USV to one of our major customers and this demonstration showcased critical capabilities including Autonomous navigation, Waypoint tracking, Station-keeping and Operational reliability in real sea conditions

(d) Autonomous Underwater Vehicle (AUV) – Neerakshi

The Neerakshi AUV, developed through collaborative R&D efforts, was successfully demonstrated at CME Pune on 28 July 2025. Notably, Demonstration validated the AUV's operational capabilities in controlled environments and that the system is designed for applications such as underwater surveillance, inspection, and reconnaissance.

This milestone represents progress toward indigenous underwater autonomy, a critical domain for both defence and scientific applications.

(e) ASV-MCM Project (Make-2) – Autonomous Mine Countermeasure Vessel

GRSE is actively engaged in the Autonomous Surface Vessel for Mine Countermeasure (ASV-MCM) project under the Make-2 category, in collaboration with Bharat Electronics Limited (BEL). In which GRSE is responsible for the Complete vessel design and construction, Design and development of Launch and Recovery Systems (LARS) for MCM payloads. During the year Significant progress was made in vessel design and engineering and Development of complex LARS systems advanced in parallel with vessel construction planning.

This project is a major step toward indigenization of mine countermeasure capabilities, reducing dependency on imports and enhancing naval operational readiness.

(f) Extra Large Autonomous Underwater Vehicle (XLAUV) – Make-1 Project

During the year the Company made notable progress in the XLAUV Make-1 project. This initiative underscores GRSE's entry into high-end underwater autonomous systems, aligned with global naval technological trends.

(g) Development of Unmanned Aerial Systems

GRSE has also expanded its R&D efforts into Unmanned Aerial Drones (UAVs) for maritime applications under which Ground trials have been successfully completed, validating system performance and control. Next phase for this involves ship-based trials, including Launch from a moving vessel and Recovery and landing on a moving platform.

This capability is critical for enhancing maritime surveillance, reconnaissance, and situational awareness, especially in naval operations.

(h) Energy Harvesting from Tidal and River Currents using Pontoon-Integrated Custom Turbine Technology:

The Pontoon-Integrated Custom Turbine Technology is a cutting-edge renewable energy solution designed to harness the kinetic energy of tidal and river currents. The system consists of a floating pontoon structure integrated with a custom turbine that captures the energy of moving water to generate electricity. The pontoon, anchored securely to the riverbed, floats on the water's surface, allowing the turbine to operate efficiently with minimal disruption to the surrounding environment. This technology is specifically designed for easy deployment, scalability, and adaptability to varying water flow conditions, making it an ideal fit for shipyard operations that are located near coastal or riverine areas.

In the context of shipyard operations, this technology offers a consistent, renewable power source, which can supplement the energy-intensive processes involved in shipbuilding.

MAKE IN INDIA INITIATIVES

As part of Make in India initiatives of Ministry of Defence through indigenisation efforts, GRSE has made commendable progress by successfully incorporating a high percentage of indigenous content into the ships. In-house design capability, Innovations in technology and strategic partnerships have propelled achieving over 90% Indigenous Equipment Fit for Anti-Submarine Shallow Watercraft (ASW-SWC), 87% for Survey Vessel Large (SVL), and 80% for P17A Frigates. Some of the initiatives are enumerated as under:

(a) **Positive Indigenisation Lists (PILs):** In continuous pursuit of self-reliant India and to provide opportunity to the domestic industry DDP/MoD has notified Five (05) PILs for DPSUs for which there would be an embargo on the import beyond the timeline indicated against them. GRSE has total 41 items in 5 PILs promulgated by MoD/ DDP and out of which 34 items have been indigenised so far.

(b) **Indigenisation Portal (SRIJAN Defence Portal):** To promote indigenisation initiatives of DPSUs & Services and encourage private entity, SRIJAN Defence Portal was launched by MoD on 14 Aug 20. As on date, GRSE has uploaded 56 items in the portal (including 41 PIL items & 15 Non PIL Items), which were earlier imported or indigenous vendors not available, have been displayed on the portal. So far, GRSE has successfully indigenised 44 items (34 PIL & 10 Non PIL items).

(c) **Implementation of Make-II**: As per directive of the DDP/ MoD and as approved by the Board of GRSE, a "Framework for implementation of 'Make-II' procedure at GRSE" was adopted in the GRSE's Procurement Manual on 09 Jul 2019 (Industry funded prototype development). As on date, GRSE has 7 items identified under Make-II initiatives and out of them 4 items have been successfully indigenised. As per directive of DDP/MoD, granular level plan with tentative timelines for ongoing project submitted on 18 Mar 25.

(d) **IPR related progress at GRSE:** To maintain national sovereignty and achieve military superiority framework, the "Mission Raksha Gyan Shakti" (MRGS) was instituted in 2018 by the Ministry of Defence. This impetus from Ministry has become key driver, stimulating innovation as well as ingenuity in the GRSE ecosystem. GRSE has filed 218 IPRs (214 IPRs post MRGS launching) out of which 117 IPRs are granted (20 Patents, 77 copyrights & 20 Trademarks) as on date. GRSE has trained 1614 personnel including own employees as well as private vendor on IPR awareness till date.

Some of the key items indigenised under DDP/MoD PIL for the period from 01 Apr 2025 to 31 Mar 2026 are enumerated below:

(a) **30mm Naval Surface Gun (NSG):** GRSE with its Manufacturing Partner M/s BHSEL have gained significant maturity in the technical processes, and quality-control protocols of the gun system. Reliability and operational confidence in the system have increased substantially. This is evidenced by the fact that Pre-Delivery Inspection (PDI), Joint Receipt Inspection (JRI), Setting-To-Work (STW), installation, and trials of three ships were carried out entirely by Indian entities without any foreign involvement. The period was also utilised for in-house defect identification, rectification, and onboard assembly activities, thereby adding substantially to our knowledge base for providing comprehensive warranty and post-warranty support.

(b) **60 M Steel Through Type Bridge with Steel Deck:** GRSE has successfully developed Steel through type bridge having span length 60 mtr, designed as Open Web Through truss with steel decking of chequered plate and having a carriage way width of 7.5 metres and a footway along of 1.5 mtr width. The bridge is designed to meet 70R / Double Class-A vehicle Loading as per Indian Road Congress (IRC-6) Indian Standard

(c) **Non-Slip Epoxy Surface for Modular Steel Bridge Decking System:** GRSE has developed non-slip epoxy surface on modular steel bridge through iDEX DISC 10 route to provides a heavy-performance anti-skid wearing surface and provides a highly solid traction on top of the chequered plate of steel decks. This solution can be applied on top of galvanised / painted chequered plate decks for modular bridges, either before dispatch or in-situ.

(d) **Autonomous Underwater Vehicle:** GRSE has developed Neerakshi AUV - an indigenously developed Autonomous Underwater Vehicle (AUV) designed for underwater surveillance and mine countermeasure applications. The vehicle features modular payload capability, advanced sonar systems, and autonomous navigation. It has been successfully tested in diverse environments, including high altitude lakes and extended endurance trials.

(e) **Active Tank Roll Stabilization System:** Active anti-roll tank stabilization system is a most advanced concept involving controlled water movement between two separate or interconnected tanks fitted in port and stbd side of the ship. Pumps or / and high-pressure air is used to control water movement between the tanks. The timing of the flow is synchronised with the roll natural frequency of the ship to dampen the roll motion of the vessel. Roll motion sensors, control system to control the flow of water and anti-roll tanks are major components of the system. Similar technology is available in market mainly from foreign vendors; therefore, GRSE has develop indigenous technology through iDEX DISC 05 route to fulfil this gap in naval design/construction domain in line with Atmanirbhar Bharat goal.

INNOVATION

GRSE Accelerated Innovation Nurturing Scheme: GRSE launched the third edition of 'GRSE Accelerated Innovation Nurturing Scheme (GAINS)', GAINS-2025 by the Hon'ble Defence Secretary, India Shri Rajesh Kumar Singh on 22 Aug 2025. The Open Challenge received an overwhelming response with 101 proposals received from innovators across the country. Of them 13 promising proposals (from 11 Innovators) were selected at Stage – I for detailed evaluation. The 13 Stage – I winners submitted Detailed Project Report (DPR) for Stage – II evaluation. The Stage - II evaluation carried out and 03 Proposals (from 02 Innovators) were declared as the winners of GAINS 2025 on 07 May 2026. All the 03 winning proposals will be awarded with formal 'Development Contract', that will be fully funded by GRSE.

Summary of AI Projects successfully undertaken through GAINS in FY 25-26:

(a) **AI Based SOTR & Tender Generation:** This project has successfully generated TNC compliance matrix, Bill of Materials (BOM) and SOTRs from RFP/Tender documents using AI tools. AI algorithms has automated the extraction and synthesis of technical requirements, reducing the time taken to draft new SOTRs, BOMs & TNC compliance matrix by up to 80%. By utilizing AI-based text analysis and standardization, the solution has minimized errors in technical specifications, leading to higher-quality documentation. In future this will reduce the need for revisions and ensure consistency in design documents such as SOTR, TNC compliance matrix and BOM documents.

(b) **AI Based Master Data Governance for Project Material:** Material master data in GRSE is currently maintained in the SAP ECC ERP system as 12-18-digit codes. The process to create new material codes from material description in the ship build specification document/BOM is done by Central Design Office using a set of voluminous codification rules and records maintained as offline Microsoft Word documents. This leads to errors and is also time consuming to search through and maintain manual records. These rules need to be rationalized based on industry-standard master data management rules to reduce the possibility of duplicate material codes and thereby eliminating duplicate inventory.The deployable version has undergone quality tests & necessary improvements. Currently, all new material codes are being generated using this AI tool.

(c) **IDEX Projects of GRSE**: GRSE is actively working with various start-ups selected through iDEX route and has developed the following products / solutions:

- Design of Active Roll Stabilization (System for Naval Ship (DISC -05)
- AI Enabled Welding Helmet (DISC-06)
- Implementation of Industry 4.0 without Wi-Fi Connectivity (DISC-09)
- Heavy Duty Non-Slip Epoxy Wearing Surface for Modular Steel Bridge (DISC-10)

(d) **DRISHTI:** Under the aegis of the Department of Defence Production (DDP), MoD, the DPSU-Driven Research & Innovation for Strategic and High-Impact Technology Integration (DRISHTI) Challenges, featuring 101 problem statements from various DPSUs, were formally launched by the Hon'ble Raksha Mantri during the National Defence Industrial Conclave (NDIC) held on 19 and 20 March 2026 in New Delhi. In this context, GRSE has identified 07 problem statements under the DRISTHI framework, focusing on design-led innovations

(e) **Implementation of Industry 4.0 & QA 4.0: GRSE has embarked on a journey** towards the adoption of Industry 4.0 (Shipyard 4.0) with the objective of transforming its operational ecosystem, enhancing productivity, and improving quality standards. Considering the complex and sensitive nature of shipbuilding operations, along with the IT security and compliance requirements, GRSE has adopted a phased and structured approach for implementation rather than a full-scale, yard-wide deployment. GRSE continues to introduce new initiatives in this domain, and implementation remains an ongoing process with continuous evaluation and improvement.

(f) GRSE'S approach is aligned with the vision of the Department of Defence Production (DDP), Ministry of Defence (MoD), Government of India, for modernization and digital transformation of Defence Public Sector Undertakings (DPSUs) under I 4.0 & QA 4.0 initiative. Following projects completed for the year 2025-2026.

   i) Online Bill Processing System (OBPS)
   ii) Online Vendor Registration Portal (OVRP)
   iii) Robotic Welding in shipbuilding fabrication
   iv) Robotic Painting of Outer Hull
   v) Development of software for AI Enabled Material Code Generation
   vi) Tab based Online Inspection Monitoring System (OMS)
   vii) Version 2 of AI Enabled Automatic Weld Defect Identification System (i-weld)
   viii) Extended application of Phased Array Ultrasonic Testing
   ix) Integration / Assembly of 1 MW Diesel Alternator -P17A
   x) Testing / IFAT of 1 MW Diesel Alternator -P17A

INFRASTRUCTURE AND TECHNOLOGICAL MODERNIZATION

In continuation of thrust on infrastructure modernisation & technological upgradation in line with the functional & production necessities, the Company has spent a total of ₹77 crore as a part of CAPEX investment during the year 2025-26 Some of the major facilities created/modernised during FY 2025-26 and currently in progress are as under:

(a) **Dehumidifier room at RBD**: Construction of 864 m^2 Dehumidifier Room RBD was completed in April 2025.

(b) **Rooftop Solar Plant:** As a part of green energy initiative, 250 kWp roof top solar power plant has been commissioned in this year at DEP- Ranchi Unit. With this, the total capacity of rooftop solar plant of the Company is now 3050 kWp,

(c) **Tower Cranes**: To facilitate outfitting work of ships, total 03 Nos. Tower Crane each of capacity 10 Ton has been successfully commissioned at Dolphin Jetty, Main Work and Ganga & Hooghly Jetty at RBD.

(d) **Ship launching pad for Commercial Ship at RBD Uni:** Construction of ship launching area of approx. area 10216 Sqm for commercial ship building at RBD unit has been completed.

(e) **Concrete Hardstand at RBD Unit:** Creation of approx.12000 Sqm concrete hardstand at RBD for block fabrication and other production activity has been completed.

(f) **EOT Cranes**: To increase the production capacity at 61 P, 4 Nos. 10T EOT cranes has been successfully commissioned at 61P.

(g) **Asbestos Free GRSE:** All the asbestos sheds of Kolkata based Units of GRSE have been replaced with metal Sheets and GRSE is now a asbestos free company.

(h) **Development of Timber Pond site, Shalimar, Howrah:** GRSE has signed a 30-year lease with SMPK for an existing shipyard at Shalimar, Howrah. Phase-1 & Phase-2 development of Timber Pond Site at Shalimar, Howrah is under progress.

(i) **Rejuvenation of Slipway-2, RBD:** Revamping of slipway-2 at RBD unit is in progress.

(j) **Creation of Brownfield Shipyard at Raichak:** GRSE is in the process of signing a lease agreement with SMPK for a 32-acre plot of land for construction of a brownfield shipyard. Consultant has been engaged for preparation of DPR.

(k) **Revamping of Jetties at MW & RBD:** Consultant has been engaged for preparation of DPR and detail design & drawing.

FUTURE OUTLOOK

A strong order book for design and construction of Warships for Indian Navy along with non- defence platforms at this juncture holds exciting times ahead for GRSE. With all the policy initiatives taken by the Government of India in the recent times for encouraging & supporting 'Atmanirbharta', the overall scenario for warship building looks quite positive in coming years. The defence shipbuilding segment continues to look promising on account of ambitious acquisition plan of the Indian Navy and Indian Coast Guard which is quite encouraging for the Indian Shipbuilders and the entire eco-system. As per information from public domain, based on fleet expansion goals of Indian Navy and Indian Coast Guard targeting over 150-200 ships, the potential market for new build construction for defence is pegged upwards of Rs 1.5 lakh Crores over the next decade. A number of Request for Proposals (RFPs) for various shipbuilding projects have been floated by the MoD during last one year and some more are expected to come out in the near future. GRSE also plans to enter in to the highly competitive commercial shipbuilding segment in order to address domestic as well as global demands for ships. The Ministry of Ports, Shipping and Waterways has forecasted an aggregated demand of over 400 vessels worth an estimated Rs 2.2 lakh Crore, as part of the 2047 MAKV strategy to ensure maritime trade of Indian goods by Indian built and Indian flagged vessels. Your company has identified Ocean going Ferry (Cargo + Passenger), Multi-purpose Vessels, Tugs, Dredger, Barges, and E-Ferry as targeted non-defence products to promote Export Market in Friendly Foreign Countries (FFCs). The shipyard has made significant breakthrough in commercial shipbuilding by securing export orders for construction of 01 advanced Dredger for Bangladesh as well as 12 Multipurpose Vessels for Germany.

It is a good opportunity for the company to become part of global value chain to meet our vision of becoming global player in Shipbuilding. Our willingness to adopt latest technologies and modern tools in various areas of operations would play a significant role in improving efficiency, quality and productivity of the Company. The Company has taken steps to adopt Industry 4.0 practices in its core areas of functioning.

GRSE has strengthened its green energy footprint with inauguration of a 250 kWp Rooftop Solar Power Plant at DEP Ranchi Unit on Feb 20, 2026. The total capacity of Rooftop Solar Power Plant at GRSE is 3050 KWp. With this the total capacity of rooftop solar plants at GRSE is now 2800 kWp which is 76.25% of agreement load of 4MW. GRSE is committed to use of renewable energy with continual enhancement of the solar power plant capacity as part of its Green initiatives.

GRSE delivered India's largest "Fully Electric 150 Passenger Catamaran Ferry - DHEU" to Government of West Bengal on 09 Jan 25. This Zero-Emission Electric Passenger Catamaran Ferry revolutionised passenger transport across River Hooghly as well as National Waterways – 1. Consequently, your company received Orders for supply of 07 Nos. 100 PAX and 06 Nos. 200 PAX Hybrid Ferries from Water Transport Dept. Govt. of West Bengal during FY 2024-25. During FY 2024-25, GRSE received Order for supply of 01 No. Acoustic Research Ship (ARS) for Naval Physical and Oceanographic Laboratory (NPOL), DRDO, Kochi, Kerala and 01 No. Ocean Research Vessel (ORV) for National Centre for Polar & Ocean Research (NCPOR), Ministry of Earth & Science, GoI, 02 Nos. Coastal Research Vessel (CRV) for Geological Survey of India (GSI), 08 Nos. 7500 DWT 'Multi-Purpose Vessel - MPV' for M/s Carsten Rehder Schiffsmakler and Reederei GmBH & Co. KG, Germany in FY 2024-25 and again 04 Nos. 7500 DWT 'Multi-Purpose Vessel (Hybrid) – MPV(H)' for M/s Carsten Rehder Schiffsmakler and Reederei GmBH & Co. KG, Germany in FY 2025-26 and 01 No. 58.70 M long 'Trailing Suction Hopper Dredger – TSHD' for BIWTA, Bangladesh. GRSE is also working on several projects incorporating new technologies such as Unmanned Surface Vessel, Autonomous Underwater Vessel, Ship based drones, Green platforms etc.

Your Company's major future plans for steady business growth and stability are as follows:

(a) To become a Global player by increasing export footprint by looking at the entire operations from the view point of cost, delivery time, quality & credibility. In this regard, GRSE is actively pursuing all avenues to increase geo-strategic reach for exports of defence as well as commercial ships to friendly foreign countries. The current export orders, as a result of aggressive marketing strategy in the last few years has now allowed GRSE to gain a foothold in the export market, especially in Europe.

(b) Continuous endeavour towards assessment of tentative & likely opportunities from the Indian Navy, Indian Coast Guard, Indian Army, BRO, Ministry of Home Affairs, Ministry of Earth Sciences, National Centre for Polar and Ocean Research, Naval Physical and Oceanographic Laboratory, Inland Waterways Authority of India, Shipping Corporation of India, Kochi Water Metro, Government of West Bengal and other State Governments over the next five Years.

(c) Your Company also senses a huge opportunity in the GoI's drive to increase the share of Indian built and Indian flagged ships that will carry out our maritime trade. Newbuild projects catering for more than 100 ships, feeding Oil, fertiliser and steel industries are expected in the near future. GRSE has prepared itself through ramping up of design and construction resources to capitalise on this demand.

(d) To meet the growing demands of the defence and commercial shipbuilding sectors, GRSE has envisioned the establishment of state-of-the-art greenfield shipyards, on the west and east coasts in next 3-5 years to enhance in-house capacity. This expansion is necessary to overcome the inherent limitations of its current riverine shipyard. GRSE is concurrently exploring potential options on East and west coast, in addition to acquiring parcels of land in West Bengal, with higher tidal depths availability. GRSE is also in the process of augmentation of infrastructure at its current premises at Kolkata to upgrade its capacity of concurrent construction from 28 to 32 ships.

(e) Your Company believes that innovation in the production processes coupled with enhanced efficiency and optimum utilisation of resources is the key to reduce production costs. The Company intends to leverage its design, engineering and manufacturing capabilities to improve its procurement and production processes.

(f) Your Company has also planned to further strengthen and expand the refit & repair business verticals and is actively targeting orders from the Indian Navy, Indian Coast Guard, Ministry of Home Affairs, Govt. of West Bengal, Odisha and Tamil Nadu for AMC & Refits of GRSE built vessels & vessels of other companies.

(g) Towards diversification, growth of the Engineering and Engine business segments is also being aggressively pursued. GRSE continues to expand its footprint in the manufacture of modular and portable steel bridges, such as Bailey-type and advanced pre-fabricated variants, which are crucial for defence, disaster relief, and remote connectivity. This includes indigenisation efforts towards Medium Speed engines and shafting/propellers.

(h) Your Company is steadily building on the successful development of prototypes of Autonomous Vessels, as also widening our footprint in green vessels, especially ferries and tugs. These verticals are expected to create a niche in these areas and capture a significant share of the domestic market, as well as provide export opportunities.

(i) GRSE has also embarked on a strategic initiative to design, develop, and manufacture Naval Surface Guns and other artillery systems to meet the Indian Navy's evolving needs. Going forward, GRSE expects a steady order book on this front.

VENDOR DEVELOPMENT INITIATIVES WITH EMPHASIS ON DIVERSITY, SUSTAINABILITY & INCLUSIVITY

GRSE continues to foster a paradigm where vendors are treated as our partners rather than independent entities, and our vendor ecosystem reflects the principles of supply chain resilience and sustainable growth.

The Company's Vendor Development Policy is geared toward cultivating a robust and diverse supplier base by expanding the vendor pool within existing verticals and aligning with future business needs. This approach enhances supply chain efficiency and adds significant value to productivity. GRSE conducts a series of online and offline vendor development programs throughout the year to identify and onboard capable partners.

To enhance ease of doing business, GRSE has developed an Online Vendor Registration Portal providing accessible remote onboarding for potential vendors. The portal has seen strong adoption, with hundreds of applications already submitted and many more in the pipeline. The streamlined and transparent registration process has significantly reduced turnaround time.

Quality vendor assessment remains a cornerstone of our development process. GRSE's internal teams conduct detailed evaluations, including site visits, to establish reliable partnerships. This effort aims to shorten lead times, foster innovation, and build capabilities aligned with GRSE's pursuit of excellence in shipbuilding.

GRSE actively promotes awareness of the mutual value created through vendor partnerships. The company regularly participates in nationwide industry forums organized by esteemed bodies such as ICC (DMMF), BCCI, MSME-DFO, NSIC-NSSHO and participated several Programs like, "MSMEs in Defence Production – Awareness Session for MSMEs and Large Industries at Shillong, Meghalaya", "Indian Defence Manufacturing Conclave-2025 at Jabalpur" ; "SAGAR SANKALP 2026", "National Defence Industries Conclave at Delhi and others across various states.

Initiatives such as a robust vendor grievance redressal mechanism, online bill processing, and vendor performance evaluation contribute to enhanced transparency, trust, and alignment with global best practices.

In line with Government of India directives, GRSE places special emphasis on onboarding MSMEs, including those led by SC/ST and Women entrepreneurs. Notably, GRSE has met its targets under the MSME Public Procurement Policy for FY (2025-26), achieving more than 25% procurement from MSEs and 3% from Women-owned MSEs.

The list of items reserved for procurement from MSEs is available on your Company's website at https://grse.in/policies-for-msme/.

GRSE is registered on the TReDS platform launched by the Reserve Bank of India, enabling seamless financing and discounting of MSME trade receivables through multiple financiers.

As a Defence PSU, GRSE is mandated to onboard all new vendors on SRIJAN DEEP Portal and generate URN/PRN, as per the MOD guidelines from time to time.

GRSE has onboarded at all five (05) Operational TReDS platforms. Platform wise details of the same is as follows:

Sl.	Name of TReDS Platform Operator	Name of TReDS Platform	Date of On - boarding
1	**A.TReDS Ltd.,**	'**Invoicemart**' operated by A.TReDS Ltd.,	**29 Jun 2018**
2	**Receivables Exchange of India Ltd (RXIL)**	'**RXIL**' operated by Receivables Exchange of India Ltd	**13 Nov 2024**
3	**Mynd Solutions Pvt. Ltd.**	'**M1xchange**' operated by Mynd Solutions Pvt. Ltd.	**21 Oct 2024**
4	**KredX Platform Private Limited**	**'DTX'** operated by KredX Platform Private Limited	**13 Nov 2025**
5	**C2FO Factoring Solutions Pvt. Ltd.'**	**'C2treds'** operated by 'C2FO Factoring Solutions Pvt. Ltd.'	**26 Mar 2026**

During the FY 2025-26, the company does not have any amount of bills pending and paid beyond the prescribed timeline under the MSMED Act. The details are tabulated below:

S. N.	Factors	Number of invoices (in Nos.)				
		Q1 of FY 2025-26 (01 Apr 25 to 30 Jun 25)	**Q2 of FY 2025-26** (01 Jul 25 to 30 Sep 25)	**Q3 of FY 2025-26** (01 Oct 25 to 31 Dec 25)	**Q4 of FY 2025-26** (01 Jan 26 to 31 Mar 26)	Status at the beginning of **01 Apr 2026**
(i)	**Total number of invoices in respect to the MSEs available for payment during the quarter (whether due or not due)**					
(a)	**Opening**	142	161	12	59	59
(b)	**New receipts**	3247	3305	4099	3654	
(ii)	**Out of above (i), invoices against which payments were done within 45 days**	3228	3454	4052	3654	
(iii)	**Out of above (i), invoices against which the payments were done beyond 45 days**	0	0	0	0	
(iv)	**Out of the above (i), invoices against which payment not done and 45 days elapsed**	0	0	0	0	

Achievement w.r.t. 'Timely Payment to MSE Vendors' at GRSE tabulated below:

Particulars	Achievement	Remarks
Total amount involved	NIL	As there is no delay in payment to MSEs beyond 45 days
Number of Invoices	NIL	
Number of Suppliers involved in delays	NIL	
Total annual procurement value	Rs. 1401.36 Cr.	Total annual procurement of goods or services through MSEs (including SC/ST owned MSEs and Women owned MSEs)
Total number of invoices during the year	14,305	Total number of MSE suppliers' Invoices received in FY-2025-26
Total number of suppliers during the year engaged in annual procurement	762	Total number of MSE suppliers during the year engaged in annual procurement

Details for Compliance Parameters on procurements as required under the DPE OM dated 24 Mar 2026 are as under.

During FY 2025-26:

(a) Total Procurement of goods or services is ₹2026.12 crore.

(b) Procurement of goods or services through MSEs (including SC/ST owned MSEs and Women owned MSEs) is ₹1401.36 crore, which is 69.165% of total procurement.

(c) Procurement of goods or services through SC/ST owned MSEs is ₹29.32 crore, which is 1.447% of total procurement.

(d) Procurement of goods or services through Women owned MSEs is ₹103.06 crore, which is 5.087% of total procurement.

(e) The above data is also available at MSME Sambandh Portal.

(f) During the year the Company has achieved the prescribed targets for MSEs Procurements including MSEs owned by SC/ST entrepreneurs and MSEs owned by the woman entrepreneurs with condition as stipulated vide Public Procurement Policy for MSEs Order 2012, "Within this 25% (Twenty Five Percent) quantity, a purchase preference of four (4) percent is reserved for MSEs owned by Scheduled Caste (SC)/ Scheduled Tribe (ST) entrepreneurs and three (3) percent is reserved for MSEs owned by women entrepreneur (if they participate in the tender process and match the L1 price). However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, four percent sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and three (3) percent earmarked to women entrepreneur will be met from other MSEs", the MSE procurement (for SC/ST) by GRSE, is considered achieved.

(g) Reasons for shortfall in procurement from SC/ST owned MSEs are (i) Not having sufficient number of SC/ST vendors in Eastern India and (ii) Existing vendor base has very small periphery of deliverables for shipbuilders.

GOVERNMENT e-MARKETPLACE (GeM)

Since inception of the Government e-Market (GeM) (from 2017), Your company has consistently achieved high target procurement volume. During financial year 2025 -26 the company procured items worth ₹ 1115.47 crore on GeM against the Administrative Ministry GeM Procurement target of ₹1100 crore. During the year the Company Procured goods and services worth ₹2026.12 crore and procurement through GeM was been 55.05 % of the total procurement.

INFORMATION TECHNOLOGY

Your company has a robust IT system and all the key business processes such as Supply Chain, Finance, HR, Payroll, Vendor Management, and Plant Maintenance have been seamlessly integrated into SAP ERP. This includes establishing a state-of-the-art on-premise Data Centre in Kolkata and a Disaster Recovery Centre in Mumbai. Further, the company employs advanced technologies like AVEVA and CADMATIC CAD, VR LAB, and PDM-PLM to enhance design operations.

Cyber Security is accorded adequate impetus with a well-defined organizational structure headed by the Chief Information Security Officer (CISO). The company has implemented secured intranet LAN separated from ILL-based internet LAN across all units, conducted comprehensive Cyber Security Enhanced Awareness Training, and centralized SAP-ERP management to optimize IT infrastructure efficiency. The entire internet LAN network of the company has been integrated with 'Central Security Operation Centre (CSOC)' at MoD, Delhi for continuous monitoring and protection of emerging cyber threats. Additionally, the company facilitates remote work through secure VPN access and high-end Video Conferencing solutions. The Company also has company-wide comprehensive CCTV surveillance system ensuring effective monitoring, control and enhancing safety and security measure.

HUMAN RESOURCE & ADMINISTRATION

Manpower

The total Manpower strength in the payroll of the Company as on 31 Mar 2026 (AN) was 1595 including 478 Board level & below Board level Officers and 123 Supervisors on regular roll, 23 Officers and 62 Supervisors on Fixed Term contract.

Statements showing the representation of SC/ ST/ OBC / PWD / Women, etc., as on 31 Dec 2025 as well as the total recruitment made during the period from January to December 2025 are given at Appendix "A & B" of this report.

Further, in accordance with Ministry of Corporate Affairs Notification dated 05 Jun 2015, Government Companies are exempted from the provisions of Section 197 of the Companies Act, 2013 and its rules thereof.

Industrial Relations

Industrial relations during the period across all Units of the Company including DEP Ranchi remained peaceful.

Election of three (03) Employees' Representatives in the GRSE PF Board of Trustees was conducted on 20 November 2025.

Human Resource Development

The company firmly believes that it's biggest and most important asset is its human capital. We are therefore, nurturing and developing a well-balanced workforce of talented individuals who can contribute towards enhancing organization's growth. Towords this the Company has undertaken various initiatives to enhance the efficiency of the workforce in an atmosphere that encourages pursuit of individual excellence and cohesive teamwork. In FY 2025-26, your company has prepared and implemented a well-defined Annual Training Plan covering technical leadership, managerial effectiveness, functional, cross-functional and behavioural competencies development topics for all categories of employees. During the year, more than 170 Trainings/ Seminars/Workshops were conducted through which 3000 training man-days (approx.) were achieved. Training programmes were conducted by nominating participants in various online and offline workshops/conferences/webinars organized by external agencies/ training providers in India. In-house training programmes were also conducted by inviting faculty/ trainers from reputed institutions/ agencies as well as through in-house faculty.

(A) Outbound Teambuilding Programmes

Outbound Teambuilding Workshop for officers in senior management level (Executive Directors, Chief General Managers and General Managers) was conducted. This workshop was aimed at strengthening the camaraderie amongst the officials for enhanced accomplishment of organizational goals.

Outbound Teambuilding Workshop

(B) Leadership Development Programmes

- Directors' Certification in Risk Governance & Leadership was conducted for Senior Management Level Officers. This programme was aimed to strengthen understanding across emerging risk themes, Board roles, responsibilities, and regulatory expectations, ERM frameworks Risk culture, ethics, and vigilance mechanisms, ESG and sustainability risks, Financial and compliance risk oversight, Crisis governance and geopolitical risk etc.
- Training Programme on Leadership and Good Governance was conducted for officers in Senior Management Level. It aimed to develop key leadership skills such as emotional intelligence, decision making, communication and conflict resolution skills for effective collaboration.
- Mid-Career Training Program on "Leading and Managing in the 21st Century" was conducted for officers who were promoted in the rank of Deputy General Managers and Senior Managers. It aimed to develop and sharpen the managerial and leadership skills of mid-level managers.

- Management Development Program for "Women Professionals - Reach Where You Aspire To" was conducted for women officers in Middle Management Level. The program addressed the unique challenges and opportunities that women encounter in their professional trajectories. It aimed to help women sharpen their managerial skills, develop new skills and carve leadership path for themselves.


Mid-Career Training Program on "Leading and Managing in the 21st Century"

(C) Advanced Technical Training Programmes

GRSE executives were imparted technical upgradation training conducted by reputed training providers in India on topics like NACE (National Association of Corrosion Engineers) Coating Inspector Program (Level-1 & 2); Certified Welding Inspector Course, Comprehensive Course on Maintenance & Troubleshooting of Hydraulic System, Distortion Control in Ship Building, Training on MTU Engine Control System ECU 7M & MTU4000M90 SERIES ENGINES etc.

(D) Functional Training Programmes

Workshops on various functional areas like Project & Risk Management Programmes, Supply Chain Management, Public Procurement & GeM, Contract Management, HR Finance and Vigilance related topics etc. were conducted for in order to develop their knowledge in various functional domains.

(E) Safety Trainings

The following trainings on Safety domain were conducted for employees as per MoU directives:

(a) Safety (Refresher) Training through GST– K in which around 350 employees were trained.

(b) Sensitization Training on Statutory Safety Regulations in which more than 40 employees were trained.


Safety Trainings for Employees

(F) Integrated Government Online Training (iGOT) Platform

Integrated Government Online Training (iGOT) Platform is a comprehensive online portal under Mission Karmayogi to guide government employees in their capacity building journey. The employees are advised and encouraged to complete various courses available in iGOT platform under several domains viz. Code of Conduct, Office Procedures, Information & Communication Technology, Governance, Law, Management, Public Administration, Procurement & Contract Management, Financial Concepts, Project Management, AI & ML etc. During FY 2025-26 employees have completed around 2976 course and completed 2673 Learning Hours in iGOT. By utilizing the iGOT platform, the company has trained significant number of employees by faculties of reputed institutes economically without affecting one's work schedule.

(G) Apprentice Training

The company has trained 176 apprentices during FY 2025-26. Apprentices were engaged under Trade Apprentice, Graduate Apprentice and Technician Apprentice categories and their total strength was approx. 11.1% of total manpower strength. The company has a dedicated Apprentice Training Department named Technical Training Centre for conducting Apprenticeship training at Taratala Unit. Apart from the technical training, various development programmes were conducted for overall personality development of the apprentices. Safety awareness training sessions were conducted for all apprentices before they were placed for on-job-training in the yard.

(H) Marine Skill Training

Marine Skill Training for local unemployed youth was conducted at Technical Training Centre of GRSE Ltd through M/s Centre for Excellence in Maritime and Shipbuilding (CEMS). The training was conducted in 04 trades as Marine Electrical Fitter, Marine Welder, Marine Structural Fitter and Marine Plumbing & piping and around 80 trainees completed their training. The training was consisted of 03 months theory & practical training at Technical Training Centre and 03 months On-Job-Training at shipbuilding units. All candidates received their original course completion certificate (NSDC and CEMS) after completion of training. All eligible candidates who had attendance more than 75% and successfully completed the training, were given a grant of ₹12500/- by the company.

(I) Annual Health Check-up for Employees

The annual health check-up was organized for the employees and 1590 personnel were benefited from this initiative.

(J) Review and Revision of HR Policies

HR policies on talent acquisition, talent management, career progression and welfare are reviewed time to time in view of company's requirements, Ministry guidelines and dynamic industry trends. In the FY 2025-26, Company got its Manpower Augmentation plan approved from the Administrative Ministry. New policies on Performance Awards and Higher Studies were promulgated. Existing policies like TA/DA Rules for Officers and Supervisors, Accident and Hurt on Duty Policy, Recruitment and Promotion Rules for officers were revised as per organizational requirement. A Succession Planning and Leadership Development Plan was also prepared for developing crucial leadership pipelines within the organization.

(K) Persons with Disabilities (PWD)

The Company extended all necessary relaxations /concessions to the employees with disabilities as per the Statute / Govt. directives.

(L) Empowerment of Women

The women representation is 9.5% of the total strength in the Company at the end of FY 2025-26. During 2025, out of total recruitment of 110 employees, 09 were female employees which is 8.2%.

EMPLOYEE ENGAGEMENT INITIATIVES

(A) GRSE Day Celebration

The 67th GRSE Day was celebrated on 22 April 2026. 'GRSE Shri' and 'CMD's Commendation' awards were conferred on employees for their outstanding performance in the year 2025. Further, GRSE Merit Awards were given to the employees' children who excelled in academic performance in the year 2024-25. During the event, 'GRSE Varta 2026', an annual In-House Journal and Hindi magazine of GRSE was released. GRSE also felicitated an ex-employee who had completed 40 years of service before retirement for his contribution and long association. RBD unit was adjudged as the cleanest unit and was conferred with Swachh Unit Award.

GRSE Day Awardees

(B) Celebration of GRSE Family Day "AHOBAN – 2026"

AHOBAN, the annual event purely curated for family members inside the Company premises, was held on 31 Jan 2026 with the active participation of 1,300 employees and family members. Filled with various fun activities for children and spouse, the day brings together the entire GRSE family.

GRSE Family Day "AHOBAN – 2026"

(C) Vanita 2026: International Women's Day

GRSE celebrated International Women's Day with a beautifully curated Day Out programme "Vanita" on 10 March 2026 for all its lady employees. The event reflected the inclusive and empowering culture of the company and its persistent commitment to make women thrive at their best.

The programme essentially featured engaging group activities designed to foster meaningful connections and strengthen the workplace culture of belonging and mutual respect. The celebration also showcased enthralling cultural performances of dance and music by own employees.

Vanita 2026

SAFETY AT WORK

The Shipyard has strived to ensure safe working environment at the company, and in order to achieve the goal, systematic approach to safety management has been adopted through close monitoring and implementation of safety norms and procedures at work place. GRSE achieved a safety frequency rate of 0.70 (for permanent workers) and 1.05 (for contractor workers) during the year 2025-26.

In order to maintain high safety standard, GRSE have imparted system-based Safety Training to all employees including contractor employees through Group Safety Training Kiosk (GSTK), where 794 batches (approx.) of Safety Awareness Programme on different topics like Material Handling, Hot Work, Electrical Safety, Painting Activity, Height Work Activity, Work at Confined Space etc. have been organized at Main, FOJ and RBD unit.

As a promotional measure, following Safety awareness programmes were conducted as a Part of Celebration Of 55th National Safety Week:

Safety Motivational Programme

HEALTH AND SAFETY INITIATIVES FOR HUMAN RESOURCES

As required under DPE OM dated 24 Mar 2026, it may be stated that Health & Safety improvement parameters pertaining to GRSE was approved by Administrative Ministry (DDP-MoD) on 11 Jul 2025 and was submitted to DPE by GRSE on 25 Mar 2026 for information. The target prescribed by the Administrative Ministry and achievement on Health and Safety initiatives for Human Resources is as under:

(a) Organizing Health Check-ups for all employees across all units in Fourth quarter (Unit: % of employee strength, Excellent Target: Covering 75% of employees on roll)

Achievement as on 31 Mar 2026:

- Annual Health Check-up conducted during Q4 of FY 2025-26.
- Health Check-up conducted for 1525 employees out of total strength of 1604
- 95.07% achieved

(b) Organizing Cancer Screening camps for Women employees along with Health awareness sessions in Third / Fourth quarter (Unit: % of women employee's strength, Excellent Target: Covering 75% of women employees on roll)

Achievement as on 31 Mar 2026:

- Cancer Screening camps for Women employees conducted for 69 employees.
- Total strength of Women Employees: 81
- 85.2% achieved

(c) Conduct of Safety refreshment (Internal) training. (Unit: No. of participant employees, Excellent Target: for at least 350 employees across all Units of GRSE)

Achievement as on 31 Mar 2026:

- Safety refreshment (Internal) training conducted for 362 participant employees.

(d) Conduct of Statutory Safety Regulations (External / Internal) training. (Unit: Number of participant employees, Excellent Target: for at least 40 employees)

Achievement as on 31 Mar 2026:

- Total 44 number of participants attended the Statutory Safety Regulations training conducted by External faculty

(e) Organizing Safety awareness training for Contract employees engaged through outsourcing agencies. (Unit: Number of Contract employees engaged, Excellent Target: For at least 2000 Contract employees)

Achievement as on 31 Mar 2026:

- Safety awareness training conducted for 18834 Contract employees engaged through outsourcing agencies.

INDUSTRIAL SECURITY

GRSE is a Public Sector Undertaking functioning under the administrative control of the Ministry of Defence, Govt. of India. The shipyard has been declared a "Prohibited Place" under the Indian Official Secret Act 1923. Sec-2 clause 8 sub clause (a) published under Govt. of West Bengal Gazette Notification Bo. 2145/ (I) (7)-P dated 30th Mar 2004. It is also placed in Category 'A' i.e. "Highly Sensitive" from security point of view by the IB, Ministry of Home Affairs.

The physical security of the production units of our Company has been entrusted to the Central Industrial Security Force (CISF). Further, twenty-four hours water-front patrolling with armed personnel and a robust CCTV system covering all critical and important locations are in place. The entry / exit of all employees is being done through Facial Recognition System. The Police Clearance Certificate of all Contractor Labourers are being obtained before issue of the Gate Pass.

OFFICIAL LANGUAGE

GRSE is committed to adhere to the Official Language (OL) policy of the Government of India (GoI). During the year 2025-26, the Company has achieved the various targets prescribed in the Annual Programme 2025-26 issued by Dept. of OL, Ministry of Home Affairs (MHA), Govt. of India to transact official work in Hindi. The efforts made towards implementation of Official Language include:

(a) **Hindi Month Celebrations:** Hindi Month and Hindi Day was observed during September-October month in all the Units and Offices of the Company. During the Hindi month, employees of the Company participated enthusiastically in various programs and competitions.

(b) **Official Language Inspection of GRSE:** The Official Language inspections of GRSE, Kolkata, were conducted and the status of Official Language implementation at GRSE was appreciated and described as "Excellent and Commendable".

(c) **Official Language Implementation Committee:** Official Language Implementation Committee (OLIC) meetings were conducted on quarterly basis under the chairmanship of the Chairman & Managing Director, to review the progress made by various departments.

(d) **Hindi Hasya Kavi Sammelan on World Hindi Day:** The first ever Hindi Hasya Kavi Sammelan in GRSE was organized during the year. Internationally renowned poets from various parts of the country, including Mr. Rajesh Chetan, Ms. Gauri Mishra, Mr. Govind Rathi and Mr. Vikas Baukhal, enthralled the audience with their touching and humorous poems.

(e) **Incentives:** Incentive Schemes are propagated among all employees and number of employees who took part in these schemes were awarded with cash prize.

(f) **Hindi competition under the aegis of TOLIC:** GRSE organized Hindi Travelogue/memoir writing competition under the aegis of Town Official Language Implementation Committee in GRSE Bhavan for the member organizations of TOLIC on 21st November 2025 in which a large number of Nominated employees from PSUs participated.

(g) **Rajbhasha Awards:**

(i) **TOLIC RAJBHASHA SHIELD:** Garden Reach Shipbuilders & Engineers Limited, Kolkata was awarded the prestigious **Rajbhasha Shield - First Prize** for the best implementation of Official Language for the year 2024-25.

(ii) **TOLIC Active Participation Award: Active Participation Award** has been awarded to GRSE for the year **2025-26** by Town Official Language Implementation Committee.

(iii) **Three awards from Rajbhasha Seva Sansthan, New Delhi:** GRSE was honored with the following 03 prestigious awards during the All India Official Language Conference and Skill Enhancement Seminar organized by the Rajbhasha Seva Sansthan:

(a) "**Rajbhasha Shree Samman" to the Chairman and Managing Director**, GRSE.

(b) **First Prize** to GRSE's Hindi magazine "Rajbhasha Jagriti" in the Best Hindi Magazine category.

(c) **First Prize** to GRSE for the best "Official Language implementation

(iv) **Prizes in Various Inter-PSU Hindi Competitions:** Our GRSE employees have made us proud by winning various prizes in Hindi Competitions organized by different PSUs during the year 2025-26 under the aegis of TOLIC (PSU), KOLKATA.

(v) Mgr (OL) has been awarded **appreciation letter** by TOLIC for Excellence in Implementation of Official Language in GRSE.

AWARDS & RECOGNITIONS

During the year, your Company has received various awards and recognitions. Some of the important accolades conferred to the Company are as under:

(a) GRSE received '**Management Excellence Award 2025**' by the Calcutta Management Association (CMA) at Kolkata in the category of Corporate Leadership.

(b) GRSE received '**PSU Samarpan Award 2025**' at the 4th Edition of the PSU Transformation Conclave by Gov Connect held in New Delhi in the category of leadership and commitment to excellence in the Indian Public Sector Undertaking (PSU) space in the category of Corporate Leadership.

(c) GRSE received "**Digital Transformation Excellence**" Award in the "Best Use of Emerging Technologies" category at 10th Governance Now PSU IT Awards ceremony.

(d) GRSE has been awarded for the Category '**Manufacturing-Public-Medium**' at the '19th National Awards for Excellence in Cost Management' organised by the Institute of Cost Accountants of India (ICMAI).

(e) QA Laboratory of GRSE has been assessed and successfully received the renewal **certificate of NABL accreditation** for Non–Destructive Testing (NDT) Services as per ISO/IEC 17025:2017, effective from 20 Feb 2025.

(f) In recognition of their outstanding contributions to the growth and success of GRSE Ltd, two senior women officers namely Smt. Aparajita Ghosh, CGM (Finance) and Smt. Swagata Sen Roy, GM (CP & CC) of the shipyard received the Indian **PSU Nari Shakti Samman Awards 2025** at a ceremony held at the Constitution Club of India, New Delhi on 15 Oct 2025.

(g) GRSE was conferred with the esteemed award for "**Excellence in Financial Performance**" by Hon'ble Raksha Mantri for its sustained and well-demonstrated growth in both physical and financial domains. The award was presented at 'Samudra Utkarsh', organised by the MoD, DDP showcasing Indigenous Warship building.

(h) GRSE received **gold award in International Convention on Quality Control Circles (ICQCC 2025)** held at Taipei, Taiwan.

(i) GRSE received the **BCC&I Social Leadership Award 2025** in the 'Healthcare & Empowerment, Holistic Development' category at 4th CSR Conclave & Social Leadership Awards 2025 by The Bengal Chamber of Commerce and Industry (BCC&I) at a grand ceremony held at Taj City Centre, Kolkata.

(j) GRSE has further strengthened its track record of promoting workplace inclusivity by securing the prestigious "**Women in Public Sector (WIPS) Award 2026**" at the 36th National Meet of WIPS on 11 Feb 2026.

(k) GRSE received multiple awards at the **15th PSE Conclave & Excellence Awards** organised by the Indian Chamber of Commerce in New Delhi.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business operations and continues to lay strong emphasis on transparency, accountability and integrity. Your Company complies with the applicable regulations under the Companies Act, 2013, the SEBI Listing Regulations and also the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), except with respect to the composition of Board of Directors viz. appointment of Independent Directors including a Woman Director. Further, due to inadequate number of Independent Directors during the year on the Board, the Company was unable to reconstitute its Audit Committee and Nomination and Remuneration Committee of the Board of Directors. After cessation of sole Independent Director on the Board, the Company was unable to reconstitute CSR Committee, Stakeholders Relationship Committee and Risk Management Committee from 06 Apr 2025 to 31 May 2025.

GRSE being a Government Company, the power to appoint Directors vests with the Government of India and the Company has made necessary intimations to the Administrative Ministry for filling up the post of Independent Directors including that of a Woman Director. The Company also strives to comply with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Further, DPE Guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the Guidelines. DPE has graded GRSE as "Excellent" for the year 2024-25.

In terms of Regulation 34 of the SEBI Listing Regulations and DPE Guidelines, a Report on Corporate Governance along with Compliance Certificate issued by M/s. Maheshwari R & Associates, Company Secretaries forms part of this Annual Report.

GRSE Honoured with 26 Prestigious Awards in FY 26

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of your Company comprises a total of ten (10) directors which includes four (4) Whole-Time Directors, five (5) Part-Time Non-Official (Independent) Directors including one (1) Woman Director, and one (1) Government Nominee Director.

During the year 2025-26, the following changes took place in the Board of Directors and of Key Managerial Personnel (KMP) of your Company:

Sl. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
(a)	Shri Sanjeeb Mohanty	Independent Director		05 Apr 2025
(b)	DIG Subrato Ghosh, ICG (Retd.)	Director (Personnel)		01 May 2025
(c)	Shri Kamleshbhai Shashikantbhai Mirani	Independent Director	21 May 2025	
(d)	Shri Ramesh Kumar Dash	Director (Finance) & CFO		01 Jun 2025
(e)	Capt P Sunilkumar, IN (Retd.)	Director (Corporate Planning & Personnel)	14 Jul 2025	
(f)	Dr. Garima Bhagat	Government Nominee Director		15 Jul 2025
(g)	Shri Rajeev Prakash	Government Nominee Director	15 Jul 2025	
(h)	Shri Niranjan Mukund Bhalerao	Director (Finance) & CFO	06 Oct 2025	

DIRECTORS RETIRING BY ROTATION

Pursuant to Section 152(6) of the Companies Act, 2013 and Article 206 and 207 of Article of Association of the Company, Capt. P Sunilkumar, IN (Retd.), Director (Corporate Planning and Personnel), who has served on the Board of Directors the longest amongst the retiring directors, is liable to retire by rotation, and being eligible, offers himself for reappointment.

DECLARATION AND MEETING OF CRITERIA BY INDEPENDENT DIRECTORS

During the financial year 2025-26, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013, the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises and the SEBI Listing Regulations. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs (IICA), and have included their name in the databank of Independent Directors within the statutory timeline and they will also appear for the online proficiency test within the prescribed time, wherever applicable.

MEETINGS OF INDEPENDENT DIRECTORS

During the year 2025-26, no Meeting of Independent Directors was held since there was only One (01) Independent Director on the Board of Directors of the Company.

MEETINGS OF THE BOARD

Nine (09) meetings of the Board of Directors were held during the year. For further details, please refer to the '*Report on Corporate Governance*'.

REMUNERATION POLICY & EVALUATION OF BOARD'S PERFORMANCE

Your Company is a Government of India company under the Ministry of Defence. The Directors of the Company are appointed by the President of India and their remuneration is fixed in accordance with the DPE Guidelines by the Administrative Ministry. The Articles 194 and 216 of the Articles of Association of your Company also states that the President of India will appoint Directors and determine their remuneration. Since, the Board level appointments are made by President of India, the evaluation of performance of such appointees is also done by the Government of India.

AUDIT COMMITTEE

During the year, the Audit Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company in accordance with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI Listing Regulations.

For further details, please refer the '*Report on Corporate Governance*'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that: -

(a) In the preparation of the Annual Accounts for the year ended 31 March, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, had been followed and there are no 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 your Company as at 31 March, 2026 and of the profit of your Company for the year ended on that date;

(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 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the Annual Accounts on a 'going concern' basis;

(e) The Directors have laid down internal financial controls to be followed by your Company and such internal financial controls are adequate and were operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

Your Company being a CPSE, the Comptroller & Auditor General of India (C&AG) has, under Section 139(5) of the Companies Act, 2013, appointed M/s. Guha Nandi & Co., Chartered Accountants, Kolkata, as the Statutory Auditors of the Company for the financial year 2025-26.

The Comments of the C&AG u/s 143(6) of the Companies Act, 2013 on the Financial Statements of the Company for financial year 2025-26 form part of this Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Cost Record and Audit) Rules, 2014, the Board of Directors of your Company has appointed M/s. Chatterjee & Co., Cost Accountants, Kolkata, as the Cost Auditors of your Company for the financial year 2025-26 to conduct audit of cost records maintained by your Company.

SECRETARIAL AUDITOR

In terms of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), M/s. Mehta & Mehta, Company Secretaries was appointed to conduct Secretarial Audit of the Company for a term of five (05) consecutive years, commencing from the FY 2025-26, at the 109th AGM held on 19 Sep 2025. The Secretarial Audit Report of M/s. Mehta & Mehta, Company Secretaries is placed at **Appendix - "C"** to this Report. The Secretarial Audit Report has no adverse remarks. However, the other observations and clarifications made by the Secretarial Auditor in their Secretarial Audit Report are self-explanatory.

Pursuant to the Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has obtained an Annual Secretarial Compliance Report for the year 2025-26 from M/s. Mehta & Mehta, Company Secretaries, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company and the said report was filed with the National Stock Exchange of India Limited and BSE Ltd. There are no adverse remarks in the said report.

INTERNAL AUDITOR

The Board of your Company has appointed M/s. SPAN & Associates, Chartered Accountants for carrying out Internal Audit of the Company for the financial year 2025-26.

DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 OF THE COMPANIES ACT, 2013

Nil

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review, your Company did not enter into any contract / arrangement / transaction with related parties in pursuance of section 188 of the Companies Act, 2013 and the rules framed thereunder and Regulation 23 of the SEBI Listing Regulations. Your Directors draw attention of the Members to Note 32 to the financial statements which sets out related party disclosures as per Indian Accounting Standard 24. The Form AOC-2 on details of related party transactions has been attached as **Appendix – "D"** to this Report, as required under section 134(3)(h) of the Companies Act, 2013. The Company has a Policy on Related Party Transactions, which can be accessed at https://grse.in/policies/GRSE_Policy_for_Related_Party_Transactions.pdf

PARTICULARS OF LOAN, GUARNATEES OR INVESTMENTS

During the year under Report, your Company has not:

(a) given any loan to any person or other body corporate;

(b) given any guarantee or provided security in connection with a loan to any other body corporate or person; nor

(c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013.

VIGIL MECHANISM

As a part of its vigil mechanism, your Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees of your Company to report to the management, instances of unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. As per the Whistle Blower Policy, a whistle blower can send written communications to the Chairman & Managing Director of your Company (or any person to whom he has delegated his power). Alternatively, the whistle blower may send such Protected Disclosure directly to the Chairman, Audit Committee. Once a Protected Disclosure is received, a Screening Committee comprising the Chairman & Managing Director of your Company, a Functional Director as nominated by C&MD and the Chairman, Audit Committee, will be constituted to investigate into the matter. All employees are encouraged to use this whistle blowing mechanism and voice their concerns to the Management. During the year, due to non-availability of Audit Committee, no personnel have been denied access to the Members of the Board of Directors or the Chairman & Managing Director of the Company. The Whistle Blower Policy can be accessed on your Company's website at https://grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy-1.pdf.

ANNUAL RETURN

In accordance with the Companies Act, 2013, the Annual Returns in the prescribed format will be available on your Company's website at https://grse.in/annual-returns/.

MANAGEMENT DISCUSSION & ANALYSIS

The *Management Discussion & Analysis Report* as required under the SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for CPSEs forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Garden Reach Shipbuilders & Engineers Limited's Corporate Social Responsibility (CSR) projects framed to enhance inclusive development, social justice, sustainable development, community welfare and are aligned with the GoI's vision of sustainable and inclusive development. The Company remains committed to expanding its CSR efforts, ensuring that its contributions continue to make a meaningful difference in the society. CSR is not just an obligation for GRSE but an integral part of its business. By aligning its business objectives with social and environmental commitments, GRSE exemplifies responsible corporate citizenship, strengthening its role as contributor to national development. GRSE has embedded CSR into its corporate governance and core philosophy, reflecting its commitment to the social and environmental responsibility alike business operations.

GRSE's CSR initiatives have played a significant role in mainstreaming the differently abled, holistic development of underprivileged and vulnerable children, empowering the youth, healthcare etc. for the disadvantaged segment in the society. These initiatives have played significant role in socio-economic development of a large segment of underprivileged populace. The detailed outline of the Annual Report on CSR initiatives undertaken during the FY 2025-26 has been annexed at "**Appendix - E**"

RISK MANAGEMENT

Pursuant to Regulation 21 of SEBI Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report and a detailed note on Risk Management is provided in the Management Discussion and Analysis Report, which forms part of this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Company has prepared Business Responsibility and Sustainability Report (BRSR) on Environment, Social and Governance (ESG) parameters in the prescribed format for the FY 2025-26 along with reasonable assurance report of BRSR Core, which is received from Independent Assurance Provider which is appended to this Report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. A detailed note on Internal Financial Controls is provided in the Management Discussions and Analysis Report, which forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company being a Government Company engaged in producing defence platforms, the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not required as the MCA vide its notification GSR No.680 (E) dated 04 Sep 2015 has granted exemption to Defence Public Sector Undertakings.

IMPLEMENTATION OF RTI ACT

RTI matters are being executed as per the provisions of the Right to Information Act, 2005 and Rules made therein. During the year 2025-26, a net total of 169 number of RTI Requests through online/ offline mode were received to provide 'information', while opening balance number from previous year was brought forwarded as 02 in number. A total of 147 number of RTI applications were replied to during the year including 01 RTI application which was transferred to other concerned Public Authority and remaining 24 number of RTI applications were taken as "Carried forward" to the year 2026-27.

Total 20 number of RTI First Appeals were received during 2025-26 through online/offline mode and 02 number of First Appeals were Carried Forward as "opening balance" from previous year. A total of 18 number of RTI First appeals were decided and replied and remaining 04 number of RTI First appeals were taken as "carried forward" to the year 2026-27.

In this financial Year 2025-26, 01 number of RTI Second Appeals was filed with Central Information Commission (CIC) and 02 number of Second Appeals were Carried Forward as "opening balance" from previous year. Total 03 number of RTI Second Appeals had since been heard and decided.

The Quarterly Returns are being uploaded on the CIC's website as well as on the DOPT website. Proactive Disclosures of information were updated on the website of GRSE under RTI link as directed by CIC.

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

In pursuance of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, the Internal Committee was reconstituted on 18th October 2024 initially comprising of 10 members for West Bengal based units and presently comprising of 9 members in view of superannuation of 1 member. A separate Internal Committee is in existence for DEP Unit, Ranchi. The Internal Committee of DEP was reconstituted on 23 Jul 2025 comprising of 5 members.

In accordance with Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the Rules framed thereunder, the following details are submitted:

(i)	Number of complaints of sexual harassment received during the year	NIL
(ii)	Number of complaints disposed off during the year	NIL
(iii)	Number of complaints pending for more than ninety days	NIL
(iv)	Number of workshops or awareness programme against sexual harassment carried out	06
(v)	Nature of action taken by the employer	NA

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company is fully compliant with the Maternity Benefit Act, 1961.

PUBLIC GRIEVANCES

In order to facilitate resolution of grievances in a transparent and time bound manner, the Department of Administrative Reforms & Public Grievances, Ministry of Personnel, Public Grievance & Pensions, Government of India has initiated a web-based monitoring system at www.pgportal.gov.in (PG Portal).

During the year 2025-26, a total of 25 number of Public grievance application through online/offline mode were received and 03 number of Public grievances were brought forward as "opening balance" from previous year. Total 23 number of Public Grievances were resolved and remaining 05 number of Public Grievance applications were taken as carried forward to the year 2026-27

VIGILANCE ACTIVITIES

Company has a well-established Vigilance Department headed by the Chief Vigilance Officer (CVO) appointed by DoPT, Govt. of India.The main thrust of the Vigilance Department is to ensure transparency, fairness & probity in all spheres of activities of the Company. Towards this, the focus of the department was on both, punitive, preventive and surveillance Vigilance and utmost effort was given on preventive vigilance.

The existing processes were carefully observed, analysed and reviewed to ensure transparency as well as the systems of checks & balances are working as per the requisite parameters. In certain cases, the management was advised for systemic improvements.

Major activities carried out by the Vigilance Department during the year are as follows:

(a) Investigations were conducted on complaints received from various sources and appropriate actions were taken.

(b) As a preventive measure, regular & surprise inspections and scrutiny of files were carried out.

(c) Suggestions for system improvements have been made to the management for implementation.

(d) For Capacity Building, Vigilance Officers attended the CVC Master Trainer Training Programme and session on Drafting of Charge Sheet were conducted for the officers.

(e) Training on Vigilance Administration was conducted for newly Joined officers & supervisors.

(f) One Day Sensitization Programme on Vigilance Administration, Vigilance Angle & Preventive Vigilance was conducted for Senior and Mid- level officers by Ex-CVC Director.

(g) As per CVC mandate CTE Type Inspection was conducted.

(h) Annual Property Returns filed by the officers were scrutinized. Vigilance status of officers was assessed at various stages. The implementation of actionable points is being monitored through quarterly reports and submitted to MoD informing the status of action taken.

(i) The following Vigilance Activities have been made online in 2025:

    (i) Implementation of Online OTP based Complaint Management System.

    (ii) Initiative was taken for Generation of SAP Data for Quarterly Report.

(j) Agreed List was drawn up with the CBI and close liaison was also maintained with the CBI.

(k) Three-Month Campaign from 18th August 2025 (Monday) to 17th November 2025 (Monday) was undertaken as per CVC mandate on Preventive Vigilance with focus on the following five areas:

    (i) Disposal of Pending Complaints

    (ii) Disposal of Pending Cases

    (iii) Capacity Building Programmes

    (iv) Asset Management

    (v) Digital Initiatives

(l) The Company observed Vigilance Awareness Week during 28 Oct - 03 Nov 2025. Conducted various competitions (i.e. Online Quiz contest, Slogan Writing, Essay writing and Drawing/ Cartoon making contest among the employees and their family members), also carried out outreach programme for Vigilance Awareness for Public/Citizen/Students in School and Gram Sabha.

(m) The Vigilance Magazine "SAJAGATA" has been published first time in GRSE.

(n) Structured Review Meetings (SRM) with C&MD were held at regular intervals to apprise the status of vigilance cases.

INTEGRITY PACT

One of the initiatives of the Central Vigilance Commission (CVC) to eradicate corruption in procurement activity is the purpose for introduction of Integrity Pact in large value contracts. In line with the directives from Ministry of Defence and the CVC, your Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹2 crore and above and only those vendors/bidders, who commit themselves to IP with the Company would be considered competent to participate in the bidding process.

The Integrity Pact essentially envisages an agreement between the prospective vendors/bidders and the principal (GRSE), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

As recommended by the CVC, the Company has appointed Independent External Monitors (IEMs) for monitoring implementation of Integrity Pact in the Company. During the Financial Year 2025-26, the IEMs monitored Orders / Contracts of value ₹2 crore and above and held quarterly meetings with commercial department and half yearly structured meetings with the Chairman & Managing Director.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

(a) Detailed reasons for any voluntary revision of financial statement or Board's Report in the relevant financial year in which the revision is made.

(b) Details relating to deposits covered under Chapter V of the Companies Act, 2013.

(c) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and future operations of your Company.

ACKNOWLEDGEMENTS

Your Directors express their deep appreciation and place on record their gratitude to the Department of Defence Production and other Departments in the Ministry of Defence for their continued support, assistance and guidance. The Directors also express their sincere thanks to the Government of India and also to the Government of West Bengal, Jharkhand and various other States, for their continued co-operation and valuable support. Your Directors are particularly grateful to the Indian Navy, Indian Army and Indian Coast Guard Headquarters, Border Road Organisation (BRO), Ministry of Home Affairs, Syama Prasad Mookerjee Port Trust, Public Works Departments of various State Governments, Police Department of West Bengal & Kolkata and other valued customers as well as business associates for the confidence reposed by them in your Company. We will fail in our duty if we do not acknowledge the co-operation and positive approach of the Warship Production Superintendent, Coast Guard

Refit Production Superintendent and their dedicated teams under whose oversight our ships are being built/ refitted. Also, we thank all classification societies, in particular, IRS, ABS, BVR, and DNV who have ensured quality and adherence to the required standards.

The Directors acknowledge with thanks the valuable advice rendered by, and co-operation received from the Comptroller and Auditor General of India, the Principal Director of Commercial Audit, Ex-officio Member of the Audit Board, Bengaluru, Principal Controller of Defence Accounts (Navy), Mumbai, Controller of Defence Accounts (Navy), Kolkata, Registrar of Companies, the Department of Public Enterprises, the Securities Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited.

The Directors wish to place on record their appreciation to its Statutory, Cost, Internal and Secretarial Auditors, Company's Bankers, Trade Unions and all Officers and Employees at various levels of the organisation for their hard work, dedication and commitment. The enthusiasm and unstinted efforts of the employees have enabled your Company to remain at the forefront of the industry despite increased competition from several existing and new players.

For and on behalf of the Board of Directors

Sd/-
Cmde P R Hari, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

Place: Kolkata
Dated: 10 July, 2026

APPENDIX - A

STATEMENT SHOWING REPRESENTATION OF SC / ST / OBC / EX-SERVICEMEN / PHYSICALLY CHALLENGED AND WOMEN EMPLOYEES AS ON 31st DECEMBER, 2025 UNDER PERMANENT & CONTRACT CATEGORIES

Group/ Category	Total Strength	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	479	75	31	138	61	12	28
Group-B	37	4	2	10	9	-	5
Group-C	1107	276	49	195	35	38	48
Group-D (Excluding Safaiwalas)	4	2	-	-	1	-	-
Group-D (Safaiwalas)	2	2	-	-	-	-	-
Total	1629	359	82	343	106	50	81

APPENDIX - B

DETAILS OF RECRUITMENT MADE DURING 2025 UNDER PERMANENT CATEGORY & CONTRACT CATEGORIES (FIXED TERM / JOURNEYMEN)

Group/ Category	Total Recruitment	SCs	STs	OBCs	Ex-Servicemen	Physically Challenged	Women Employees
Group-A	50	2	4	17	4	1	4
Group-B	8	1	1	2	2	-	-
Group-C	52	13	2	17	3	0	5
Group-D (Excluding Safaiwalas)	-	-	-	-	-	-	-
Group-D (Safaiwalas)	-	-	-	-	-	-	-
Total	110	16	7	36	9	1	9

APPENDIX - C

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan,
61, Garden Reach Road,
Kolkata, West Bengal - 700024

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garden Reach Shipbuilders & Engineers Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed here under 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 on March 31, 2026, 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(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;

(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 **(during the period under review not applicable to the company)**;

   (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the company)**;

   (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the company)**;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **(during the period under review not applicable to the company)**;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(during the period under review not applicable to the Company)**;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations);

(iii) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2019 as issued and amended by the Department of Public Enterprises, Government of India ('DPE Guidelines');

(iv) Other laws specifically applicable to the Company namely:

   a) The Environmental Protection Act, 1986;

   b) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

   c) The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder;

   d) The Air (Prevention & Control of Pollution) Act, 1981;

   e) Indian Electricity Act, 2003 and rule made thereunder

   f) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises (DPE);

g) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

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

We further report that:

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except to the extent as mentioned below:

1. *The Company does not have the requisite number of Non-Executive Directors constituting at least fifty percent of the total strength of the Board as required under Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.*

2. The *Company does not have the requisite number of Independent Directors on the Board as required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 149(4) of the Companies Act, 2013 and Clause 3.1.4 of the DPE Guidelines for Corporate Governance on CPSEs during the period under review. It is further noted that consequent to the cessation of Shri Sanjeeb Mohanty as Independent Director with effect from April 06, 2025, the Company did not have any Independent Director on its Board during the period from April 06, 2025 to May 21, 2025.*

3. *As per Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company did not have a Woman Director on its Board from July 16, 2025 to March 31, 2026. Further, the Company did not appoint any Woman Independent Director during the entire Financial Year 2025–26, thereby failing to comply with the applicable regulatory requirements in this regard.*

4. *In terms of Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, being amongst the top 2000 listed entities, is required to comprise not less than six directors. However, the total number of directors on the Board of the Company was below the said prescribed minimum from April 06, 2025 to October 06, 2025.*

5. *In terms of Regulation 17(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quorum for every Board Meeting shall be one-third of the total strength or three directors, whichever is higher, including at least one Independent Director. However, no Independent Director was present at the Board Meetings held on April 25, 2025 (410th Meeting) and May 13, 2025 (411th Meeting), resulting in non-compliance with the said quorum requirement.*

6. *In terms of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 177 of the Companies Act, 2013 and Clause 4 of the DPE Guidelines for Corporate Governance on CPSEs, the Company was required to have a duly constituted Audit Committee comprising a minimum of three directors, with at least two-thirds being Independent Directors. During the period under review, the Audit Committee could not be constituted owing to the inadequate number of Independent Directors on the Board, resulting in no meetings of the Audit Committee being held during the Financial Year 2025–26.*

7. *In terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and Clause 5 of the DPE Guidelines for Corporate Governance on CPSEs, the Company was required to have a duly constituted Nomination and Remuneration Committee comprising at least three Non-Executive Directors, with not less than two-thirds being Independent Directors. During the period under review, the Nomination and Remuneration Committee could not be constituted owing to the inadequate number of Independent Directors on the Board during the Financial Year 2025–26.*

8. *In terms of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to have a duly constituted Stakeholders Relationship Committee comprising at least three directors, including at least one Independent Director. However, during the period under review, the Stakeholders Relationship Committee was not in place from April 06, 2025 to May 31, 2025 owing to the inadequate number of Independent Directors on the Board. The Committee was reconstituted with effect from June 01, 2025, consequent upon the appointment of an Independent Director.*

9. *In terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company was required to have a duly constituted Risk Management Committee comprising a majority of Board members, including at least one Independent Director. However, during the period under review, the Risk Management Committee was not in place from April 06, 2025 to May 31, 2025 owing to the inadequate number of Independent Directors on the Board. The Committee was reconstituted with effect from June 01, 2025, consequent upon the appointment of an Independent Director.*

10. *As per Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the listed entity are required to hold at least one meeting in a Financial Year, without the presence of Non-Independent Directors and members of the management. However, no such meeting of the Independent Directors was held during the Financial Year 2025–26, owing to the inadequate number of Independent Directors on the Board during the period under review.*

11. *As regards certain other Corporate Governance provisions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company being a Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry of Defence, Government of India, the regulatory framework applicable to Government Companies is designed to ensure compliances to the extent possible within the constraints of such framework. In view thereof, compliance with certain requirements viz. Regulation 17(4) and 17(10) pertaining to succession planning and performance evaluation of Directors; Regulation 18(2), 18(3) read with Para A of Part C of Schedule II pertaining to terms of reference of the Audit Committee and recommendation of auditors; Regulation 19(4) read with Para A of Part D of Schedule II pertaining to the role of the Nomination and Remuneration Committee including formulation of Board Diversity Policy and Nomination and Remuneration Policy; and Regulation 25(4) pertaining to review of performance by Independent Directors in their separate meeting, could not be fully complied with by the Company, as by virtue of its status as a Government Company, compliance with the said requirements*

*is beyond the control of the Company. It is noted that Board-level appointments, including those of Independent Directors, are made by the Government of India through Presidential Orders, and the performance evaluation of Board-level appointees is undertaken by the administrative Ministry through mechanisms prescribed by the Department of Public Enterprises (*DPE).

We further report that:

All the changes in the composition of the Board of Directors during the Audit Period, except the aforesaid, were made in due compliance of the various provisions of the Act and DPE Guidelines on Corporate Governance for CPSE.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days except where meetings were held on shorter notice, 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 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 has incurred specific events / actions that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(a) The Company at its Annual General Meeting held on 15th September, 2025 declared final dividend of 49% i.e. Rs. 4.90 per equity share of face value of Rs. 10 each for the FY 2024-25.

(b) The Board of Directors of the Company at its meetings held on 11th November, 2025 and 3rd February, 2026 declared an interim and 2nd Interim dividend of 57.5% i.e. Rs. 5.75 and 71.5% i.e. Rs. 7.15 per equity share of face value of Rs. 10 each, respectively, for FY 2025-26.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
Raveena Dugar Agarwal
Partner
UDIN: A051836H000802696
ACS No: 51836
CP No.: 26055
PR No.: 7281/2025

Place: Kolkata
Date: July 10, 2026

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan,
61, Garden Reach Road,
Kolkata, West Bengal - 700024

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

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

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

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

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Sd/-
Raveena Dugar Agarwal
Partner
UDIN: A051836H000802696
ACS No: 51836
CP No.: 26055
PR No.: 7281/2025

Place: Kolkata
Date: July 10, 2026

APPENDIX - D

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 or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts / arrangements / transactions	Not Applicable
Duration of the contracts / arrangements / transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Justification for entering into such contracts or arrangements or transactions	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	Not Applicable
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 contracts or arrangements or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Not Applicable
Nature of contracts / arrangements / transactions	Not Applicable
Duration of the contracts / arrangements / transactions	Not Applicable
Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
Date(s) of approval by the Board	Not Applicable
Amount paid as advances, if any	None

For and on behalf of the Board of Directors

Sd/-
Cmde P R Hari, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

APPENDIX - E

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

I. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Garden Reach Shipbuilders & Engineers Limited (GRSE) undertook various Corporate Social Responsibility (CSR) initiatives during FY 2025-26 in line with its commitment towards inclusive and sustainable development, with particular focus on marginalized and underprivileged sections of society.

The CSR activities of the Company were undertaken in thrust areas such as healthcare, organization of health camps, tuberculosis elimination, promotion of vocational training, sanitation, and environmental sustainability. These initiatives were aligned with national priorities and aimed at improving the quality of life, promoting social equality, and fostering socio-economic development of the target beneficiaries.

The CSR Policy of the Company is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, and is aligned with the activities specified under Schedule VII of the said Act.

The policy is further guided by directives and guidelines issued by the Government of India from time to time. The details of CSR Policy and initiatives are available on the Company's website. The implementation of CSR projects is overseen by the Board-level Corporate Social Responsibility & Sustainability (CSR & SD) Committee, chaired by an Independent Director. The Committee examines and approves project proposals, reviews implementation mechanisms, and recommends the Annual CSR Action Plan to the Board of Directors for its approval.

All CSR projects during FY 2025-26 were implemented in accordance with the approved Annual Action Plan. The progress of implementation was periodically reviewed by the CSR & Sustainability Committee along with Key Management Personnel to ensure effective execution and to facilitate mid-course corrections, wherever required, for achieving the intended objectives.

II. CSR PROJECTS UNDERTAKEN DURING FY 2025-26

(A) PROJECTS BASED ON ANNUAL THEME – HEALTH AND NUTRITION

(a) Monthly Health Camps for Marginalized Segments (₹ 29.82 lakh):

Garden Reach Shipbuilders & Engineers Limited (GRSE), through its Medical Department, has been conducting monthly health camps for marginalized communities at Naora (South 24 Parganas), Agrahati (North 24 Parganas), Rajabagan (Kolkata), and other locations. These camps provide basic medical consultations, health screening, and essential diagnostic services to underserve populations with limited access to healthcare facilities. During the reporting period, the programme covered 7524 contributing to early detection of health issues and improved community health awareness.

(b) Medical Examination (Investigation) for Local Community Workers (₹ 43.17 lakh):

GRSE undertook medical examination and diagnostic investigations for local workers to assess health status, detect occupational and lifestyle-related ailments, and facilitate timely medical intervention. The initiative aimed at promoting preventive healthcare and ensuring the well-being of workers associated with the local ecosystem around GRSE's operational areas. A total of 5658 beneficiaries were covered under this programme during the year.

(c) Blood Donation Camps (₹01.60 lakh):

GRSE Medical Department organized blood donation camps as part of its healthcare and social responsibility initiatives, encouraging voluntary blood donation among employees and the community. The camps were conducted following prescribed medical protocols to ensure donor safety and adequate blood collection for healthcare institutions. During the period under review, 169 voluntary donors participated, contributing to strengthening local blood bank resources.

(d) TB Nikshay Mitra Programme (₹ 17.16 lakh):

Under the National Tuberculosis Elimination Programme, GRSE Medical Department implemented the TB Nikshay Mitra initiative in association with Kolkata Municipal Corporation (KMC). The programme provides nutritional and medical support to tuberculosis patients to aid treatment adherence and recovery. On an average, 157 TB patients were supported per month during the year, reinforcing GRSE's commitment to public health and national disease elimination efforts.

(e) Holistic development of underprivileged children of tribal villages (14 GAP Units in WB & JH) (₹92.24 lakh)

GRSE partnered with Ramakrishna Mission, Belur Math for holistic development of around 530 underprivileged children from interior rural and tribal villages such as Kuturloba, Getalsud, Badri at Ranchi and Malyada in Khunti (Aspirational Districts) of Jharkhand and Gholapara, Ajgara and Naora in Sundarbans of West Bengal. This initiative fulfilled the needs of the children mostly belonging to the tribal and minority community who are caught in jaws of extreme poverty. The project focused on improving the quality life of these children for their three-fold development i.e. physical, mental and intellectual growth. Under this project periodic health check-ups were conducted. In addition, daily nutritional supplements, study materials, school bags, uniforms, footwear, items of personal hygiene, sports items etc. were provided for holistic development of the children.This project has helped to develop physical, mental and intellectual abilities of the children.

(f) Provided Medical Equipment to Ramakrishna Sarada Mission (₹ 28 lakh)

As part of its Corporate Social Responsibility initiative, Garden Reach Shipbuilders & Engineers Ltd. (GRSE) supported Matri Bhavan Hospital, Kolkata, by providing critical medical infrastructure and equipment to strengthen patient care and surgical services. The contribution included a Double Dome LED OT Light (100,000 Lux per

Dome) to ensure optimal illumination during complex surgical procedures, a Medical Compressed Air Network to maintain reliable and safe operation of surgical and life-support equipment, and a dedicated Operation Theatre Table for Orthopedic and General Surgery to enhance procedural efficiency and patient safety. The total project investment of ₹ 28 lakh has significantly upgraded the hospital's operational capacity, enabling precise and timely interventions, improved workflow in operating theatres, and better outcomes for maternal, surgical, and critical care patients. By providing advanced, high-quality medical equipment, GRSE has directly addressed gaps in healthcare infrastructure, particularly benefiting underserved and economically vulnerable populations. This initiative not only improves immediate patient care but also strengthens long-term hospital capabilities, demonstrating GRSE's commitment to community health, well-being, and sustainable social development, while fostering trust and resilience in public healthcare services in Kolkata.

(g) Daily Cleaning of School Toilets (₹ 54.30 lakh)

Taking cognizance of the National Mission 'Swachh Bharat Swachh Vidyalaya' and the needs of the schools' children, mainly from the Govt. aided Schools, GRSE has adopted the mechanism for daily cleaning and upkeeping of school toilets in association with Sulabh International Social Service Organization. Total 235 toilets, 148 urinals, 100 wash basins, 07 drinking water taps, 02 bathrooms, incinerator, ground etc. were maintained in 20 local govt. schools, with special focus on girls' schools. Around 25,000 students were benefited from this project.

(h) Empowering Differently Abled Children (IICP) (₹ 82.92 lakh)

Cerebral palsy is a disorder which affects movement and posture, causing severe limitations of physical and mental activities. This project is implemented with the intent to empower these differently abled children and to enable them to lead their life with dignity.

GRSE has supported classes of Indian Institute of Cerebral Palsy, Kolkata to provide comprehensive educational and rehabilitation services. These classes covered 218 special children with severe multiple impairments including cerebral palsy. They were trained in basic academic courses and life-oriented language and numeracy skills for achieving minimum level of self-reliance. The children of Life Skill Training Unit were trained in pre-vocation skills.

Cerebral palsy in children hinder their ability to move and impede body functions more as they get older and bigger. GRSE supported IICP to run their Early Interventions Clinic. This clinic provided customized individual therapy, starting from neonatal stage up to 10 years. The Early Intervention Therapy aims to set the right foundation so that it helps the child to develop communication skills, motor skills and enable them to move forward in their life with minimum dependence on others.

(i) Project Akansha for Holistic Development of Children at Hasting and Khidirpore (₹ 27.32 lakh)

GRSE Akanksha – Aiming High is a flagship Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) implemented in the high-risk red-light areas of Hastings and Watgunge–Kidderpore, Kolkata, where children face acute vulnerabilities arising from unsafe environments, family instability, school dropouts, child labour, and early marriage. The project addresses these challenges by creating a safe, structured, and child-centric ecosystem that ensures access to education, continuity of schooling, psychosocial care, life-skills development, and community-based protection mechanisms. Through community-based learning centres and structured supplementary education, the initiative has strengthened enrolment, retention, and learning outcomes, enabling 241 children (6-14 years) and 39 adolescents (15-18 years) to attend school regularly, while 15 out-of-school children were successfully identified, mainstreamed, and re-enrolled into formal education. Holistic development has been promoted through life-skills education, sports, creative arts, career guidance, and exposure-based learning, benefiting over 300 children, enhancing confidence, aspiration, and agency, and resulting in notable achievements such as children securing medals at the State Wushu Championship. Safety and resilience were reinforced through self-defence training and strong community engagement, leading to the prevention of 12 child marriages and the rescue and reintegration of children and adolescents from child labour into age-appropriate education pathways. By actively engaging families, strengthening parental capacities, and fostering child participation and leadership, GRSE Akanksha-Aiming High delivers sustainable, measurable impact and reflects GRSE's deep commitment to child rights, inclusive development, and long-term social transformation in some of Kolkata's most vulnerable communities.

(j) Vocational Skills Development Training for Unemployed Youths: MSSK (₹ 44.19 lakh)

Vocational Skills Development Training for Unemployed Youths in the Health Sector at MSSK is a flagship Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) implemented in partnership with Ramakrishna Mission, Baghbazar, Kolkata, through Ma Sarada Swanirvar Kendra (MSSK), a center of excellence in value-based vocational education inspired by Swami Vivekananda's philosophy of man-making education. The project empowers marginalized and underprivileged youth, particularly women and first-generation learners-by providing market-relevant, employment-oriented training in healthcare and allied sectors, combining classroom instruction, hands-on practical exposure, continuous assessment, nationally aligned certification, career counselling, and placement support. During FY 2025-26, 245 beneficiaries underwent training as General Duty Assistants (Healthcare) along with complementary skills. The initiative has strengthened confidence, discipline, and social responsibility among participants, enabling them to transition from vulnerability to self-reliance, contribute positively to their families and communities, and emerge as empowered, skilled youth capable of sustaining livelihoods and supporting inclusive socio-economic development.

* *(Some Non-Medical Trainings were also part of the program)*

CSR GALLERY


Monthly Health Camps for Marginalized Segments


Medical Examination (Investigation) for Local Community Workers

Blood Donation Camp

Comprehensive Medical Camp for Local Women at RBD Unit

Inauguration of Medical Equipment at Smile Trust, Kolkata


Provided Medical Equipment to Ramakrishna Sarada Mission

CSR GALLERY

TB Nikshay Mitra Programme

Holistic development of underprivileged children of tribal villages (14 GAP Units in WB & JH

Annual Prize Day Celebration at Centre for Special Education, IICP, Kolkata

On Children's Day GRSE in association with CRY launched 'Hockey For Her' initiative aimed at empowering adolescent girls at Kunti district (JH)

Holistic development of underprivileged children of tribal villages (14 GAP Units in WB & JH

Empowering Differently Abled Children (IICP)

CSR GALLERY

Project Akansha for Holistic Development of Children at Hasting and Khidirpore

Renovation of Rugnayashrya, Matruchaya Trust, Goa

Backyard Poultry & Duck Farming for Nutrition and Livelihood Enhancement (TRCSC-Jamshedpur)

Project Akansha for Holistic Development of Children at Hasting and Khidirpore

GRSE partnered with Ramakrishna Mission, Belur Math for Holistic Development of 530 Underpriviledged Children from Rural and Tribal Villages

Conducted Special Campaign 5.0

(k) Ulcer Care Treatment for Leprosy Patients (Project Cost: (₹ 30.00 lakh)

Ulcer Care Treatment for 75 Leprosy Patients is a CSR initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) implemented in association with TLMTI at Premananda Memorial Leprosy Hospital, Maniktala, Kolkata, aimed at improving medical care for leprosy patients suffering from ulcers and related complications, particularly among marginalized and economically vulnerable populations. Under this project, 75 leprosy-affected patients from Kolkata and surrounding areas received comprehensive ulcer care treatment, including surgical interventions where necessary, alongside supportive care for patients affected by disabilities or other tropical diseases. The initiative provided critical medical attention, reduced suffering, enhanced wound healing, and improved overall quality of life for these patients, who often face social stigma and limited access to healthcare. By augmenting hospital facilities, providing specialized treatment, and prioritizing care for the financially weak and socially marginalized, GRSE has significantly contributed to healthcare equity, patient dignity, and community well-being, reinforcing its commitment to socially inclusive and sustainable development in the healthcare sector.

(l) Distribution of Umbrella to underprivileged communities in Ranchi (₹42.77 lakh)

GRSE implemented a CSR initiative for distribution of umbrellas among economically weaker sections to provide protection during the monsoon season, in association with Sadguru Trust, with a total expenditure of ₹42.77 lakh. The project aimed to mitigate health risks associated with prolonged exposure to heavy rainfall, particularly among vulnerable populations. The initiative involved identification of beneficiaries and organized distribution of umbrellas to support daily mobility and livelihood activities during adverse weather conditions. By reducing exposure to rain-related illnesses and improving protection from harsh weather conditions, the project contributes to preventive healthcare and enhances the well-being and resilience of economically weaker sections.

(m) Enhancement of Eye Care Facilities at Smile Trust (Project Cost: ₹ 30.00 lakh)

Enhancement of Eye Care Facilities at Smile Trust, Belghoria is a Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) aimed at strengthening eye care infrastructure and improving access to quality ophthalmic services for underserved communities. Under this project, Smile Trust received critical medical equipment including a Slit Lamp Biomicroscope for comprehensive eye examination, an Auto Refractometer for vision testing and refraction, an Indirect Ophthalmoscope with Retinoscope for retinal assessment, and an A-Scan Ultrasonography unit for eye biometry to support cataract surgeries. In addition, 6 air conditioners were installed in in-patient rooms to ensure patient comfort during summer, and part of the hospital building was enhanced with roof construction and structural improvements at a cost of ₹16.60 lakh, creating a safer and more conducive environment for patient care. By providing advanced medical equipment and improving hospital infrastructure, GRSE has significantly strengthened ophthalmic diagnostic and surgical capabilities at Smile Trust, enabling timely, high-quality eye care for economically disadvantaged patients, reducing preventable vision impairment, and contributing to community health and well-being in Belghoria and surrounding areas.

(n) Acquisition of Eye Laser Device and Renovation of Treatment Room (Project Cost: ₹21.00 lakh)

Acquisition of Eye Laser Device and Renovation of Treatment Room at Smile Trust is a Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) aimed at enhancing advanced ophthalmic treatment capabilities and improving patient care infrastructure. Under this project, a modern eye laser device has been provided to facilitate precise and effective treatment of various ocular conditions, thereby strengthening the clinical capacity of the institution. In addition, the treatment room has been renovated and upgraded to meet required medical standards, ensuring a safe, hygienic, and patient-friendly environment. This intervention is expected to significantly improve the quality and efficiency of eye care services at Smile Trust, enabling timely treatment for economically disadvantaged patients and contributing to the reduction of preventable vision impairment in the surrounding communities.

(o) Renovation of Rugnayashrya, Matruchaya Trust, Goa (₹ 45.00 lakh)

GRSE undertook a CSR project for renovation of Rugnayashrya in Goa, in association with Matruchaya Trust as the implementing partner, with a total expenditure of ₹45.00 lakh, under Item No. (i) of Schedule VII of the Companies Act, 2013 (promoting health care, including preventive health care). The initiative was aimed at strengthening healthcare infrastructure and enhancing the quality of services provided to patients, particularly those from economically weaker and vulnerable sections of society. The scope of the project included renovation and upgradation of existing facilities, improvement of basic amenities, and creation of a cleaner, safer, and more patient-friendly environment within the institution. These interventions are expected to facilitate better hygiene standards, improved patient comfort, and more efficient delivery of healthcare services. By supporting institutional capacity building, the project contributes to enhanced accessibility and quality of care, while also promoting preventive healthcare practices. The initiative is expected to benefit a significant number of patients availing services at the facility and contributes to overall community well-being by strengthening essential healthcare infrastructure in the region.

(p) Backyard Poultry & Duck Farming for Nutrition and Livelihood Enhancement (TRCSC-Jamshedpur) (₹ 04.03 lakh)

GRSE implemented a CSR project titled "Backyard Poultry & Duck Farming for Nutrition and Livelihood Enhancement" in Ichagorh Block of Seraikela-Kharsawan district, Jharkhand, during FY 2025-26, in association with TRCSC as the implementing agency, with a total expenditure of ₹4.03 lakh. The project targeted 50 landless households, primarily from ST/SC/OBC communities, with a focus on women-headed families, SHG members, and nutritionally vulnerable groups. The initiative promoted an integrated backyard poultry-duck farming model, wherein each beneficiary household was provided with 40 improved poultry chicks, 10 ducklings, along with starter feed, vaccines, and essential veterinary support. Capacity building was undertaken through structured training programmes covering scientific rearing practices, housing, feeding, disease management, and nutritional utilization. Regular vaccination camps, follow-up visits, and monitoring mechanisms were put in place to ensure higher survival rates and productivity. The project is designed to enhance nutritional security through improved access to protein-rich food such as eggs, while also generating supplementary income for rural households. The model also encourages community-based sustainability through SHG involvement, natural multiplication of birds, and linkages with local markets, thereby contributing to overall socio-economic development of the target area.

(q) Construction of Toilets (₹ 6 lakh)

Construction of Toilet and Bathroom Facilities at ASHA Children's Home, Ranchi as part of its Corporate Social Responsibility initiative, Garden Reach Shipbuilders & Engineers Ltd. (GRSE) undertook the construction of two toilet and bathroom units at ASHA Children's Home, Naya Bhusur, Ranchi, which provides shelter, education, and life-skills support to children from migrant labourer families. The project was designed to address critical gaps in sanitation infrastructure, ensuring improved health, hygiene, safety, and personal dignity, particularly for girl children residing at the Home. The newly constructed sanitation facilities were inaugurated by the Hon'ble Minister of State for Defence, Shri Sanjay Seth, underscoring the importance of sanitation, child welfare, and inclusive development. The intervention has significantly enhanced living conditions by providing clean, safe, and private toilet and bathing facilities, reducing health risks, and fostering a more secure and dignified residential environment. The project contributes to improved hygiene practices, better well-being, and psychosocial comfort of the children, reinforcing GRSE's commitment to sustainable development, child protection, and community well-being.

(r) Celebrated Swachhata Hi Seva 2025 (from 17 Sep 2025 to 02 Oct 2025)

GRSE actively participated in Swachhata Hi Seva 2025, reinforcing its commitment to the Swachh Bharat Abhiyan. This nationwide cleanliness drive aimed at promoting sanitation, hygiene, and environmental sustainability through various activities such as cleaning public spaces, awareness campaigns, and waste management initiatives. GRSE employees and volunteers enthusiastically engaged in these efforts, ensuring cleaner surroundings in community areas, schools, and workplaces. By fostering a culture of cleanliness and responsible waste disposal, this initiative contributed to public health and environmental conservation.

(s) Conducted Special Campaign 5.0 (from 02 Oct 2025 to 31 Oct 2025)

GRSE actively participated in Special Campaign 5.0, a GoI-driven initiative focused on cleanliness, waste management and efficient record-keeping. This campaign aimed at improving workplace efficiency and environmental sustainability through systematic decluttering, disposal of obsolete records, and enhancing office hygiene. GRSE undertook various activities, including cleaning drives and awareness programs, ensuring a more organized and eco-friendlier workspace. By aligning with the broader vision of Swachh Bharat and Good Governance, this initiative reinforced GRSE's commitment to operational excellence and sustainable development. Through Special Campaign 5.0, GRSE continues to uphold its responsibility towards a cleaner, more efficient, and environmentally conscious future.

(t) MoD Swachhata Pakhwada (01 Dec 2025 to 15 Dec 2025)

GRSE actively participated in the MoD Swachhata Pakhwada, reinforcing its commitment to cleanliness, hygiene and environmental sustainability. This special fortnight-long initiative aimed to promote the Swachh Bharat Abhiyan through extensive cleanliness drives, waste management activities, and awareness campaigns across West Bengal and Jharkhand. Volunteers engaged in beautification of public spaces, tree plantation, and sanitation awareness programs, encouraging a culture of cleanliness and responsible waste disposal. By supporting the MoD's vision for a cleaner and greener India, GRSE continues to play a crucial role in nation-building and sustainable social development, ensuring long-term environmental and public health benefits

(u) Fruit Bearing Plant Distribution Initiative (TRCSC-Jamshedpur) (₹ 05.00 lakh)

GRSE implemented a CSR initiative for distribution of fruit-bearing plants in Ranchi district of Jharkhand, in association with TRCSC (Jamshedpur), with a total expenditure of ₹5.00 lakh. The project was carried out through a one-day distribution programme in collaboration with local stakeholders and Panchayati Raj Institutions (PRIs), followed by plantation guidance and post-distribution support. The key activities included identification and mobilization of 500 beneficiary farmers, procurement and distribution of approximately 5,000 fruit plants (such as mango, guava, and lemon), and on-field technical guidance to ensure proper plantation practices. The initiative also involved one-month supervision and monitoring to support plant survival and growth, along with structured reporting and documentation. The project aims to enhance nutritional security by promoting access to fresh, fruit-based food sources at the household level, while also contributing to increased green cover and environmental sustainability. By integrating nutrition with sustainable livelihood support, the initiative supports improved health outcomes, long-term income opportunities, and overall socio-economic well-being of the beneficiary farmers.

(B) OTHER PROJECTS (NON-THEMATIC):

(a) Women Safety and Awareness Programme (Project Cost: ₹27.65 lakh):

Women Safety and Awareness Programme (Project Cost: ₹27.65 lakh) is a Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) implemented in a tripartite partnership with Smile Trust and Kolkata Police. The project aims to install 95 CCTV cameras in various places and promote safety, awareness, and empowerment among women and girls through structured outreach programmes, training sessions, and community engagement activities. By combining institutional support, field-level implementation, and law enforcement engagement, the initiative strengthens community awareness, builds confidence among women, and contributes to creating a safer and more informed society.

(b) Training Program for Unemployed Youths- TTC Unit (₹ 44.93 lakh):

As part of its flagship Corporate Social Responsibility (CSR) initiative, Garden Reach Shipbuilders & Engineers Ltd. (GRSE) has been implementing a comprehensive skill development programme in maritime trades to enhance employability of youth. The initiative covers training in Marine Electrical Fitter, Marine Welder, Marine Structural Fitter, and Marine Plumbing & Piping, combining structured classroom learning, hands-on practical exposure, nationally recognised NSDC-aligned skill certification, and extensive on-the-job training at operational units. The programme has witnessed strong participation, with a majority of trainees successfully completing assessments and progressing to workplace exposure across multiple departments, thereby bridging the gap between training and industry readiness. To ensure inclusivity and continuity of learning, GRSE has also extended financial support in the form of a daily allowance to trainees, reinforcing its commitment to sustainable livelihood creation, skill empowerment, and long-term community development within the maritime ecosystem.

(c) Hockey for Her (CRY) (₹ 34.00 lakh):

Hockey for Her is a focused Corporate Social Responsibility initiative of Garden Reach Shipbuilders & Engineers Ltd. (GRSE) implemented in the Karra and Rania Blocks of Khunti District, Jharkhand, aimed at empowering 100 adolescent girls through structured hockey training integrated with life-skills education, health awareness, and community engagement. The project promotes girls' participation in sports as a pathway to confidence, leadership, and social inclusion, while addressing critical issues such as anaemia, nutrition, and menstrual health. During the year, weekly hockey coaching sessions were conducted with 98 girls actively continuing training, and hockey kits were distributed to all 100 participants to ensure equitable access. To support physical well-being, nutrition kits were provided for four months, and three health check-up camps were organized across the hockey centers. Holistic development was further strengthened through life-skills sessions, a master class by renowned hockey players, and intensive capacity-building for the project team, including training on child safeguarding, POSH, health, and nutrition. The project actively engaged families, community leaders, schools, district sports authorities, health departments, and child protection agencies, resulting in increased community acceptance and sustained support for girls' participation in sports. Through Hockey for Her project, GRSE is creating a safe, enabling ecosystem that nurtures healthy, confident, and resilient young athletes, while challenging gender norms and fostering long-term social change in aspirational and tribal regions.

(d) Fund Support for School Construction – Ramkrishna Mission, Jhargram (₹ 31.00 lakh):

As part of its Corporate Social Responsibility (CSR) initiative, Garden Reach Shipbuilders & Engineers Ltd. (GRSE) has undertaken the construction of a dedicated academic block comprising five classrooms at the Ramakrishna Math & Mission Ashrama (RKMA) Primary School, Jhargram, an organization duly registered under the CSR framework of the Ministry of Corporate Affairs. The project involves construction of five well-ventilated classrooms at a total project cost of ₹31 lakh, and the facility will be known as the "GRSE Academic Block." The initiative has been conceptualized to strengthen educational infrastructure and address the growing need for quality learning spaces in Jhargram district, where children from economically weaker and underprivileged backgrounds often face limited access to good schooling facilities. The new academic block will enable the school to expand its capacity and provide a safe, structured, and child-friendly learning environment, supporting the delivery of English-medium education along with value-based learning in line with the ethos of Ramakrishna Math. By improving classroom availability and learning conditions, the project is expected to enhance enrolment, reduce dropouts, and improve overall educational outcomes for primary-level students. Through this intervention, GRSE contributes to inclusive and equitable education, laying a strong foundation for long-term social development and upward mobility of children from marginalized communities. The project reflects GRSE's sustained commitment to nation-building through education, community empowerment, and creation of durable social assets that generate lasting impact beyond the project lifecycle.

(e) Mayer Ghat and Surinam Ghat Initiative (₹ 97.59 lakh):

GRSE undertook the development of Mayer Ghat and Surinam Ghat along the banks of the Hooghly River (a distributary of the Ganga) in Kolkata, with a total CSR expenditure of ₹97.59 lakh. Recognizing the ecological and social significance of the Ganga river system, the project was designed to improve environmental conditions at these riverfront locations through enhanced sanitation, cleanliness, and waste management practices, thereby contributing to reduction of pollution load entering the river and supporting preservation of the riverbank ecosystem. The scope of work included strengthening and renovation of existing ghat infrastructure, along with provision of improved civic amenities to facilitate safer and more hygienic public use. By integrating environmental considerations with infrastructure upgradation, the initiative aims to promote responsible usage of the ghats, discourage indiscriminate waste disposal, and create a cleaner, safer, and more accessible space for local residents, pilgrims, and visitors. The project thus contributes to sustainable riverfront management while enhancing overall community well-being.

(f) River Cleaning Initiative with Sea Explorers' Institute (₹ 20.10 lakh):

The "Keep the Hooghly Clean" project, supported by Garden Reach Shipbuilders & Engineers Ltd. (GRSE) under its CSR initiative and implemented by the Sea Explorers' Institute, is a pioneering and integrated effort aimed at restoring the ecological health of the Hooghly River through sustained surface cleaning and community engagement. Responding to the growing challenge of pollution caused by plastic waste, household refuse, unregulated dumping, and limited public awareness, the project focuses on a defined stretch of the river between Baja Kadamtala Ghat and Judges (Gwalior) Ghat in Kolkata. It adopts practical, low-cost, and scalable methods for river-surface cleaning while simultaneously fostering social ownership through awareness camps, interactive activities, marches, street plays, and demonstrations involving local communities, boatmen, vendors, students, and children. By combining curative actions with preventive sensitization and responsible waste segregation in coordination with informal recyclers and municipal systems, the initiative promotes environmental stewardship, community participation, and long-term sustainability, reinforcing GRSE's commitment to river conservation and inclusive environmental responsibility.

(g) Infrastructure Development of Bakery-cum-Vocational Unit-Behala Naba Prayas (₹ 07.00 lakh):

GRSE implemented a CSR project titled "Infrastructure Development of Bakery-cum-Vocational Unit for Mentally Challenged Children" at Nodakhali in South 24 Parganas district, in association with Behala Naba Prayas, with a total expenditure of ₹7.00 lakh, under Item No. (ii) of Schedule VII of the Companies Act, 2013 (promoting education, including special education and vocational skills). The project involved creation and strengthening of infrastructure for a bakery-based vocational training unit aimed at imparting livelihood-oriented skills to children with intellectual disabilities. The initiative is designed to promote self-reliance and social inclusion by equipping beneficiaries with practical skills in baking and allied activities, thereby enhancing their employability and confidence. By supporting a structured and supportive learning environment, the project contributes to capacity building of mentally challenged children and helps in their rehabilitation and integration into mainstream society.

(h) Smart Class at Garden Reach Maulana Azad Memorial Girls' High School (₹ 23.00 lakh):

GRSE implemented a CSR project for installation of Smart Classroom facilities at Garden Reach Maulana Azad Memorial Girls' High School, with a total expenditure of ₹23.00 lakh, under Item No. (ii) of Schedule VII of the Companies Act, 2013 (promoting education). The project involved setting up modern teaching infrastructure including smart boards, air-conditioning, and improved seating arrangements to create a more interactive, comfortable, and technology-enabled learning environment. The initiative aims to enhance the quality of education by facilitating digital learning, improving student engagement, and supporting teachers with effective instructional tools. By upgrading classroom infrastructure, the project contributes to bridging the digital divide and provides students, particularly girls from the local community, with better access to modern educational resources, thereby supporting overall academic development and learning outcomes.

(i) Bichali Ghat Renovation Initiative (₹ 40.32 lakh):

GRSE undertook the development of Bichali Ghat along the banks of the Hooghly River in Kolkata, with a total CSR expenditure of ₹40.32 lakh. Recognizing the ecological and social significance of the Ganga river system, the project was aimed at improving environmental conditions at the riverfront through enhanced sanitation, cleanliness, and waste management practices, thereby contributing to reduction of pollution load entering the river and supporting preservation of the riverbank ecosystem. The scope of the project included strengthening and renovation of existing Ghat infrastructure along with improvement of basic civic amenities to facilitate safer, more hygienic, and user-friendly public access. By integrating environmental considerations with infrastructure upgradation, the initiative promotes responsible usage of the Ghat, discourages indiscriminate waste disposal, and helps maintain a cleaner and more sustainable riverfront. The project is expected to benefit local residents, daily users, and visitors while contributing to overall community well-being and environmental sustainability.

(j) Purchase of Training Boat (Sea Explorers' Institute, Kolkata) (₹ 02.10 lakh):

GRSE implemented a CSR project for strengthening training infrastructure at Sea Explorers Institute, Kolkata, through procurement of a training boat, with a total expenditure of ₹2.10 lakh, under Item No. (ii) of Schedule VII of the Companies Act, 2013 (promoting education, including vocational skills). The provision of the boat is aimed at facilitating practical, hands-on training in water-based activities, thereby enhancing the learning experience and skill development of trainees. The initiative supports capacity building by enabling structured training programmes in navigation, water safety, and allied maritime skills. By improving access to essential training equipment, the project contributes to development of technical competencies, promotes experiential learning, and enhances opportunities for youth engagement in marine and adventure-based activities.

(k) Rural Development & Other Initiatives (₹ 04.09 lakh):

GRSE undertook multiple CSR initiatives under Rural Development during the year, with a total expenditure of ₹4.09 lakh, under Item No. (x) of Schedule VII of the Companies Act, 2013. These initiatives were aimed at promoting community awareness, public health, and social participation in line with national priorities. As part of the "Har Ghar Tiranga" campaign, GRSE engaged partner NGOs to organize Independence Day-related programmes. ASHA NGO, Ranchi, conducted a Tiranga campaign and flag march rally on 14th and 15th August 2025 in Ranchi, while CRY Kolkata organized awareness activities under the same initiative, encouraging community participation and fostering a sense of national pride. In the area of healthcare awareness, a health check-up and awareness programme was organized in association with Smile Trust, Belghoria, on the occasion of International Youth Day and Swami Vivekananda Jayanti (12 January 2026). The programme focused on young women from economically disadvantaged ST/SC/OBC communities, covering 121 beneficiaries. Medical tests including blood investigations (CBC, urea, blood group, sugar) and thyroid screening were conducted to promote preventive healthcare and early diagnosis. GRSE also supported the "TB Mukt Bharat Abhiyan" through awareness and IEC campaigns, sensitization workshops, TB screening, social media outreach, and nutritional support for TB patients, in alignment with the Government of India's objective of eliminating tuberculosis. Further, under the "Swasth Nari, Sashakt Parivar Abhiyaan" of the Ministry of Health and Family Welfare, GRSE organized a special women's health camp at RBD on 25.09.2025. The initiative included screening for hypertension and diabetes, TB screening in coordination with the District TB Office, and screening for oral and breast cancer, along with awareness through social media outreach. These initiatives collectively contributed towards strengthening rural awareness, promoting preventive healthcare, and enhancing community well-being.

(l) Provided Stipend to The Apprentices in Kolkata GRSE (₹51.68 lakh):

Provided a part of stipend to support skill development and youth empowerment. This initiative aimed to enhance employability by offering hands-on training and industry relevant experience financial assistance to young trainees, enabled them to gain industry-relevant experience without financial constraints. By investing in the vocational education and practical learning, GRSE aligns with the Skill India Mission, fostering a skilled workforce for the nation. The stipend support not only motivated apprentices to excel in their training but also contributed to economic self-reliance and career growth, reinforcing GRSE's commitment to building a sustainable and skilled talent pool for the future.

III. CSR AWARDS

GRSE has been widely recognized for its exemplary CSR initiatives, earning numerous prestigious awards that underscore its commitment to societal development. GRSE received the following awards during FY 2025-26:

(i) 15th ICC PSE Excellence Award 2025 for "CSR & Sustainability" on 27 Feb 2026

(ii) BCC&I Social Leadership Awards 2025 for "Healthcare & Empowerment, Holistic Development" for Akansha Project on 19 Dec 2025

IV. 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	Duration
(a)	Shri Sanjeeb Mohanty, Independent Director	Chairperson	1	1	01 Apr 2025 to 05 Apr 2025
(b)	Cdr Shantanu Bose, IN (Retd.), Executive Director	Member	1	1	
(c)	DIG Subrato Ghosh, ICG (Retd.), Executive Director	Member	1	1	
(a)	Shri Kamleshbhai S. Mirani, Independent Director	Chairperson	0	0	01 Jun 2025 to 14 Jul 2025
(b)	Cmde Hari P. R., IN (Retd.), Chairman & Managing Director (holding additional charge of Director (CP&P))	Member	0	0	
(c)	Cdr Shantanu Bose, IN (Retd.), Executive Director	Member	0	0	
(a)	Shri Kamleshbhai S. Mirani, Independent Director	Chairperson	3	3	15 Jul 2025 to 31 Mar 2026
(b)	Cdr Shantanu Bose, IN (Retd.), Executive Director	Member	3	3	
(c)	Capt. P. Sunilkumar, IN (Retd.), Executive Director	Member	3	3	

Note: *Due to insufficient Number of Independent Directors on the Board, there was no CSR Committee constituted between 06 Apr 2025 to 31 May 2025. Further, pursuant to appointment of Shri Kamleshbhai S Mirani as Independent Director on the Board of Directors, the Committee was reconstituted w.e.f. 01 Jun 2025.*

The MoD vide its letter dated 02 May 2025, entrusted the Additional Charge of the post of Director (Corporate Planning & Personnel) to Cmde. Hari P. R., IN (Retd.), Chairman and Managing Director, GRSE for a period of three months w.e.f. 01 May 2025 or till the appointment of regular incumbent or till further order, whichever is earlier. Accordingly, Cmde. Hari P. R., Chairman and Managing Director, GRSE, assumed the Additional Charge w.e.f. 01 May 2025. Subsequently, MoD vide its letter dated 14 Jul 2025, appointed Capt. P Sunilkumar, IN (Retd.) as the Director (Corporate Planning & Personnel). Consequently, Cmde. Hari P. R, IN (Retd.), Chairman and Managing Director, GRSE, ceased to hold the Additional Charge of the Director (Corporate Planning & Personnel) and, therefore, ceased to be a Member of the CSR Committee and Capt. P Sunilkumar, IN (Retd.) became the member of the Committee.

V. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company- https://grse.in/board-of-directors-and-committees/ and https://grse.in/csr-projects-and-policy/

VI. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not applicable** *(However, for better understanding of impact of the projects undertaken, an independent agency has been appointed in the current financial year, the final report will be uploaded soon on the official website of the company).*

VII. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
NIL			

VIII. Average net profit of the company as per section 135(5).

(a) Two percent of average net profit of the company as per section 135 (5)

₹ 990.50 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year

Not Applicable

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

Not Applicable

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

₹ 990.50 lakh

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

Total Amount Spent for the Financial Year	Amount Unspent (in ₹)				
	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
₹ 9.97 crore	NIL				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
There is No Ongoing Project in FY 2025 - 26												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1	Supporting 14 nos. Gadadhar Abhyuday Prakalp (GAP) Units of Ramakrishna Mission Belur Math	Item No. (i) – promoting healthcare including preventive healthcare	Yes	Jharkhand & West Bengal	Ranchi & Khunti (Aspirational Districts), West Bengal (North 24 Parganas, South 24 Parganas, Coochbehar, Nadia, Murshidabad)	₹ 92.24	No	Ramakrishna Mission, Belur Math	CSR00006101
2	Project Akansha for holistic development of children at Hastings and Khidirpore in association with Child Rights and You (CRY)	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 27.32	No	CRY - Child Rights and You	CSR00000805
3	Support for adoption of classes and other projects of IICP	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 82.92	No	Indian Institute of Cerebral Palsy	CSR00001730
4	Daily Cleaning & Maintenance of Toilets at 20 Schools, Colleges, Institutions etc. for 10 months in association with Sulabh International Social Service Organization	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata, Howrah & South 24 Parganas	₹ 54,30	No	Sulabh International Social Service Organization, WB Branch and GRSE	CSR00000185
5	Monthly Health Camps for Marginalized Segment at Naora (South 24 Parganas District), Agarhati (North 24 Parganas District), Rajabagan (Kolkata) etc. by GRSE Medical Cell	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata, North 24 Parganas & South 24 Parganas	₹ 29.82	Yes	GRSE Ltd	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
6	Medical examination (investigation) for local workers by GRSE Medical Cell, GRSE	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 43.17	Yes	GRSE Ltd	NA
7	Blood Donation Camps by GRSE Medical Cell, GRSE	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 1.60	Yes	GRSE Ltd	NA
8	TB Nikshay Mitra by GRSE Medical Cell in association with Kolkata Municipal Corporation (KMC)	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 17.16	Yes	GRSE Ltd	NA
9	Ulcer Care Treatment for Leprosy Patients in association with TLMTI at Premananda Memorial Leprosy Hospital (located at Manicktala, Kolkata)	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 30.00	No	The Leprosy Mission Trust India	CSR00001796
10	Building Community Toilets in West Bengal and Jharkhand - ASHA	Item No. (i) – promoting healthcare including preventive healthcare	Yes	Jharkhand	Ranchi & Khunti (Aspirational Districts)	₹ 6.00	No	Association for Social and Human Awareness (ASHA)	CSR00007651
11	Sanitation Related - Swachh Bharat, Swachhta Pakhwada, Special Campaign etc.	Item No. (i) – promoting healthcare including preventive healthcare	Yes	Jharkhand & West Bengal	Kunti & Ranchi (Aspirational Districts- Jharkhand) / Kolkata (West Bengal)	₹ 9.00	Yes	GRSE Ltd	
12	Providing medical equipment to Matri Bhavan Hospital, Kolkata (Ram Krishna Sarada Mission)	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 28.00	No	Ramakrishna Sarada Mission	CSR00005055

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
13	Distribution of Umbrella to Under Privileged Communities in Ranchi	Item No. (i) – promoting healthcare including preventive healthcare	Yes	Jharkhand	Ranchi (Aspirational Districts)	₹ 42.77	No	Sadguru Educational Trust	CSR00034390
14	Enhancement of Eye Care Facilities for Under-Priviledged Communities	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	North 24 Parganas	₹ 30.00	No	Smile Trust	CSR00021103
15	Short-Stay Facility for marginalised communities-Matruchhya Trust, Goa	Item No. (i) – promoting healthcare including preventive healthcare	No	Goa	South Goa	₹ 45.00	No	Matruchhaya Trust	CSR00008186
16	Vocational skill development training for youths in the heath sector at MSSK	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	Kolkata	₹ 27.27	No	Maa Sarada Swanirvar Kendra (A unit of Ramakrishna Math, Belur Math)	CSR00002806
17	SMILE TRUST-Acquisition of eye laser device and renovation of treatment room (H&N) - NEW	Item No. (i) – promoting healthcare including preventive healthcare	Yes	West Bengal	North 24 Parganas	₹ 21.00	No	Smile Trust	CSR00021103
18	TRCSC - Backyard Poultry and Khaki Campbell Duck Distribution (H&N) - NEW	Item No. (i) – promoting healthcare including preventive healthcare	No	Jharkhand	Saraikela / Kharsawan	₹ 4.03	No	TECHNOLOGY RESOURCE COMMU-NICATION AND SERVICE CENTRE	CSR00000250
19	Vocational skill development training for youths in the non-heath sector at MSSK	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	₹ 16.92	No	Maa Sarada Swanirvar Kendra (A unit of Ramakrishna Math, Belur Math)	CSR00002806

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
20	Development of Mayer Ghat on the Bank of Hooghly River at Baghbazar, Kolkata in Association with Syama Prasad Mukherjee Port Kolkata (SMPK)	Item No. (iv) – ensuring environmental sustainability, ecological balances and protection of flora and fauna	Yes	West Bengal	Kolkata	₹ 97.59	No	Syama Prasad Mookerjee Port, Kolkata	Government Organisation
21	Development of Bichali Ghat on the Bank of Hooghly River at Metiabruz, Kolkata	Item No. (iv) – ensuring environmental sustainability, ecological balances and protection of flora and fauna	Yes	West Bengal	Kolkata	₹ 40.32	Yes	GRSE Ltd	NA
22	Hoogly River Pollution Abatement- "Keep the Hoogly Clean "	Item No. (iv) – ensuring environmental sustainability, ecological balances and protection of flora and fauna	Yes	West Bengal	Kolkata	₹ 20.10	No	Sea Explorers Institute, Kolkata	CSR00067038
23	Construction of Building at Garden Reach Moulana Azad Memorial Girls' Higher Secondary School, H-83, Paharpur Road at Ward 135, Garden Reach, Kolkata-700024 **Revised Project: Smart Class for Students** (Installation of LCD Screens/ CCTV/AC etc.)	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	₹ 23.00	No	Garden Reach Moulana Azad Memorial Girls	Government Institution

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
24	Skill development training for local school students, unemployed youths etc. and development of training facility related infrastructure at Industrial Training Institutes (ITI), Educational Institute, School, College, Social Organization, Charitable Organization, Library etc. in West Bengal	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	₹ 44.93	Yes	GRSE Ltd	NA
25	Infrastructure Development of Bakery cum Vocational Unit for Mentally Challenged Children at Nodakhali (South 24 Parganas District) in association with Behala Naba Proyas	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	South 24 Parganas	₹ 7.00	No	Behala Naba Prayas	CSR00028000
26	Plantation of Mangrove Saplings, Fruit Bearing Tree Saplings etc. in West Bengal and Jharkhand	Item No. (i) – promoting healthcare including preventive healthcare	No	Jharkhand	Ranchi	₹ 5.00	No	TECHNOLOGY RESOURCE COMMU-NICATION AND SERVICE CENTRE	CSR00000250

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
27	Rural Development, Promoting Self Help Group, Promoting Road Safety, Promoting Gender Equality, Empowering Women & Disabled, Promoting Rural & Nationally Recognized Sports, Swachh Bharat Kosh, Clean Ganga Fund, PM Cares, Promoting Environmental Sustainability, Protecting Ecological Balance, Protecting Flora & Fauna, Animal Welfare, Agroforestry, Conservation of Natural Resources, Maintaining quality (Soil, Air, Water, Noise), Impact Assessment Study for the CSR Projects undertaken during FY 2023-24 etc.	Item No (x) Rural Development	Yes	West Bengal & Jharkhand	Kolkata -WB, Ranchi-JH (AD)	₹ 4.09	Yes	GRSE Ltd	NA
28	Purchase of Training Boat-Sea Explorer's' institute, Kolkata	Item No. (ii) - promoting employment enhancing vocational skills.	Yes	West Bengal	Kolkata	₹ 2.10	No	Sea Explorers Institute, Kolkata	CSR00067038
29	Hockey for Her-Empowering Girls through sports in Ranchi	Item No. (iii) -Women Empowerment	No	Jharkhand	Khunti (Aspirational Districts)	₹ 34.00	No	CRY - Child Rights and You	CSR00000805

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implement-ation on - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
30	Fund Support for School Construction, Ramakrishna Mission Jhargram	Item No. (ii) - promoting employment enhancing vocational skills.	No	West Bengal	Jhargram	₹ 31.00	No	Ramkrishna Mission, Jhargram	CSR00006101
31	Fund for women safety and awareness: Kolkata Police: Smile Trust	Item No. (iii) - Women Empowerment	Yes	West Bengal	Kolkata	₹ 27.65	No	Smile Trust	CSR00021103
32	Stipend to apprentices and other trainees engaged in GRSE	Item No (ii)	Yes	West Bengal	Kolkata	₹ 51.68	No	GRSE Ltd	NA
		TOTAL				**₹ 997.00**			

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable - **1.79 lakh**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ **997.00 lakh**

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

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	**990.50**
(ii)	Total amount spent for the Financial Year	**997.00**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**6.50**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**00**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**6.50**

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial yea₹ (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.				00			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
					00			
	TOTAL							

XI. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

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

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

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

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Sl.	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired	Complete address and location of the capital asset
1	24 Dec 2025	6.00	Association for Social and Human Awareness (ASHA)	2 Nos of Community Toilets	Naya Bhusur, Near Biodiversity Park, Namkum Ranchi Jharkhand-834013
2	05 Aug 2025	28.00	Matri Bhavan Hospital, (Ramakrishna Sarada Mission)	Double Dome LED OT Light (160000 Lux per Dome), Medical Compressed Air Network for Hospital Operation Theater, Table (O.T Table) dedicated to Ortho & General Surgery	Ram Krishna Sarada Mission Matri Bhavan, 7A Sree Mohan Lane, Kolkata- 700 026
3	05 Sep 2025	14.07	Smile Trust	Non-Contract Tonometer (01), Matronix A-Scan R-001- (01), WZ-981KR Auto Refractor- Eye View- (01), Welchallyn- Retinoscope- (01), Motorized Table-R-009- (03), AC- (06)	Belgharia Vivekakanda Sevasadan, Sabuj Pally, Belgharia, Kolkata- 700056
4	18 Mar 2026	15.85	Smile Trust	Eye Yag Laser (full Set) Model ND: YAG with white	Belgharia Vivekakanda Sevasadan, Sabuj Pally, Belgharia, Kolkata- 700056
5	31 Mar 2026	23.00	Garden Reach Moulana Azad Memorial Girls High School	2 Nos of Smart Class	H-83, Paharpur Road at Ward 135, Garden Reach, Kolkata-700024
6	29 Jul 2025 19 Jul 2025	4.02	Behala Naba Proyas	Installation of Bakery workshop	110, L.N. Motilal Road, Ramnarayan Government Colony, Behala, Kolkata, West Bengal - 700061
7	05 Jan 2026	2.10	Sea Explorars Institute	Rubberized Inflatable Boat	Outram Ghat, Fort William, Kolkata, West Bengal - 700021.
8	19 Mar 2026	24.64	Smile Trust	Supply & Installation of Mini PT 4G Solar Camera, 4MP, S-CWC100- (95), High speed S D Card U3CP-NM128 (128GB)- (95), Installation Charge-(95), Monthly data plan for sim card for 3 years- (95*36), Months 1Tab 256 Storage, 8 GB- (1)	Belgharia Vivekakanda Sevasadan, Sabuj Pally, Belgharia, Kolkata- 700056

XII. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not Applicable**

Sd/-
Shri Kamleshbhai Mirani
Chairperson, CSR & SD Committee
DIN: 11118795

Sd/-
Cmde P R Hari, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY SCENARIO

1.1 Global Scenario

Shipbuilding:

The global shipbuilding industry is witnessing a resurgence, driven by naval modernization, demand for greener and autonomous vessels, and global trade recovery. The shipbuilding market was valued at approximately USD 160–170 billion in 2024 and is expected to grow steadily over the coming decade, potentially reaching USD 200–230 billion by 2030, with an average annual growth rate of around 4–5%. This growth is being driven mainly by demand for fuel-efficient, low-emission, and technologically advanced vessels, rather than by sheer volume.

This anticipated growth is driven by economic growth in emerging markets, growth of sea borne trade, global focus on de-carbonisation and supportive government policies. Surge in naval spending amid geopolitical tensions, proliferation of autonomous and smart ships, thrust towards green vessels including retrofitting of older vessels are key indicators of resurgence of the industry. It is evident that the future of shipbuilding lies in innovation, sustainability, and strategic investments in both infrastructure and skilled workforce. With focus on innovation, digitalization and automation in ship design and construction, to achieve enhanced productivity and competitiveness, the shipyard is well poised to capitalize on the emerging opportunities.

Ship Repair

Ship repair market across defence & commercial customers which together presents an opportunity approximately USD 55-60 billion by 2030, growing at CAGR of roughly 4.4% to 9.1%. Global ship repair market is currently dominated by shipyards in China, Singapore and Middle East largely due to the availability of a skilled workforce and latest technology. Though India's share in global ship repair is less than 1%, the country's location is favourable with 7% to 9% of the global trade passing within 300 NM of the coastline.

Ship repair industry being labour intensive, India has the advantage of having a strong work force to cater for the requirement. However, the untapped potential in the Indian ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kinds of vessels. The shipyard has focused on increasing its ship repair infrastructure to tap opportunities in this important sector.

1.2 The Indian Scenario

Shipbuilding

The overall naval modernisation pipeline now exceeds ₹2.3 lakh crore, extending over a 10–15 year horizon into the mid-2030s. Additionally, commercial shipbuilding also presents an opportunity worth ₹12,000 – ₹15,000 crore/year.

In India, naval shipbuilding is funded through the Navy's capital allocation under the Union Defence Budget. In FY 2025–26, the Navy received around ₹97,000 crore, with capital expenditure of approximately ₹63,000 crore, of which an estimated ₹28,000–30,000 crore annually flows into shipbuilding and shipyard infrastructure. Payments for large platforms are milestone-based and spread over 8–12 years, enabling multiple projects to run concurrently.

With coastal shipping, dredgers, ferries & cruises and gas carriers emerging as the biggest segments. Further, the Maritime India Vision 2030 ('MIV 2030') targets major increase in the utilization of National Waterways and coastal routes for increased movement of cargo and passengers. With the number of operational waterways targeted to increase from 16 to 23 by 2030, the annual cargo movement on these waterways is expected to grow from 73 MT per annum to over 200 MT per annum. Annual passenger movement by ferry operations is also projected to increase from 14 crore to 70 crore by 2030. To achieve objectives of the Government of India's Sagarmala program, it is estimated that India's existing coastal and inland waterways fleet would need to be tripled over the next decade. This has the potential to create a shipbuilding demand of about 12.75 million CGT. These opportunities, along with the National thrust to transition to Green Shipping also presents a new opportunity for shipbuilders in the country. The shipbuilding policy announced by the Government of India granting financial assistance to the shipbuilding industry (for non-defence ships) aims to help Indian Shipbuilders to be more cost competitive at a global level. Our government has recognised the need for further developing transportation network of the rivers and various initiatives including those under the new 'National Logistics Policy' is expected to provide a thrust to Inland Water Transport (IWT) and create demands for Indian built ships. Your company is leveraging these initiatives of the government to make a mark on the commercial shipbuilding sector as well.

Defence shipbuilding in India continues to remain an area of focus of both the public and private sector shipyards. While the five public sector shipyards including your Company are the frontrunners in the defence shipbuilding space, private shipyards are also undertaking specific measures to enhance competence and modify their existing shipbuilding infrastructure to suit the needs of the Indian Armed Forces. Among the private shipyards, L&T Shipbuilding and Shoft Shipyard, which entered the shipbuilding market as commercial shipbuilders, have been repositioning themselves as capable warship builders. The Indian shipbuilding industry's order book is expected to receive a boost on account of the Indian Navy and Indian Coast Guard's ambitious ship acquisition plans as these forces plan to have a fleet of 200 ships each. Their combined shipbuilding programme spanning over next 15 years, indicates that they would place orders for more than 150 warships in the coming years. This provides long-term visibility and sustained workload for Indian shipyards rather than short-term demand spikes.

Ship Repair

To capitalize on the market opportunities anticipated in the area of maintenance, repairs, refits and upgrades of Indian Navy and Indian Coast Guard ships, GRSE intends to increase focus on repair and refitting of Indian Navy and Indian Coast Guard vessels.

The untapped potential in the Indian commercial ship repair market can be attributed to the presence of competing international ship repair yards on major trade routes and a capability gap of Indian yards in repairing certain kind of vessels. Other reasons include high cost of financing, lack of supply of ship spares in India and technology related issues increasing ship repair execution cycle time. However, the present global economic scenario provides a window of opportunity to Indian ship repairers.

Under 'MIV 2030' & 'MAKV 2047', the government is giving a strong push with initiatives such as channelizing the domestic demand leveraging Atmanirbhar Policy, increasing and improving infrastructure through better access to financial instruments, enhancing ease of doing business and improving efficiencies by creating free trade depots, maritime clusters etc. Several new schemes incentivizing Indian Shipyards such as Shipbuilding Financial Assistance scheme (SBFAS), Shipbuilding Development Scheme (SbDS) etc. has been launched amounting total corpus in the tune of ₹ 70,000 crore approx. over next 10 years. Your company remains committed to leveraging these initiatives of the government and continue to make major contributions to nation building.

2. PRODUCTS AND SERVICES

Being a Defence PSU, GRSE is primarily engaged in construction of warships for Indian Navy and Indian Coast Guard. From building 05-ton boats to a 24600-ton Fleet Tanker, GRSE has proved its mettle as the premier warship builder of the nation. Over the last 65 years, GRSE has built around 800 platforms which include 111 warships to Indian Navy, Indian Coast Guard, Govt. of Mauritius & Govt. of Seychelles which is the highest number of warships built & delivered by any shipyard in the country. Over the years, GRSE has demonstrated top of the line capabilities for in-house ship design & ship building and has made significant contribution to the success of indigenous warship construction program by successfully designing and building a multitude of complex warships such as Frigates, Anti-Submarine Warfare Corvettes, Missile Corvettes, Fleet Tanker, Landing Ship Tank (Large), Landing Craft Utility (LCU), Offshore Patrol Vessel, Fast Patrol Vessels, Inshore Patrol Vessel, Water Jet Fast Attack Crafts, Survey Vessels (Large) etc. The shipyard has also embarked on a mission to develop the capability to design and construct zero emission vessels and one such vessel "Dheu" (the largest zero emission ferry in the country) is already making news as she operates successfully on the river Hoogly. 13 more green ferries are currently under construction. Unmanned Surface Vessels, Autonomous Underwater Vehicles and Ship Based Drones are also some of the other focus areas for the shipyard, with various advanced vehicles already developed and included in the product portfolio.

GRSE has created its Ship Repair Division focusing on ship repair business both in commercial and defence segments. Towards augmentation of infrastructure for undertaking ship repair and refits on a large scale, GRSE had signed a Concession Agreement with Syama Prasad Mookerjee Port, Kolkata (SMPK) on 07 Oct 2021 towards development & utilisation of three existing dry docks of Khidderpore Dry Dock (KPDD) complex of SMPK located at Khidderpore, Kolkata. Further, one more Dry Dock is being taken over from SMPK to provide a boost to the ship repair segment.

Apart from shipbuilding & ship repairs, GRSE has diversified into Engineering Business. The engineering product profile includes pre-fabricated steel bridges of various ranges & types and various deck machinery items such as Anchor Capstans, Boat Davits etc. The Engine Division of the company is involved in Assembly/ Testing/ Overhauling of Marine Diesel Engines and manufacture of Diesel Alternators.

GRSE has also diversified into weapons. An order for 30 mm Naval Gun is currently under execution in collaboration with local firm with technical support from an established foreign entity. The first gun has already been delivered successfully to the Navy after extensive testing and trials.

3. SWOT ANALYSIS

Considering the dynamic nature of the environment, a SWOT Analysis of GRSE was carried out and the following are identified:

Strengths

(a) Possession of four Shipyards in Kolkata including three dedicated for Shipbuilding and one for ship repairs.

(b) Dedicated Fitting out Jetty to concurrently undertake post-launch outfitting of four large ships.

(c) ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 & ISO 50001:2018 Certification.

(d) Proven capability to produce a wide spectrum of ships ranging from 5-ton boats to 24600-ton fleet tankers.

(e) Proven in-house capability for ship design in terms of good infrastructure with a seamless IT Network including Design Software.

(f) Dedicated Virtual Reality (VR) Lab for detail design evaluation.

(g) Robust E-Procurement and e-auction system.

(h) Long-standing relationships with main customers like Indian Navy and Indian Coast Guard.

(i) Well-established planning function leveraging the latest Project Management Software.

(j) Dedicated Export Cell for a multi-fold increase in the export of defence & commercial ships and engineering products.

(k) Leveraging the immense potential of startup eco system in the country for development of innovative solutions in shipbuilding, through GRSE Accelerated Innovation Nurturing Scheme (GAINS).

(l) MoUs with Centres of Excellence to enhance R&D capabilities.

(m) MoU with global firms for Indigenous development of High-Speed Diesel Engines and Waterjet propulsion systems.

(n) Having State of Art Infrastructure for performing various operational activities.

Weaknesses

(a) Constraints of a riverine shipyard due to limitations in the depth and width of navigable channels with effects of silting in rivers.

(b) Location of the company in densely populated residential areas having narrow roads.

(c) Weak shipbuilding ecosystem in the eastern part of India.

Opportunities

(a) Acquisition plan of Indian Navy and Indian Coast Guard aimed at significant expansion of fleet size.

(b) Acquisition plan of MHA & IWAI and thrust given by GoI initiatives such as Sagarmala and Jal Marg Vikas.

(c) Government policy on thrust for exports including extension of Line of Credit (LoC).

(d) Export potential especially for small and medium-size warships and patrol vessels to South East Asia, West Asia, African Countries, and Latin America.

(e) Repair and Refit of Ships for the Indian Navy and Indian Coast Guard has significant business potential.

(f) Capacity and Capability enhancement through collaboration with private shipyards.

(g) Scope for increasing business volumes in Bridges, Engineering Products, and Engines through aggressive marketing, capacity augmentation, and product diversification.

(h) Capability of developing basic design of varied range of vessels which can be utilized in rendering design and associated services to other shipyards enabling the Design Office to become a separate cost centre.

(i) Growing market for autonomous vessels and green ships.

(j) Leveraging strategic collaboration with other shipyards, such as the MoU with Modest shipyard to expand capacity.

Threats

(a) Competition from Private and Public Shipyards.

(b) Large dependency on customers at every stage of shipbuilding.

(c) Relatively low availability of ancillary industry locally to support major shipbuilding activities.

(d) Equipment delivery delays due to nomination of specific firms by customer, with potential impact of timelines.

(e) Lack of congruence with respect to the accepted Build specification of the customer.

(f) Competition for Engineering Products from small players.

(g) Emerging private sector firms in the Indian shipbuilding industry and their impact on the Indian Navy and Coast Guard shipbuilding/ship repair market.

From the above SWOT analysis, it emerges that the Company needs to leverage its strengths through Technology driven processes and strategic partnerships to create a competitive advantage for maximizing available opportunities, while continuously improving internal efficiencies and modern HR practices towards becoming a well-diversified, globally competitive and growth focused shipyard. There are significant opportunities available to the Company to build Defence, Commercial, Coastal Security and Inland Water Vessels and also in the field of ship repairs. New opportunities are emerging in the export market for Defence as well as Commercial Shipbuilding which needs to be leveraged through a targeted competitive approach. Accordingly, the Company's efforts are being focused in capitalizing on such opportunities based on the Company's strengths and on minimizing the adverse effect of its weaknesses. The inherent strength of infrastructure and production facilities are also being channelized to develop reliable vendors who can continuously support shipbuilding in order to successfully capitalize on the emerging opportunities and reducing the impact of prevailing threats.

4. OUR STRATEGIES

We intend to pursue the following principle strategies to exploit our competitive strengths and grow our business:

(a) Shipbuilding capacity augmentation through creation of new shipbuilding facilities on the Eastern and Western Seaboard.

(b) Thrust towards cost reduction and improvement of internal efficiency leading to enhanced productivity.

(c) Leverage new and emerging technologies in operations.

(d) Adopt Industry 4.0 suitably in business operations of the Shipyard.

(e) Focus on enhancement of Customer satisfaction through "On-time" deliveries and exceed Quality expectations.

(f) Maximise indigenous content in warship construction.

(g) Optimise utilization of space and maximising use of integrated construction to bring down Build Period.

(h) Business Development through concerted marketing effort, focusing on Exports.

(i) Developing allied engineering Businesses with focused approach.

(j) Enhance Human Resource Development through identification of competency gaps and imparting suitable training to employees keeping overall business strategy on a focal point.

(k) Facilitate development of vibrant eco system for Shipbuilding activities in Eastern region.

(l) Product Diversification with focus of new technology products including Green Energy Platforms and Autonomous Vehicles.

(m) Fostering working partnerships with startups / industry to minimise technology gaps and leverage complementary strengths to develop cutting edge products.

5. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Ministry of Corporate Affairs vide Notification dated 23 Feb 2018 granted exemption to the companies engaged in defence production to the extent of application of relevant Accounting Standard on segment reporting. Hence, the segment-wise / product-wise performance is not appended to this Report.

6. OUTLOOK

The Shipbuilding segment continues to look promising both in the defence and non-defence segments. In this defence segment, this is primarily on account of the ship acquisition plans of the Indian Navy and the Coast Guard. A slew of initiatives already implemented and under implementation by the GoI are expected to boost the Indian shipbuilding industry in the non-defence segment.

Your Company is predominantly in the Defence Shipbuilding segment and has gained sufficient expertise in large, medium and small size ships required by Indian Navy and Indian Coast Guard, in particular, and generally enjoys excellent reputation for ships that it has built. Your Company has delivered its 118th warship, a unique achievement unsurpassed by any shipyard in the country.

GRSE is operating in a highly competitive environment across all its product segments. Despite competition from International and Indian Shipyards in Public and Private sector, your Company continues to make efforts to secure shipbuilding orders at domestic and international level and is maintaining a healthy growth momentum.

In order to move forward the ship repair activity, the Concession agreement with SMP (KoPT) to develop and utilize 03 existing dry docks of SMP is being effectively utilized to boost the ship repair efforts of GRSE. Docking and repair /refit of a number of commercial as well as Indian Coast Guard Ships were successfully undertaken in this newly acquired facility during FY 2024-25. This collaboration will also contribute to the shipyard's capability to take on the emerging opportunities in shipbuilding, repair and refits. The Company is also giving additional thrust to its ship repair activities by strengthening the teams.

In addition, the company has also created a dedicated "Commercial Shipbuilding" division to provide impetus in this segment with huge market potential, especially for exports.

Aggregated demand for commercial shipbuilding under the MoPSW represents a massive estimated opportunity of $ 237 B (approx. 20 lakh crore) by 2047. To capture this demand, MoPSW projects the need to scale domestic shipbuilding capacity to 4.5 M GT annually to align with MAKV vision.

Also, your company has focused on new product development in the segments of autonomous & green energy platforms and portable steel bridges.

7. MEASURES TO TACKLE CHALLENGES

The following are the major initiatives taken to ensure sustained performance and growth:

a) Streamlining Material Management / Supply Chain Management with focus on "Ease of doing Business".

b) Vendor development & building long term partnerships.

c) Improve Project Management System for shipbuilding projects through creation of dedicated Project Management Teams.

d) Upgrade shipbuilding technology / processes through new technology adoption

e) Upgrade products of Bridges Unit, Deck Machinery Unit and Diesel Engine Plant

f) Business Development through concerted marketing effort for Exports, specifically by appointing MRs in targeted nations.

g) Product diversification with products ranging from "Warships to Weapons"

h) Creating Strategic Partnerships for Export / Special Projects

i) Measures for increasing VoP from Ship Repair (SR) Business

j) Measures for increasing VoP of Portable Bridges, Deck Machinery and Diesel Engine Businesses

k) Achieve 100% compliance for working on PLM software

l) Reduction in Revenue Expenditures

m) Efficient Risk Analysis and Mitigation Plans

n) Leverage new age Technology (ICT) for better management of operations

o) Shipyard Capacity Enhancement

p) Creation of a "Innovation & New Technology" department

q) Leveraging the Indian Startup eco system to facilitate new technology adaptation

r) Creation of Commercial Shipbuilding Department.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains adequate internal controls implemented towards achieving effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations which are appropriate to the nature and size of the business. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions, to ensure integrity in conducting its business, ensuring compliance with policies, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors. The efficacy of the various policies is evaluated for the dynamic and evolving business environment. Process owners are responsible for ensuring compliance with these policies and procedures. Continuous internal monitoring mechanisms ensure timely identification of risks and issues.

The Company has an Internal Audit Department, which monitors compliances of Company's procedures, and policies. The Audit Committee of the Board reviews the annual internal audit plan covering core business operations, corporate departments as well as support functions and significant audit observations are reported to the Audit Committee of Board of Directors. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Company is also subject to Audit by Comptroller & Auditor General of India. The Audit Committee reviews adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

9. RISK MANAGEMENT

The Company has in place a Board approved Risk Management Policy and Charter and implemented a structured risk management system. The Company's Enterprise Risk Management ('ERM') process is based on ISO 31000 standards. Risk Management

Committee ('RMC') of the Board provides oversight and sets the tone for implementing the ERM framework across the organisation. It reviews the status of key risks, progress of ERM implementation across locations, as well as risk governance. The key risks faced by the company are analysed by the Risk Management Steering Committee (RMSC), which is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. The Chief Risk Officer (CRO) is the convener of RMC & RMSC. Risk management committees at unit level analyse risks associated with their respective areas, prepare mitigation plans, ensure implementation and also inform the top management. The Committee updates the Board from time to time on risk management and mitigation to ensure that executive management controls risk by means of a properly designed framework.

10. DISCUSSION AND ANALYSIS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Performance Highlights of the Company during the year ended 31 Mar 2026 are as follows: *(₹ in crore)*

Particulars	As on 31 Mar 2026	As on 31 Mar 2025
Gross Income	7,276.54	5,410.53
Revenue from Operations	7,002.16	5,075.69
Value of Production	6,994.81	5,070.98
Gross Profit	1,069.69	756.10
Profit Before Tax	1,004.70	703.29
Tax Expense	256.76	175.89
Profit After Tax	747.94	527.40
Net Worth	2,626.12	2,079.26
Book Value per Share (in ₹)	229.25	181.51
Earnings Per Share (in ₹)	65.29	46.04
Dividend Per Share (in ₹)	19.60	13.85

Ratios Analysis:

Ratios	As at 31 March, 2026	As at 31 March, 2025	% of Variance
Debtors Turnover	9.46	22.38	-58
Inventory Turnover	1.80	1.25	44
Interest Coverage Ratio	63.34	69.13	-8
Current Ratio	1.25	1.17	5
Debt Equity Ratio	0.013	0.004	225
Gross Profit Margin (%)	14.70	13.97	5
Net Profit Margin (%)	10.68	10.39	3
Return on Net Worth (%)	31.79	28.11	13

(₹ in crore)

Import and Export	As on 31 Mar 2026	As on 31 Mar 2025
Imports consumed during the year	356.82	419.00
Exports made during the year	270.70	73.63

- **Gross Revenue** registered a rise of 34.49% from ₹5,410.53 crore in 2024-25 to ₹7,276.54 crore in FY 2025-26.
- **Debtors Turnover:** Successive deliveries of 8 ships during FY 2025-26 has increase trade receivables from ₹259.46 crore in FY 2024-25 to ₹1,220.87 crore in FY 2025-26. The same has resulted into lower debtor turnover.
- **Debt-Equity Ratio:** Due to increase in long-term lease liabilities from ₹7.62 crore in FY 2024-25 to ₹31.45 crore in FY 2025-26, the ratio has increased significantly.

- **Value of Production** has increased by 37.94% from ₹5,070.98 crore in 2024-25 to ₹6,994.81 crore in 2025-26.
- **Net Profit (PBT)** registered a rise of 42.86%, increased from ₹703.29 crore in 2024-25 to ₹1,004.70 crore in 2025-26.
- **Inventory Turnover:** Company's turnover has been significantly increased whereas average inventory levels remained similar to previous year. Hence, Inventory turnover ratio has improved.
- **Return on Net Worth:** The Profits After Tax (PAT) increased from ₹ 527.40 crore in 2024-25 to ₹ 747.93 crore in 2025-26 resulting into increase in Return on Net Worth.
- **Value Addition Per Employee** has increased from ₹87.56 lakh in 2024-25 to ₹187.59 lakh in 2025-26.
- **Book Value per share** has increased from ₹181.51 in 2024-25 to ₹229.25 in 2025-26.

11. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' report.

12. MANPOWER

The employee strength of your Company was 1660 persons as on 31 Mar 2025.

Total Employees as on 31 Mar 2026	Officers	Supervisors	Office Assistants	Workmen		
				Direct	Indirect	Total
1595	502	185	61	719	128	847

13. ENVIRONMENT PROTECTION

Your Company contributes in all aspects towards a clean and green environment by systematically integrating best practices to bring in cleaner technologies and greening the environment through recycle, reuse and reduce approach. Effluent and Sewage Treatment Plants are being operated. Various environmental protection activities such as water conservation, tree plantation, disposal of hazardous waste and metal scrap, e-waste management and maximizing use of solar energy are also being diligently carried out.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Relevant information in this regard is disclosed in the '*Directors' Report*'.

15. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY (CSR)

Relevant information in this regard is disclosed in the section '*Annual Report on CSR Activities*' provided at Appendix – "E" of the Directors' Report.

Cautionary Statement- *Certain statements made in the Management Discussion and Analysis Report related to the Company's objectives, projections, outlook, expectations, estimates and other may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct/indirect control.*

REPORT ON CORPORATE GOVERNANCE

(FOR THE FINANCIAL YEAR 2025-26)

ADOPTED CORPORATE GOVERNANCE PHILOSOPHY

1. Corporate Governance at your Company is centered on creating and sustaining long-term value for all our stakeholders including regulators, employees, customers, vendors, investors, and society at large, through ethical and transparent business practices. We believe that effective corporate governance is the cornerstone of a resilient and successful enterprise. The Company's governance framework is built on strong leadership, accountability, and integrity. Our corporate structure, business practices, and disclosure mechanisms are closely aligned with our governance philosophy, ensuring transparency, fairness, and responsibility in all aspects of our operations.

2. The Company has complied with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as well as the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by the Department of Public Enterprises (DPE).

BOARD OF DIRECTORS

3. As per the provisions of the Companies Act, 2013, your Company is a Government Company, with 74.50% of its total paid-up share capital held by the President of India, acting through the Ministry of Defence, Government of India. Being a Government Company, the appointment and tenure of all Directors are determined by the President of India, through the administrative Ministry. None of the Directors are related inter se.

4. The Board of Directors, chaired by the Chairman & Managing Director, is the highest decision-making body responsible for overseeing the overall functioning of the Company. It provides strategic direction, ensures accountability for performance, and sets long-term goals aligned with the Company's Vision Statement through a structured Long-Term Perspective Plan.

5. The Board is entrusted with the ultimate responsibility of governance, performance, and value creation for shareholders. In order to facilitate effective and timely decision-making, the Board has constituted various Sub-Committees, each tasked with specific responsibilities.

SIZE AND COMPOSITION OF THE BOARD

6. The Board of the Company is comprised of Executive (Whole-Time) Directors, Non-Executive (Part-Time Official) Government Nominee Director and Non-Executive (Part-Time Non-Official) Independent Directors. As on 31 Mar 2026, the Board of Directors of your Company does not have an optimum combination of Executive and Non-Executive Directors in line with requirements of Corporate Governance norms. As of that date, the Board comprised of a total six (06) Directors comprised of four (04) Whole-Time Directors, one (01) Government Nominee Director, and one (01) Part-Time Non-Official Director (Independent Director).

7. The details of the composition of the Board of Directors of your Company during the period from 01 Apr 2025 to 31 Mar 2026 are provided below:

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies#		No. of Board Committee positions held in other Companies##		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	
Whole-Time / Functional Directors (Executive)						
Cmde P R Hari, IN (Retd.), *Chairman & Managing Director*	10 Jun 2022	-	-	-	-	-
Shri Ramesh Kumar Dash, [1] *Director (Finance) & CFO*	01 Jul 2020	-	-	-	-	-
Cdr Shantanu Bose, IN (Retd.), *Director (Shipbuilding)*	08 Jun 2022	-	-	-	-	-
DIG Subrato Ghosh, ICG (Retd.) [2], *Director (Personnel)*	20 Jun 2023	-	-	-	-	-
Capt P Sunilkumar, IN (Retd.)[3], *Director (Corporate Planning & Personnel)*	14 Jul 2025	-	-	-	-	-
Shri Niranjan Mukund Bhalerao [4] *Director (Finance) & CFO*	06 Oct 2025	-	-	-	-	-
Government Nominee Director (Non-Executive)						
Dr. Garima Bhagat, [5] [6] Government Nominee *Director, Joint Secretary (Land System)*	23 Dec 2024	-	03	-	-	-

Name of the Directors	Date of Appointment	No. of Directorship in other Public Companies#		No. of Board Committee positions held in other Companies##		Directorship in other listed entity & category
		Chairperson	Member	Chairperson	Member	
Shri Rajeev Prakash, Government Nominee Director, [7] [8] *Joint Secretary (Naval System)*	15 Jul 2025	-	02	-	-	1
Part-Time Non-Official (Independent Directors) (Non-Executive)						
Shri Sanjeeb Mohanty [8]	06 Apr 2022	-	-	-	-	-
Shri Kamleshbhai Shashikantbhai Mirani[9]	21 May 2025	-	-	-	-	-

Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships

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

[1] *Superannuated as Director (Finance) and CFO of the Company w.e.f. 01 Jun 2025*

[2] *Superannuated as Director (Personnel) of the Company w.e.f. 01 May 2025*

[3] *Appointed as Director (Corporate Planning & Personnel) of the Company w.e.f. 14 Jul 2025*

[4] *Appointed as Director (Finance) and CFO of the Company w.e.f. 06 Oct 2025*

[5] *Appointed as Government Nominee Director of India Optel Limited w.e.f. 19 May 2025*

[6] *Ceased as Government Nominee Director of the Company w.e.f. 15 Jul 2025*

[6] *Appointed as Government Nominee Director of the Company w.e.f. 15 Jul 2025*

[7] *Ceased as Government Nominee Director of the Company w.e.f. 27 Apr 2026*

[8] *Completed his tenure as Independent Director of the Company on 05 Apr 2025*

[9] *Appointed as Independent Director of the Company w.e.f. 21 May 2025*

8. Two (2) Executive (Whole Time Director), One (01) Part-Time Official Director (Government Nominee Director) and One (01) Part – Time Non Official Director (Independent Director), have been inducted to the Board of Directors during the year under review. Brief Resume of the newly appointed Directors are provided below:

Capt. P Sunilkumar, IN (Retd.)

Capt. P. Sunilkumar, IN (Retd.) (DIN:11193635) having an experience of over 32 years, assumed charge as Director (Corporate Planning & Personnel) of GRSE on 14 July 2025. He joined GRSE in September 2016 after rendering nearly 22 years of commissioned service in the Indian Navy. He is an alumnus of the Naval College of Engineering and holds a B. Tech (Mechanical) from JNU, New Delhi. He also holds Master's degrees in Systems and Controls Engineering (IIT Mumbai) and Defence & Strategic Studies (64th DSSC) from Madras University.

Prior to this appointment, he served as Chief General Manager and was the Unit In-Charge and Occupier of GRSE's Fitting Out Unit, a production facility responsible for outfitting all three P17A class ships and one Survey Vessel, with a workforce exceeding 2,000 personnel. Capt. P. Sunilkumar, IN (Retd.) commenced his tenure at GRSE as Additional General Manager (Materials). He subsequently assumed the role of General Manager (Cost Estimation & Corporate Planning) and was later elevated to Chief General Manager (Corporate Planning & Corporate Communication).

He is a certified Project Management Professional (PMP®), Certified International Supply Chain Professional (CISCP), and holds diplomas in Supply Chain Management and Human Resource Management. His interests include 'Personal Finance' (he has attained Level 3 in CFP®), and reading in the domains of strategy, motivation, and allied subjects.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

Shri Niranjan Mukund Bhalerao

Shri Niranjan Mukund Bhalerao (DIN: 10941391) having an experience of over 30 years, assumed charge as a Director (Finance) and CFO of the Company on 06 Oct 2025. He has completed his B.com from Pune and is a Fellow Member of Institute of Chartered Accountants of India. He started his career in 1996 with Indian Oil Corporation Limited, a Maharatna Public Sector Undertaking.

Shri Niranjan Mukund Bhalerao has varied experience of Refineries, Pipelines and Corporate Office. He has handled many assignments like Management Accounting, Banking, Corporate Taxation both Direct and Indirect Taxes, Internal Audit, Corporate Affairs, Shipping, Contracts, City Gas Distribution, Joint Venture and Subsidiary operations etc. He was also Nominee Director of Kochi Salem Pipeline Private Limited, a Joint Venture of Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited for a brief period from 26 Feb 2025 to 22 Aug 2025.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

Shri Rajeev Prakash, JS (NS)

Shri Rajeev Prakash (DIN: 08590061), Joint Secretary (Naval System), appointed as Part-Time Official Director (Government Nominee Director) of the Company by the Department of Defence Production, Ministry of Defence, Government of India with effect from 15 Jul 2025. He has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. Further, he is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS).

Shri Rajeev Prakash has a vast experience in the field of finance and held various important posts in the Government of India. Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication. Further, he was also a Government Nominee Director on the Board of Bharat Broadband Network Limited, Hindustan Aeronautics Limited, Gliders India Limited, Bharat Electronics Limited, Troop Comforts Limited, Mazagon Dock Shipbuilders Limited and Hindustan Shipyard Limited.

Notably, Shri Rajeev Prakash previously also held the position of Part – Time Official Director (Government Nominee Director) of GRSE from 23 Jun 2022 to 10 Dec 2024.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships:

Sl. No.	Name of the Companies / bodies corporate / firms / association of individuals	Nature of interest or concern / Change in interest or concern	Date on which interest or concern arose / changed
1	Mazagon Dock Shipbuilders Limited	Part Time Official Director	10 Dec 2024 (Appointment)
2	Hindustan Shipyard Limited	Part Time Official Director	19 May 2025 (Appointment)

Shri Kamleshbhai Sashikantbhai Mirani

Shri Kamleshbhai Shashikantbhai Mirani (DIN: 11118795), has been appointed as Independent Director of GRSE by the Department of Defence Production, Ministry of Defence, Government of India, with effect from 21 May 2025. He is a commerce graduate from Saurashtra University, Rajkot, and brings extensive experience in public sector administration and real estate.

Shri Kamleshbhai Shashikantbhai Mirani has held key advisory and leadership positions in various government bodies, including the Rajkot Municipal Corporation, Gujarat State Road Transport Corporation, and the Telephone Advisory Committee (Government of India). During his association with these organizations, he led initiatives focused on uplifting underprivileged communities, strengthening social infrastructure, and improving local governance. His tenure involved oversight of financial and administrative operations, highlighting his strengths in policy planning and resource management. He also made contributions to grievance redressal mechanisms and overall efficiency of public service delivery.

In addition to his public service, Shri Kamleshbhai Mirani is actively engaged in the real estate sector, applying his governance and administrative experience to private enterprise. His professional journey reflects a strong commitment to civic responsibility, effective governance, and business acumen.

He has no inter-se relationship with other Directors in the Company. Further, he does not hold any equity shares of the Company.

Other Directorships: Nil

Committee Membership of other Companies: Nil

KEY BOARD EXPERTISE AND SKILLS

9. The Directors on the Board of your Company are appointed by the President of India, acting through the Ministry of Defence, the Government of India. These appointments are made through a meticulous screening process adopted by the Government of India.

10. The Board of your Company comprises of qualified members who bring in the required skills, competence, expertise, and experience that allow them to provide effective oversight and valuable guidance to the Board and its Committees. The Directors are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key skills, expertise, and attributes which, in the opinion of the Board, are required for the effective functioning of the Company, particularly in the context of its business environment:

Skills and Attributes	Description
Organisational Purpose	Ability to understand the industry and operational dynamics, maritime needs of the nation, and the broader socio-economic, political, regulatory, and competitive environment, both domestic and global. Capacity to identify emerging opportunities and risks and contribute to the development of a compelling long-term vision for the Company.
Financial and Managerial Acumen	Expertise in accounting, finance, business strategy, general management practices, risk management, human resources, labour laws, internal controls, and crisis management. Possession of sound business judgment and macroeconomic awareness.
Policy Evaluation	Ability to assess and review policies, systems, and procedures in light of the legal framework, applicable Government directives, and evolving business needs.
Corporate Governance	Strong understanding of regulatory compliance, Board and management accountability, stakeholder protection, and best practices in corporate governance, with the ability to support and strengthen governance frameworks.
Technological Understanding	Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable.
Culture Building	Commitment to promoting an ethical, transparent, and accountable organizational culture. Ability to eliminate conflicts of interest and uphold the highest standards of integrity and conduct.

11. Given below is a list of core skills, expertise and competencies of individual Directors:

Name of Director	Skills / Expertise / Competencies					
	Organisational Purpose	Financial and Managerial acumen	Policy Evaluation	Corporate governance	Technological understanding	Culture Building
Cmde P R Hari, IN (Retd.)	√	√	√	√	√	√
Cdr. Shantanu Bose, IN (Retd.)	√	√	√	√	√	√
Capt P Sunilkumar, IN (Retd.)	√	√	√	√	√	√
Shri Niranjan Mukund Bhalerao	√	√	√	√	√	√
Shri Rajeev Prakash	√	√	√	√	√	√
Shri Kamleshbhai Shashikantbhai Mirani	√	√	√	√	-	√

BOARD PROCEDURE

12. The Board of Directors meet at least once every quarter and more frequently if deemed necessary. These meetings serve as a platform for reviewing and formulating key policies and strategies, monitoring and reviewing performance, approving high-value contracts, and exercising oversight on critical aspects of the Company's functioning. The key agenda items typically include, review and simplification of policies and procedures to enhance ease of doing business, strategic planning for business development, delegation of powers and authority, review and approval of quarterly, half-yearly, and annual financial results, approval of annual accounts, budgets, and the Annual Operating Plan, and consideration of matters that are statutorily required to be placed before the Board.

13. Your Company places significant emphasis on structured and well-prepared Board Meetings. Detailed agenda notes, supported by comprehensive background materials, are circulated to the Directors well in advance to facilitate informed and effective decision-making. The Board members are also encouraged to raise additional matters, in consultation with the Chairman, for discussion and consideration. As and when required, senior executives of your Company are also invited to attend Board Meetings and to provide expert insights and necessary clarifications on specific issues. The Part-Time Directors contribute significantly to Board deliberations, leveraging their extensive expertise in areas such as technology, finance, marketing, public policy, governance and operations, thereby enriching the quality of Board discussions and decisions.

MEETINGS AND ATTENDANCE

14. During the year 2025-26, Eleven (11) Board Meetings were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	02-Apr-25	06	06
2.	25-Apr-25	05	05
3.	13-May-25	04	04
4.	30-May-25	05	04
5.	22-Jul-25	05	05
6.	08-Aug-25	05	04
7.	19-Sep-25	05	04
8.	04-Nov-25	06	06
9.	28-Jan-26	06	05
10.	21-Feb-26	06	06
11.	18-Mar-26	06	05

15. The maximum interval between any two Board Meetings held during the year was Eighty-Four (84) days. The details of Directors' attendance at the Board Meetings and Annual General Meeting held during the FY 2025-26 are given below:

Name of the Director	Meeting held and attended during respective Tenure of Directors											% of attendance	Attendance at the last AGM held on 19 Sep 25
	02-Apr-25	25-Apr-25	13-May-25	30-May-25	22-Jul-25	08-Aug-25	19-Sep-25	04-Nov-25	28-Jan-26	21-Feb-26	18-Mar-26		
Cmde P R Hari, IN (Retd.)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	100	✔
Shri Ramesh Kumar Dash [1]	✔	✔	✔	✔	NA	NA	NA	NA	NA	NA	NA	100	NA
Cdr. Shantanu Bose, IN (Retd.)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	100	✔
DIG Subrato Ghosh, ICG (Retd.) [2]	✔	✔	NA	NA	NA	NA	NA	NA	NA	NA	NA	100	NA
Capt P Sunilkumar, IN (Retd.) [3]	NA	NA	NA	NA	✔	✔	✔	✔	✔	✔	✔	100	✔
Shri Niranjan Mukund Bhalerao[4]	NA	NA	NA	NA	NA	NA	NA	✔	✔	✔	✔	100	NA
Shri Rajeev Prakash [5] [6]	NA	NA	NA	NA	✔	×	×	✔	×	✔	×	42.86	✔
Dr. Garima Bhagat [7]	✔	✔	✔	×	NA	NA	NA	NA	NA	NA	NA	75.00	NA
Shri Sanjeeb Mohanty [8]	✔	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100	NA
Shri Kamleshbhai Shashikantbhai Mirani [9]	NA	NA	NA	✔	✔	✔	✔	✔	✔	✔	✔	100	✔

✔ - Present   *× - Absent*   *NA - Not Applicable*

[1] *Superannuated as Director (Finance) and CFO of the Company w.e.f. 01 Jun 2025*

[2] *Superannuated as Director (Personnel) of the Company w.e.f. 01 May 2025*

[3] *Appointed as Director (Corporate Planning & Personnel) of the Company w.e.f. 14 Jul 2025*

[4] *Appointed as Director (Finance) and CFO of the Company w.e.f. 06 Oct 2025*

[5] *Ceased as Government Nominee Director of the Company w.e.f. 11 Dec 2024*

[6] *Appointed as Government Nominee Director of the Company w.e.f. 15 Jul 2025*

[7] *Ceased as Government Nominee Director of the Company w.e.f. 15 Jul 2025*

[8] *Completed his tenure as Independent Director of the Company on 05 Apr 2025*

[9] *Appointed as Independent Director of the Company w.e.f. 21 May 2025*

COMMITTEES OF THE BOARD

16. To ensure focused oversight and effective management of the day-to-day affairs of your Company, the Board had constituted seven (7) Sub-Committees. These committees are entrusted with specific responsibilities and play a crucial role in facilitating efficient decision-making process and governance. The Board Committees consists of the following:

    (a) Audit Committee

    (b) HR, Nomination and Remuneration Committee

    (c) CSR & Sustainability Committee

    (d) Stakeholders Relationship Committee

    (e) Risk Management Committee

    (f) Procurement Committee

    (g) Legal Committee

17. Each Committee operates under a defined charter or terms of reference and reports its findings and recommendations to the Board of Directors for consideration and approval.

18. The details about the above-mentioned Sub-Committees of the Board of Directors are provided below.

MANDATORY COMMITTEES OF THE BOARD

Audit Committee

19. As on 31st March 2026 and during the FY 2025-26, the Audit Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with Section 177 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Independent Directors of your Company are appointed by President of India acting through the Ministry of Defence, Government of India and such appointment is pending at their end. The Company has been taking up the matter with Administrative Ministry for appointing requisite number of Independent Directors on the Board of the Company from time to time.

20. The terms of reference of the Audit Committee are specified in accordance with Section 177 of the Companies Act, 2013 and the rules framed thereunder, the SEBI Listing Regulations and the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports, Company's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established and Company's auditing, accounting and financial reporting process generally.

21. The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors and discusses their findings, suggestions and other related matters and reviews the major accounting policies followed by your Company. The Audit Committee reviews the quarterly, half yearly and annual financial statements before their submission to the Board. The Committee also reviews the functioning of whistle blower mechanisms and effective implementation of Insider Trading Code in the Company.

22. The Chairman of the Audit Committee apprises the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings are placed before the Board at its subsequent meetings for information. All the recommendations made by the Audit Committee are placed before the Board.

23. During the FY 2025-26, no meeting of the Audit Committee could be held.

HR, Nomination and Remuneration Committee

24. As on 31st March 2026 and during the FY 2025-26, the HR, Nomination and Remuneration Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with the Section 178 of the Companies Act, 2013, the DPE Guidelines on Corporate Governance for CPSEs, 2010 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Independent Directors of your Company are appointed by President of India acting through the Ministry of Defence, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with Administrative Ministry for appointing requisite number of Independent Directors on the Board of the Company from time to time.

25. The terms of reference of HR, Nomination and Remuneration Committee are as follows: -

    (a) To decide the annual bonus / variable pay pool Performance Related Pay (PRP) and policy for its distribution across the executives (including Board Level executives) and non-unionised supervisors within the prescribed limits for each financial year;

    (b) To examine all the proposals related to HR issues and give its recommendations;

    (c) The recommendations of the HR, Nomination and Remuneration Committee are placed before the Board of Directors for approval.

26. During the FY 2025-26, no meeting of the HR, Nomination and Remuneration Committee could be held.

27. **Performance Evaluation of Directors** – The Ministry of Corporate Affairs (MCA) has exempted Government Companies from complying with the provisions of Section 178(2) & para VIII of Schedule IV of the Companies Act, 2013 with regard to performance evaluation of Board, its committees and individual directors. The performance evaluation of Functional Directors, Government Nominee Directors and Independent Directors of your Company is carried out by Ministry of Defence (Administrative Ministry), in accordance with the applicable rules and procedures laid by the Government of India.

Corporate Social Responsibility & Sustainability Committee

28. The Board of Directors of your Company has adopted a comprehensive Corporate Social Responsibility and Sustainability ("CSR & SD") Policy, formulated in accordance with the provisions of the Companies Act, 2013, the rules framed thereunder, and the Corporate Social Responsibility & Sustainability Guidelines issued by the Department of Public Enterprises (DPE). In alignment with this policy, a dedicated CSR & SD Committee has been constituted under the Chairmanship of an Independent Director. The Committee is responsible for the planning, implementation and monitoring of the CSR & Sustainability activities of your Company.

29. The terms of reference of the CSR & SD Committee are as follows: -

   (a) Formulate and recommend to the Board, a Corporate Social Responsibility and Sustainability Policy which shall indicate the activities to be undertaken by your Company as specified in Schedule - VII of the Companies Act, 2013;

   (b) Recommend amount of expenditure to be incurred on CSR activities;

   (c) Monitor the Corporate Social Responsibility and Sustainability Policy of your Company and its effective implementation from time to time.

30. The composition of the CSR & SD Committee of the Board of Directors as on 31 Mar 2026 was as follows:

(a)	Shri Kamleshbhai Shashikantbhai Mirani *Independent Director*	Chairperson
(b)	Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	Member
(c)	Capt P Sunilkumar, IN (Retd.) *Director (Corporate Planning & Personnel)*	Member

31. The Company Secretary is Secretary to the Committee.

32. During the FY from 06 Apr 2025 to 31 May 2025, the CSR & SD Committee of the Board of Directors was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with the Section 135 of the Companies Act, 2013, Corporate Social Responsibility and Sustainability ("CSR & SD") Policy, other provisions of the Companies Act, 2013, the rules framed thereunder, and the Corporate Social Responsibility & Sustainability Guidelines issued by the Department of Public Enterprises (DPE).

33. During the financial year 2025-26, Four (4) Meetings of the CSR & SD Committee were held. The details of member attendance at these meetings are provided below:

Name of the Director	Meeting held and attended during respective Tenure of Directors				% of attendance
	02-Apr-2025	22-Jul-2025	28-Jan-2026	18-Mar-2026	
Shri Sanjeeb Mohanty [1] *Independent Director*	✓	NA	NA	NA	100
Shri Kamleshbhai Shashikantbhai Mirani [2] *Independent Director*	NA	✓	✓	✓	100
Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	✓	✓	✓	✓	100
DIG Subrato Ghosh, ICG (Retd.) [3] *Director (Personnel)*	✓	NA	NA	NA	100
Capt P Sunilkumar, IN (Retd.) [4] *Director (Corporate Planning & Personnel)*	NA	✓	✓	✓	100

- Present ✓ × *- Absent* *NA - Not Applicable*

[1] *Ceased as a Chairperson of the Committee w.e.f. 06 Apr 2025*

[2] *Admitted as a Chairperson of the Committee w.e.f. 01 Jun 2025*

[3] *Ceased as a Member of the Committee w.e.f. 06 Apr 2025*

[4] *Admitted as a member of the Committee w.e.f. 14 Jul 2025*

Stakeholders Relationship Committee

34. The Stakeholders Relationship Committee was constituted in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

35. In line with the SEBI Listing Regulations, the terms of reference of the Stakeholders Relationship Committee include the following:

   (i) Resolving the grievances of the security holders 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 by shareholders;

   (iii) Review of adherence to the service standards adopted by your Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

   (iv) Review of the various measures and initiatives taken by your Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Shareholders.

36. The composition of the Stakeholders Relationship Committee of the Board of Directors as on 31 Mar 2026 was as follows:

(a)	Shri Kamleshbhai Shashikantbhai Mirani *Independent Director*	Chairperson
(b)	Shri Niranjan Mukund Bhalerao *Director (Finance)*	Member
(c)	Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	Member

37. The Company Secretary serves as the Secretary of the Stakeholders Relationship Committee, and he is also the Compliance Officer.

38. During the FY from 06 Apr 2025 to 31 May 2025, the Stakeholders Relationship Committee of the Board of Directors was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with the Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulation.

39. During the year 2025-26, One (1) Meeting of the Stakeholders Relationship Committee of the Board of Directors was held. The details of member attendance at these meetings are provided below:

Name of the Director	Meeting held and attended during respective Tenure of Directors 28-Jan-2026	% of attendance
Shri Kamleshbhai Shashikantbhai Mirani [1] *Independent Director*		100
Shri Niranjan Mukund Bhalerao[2] *Director (Finance)*		100
Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*		100

- Present × *- Absent* *NA - Not Applicable*

[1] *Admitted as the Chairperson of the Committee w.e.f. 01 Jun 2025*

[2] *Admitted as member of the Committee w.e.f. 06 Oct 2025*

40. **Name and Designation of Compliance Officer -** In accordance with the SEBI Listing Regulations, the Board has appointed Shri Sandeep Mahapatra, Company Secretary, as the Compliance Officer.

41. The Status of Shareholders/ Investor Complaints as on 31 Mar 2026 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on 01 Apr 2025	0
Received during the year	16
Resolved during the year	16
Not solved to the satisfaction of shareholders	0
Pending as on 31 Mar 2026	0

Risk Management Committee

42. The Risk Management Committee was constituted in line with the Regulation 21 of the SEBI Listing Regulations.

43. The roles and responsibilities of the Risk Management Committee include the following:

   (i) To formulate a detailed risk management policy which shall include:

      (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber-security risks or any other risk as may be determined by the Committee.

      (b) Measures for risk mitigation including systems and processes for internal control of identified risks;

      (c) Business continuity plan.

   (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

   (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; ensure that the Company is taking appropriate measures to achieve prudent balance between risks and rewards in both ongoing and new business activities.

   (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

   (v) To review and assess the nature role responsibility and authority of the risk management function within the Company and outline the scope of risk management work.

   (vi) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; assist the Board in setting risk strategies, policies, framework, models and procedures.

   (vii) The appointment and removal of the Chief Risk Officer (if any) shall be recommended / reviewed by the Risk Management Committee.

   (viii) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

44. The composition of the Risk Management Committee of the Board of Directors as on 31 Mar 2026 was as follows:

(a)	Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	Chairperson
(b)	Capt P Sunilkumar, IN (Retd.) *Director (Corporate Planning & Personnel)*	Member
(c)	Shri Niranjan Mukund Bhalerao *Director (Finance) & CFO*	Member
(d)	Shri Kamleshbhai Shashikantbhai Mirani *Independent Director*	Member

(e)	Cdr Bhubneshwar Mishra, IN (Retd.) [1] [2] *Chief Risk Officer*	Member
(f)	Shri Bijay Das *Risk Coordinator*	Member Secretary

[1] *Ceased to be the Chief Risk Officer w.e.f. 01 Apr 2026.*

[2] *Cmde Rajat Manchanda, IN (Retd.) has been appointed as Chief Risk Officer w.e.f. 01 Apr 2026.*

45. The Risk Coordinator is Member and also the Secretary of the Committee.

46. During the FY from 06 Apr 2025 to 31 May 2025, the Risk Management Committee of the Board of Directors was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with the Regulation 21 of the SEBI Listing Regulations.

47. During the year 2025-26, Two (2) Meetings of the Risk Management Committee were held. The details of member attendance at these meetings are provided below:

Name of the Director	Meeting held and attended during respective Tenure of Directors		% of attendance
	02 Apr 25	28 Oct 25	
Shri Ramesh Kumar Dash Director (Finance) and CFO [1]	✓	NA	100
Cdr Shantanu Bose, IN [2] (Retd.) Director (Shipbuilding)	✓	✓	100
DIG Subrato Ghosh, ICG (Retd.) [3] Director (Personnel)	✓	NA	100
Capt P Sunilkumar, IN (Retd.) Director (Corporate Planning & Personnel) [4]	NA	✓	100
Shri Niranjan Bhalerao Director (Finance) [5]	NA	✓	100
Shri Sanjeeb Mohanty [6] Independent Director	✓	NA	100
Shri Kamleshbhai Mirani [7] Independent Director	NA	✓	100
Capt P Sunilkumar, IN (Retd.) Chief Risk Officer [8]	✓	NA	100
Cdr Bhubneshwar Mishra, IN (Retd.) [9] Chief Risk Officer	NA	✓	100
Smt. Madhumita Khasnobis [10] Risk Coordinator	✓	NA	100
Shri Bijay Das [11] Risk Coordinator	NA	✓	100

✓ - *Present* × - *Absent* *NA - Not Applicable*

[1] *Ceased as a chairperson of the Committee w.e.f. 06 Apr 2025*

[2] *Appointed as a Chairperson of the Committee w.e.f. 01 Jun 2025*

[3] *Ceased as a member of the Committee w.e.f. 06 Apr 2025*

[4] *Admitted as a member of the Committee w.e.f. 14 Jul 2025*

[5] *Admitted as a member of the Committee w.e.f. 06 Oct 2025*

[6] *Ceased as a member of the Committee w.e.f. 06 Apr 2025*

[7] *Admitted as a member of the Committee w.e.f. 01 Jun 2025*

[8] *Ceased as a Chief Risk Officer (CRO) of the Company on 14 Jul 2025*

[9] *Appointed as Chief Risk Officer (CRO) of the Company w.e.f. 15 Jul 2025*

[10] *Ceased as a Risk Coordinator of the Company on 31 Jul 2025*

[11] *Appointed as Risk Coordinator of the Company w.e.f. 01 Aug 2025*

OTHER COMMITTEES OF THE BOARD

Procurement Committee

48. The Procurement Committee of the Board of Directors has been delegated full powers of the Board in respect of:

    (a) Approval of proposals in excess of ₹30 crore and up to value ₹100 crore for placement of orders for procurement of materials, equipment, tools, stores and spares, imports including from Russian Sources, approval of works, sub-contracts and facility hire, etc. for sanctioned projects.

    (b) Approval of proposals for capital expenditure in excess of ₹5 crore in respect of the items provided for in the Capital Budget approved by the Board / Government.

    (c) The Procurement Committee examines all the procurement proposals in conformity with and compliance of the Purchase Manual of your Company, CVC Guidelines, Government Regulations etc. and give its approval for such proposals. In the event of any deviations from procedures, the proposal with the recommendations of the Committee is placed before the Board for approval. However, if the Committee feels that a particular proposal requires consideration by the Board, same is submitted to the Board with recommendation(s) of the Committee.

    (d) All the procurement proposals approved by Procurement Committee are placed before the Board for information.

49. The composition of the Procurement Committee of the Board of Directors as on 31 Mar 2026 was as follows:

(a)	Cmde P R Hari, IN (Retd.) *Chairman & Managing Director*	Chairperson
(b)	Shri Kamleshbhai Shashikantbhai Mirani *Independent Director*	Member
(d)	Shri Niranjan Mukund Bhalerao *Director (Finance)*	Member
(e)	Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	Member

50. The Company Secretary is the Secretary to the Committee.

51. During the FY from 06 Apr 2025 to 31 May 2025, the Procurement Committee of the Board of Directors was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company, in line with the requirement of Procurement Manual of the Company.

52. The Chairman of the Procurement Committee apprises the Board about the observations of the Procurement Committee during the Board Meeting.

53. During the financial year 2025-26, Nine (09) Meetings of the Procurement Committee were held. The details of member attendance at these meetings are provided below:

Name of the Director	Meeting held and attended during respective Tenure of Directors									% of attendance
	20 Jun 25	22 Jul 25	08 Aug 25	27 Aug 25	14 Oct 25	04 Nov 25	13 Dec 25	09 Jan 26	16 Feb 26	
Cmde P R Hari, IN (Retd.) *Chairman & Managing Director*	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Shri Kamleshbhai Shashikantbhai Mirani [1] *Independent Director*	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Cdr Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Shri Niranjan Mukund Bhalerao [2] *Director (Finance)*	*NA*	*NA*	*NA*	*NA*	✓	✓	✓	✓	✓	100

✓ *- Present* × *- Absent* *NA - Not Applicable*

[1] *Admitted as a member of the Committee w.e.f. 01 Jun 2025*

[2] *Admitted as a member of the Committee w.e.f. 06 Oct 2025*

Legal Committee

54. The Legal Committee of the Board of Directors was formed to review, monitor and suggest an appropriate course of action for the legal cases of the Company and other than taxation matters.

55. As on 31st March 2026 and during the FY 2025-26, the Legal Committee was not reconstituted due to non-availability of adequate number of Independent Directors on the Board of the Company. The Independent Directors of your Company are appointed by President of India acting through the Ministry of Defence, Government of India and such appointment is pending at their end. The Company had been taking up with the matter with Administrative Ministry for appointing requisite number of Independent Directors on the Board of the Company from time to time.

Senior management

1. In terms of Clause 5B of Schedule V of SEBI Listing Regulations, the particulars of Senior Management as on 31 Mar 2026 are provided below:

Sl. No.	Name	Designation	Changes during the year
CFO and CS			
1.	Shri Ramesh Kumar Dash	Director (Finance) and Chief Financial Officer	Superannuated on 01 Jun 2025
2.	Shri Niranjan Mukund Bhalerao	Director (Finance) and Chief Financial Officer	Appointed on 06 Oct 2025
3.	Shri Sandeep Mahapatra	Company Secretary and Compliance Officer	-
Senior Management			
4.	Shri Venkatesh Murthy	Executive Director (CSB & SCM)	Promoted on 01 Jan 2026
5.	Cmde. Rajat Manchanda, IN (Retd.)	Executive Director (TS & YEM)	Promoted on 01 Jan 2026
6.	Cmde. Indrajit Dasgupta, IN (Retd.)	Executive Director (SR&TU)	Promoted on 25 Mar 2026
7.	Cmde. Vinith Aerat, IN (Retd.)	ED (Technical)	Promoted as CGM on 15 Jul 2025 Appointed as ED (Technical) 26 May 2026

Sl. No.	Name	Designation	Changes during the year
8.	Cdr. B Mishra, IN (Retd.)	Chief General Manager (Tech & Projects)	Superannuated on 31 Mar 2026
9.	Shri Sujoy Chakravorty	Chief General Manager (Commercial)	Promoted on 01 Jul 2025 Superannuated on 31 Mar 2026
10.	Smt. Aparajita Ghosh	Chief General Manager (Finance)	Promoted on 18 Nov 2025
11.	Cdr. Manoj Kumar Gupta, IN (Retd.)	Chief General Manager (MTL, SCC, HP & IP)	Promoted on 01 Jan 2026
12.	Cmde. Rajiv Sreedharan, IN (Retd.)	Chief General Manager (PS-NGOPV, I&NT)	Cease to hold office w.e.f. 31 Mar 2026
13.	Cmde. Nitin Nangia, IN (Retd.)	Chief General Manager (PS)	-
14.	Cmde. Ramesh Menon, IN (Retd.)	Chief General Manager (BB & DEP)	-
15.	Cmde. Vikas Kaushal, IN (Retd.)	Chief General Manager (PMT- P17A),NGC. ASWSWC & SVL	-
16.	Shri N Partheepan	General Manager (Bailey Bridge)	Superannuated on 31 May 2025
17.	Shri D K J Singh	General Manager (DEP Ranchi Unit)	Superannuated on 28 Feb 2026
18.	Shri Rajeev Shrivastava	General Manager (HR)	-
19.	Cdr. Satish Chandra Jha, IN (Retd.)	General Manager (RBD Unit)	-
20.	Shri Gulshan Ratan	General Manager (QA, VD & Ind)	-
21.	Shri Kingshuk Mistry	General Manager (PS-NGOPV & Dredger)	Promoted on 01 Jul 2025
22.	Shri Prashanta Kumar Mondal	General Manager (QA)	Promoted on 01 Jul 2025
23.	Shri Goutam Karmakar	General Manager (FOJ)	-
24.	Lt Col Sanjay Anand, (Retd.)	GM (Security, FF & OL)	Promoted on 01 Jan 2026 Superannuated on 31 Mar 2026
25.	Cdr. Aravind Shankar, IN (Retd.)	General Manager (CSB)	Promoted on 15 Jul 2025
26.	Shri Manas Kumar Pandey	General Manager (MW)	Promoted on 01 Jan 2026
27.	Cdr. Harish Kumar, IN (Retd.)	GM (Regional Office, Delhi)	Promoted on 01 Jan 2026
28.	Shri Dilip Kumar Jagattar Singh	GM (DEP Ranchi Unit)	Promoted on 01 Jan 2026 Superannuated on 28 Feb 2026

Appointment and Remuneration of Whole-Time Directors

56. As a Central Public Sector Enterprise (CPSE), the appointment of Chairman & Managing Director and other Whole-Time Directors of the Company is made by the Government of India, which also indicates the tenure, remuneration package and other terms and conditions of their appointment. The Functional Directors are generally appointed for a period of five (5) years from the date of assumption of charge, or until the date of superannuation, or until further orders, whichever is earlier. In the event of resignation before the completion of the contractual term, a notice period of three (3) months is required, and in case of such notice, an amount equivalent to three (3) months' pay must be remitted in lieu thereof.

57. The remuneration of Whole-time Directors of your Company is determined by the President of India from time to time. The pay allowances of Board level executives are governed by the terms of appointment issued in line with the Department of Public Enterprises (DPE) Guidelines, and other benefits and perquisites are in accordance with the rules of GRSE. The remuneration of below Board level executives and non-unionized supervisors is as per DPE guidelines and as approved by the administrative ministry i.e. Ministry of Defence. In addition, Performance Linked Incentives i.e. Performance Related Pay (PRP), are payable to the Whole-time Functional Directors as employees of the Company as per the policy applicable to all employees of the Company.

58. The details of remuneration of Whole -Time Directors during the FY 2025-26 are given below:

(₹ in lakh)

Name of Director	Salary*	Perquisites	Company's Contribution to PF / Gratuity / Pension	Performance Related Pay	Total
Cmde P R Hari, IN (Retd.) *Chairman & Managing Director*	66.21	1.40	9.89	36.28	**113.78**
Shri Ramesh Kumar Dash *Director (Finance) and CFO* [1]	28.76	0.46	1.20	22.78	**53.20**
Cdr. Shantanu Bose, IN (Retd.) *Director (Shipbuilding)*	56.64	0.32	8.68	26.74	**92.38**
DIG Subrato Ghosh, ICG (Retd.) [2] *Director (Personnel)*	41.21	0.03	0.72	27.54	**69.50**
Capt P Sunilkumar, IN (Retd.) [3] *Director (Corporate Planning & Personnel)*	42.92	0.24	6.95	18.39	**68.50**
Shri Niranjan Mukund Bhalerao [4] *Director (Finance) and CFO*	27.73	0.16	4.31	-	**32.20**

Salary includes arrears

[1] *Superannuated as Director (Finance) and CFO of the Company w.e.f. 01 Jun 2025*

[2] *Superannuated as Director (Personnel) of the Company w.e.f. 01 May 2025*

[3] *Appointed as Director (Corporate Planning & Personnel) of the Company w.e.f. 14 Jul 2025*

[4] *Appointed as Director (Finance) and CFO of the Company w.e.f. 06 Oct 2025*

59. During the year, no Stock Options were issued by the Company to Whole-time Directors.

Appointment and Remuneration of Part-Time Directors

60. The Government Nominee Director is appointed by the President of India and holds the office until further orders from the Government. They are not entitled to any remuneration or sitting fees for attending meetings of the Board or its Committees.

61. The Independent Directors are appointed by the President of India, generally for a period of three (3) years. They are not paid any remuneration, but are eligible for sitting fees for attending meetings of the Board or its Committees. The Company pays sitting fees of ₹25,000/- for attending each meeting of the Board of Directors and ₹20,000/- for attending each meeting of the Sub-Committees of the Board of Directors. In addition to sitting fees, the Company also reimburses travel and accommodation expenses incurred by the Part-Time Directors in connection with their participation in the Board and other Committee Meetings.

62. The criteria for making payments to Non-Executive Directors of the Company are disclosed on the Company's website at https://grse.in/wp-content/uploads/2022/04/Terms-and-Conditions-of-Appt-of-Non-Executive-Directors.pdf.

63. The sitting fees paid to the Independent Directors during the FY 2025-26 is as follows:

(₹ in lakh)

Name of Independent Director	Board Meetings	Committee Meetings	Total Remuneration
Shri Sanjeeb Mohanty [1]	0.25	0.40	**0.65**
Shri Kamleshbhai Shashikantbhai Mirani [2]	2.00	2.80	**4.80**

[1] *Completed his tenure as Independent Director of the Company on 05 Apr 2025*

[2] *Appointed as Independent Director of the Company w.e.f. 21 May 2025*

64. Further, there has been no other pecuniary relationship or transactions of the Part-time Directors vis-à-vis the Company during the year under review.

65. Non-Executive Directors were not hold any Shares in the Company during the Financial Year 2025-26.

Board Evaluation

66. Pursuant to exemption granted by the Ministry of Corporate Affairs, vide Government of India's Gazette Notification No. GSR 463 (E) dated 05 Jun 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.

Independent Directors' Meeting

67. During the year 2025-26, no Meeting of Independent Directors was held since there was only One (01) Independent Director on the Board of Directors of the Company.

Confirmation of Independence of the Independent Directors

68. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

69. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations and are independent of the management.

ANNUAL GENERAL MEETINGS

70. The details of the last Three (3) Annual General Meetings of your Company are given below:

Financial Year	Date and Time	Venue	Special Resolution Passed
2022-23	22 Sep 23 10.30 Hrs	Registered Office at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	No special resolution passed in the meeting
2023-24	20 Sep 24 10.30 Hrs	Registered Office at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	No special resolution passed in the meeting
2024-25	19 Sep 25 10.30 Hrs	Registered Office at GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700 024 (Through Video Conferencing/ Audio visual mode)	A special resolution was passed in the meeting to confirm the appointment of Shri Kamleshbhai Sashikantbhai Mirani as an Independent Director of the Company.

POSTAL BALLOT

71. No postal ballot was conducted during FY 2025-26.

Procedure for Postal Ballot

72. The Company conducts postal ballot processes in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, along with the relevant rules framed thereunder and circulars issued by the Ministry of Corporate Affairs (MCA). The shareholders are provided with the facility to cast their votes either through physical ballot or via electronic voting (e-voting). The postal ballot notices are sent to shareholders electronically at their registered email addresses, wherever available. In cases where email addresses are not registered, the notices are being sent in physical form through permitted modes. Additionally, the Company publishes a public notice in newspapers in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

73. Shareholders holding equity shares as on the cut-off date are eligible to vote either electronically or by submitting duly completed postal ballot forms within the designated voting period. Upon conclusion of the voting period, the Scrutinizer examines and verifies the votes and submits a report to the Chairman. The results of the postal ballot are announced within 48 hours from the close of voting.

74. The results are displayed on the website of the Company (www.grse.in), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

FAMILIARISATION PROGRAMME AND TRAINING FOR DIRECTORS

75. The familiarization programme for Directors generally form part of the Board process. All new Directors are provided with an overview of the operations of the Company at the time of their induction to the Board. They are familiarized to your Company's culture, values, commitments, and operations through orientation sessions. They are also regularly encouraged and assisted for attending training programmes on various aspects of Corporate Governance.

76. Additionally, the Independent Directors are updated on an on-going basis at the Board / Committee meetings, inter-alia, on the following:

- Nature of industry in which the Company operates;
- Business environment and operational model of various business divisions of the Company including important developments thereon;
- Important changes in regulatory framework having impact on the Company.

77. The details of the familiarization programme for Independent Directors can be accessed at https://grse.in/board-of-directors-and-committees/Familiarisation_Programme_2023-24.pdf

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

78. The Board of Directors of your Company has adopted a "Code of Business Conduct and Ethics for Board Members and Senior Management", in line with the Guidelines issued by the Department of Public Enterprises and SEBI (LODR). This Code is designed to promote fair, transparent, and ethical practices and to strengthen the Company's Corporate Governance framework.

79. A copy of the Code has been circulated to all concerned and is also available on your Company's website. All the Board Members and Senior Management Personnel, to whom the said Code applies, have affirmed compliance with its provisions for financial year ended 31 Mar 2026. Further, a declaration to this effect, duly signed by the Chairman & Managing Director of your Company, is appended at the end of this Report.

INSIDER TRADING CODE

80. In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted a 'Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information', This code establishes a robust framework to regulate, monitor, report and prohibits trading in securities of the Company by Designated Persons while in possession of Unpublished Price Sensitive Information in relation to the Company. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code is designed to ensure transparency, accountability, and adhere to ethical standards in dealings with the securities of the Company. The Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information is available on the website of the Company and can be accessed at https://grse.in/wp-content/uploads/2022/08/Insider-Trading-Code-GRSE.pdf.

SHAREHOLDER INFORMATION

81. Various shareholder information required to be disclosed pursuant to Schedule V of the SEBI Listing Regulations is provided in Annexure I to this Report titled '*Shareholder Information*'.

DISCLOSURES

82. (a) **Conflict of Interest:** During the year 2025-26, your Company has not entered into any transaction with the Directors that may have potential conflict with the interests of your Company at large. The members of the Board, apart from receiving Directors' remuneration (wherever applicable), do not have any material pecuniary relationship or transaction with your Company which, in the judgment of the Board, may affect independence of judgment of the Directors.

(b) **Related Party Transactions:** During the year 2025-26, your Company does not have any materially significant related party transactions, which may have potential conflict with its interest at large. The Policy on Related Party Transactions of the Company may be accessed at https://grse.in/policies/GRSE_Policy_for_Related_Party_Transactions.pdf

(c) **Material Subsidiaries:** Your Company does not have any subsidiary or associate company. However, the Company's Policy on Determining Material Subsidiaries framed as per Regulation 16 of the SEBI Listing Regulations which is available on the Company's website at https://grse.in/wp-content/uploads/2022/04/Policy-for-Determining-Material-Subsidiaries-GRSE.pdf.

(d) **Inter-se relationships between Directors and Key Managerial Personnel of the Company:** None

(e) **Number of Equity Shares held by Directors in the Company:** 15 Equity Shares of the Company were held by Cdr. Shantanu Bose, IN (Retd.), Director (Shipbuilding). Further, Non-Executive Directors did not hold any shares in the Company.

(f) **Vigil Mechanism/ Whistle Blower Policy:** The Company has formulated Whistle Blower Policy in line with Section 177 of the Companies Act, 2013, Regulation 22 of SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for CPSEs, 2010. The Policy has been formulated with a view to provide a mechanism for employees and other stakeholders to raise concerns on any violations of legal or regulatory requirements, suspected misconduct of anyone concerned with the Company to come forward and express their concerns without fear of punishment/ victimization or unfair treatment.

During the year, due to non-availability of Audit Committee, no personnel have been denied access to the Members of the Board of Directors or the Chairman & Managing Director of the Company.

Synopsis of the Whistleblower Policy of the Company is also provided in the '*Directors' Report*', forming part of this Annual Report.

(g) **Items of expenditure debited in books of accounts, which are not for the purposes of the business:** Nil

(h) **Expenses incurred, which are personal in nature and incurred for the Board of Directors and top Management:** Nil

(i) **Details of Administrative and Office expenses as a percentage of total expenses vis-à-vis financial expenses:**

(₹ in crore)

Sl. No.	Particulars	2025-26	2024-25
(a)	Total Expenditure (Other than materials)	668.46	571.95
(b)	Administrative & Office Expenses	15.79	12.26
(c)	Percentage of (b) on (a)	2.36	2.14
(d)	Finance expenditure as a % of total expenditure	0.26	0.22

(j) **Quarterly Compliance Report on Corporate Governance:** The Company has submitted the quarterly compliance report on corporate governance in the prescribed format to the stock exchange(s) within the prescribed time period. The same is also uploaded on the website of the Company at https://grse.in/corporate-governance-report/.

(k) **Prevention of Sexual Harassment of Women at Workplace**: The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. Please refer 'Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013' Section of Directors' Report for more details.

(l) **Loans and advances to firms/companies in which directors are interested:** Nil

(m) **Recommendation of Committees of the Board of Directors**: During the Financial Year 2025-26, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

(n) **Fees to Statutory Auditors:** The total fees paid for all services by the Company to M/s. Guha Nandi & Co., Statutory Auditors of the Company during FY 2025-26 aggregate to ₹26,00,000/-. The details are available under Note 27 of the '*Financial Statements*'.

(o) **Details of Non-Compliance:** There has been no instance or cases of non-compliance by your Company on any matter related to capital markets and no penalties / strictures were enforced on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market except the following:

Fine Imposed by NSE:

Financial year	Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount (₹) of Penalty Imposed (includes GST)
2020-21	15 Feb 21	Quarter Ended 31 Dec 2020	Reg 17(1)	4,30,700
	17 May 21	Quarter Ended 31 Mar 2021	Reg 17(1)	5,31,000
2021-22	20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 9(1)/ 19(2)	6,40,740
	22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 9(1)/ 19(2)	9,77,040
	21 Feb 22	Quarter Ended 31 Dec 2021	Reg 17 (1), 17 (2A), 18(1), 19(1)/ 19(2), 20 and 21	12,34,280
	20 May 22	Quarter Ended 31 Mar 2022	Reg 17(1), 18(1), 19(1)/ 19(2), 20 & 21	11,49,320
2022-23	22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/ 19(2)	6,50,180
	21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	5,42,800
	21 Feb 23	Quarter ended 31 Dec 2022	Reg 17(1)	5,42,800
	22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	5,31,000
2023-24	21 Aug 23	Quarter Ended 30 Jun 2023	Reg 17(1)	5,36,900
	21 Nov 23	Quarter Ended 30 Sep 2023	Reg 17(1)	5,42,800
	22 Feb 24	Quarter ended 31 Dec 2023	Reg 17(1)	5,42,800
	22 May 24	Quarter Ended 31 Mar 2024	Reg 17(1)	5,36,900
2024-25	21 Aug 24	Quarter Ended 30 Jun 2024	Reg 17(1)	5,36,900
	21 Nov 24	Quarter Ended 30 Sep 2024	Reg 17(1)	5,42,800
	17 Mar 25	Quarter ended 31 Dec 2024	Reg 17(1) and 18 (1)	5,52,240
	29 May 25	Quarter ended 31 Mar 2025	Reg 17(1), 18 (1) and 19(1)/19(2)	9,55,800
2025-26	29 Aug 25	Quarter Ended 30 Jun 2025	Reg17,17(2A),18(1),19(1)/ 19(2), 20 (2)/ (2A), 21(2)	12,54,340
	28 Nov 25	Quarter Ended 30 Sep 2025	Reg 17(1), 18(1), 19 (1)/ 19(2)	9,77,040
			Total	**1,42,08,380**

Fine Imposed by BSE:

Financial year	Notice Date	Period of Non-Compliance	Nature of Non-Compliance of SEBI (LODR)	Amount (₹) of Penalty Imposed (includes GST)
2021-22	20 Aug 21	Quarter Ended 30 Jun 2021	Reg 17(1), 18(1), 19(1)/ 19(2)	6,40,740
	22 Nov 21	Quarter Ended 30 Sep 2021	Reg 17(1), 18(1), 19(1)/ 19(2)	9,77,040
	21 Feb 22	Quarter Ended 31 Dec 2021	Reg 17 (1), 17 (2A), 18(1), 19(1)/ 19(2), 20 (2)/ (2A) and 21(2)	12,34,280
	20 May 22	Quarter Ended 31 Mar 2022	Reg 17(1), 18(1), 19(1)/ 19(2), 20(2)/ (2A) & 21(2)	11,49,320
2022-23	22 Aug 22	Quarter Ended 30 Jun 2022	Reg 17(1), 18(1) & 19(1)/ 19(2)	6,50,180
	21 Nov 22	Quarter Ended 30 Sep 2022	Reg 17(1)	5,42,800
	21 Feb 23	Quarter ended 31 Dec 2022	Reg 17(1)	5,42,800
	22 May 23	Quarter Ended 31 Mar 2023	Reg 17(1)	5,31,000
2023-24	21 Aug 23	Quarter Ended 30 Jun 2023	Reg 17(1)	5,36,900
	21 Nov 23	Quarter Ended 30 Sep 2023	Reg 17(1)	5,42,800
	22 Feb 24	Quarter ended 31 Dec 2023	Reg 17(1)	5,42,800
	22 May 24	Quarter Ended 31 Mar 2024	Reg 17(1)	5,36,900
2024-25	21 Aug 24	Quarter Ended 30 Jun 2024	Reg 17(1)	5,36,900
	21 Nov 24	Quarter Ended 30 Sep 2024	Reg 17(1)	5,42,800
	17 Mar 25	Quarter ended 31 Dec 2024	Reg 17(1) and 18 (1)	5,52,240
	29 May 25	Quarter ended 31 Mar 2025	Reg 17(1), 18 (1) and 19(1)/19(2)	9,55,800
2025-26	29 Aug 25	Quarter Ended 30 Jun 2025	Reg 17, 17(2A), 18(1), 19 (1)/ 19(2), 20 (2)/ (2A), 21(2)	12,54,340
	28 Nov 25	Quarter Ended 30 Sep 2025	Reg 17(1), 18(1), 19 (1)/ 19(2)	9,77,040
	27 Feb 26	Quarter Ended 31 Dec 2025	Reg 17(1), 18(1), 19 (1)/ 19(2)	9,77,040
	27 May 26	Quarter Ended 31 Mar 2026	Reg 17(1), 18(1), 19 (1)/ 19(2)	9,55,800
		Total		**1,51,79,520**

These fines were levied by the Stock Exchanges due to the non-availability of requisite number of Directors including Independent Directors and a Woman Independent Director, on the Board of Directors of the Company for the different period and consequent non-compliance with the requirements pertaining to quorum of Board Meeting, non-reconstitution of the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Risk management Committee.

In response to the aforesaid notices, the Company has communicated to the Stock Exchanges clarifying that the shortfall in Independent Directors was not due to any negligence or default on the part of the Company. The appointment of Directors to the Board of a Company being a CPSE is carried out by the Government of India through Presidential Orders, and hence, the matter lies beyond the control of the Company. Accordingly, the Company has submitted requests to both Stock Exchanges to waive-off the fines which remains unpaid and exemptions have been sought in accordance with the provisions of Stock Exchange's Policy for Exemption of Fines Levied. As per the said policy, the waiver request may be considered only after the Company achieves compliance with the relevant non-compliances. The matter for appointment of requisite number of Independent Directors and a Woman Independent Director, is being actively pursed with the Administrative Ministry i.e. Ministry of Defence.

(p) **Mandatory Compliances:** All mandatory requirements of the SEBI Listing Regulations and DPE Guidelines on Corporate Governance for CPSEs have been duly complied with by the Company as on 31 Mar 2026 except disclosed above.

(q) **Non-Mandatory Compliances under SEBI Listing Regulations:** The status of compliance with the discretionary requirements under the SEBI Listing Regulations is provided below:

(i) **The Board:** As per para A of Part E of Schedule II of the SEBI Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

(ii) **Shareholder Rights:** Your Company displays the quarterly and half yearly financial results on the Company's website at https://grse.in/financial-results/ and also publishes the financial results in widely circulated newspapers. We have communicated the payment of dividend by e-mail to shareholders in addition to dispatch of letters to all shareholders, wherever required.

(iii) **Modified Opinion in Audit Report:** Your Company continuously strives to maintain accounts in a transparent, true and fair manner in conformity with the accounting principles generally accepted in India. During the last twenty-one years (2005-2006 to 2025-26) there have been no audit qualifications. Your Company has also received "Nil" comments from the CAG during this year. Further, for the FY 2025-26, the Statutory Auditors have issued an unmodified opinion on the financial statements of the Company.

(iv) **Reporting of Internal Auditor:** The Head of Internal Audit Department of the Company administratively reports to the Chairman & Managing Director. He is regularly invited to attend the Audit Committee meetings. Further, the Internal Auditors of the Company are also invited to the Audit Committee meetings to discuss their Internal Audit Report on a quarterly basis. During the year, due to non-availability of Audit Committee, head of Internal Audit Department of the Company and the Internal Auditors of the Company were invited to the Meeting of Board of Directors to discuss the Internal Audit Report.

(v) **Independent Directors:** During the year 2025-26, due to the non-availability of requisite number of Independent Directors during the year, the Company was unable to convene such meeting. The Company remains committed in good governance practices and will endeavor to convene at least two such meetings in every financial year going forward.

(r) **Certificate from Practicing Company Secretary on qualification of the Board:** M/s. Maheshwari R & Associates, Company Secretaries has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The aforesaid certificate is provided at Annexure II to this Report.

(s) **Other Regulatory Compliance**: During the year, the Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the SEBI Listing Regulations. Further, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46 (2) of the SEBI Listing Regulations except with regard to the composition of Board of Directors and non-availability of requisite number of Independent Directors including Woman Independent Director on the Board of Directors of the Company as explained above and consequent non reconstitution of Audit Committee and HR, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee for part of the year and disclosed necessary information in the respective places in this Report.

(t) **Corporate Governance Certification**: A Compliance Certificate from M/s. Maheshwari R & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance, as required under both, the SEBI Listing Regulations and the DPE Guidelines on Corporate Governance for CPSEs is provided as Annexure III to this Report.

(u) **CEO and CFO Certification:** The Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, copy of which is attached to this Report as Annexure-IV. The CMD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

DECLARATION

Pursuant to the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises dated 14th May, 2010 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Board Members and Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct & Ethics for Board Members and Senior Management Personnel of Garden Reach Shipbuilders & Engineers Limited for the year ended 31st March, 2026.

For and on behalf of the Board of Directors

Sd/-
Cmde P R Hari, IN (Retd.)
Chairman & Managing Director
DIN: 08591411

Place: Kolkata
Dated: 10 July, 2026

ANNEXURE - I

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2025-26

Date	**Friday, 25th September, 2026**
Venue	**AGM through Video Conferencing/Other Audio-Visual Means.** **[Deemed Venue for Meeting: Registered and Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata - 700024]**
Time	**10:30 A.M.**

DIVIDEND PAYMENT

1. The final dividend for the year ended 31st March 2026, if approved at the AGM, will be paid on or after 25th September, 2026. Your Company has been consistently paying dividend to its shareholders. The dividend declared in the last five (5) financial years are provided below:

Financial Year	Dividend per share (in ₹)	Total Dividend paid (in ₹ crore)
2025-26*	19.60	224.52
2024-25	13.85	158.65
2023-24	9.36	107.22
2022-23	6.20	71.02
2021-22	5.80	66.44
2020-21	5.00	57.28

** Includes interim dividend of ₹5.75 per equity share of ₹10/- and second interim dividend of ₹7.15 per equity share of ₹10/-.*

LISTING OF SHARES ON STOCK EXCHANGES

2. The equity shares of your Company were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 10 Oct 2018. Your Company has paid the annual listing fees to both NSE and BSE on time. Details of NSE and BSE alongwith stock codes are provided below:

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Website: www.nseindia.com	GRSE
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Website: www.bseindia.com	542011

MEANS OF COMMUNICATION

3. The timely disclosure of consistent, comparable, relevant and reliable information on Company's financial and operational performance is a cornerstone of the good corporate governance. Your Company has a website (www.grse.in) which provides information on GRSE's leadership, management team, product spectrum, CSR initiatives, policies, annual reports, financial information etc.

4. All price-sensitive information, statutory notices and information/data that are material to the shareholders are disclosed to the Stock Exchanges viz. NSE and BSE in compliance with the regulatory requirements. Your Company publishes its quarterly, half yearly and annual financial results, etc. in leading newspapers such as Financial Express (in English), Business Standard (Hindi), Ei Samay (in Bengali). The quarter and year ending 31 Mar 2026 results were published in Financial Express, Business Standard (Hindi) and Ei Samay (in Bengali). The financial results were published as under:

Quarter ending 30 Jun 2025	In the month of Aug 2025
Quarter ending 30 Sept 2025	In the month of Nov 2025
Quarter ending 31 Dec 2025	In the month of Jan 2026
Quarter and Year ending 31 Mar 2026	In the month of Apr 2026

5. The '*Investors Corner*' section on your Company's website contains the annual reports, financial results, presentations made to the analysts, transcription and other information submitted to the Stock Exchanges such as notices and corporate announcements, shareholding pattern, corporate governance reports, dividend, etc. In addition, the '*News Room*' section on the website includes all major press releases from the Company and relevant media reports.

FINANCIAL CALENDAR

6. The financial year of the Company starts from the 1st day of April and ends on 31st day of March of next year. Our tentative calendar for declaration of results for the financial year 2026-27 are as given below:

Quarter Ending	Release of Results
For the Quarter ending 30 Jun 2026	First week of Aug 2026
For the Quarter and half year ending 30 Sep 2026	First week of Nov 2026
For the Quarter and nine months ending 31 Dec 2026	First week of Feb 2027
For the year ending 31 Mar 2027	First week of May 2027

DEMATERIALISATION OF SHARES AND LIQUIDITY

7. The equity shares of the Company are available for trading in the dematerialised form under both the Depository Systems in India *viz.* NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE382Z01011.

8. As on 31 Mar 2026, 11,45,52,000 equity shares of the Company, representing 100% of the issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form. The details of shares is given below:

Form	No. of Equity Shares	% of Shareholding
Demat Form with NSDL	10,11,03,281	88.26
Demat Form with CDSL	1,34,48,719	11.74

9. The holding by the President of India in the equity share capital of the Company is 74.50%, which are not actively traded. The remaining 25.50% of the Company's shares are liquid and actively traded shares on the Stock Exchanges. The Company's market capitalization as on 31 Mar 2026 stood at ₹22,575.90 crore as against ₹19,295.71 crore on 31 Mar 2025.

DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31 MAR 2026

10. The details of the distribution of shareholding by size is provided below:

No. of Equity Shares	Shareholders		Shareholding	
	No.	%	No.	%
1-500	402420	98.75	13750379	12.00
501-1000	3012	0.74	2214675	1.93
1001-2000	1232	0.30	1772539	1.55
2001-3000	330	0.08	814113	0.71
3001-4000	139	0.03	490793	0.43
4001-5000	92	0.02	424016	0.37
5001-10000	141	0.03	1024427	0.89
>10000	160	0.04	94061058	82.11
Total	**407526**	**100.00**	**11,45,52,000**	**100.00**

SHAREHOLDING PATTERN AS ON 31 MAR 2026

11. The shareholding pattern of the Company is detailed below:

Sl. No.	Category & name of the Shareholder	Number of Shareholders	Total No. of Shares held	Shareholding %
Promoter Shareholding				
a	Central Government	1	8,53,41,240	74.50
(1)	**Total Promoter Shareholding**	**1**	**8,53,41,240**	**74.50**
Public Shareholding				
	Institutional			
a	Mutual Funds	21	17,15,408	1.50
b	Financial Institutions/ Banks	1	650	0.00
c	Alternate Investment Funds	8	56,542	0.05
d	Foreign Portfolio Investors (Category-I)	103	38,49,983	3.36
e	Foreign Portfolio Investors (Category-II)	12	1,68,360	0.15
f	Insurance Companies	11	1,57,809	0.14
g	NBFC Registered with the RBI	2	812	0.00
(A)	Total Institutional Shareholding	158	59,49,564	5.20
	Non-Institutional			
a	Bodies Corporate	900	11,22,507	0.98
b	Public and Others	4,06,467	2,21,38,689	19.33
(B)	Total Non-Institutional Shareholding	4,07,367	2,32,61,196	20.31
(2)	**Total Public Shareholding (A)+(B)**	**4,07,525**	**2,92,10,760**	**25.5**
	Total Shareholding (1) + (2)	**4,07,526**	**11,45,52,000**	**100**

12. The Company has no outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments.

RECONCILIATION OF SHARE CAPITAL AUDIT

13. A reconciliation of Share Capital audit was conducted on a quarterly basis by a Practicing Company Secretary to verify and reconcile the total issued / paid-up share capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), and shares held in physical mode. The audit report confirmed that the total issued / paid up capital is in agreement with the total number of shares held in dematerialized with NSDL & CDSL, as well as those in physical mode. Further, in compliance with the provisions of the SEBI (Depositories and Participants) Regulations, 2018, the Reconciliation of Share Capital Audit Report duly audited and certified by a Practicing Company Secretary, was submitted to the Stock Exchanges (NSE and BSE) on quarterly basis. Notably, as on 31 Mar 2026 all the shares of the Company are in dematerialized form.

COMMODITY PRICE RISK, FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

14. Your Company had no exposure to commodity and commodity risks for the financial year 2025-26. Further, your Company does not involve in hedging activities.

15. The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

CREDIT RATING

16. During the year, M/s CARE Ratings Limited has granted your Company a credit rating of CARE AAA/Stable for Long Term facilities and CARE A1+ for Short Term Bank facilities.

SHARE TRANSFER SYSTEM

17. The shares of the Company are traded in dematerialised form. The transfer of shares of the Company would be carried out in dematerialized form in accordance with Regulation 40 of the SEBI Listing Regulations.

18. The Board of the Company has delegated the authority for Transfer, Transmission and Transposition of the securities of the Company to the Company Secretary and Compliance Officer of the Company. During the financial year 2025-26, no such request for Transfer, Transmission and Transposition of the securities were received from the shareholders of the Company.

UNCLAIMED DIVIDEND

19. 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 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the said rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. No unclaimed dividend from previous years was due to be transferred to the IEPF as on 31 Mar 2026.

20. The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at https://grse.in/iepf/. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31 Mar 2026 on the website of the Company at https://grse.in/iepf/ and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

21. Further, the amount of the unpaid/unclaimed dividend for the Interim Dividend - Financial Year 2018-19 was due to be transferred to the Investor Education and Protection Fund ('IEPF') on 25 Apr 2026 and accordingly the said amount was transferred to the IEPF Authority Information about the transferred dividends is available on the Company's Website at https://grse.in/dividend/. Further, none of the shares of the shareholders was liable to be transferred to the IEPF Authority for the said Interim Dividend. However, shareholders can claim back their unclaimed dividends transferred to the IEPF by following the prescribed procedure under the IEPF Rules. The shareholder/claimant post obtaining Entitlement Letter from the Company must make an online application to the IEPF Authority in e-Form No. IEPF-5 (available at www.iepf.gov.in) and submit the necessary documents to the Company.

22. Please note that the unclaimed amount of the final dividend declared for FY 2018-19 on 20 Sep 2019 along with underlying shares on which dividend remained unclaimed for seven consecutive years, will be transferred to the IEPF within prescribe timeline after the due date i.e. 22 Oct 2026. Shareholders who have not encashed the dividend(s) can forward their claims to the Company's Registrar and Transfer Agents to avoid the transfer of dividend or shares to the IEPF Authority.

DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

23. The Company does not have any shares in the Demat Suspense Account or Unclaimed Suspense Account.

INVESTOR SERVICES

24. M/s. Alankit Assignments Limited is the Registrar & Transfer Agent of the Company in respect of the equity shares.

Address for correspondence:
205-208 Anarkali Complex,
Jhandewalan Extension, New Delhi – 110 055
Email: info@alankit.com

25. During the financial year 2025-26, the Company received five (16) complaints from the Investors which were disposed off in timely manner.

26. The e-mail ID earmarked by the Company for receiving investor complaints is investor.grievance@grse.co.in.

DETAILS OF COMPLIANCE OFFICER / ADDRESS FOR INVESTOR CORRESPONDENCE

Name	:	**Shri Sandeep Mahapatra**
Designation	:	Company Secretary and Compliance Officer
Address	:	Garden Reach Shipbuilders & Engineers Limited GRSE Bhavan, 61, Garden Reach Road Kolkata – 700 024 Tel: +91 (033) 2469 8101 Fax: +91 (033) 2469 8150 Email: co.sec@grse.co.in Website: www.grse.in

PLANT LOCATIONS

Shipbuilding Activities	Engineering Activities	Engine Activities
Main Works Unit 43/46, Garden Reach Road Kolkata – 700 024	**61 Park Unit** 61, Garden Reach Road, Kolkata – 700 024	**DEP Ranchi Unit** Plant Plaza Road, Dhurwa, Ranchi – 834 004
Rajabagan Dockyard Unit 44, Garden Reach Road, Kolkata – 700 044 **Fitting Out Jetty Unit** P-70, Karl Marx Sarani, Kolkata – 700 043	**Taratala Unit** P-2/2, Taratala Road, Kolkata – 700 088 **Baranagar Unit** 5 Dr. R N Tagore Road, Baranagar, Kolkata – 700056	

UPDATION OF DETAILS

For Shares Held in Demat Form

27. The Company sends Notices, Annual Reports, and other communications in electronic mode to Shareholders who have registered their e-mail addresses with the Company or with the Depositories. Shareholders who have not yet registered or wish to update their e-mail addresses are requested to do so by submitting a request to their respective Depository Participant (DPs).

28. Shareholders who wish to receive dividends through electronic mode are advised to provide or update their Bank Account details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), with their respective DPs to ensure timely and accurate credit of dividend amounts.

ANNEXURE - II

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,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan, 61, Garden Reach Road,
Kolkata - 700024

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Garden Reach Shipbuilders & Engineers Limited having CIN : L35111WB1934GOI007891 and having registered and corporate office at GRSE Bhavan, 61, Garden Reach Road, Parganas South, Kolkata, West Bengal, India -700024 (hereinafter referred to as 'the Company'), produced before me/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 opinion and to the best of my 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 by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 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.	Cmde Hari P R, IN (Retd.)	08591411	10th June, 2022
2.	Shri Niranjan Mukund Bhalerao	10941391	06th October, 2025
3.	Cdr. Shantanu Bose, IN (Retd.)	09631817	08th June, 2022
4.	Capt. P Sunilkumar, IN (Retd.)	11193635	14th July, 2025
5.	Shri Rajeev Prakash	08590061	15th July, 2025
6.	Shri Kamleshbhai Mirani	11118795	21st May, 2025

The Company being a Government Company, all the Directors on its Board such as Functional Directors, Government Nominee Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Directors. My 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 **Maheshwari R & Associates**
Company Secretaries

Sd/-
Rashmi Maheshwari
C.P.No.: 3309 of ICSI
FCS : 5126
UDIN: F005126H000801229

Date: 10 Jul 2026
Place: Kolkata

ANNEXURE - III

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Garden Reach Shipbuilders & Engineers Limited,
GRSE Bhavan, 61, Garden Reach Road,
Kolkata - 700024

I have examined the compliance of conditions of Corporate Governance by Garden Reach Shipbuilders & Engineers Limited ("the Company"), as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("SEBI Listing Regulations") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises ("DPE Guidelines"), for the financial year ended 31st March, 2026.

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

On the basis of my findings from the examination of the records produced and explanations and information furnished to me, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, in my opinion, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations and DPE Guidelines, except:

(a) The Company does not have the requisite numbers of Independent Directors on its Board as required under Regulation 17(1) of the SEBI Listing Regulations and Para 3.1.4 of DPE Guidelines regarding Board Composition.

(b) The Company did not have an Independent Women Director on its Board as required under Regulation 17(1)(a) of SEBI Listing Regulations.

(c) In terms of the Regulation 18(1) of the SEBI Listing Regulations and Para 4.1.1 of the DPE Guidelines, the Audit Committee was not reconstituted due to inadequate number of Independent Directors on the Board during the FY 2025-26.

(d) In terms of the Regulation 19(1) of the SEBI Listing Regulations and Para 5.1 of the DPE Guidelines, the Nomination and Remuneration Committee was not reconstituted due to inadequate number of Independent Directors on the Board during the FY 2025-26.

(e) Certain corporate governance requirements as provided in the SEBI Listing Regulations namely, Regulations 17(4), Regulation 18(2) & (3) read with Para A of Part C of Schedule II and Regulation 19(4) read with Para A of Part D of Schedule II, could not be complied with by the Company, as by the virtue of being a Government company, and the compliance with the said requirements is beyond the control of the Company.

(f) In view of exemption granted to Government Companies vide notification dated 05 Jun 2015 issued by Ministry of Corporate Affairs, from complying with the provisions of Section 134(3)(p) of the Companies Act, 2013, the Company has not carried out the requirements under the Regulation 17 (10) of the SEBI Listing Regulations, which requires the performance evaluation of Independent Directors by the entire Board of Directors, and Regulation 25 (4) of the SEBI Listing Regulations, which requires the Independent Directors to review the performance of Non-Independent Directors, the Chairperson and the Board as a whole.

I also state that the Company being a Government Company under the administrative control of the Ministry of Defence ("MoD"), the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointment vests with the Government of India. It has been informed by the Company that the matter regarding appointment of required number of Independent Directors and Woman Independent Director has been taken up with MoD, from time to time. Further, the performance evaluation of Directors is being made by the Government.

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

For **Maheshwari R & Associates**
Company Secretaries

Sd/-
Rashmi Maheshwari
C.P.No.: 3309 of ICSI
FCS : 5126
UDIN: F005126H000801284

Date: 10 Jul, 2026
Place: Kolkata

ANNEXURE - IV

CEO AND CFO COMPLIANCE CERTIFICATE

To,
The Board of Directors,
Garden Reach Shipbuilders & Engineers Limited,
Kolkata

Dear Members of the Board,

We, Cmde Hari P R, IN (Retd.), Chairman & Managing Director and Shri Niranjan Mukund Bhalerao, Director (Finance) & Chief Financial Officer certify that:

1. We have reviewed the Financial Statements including the Cash Flow statement of Garden Reach Shipbuilders & Engineers Limited ("the Company") for the year ended 31st March, 2026 and that to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, none of the transactions entered into by the Company during the year which are fraudulent, illegal or violates the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors that:
   (i) there has not been any significant change in internal control over financial reporting during the year under reference;
   (ii) that there are no significant changes in accounting policies made during the year, subject to changes in the same and the same have been disclosed in the Notes to the Financial Statements; and
   (iii) that there are no instances of any significant fraud of which we have become aware and the involvement there in, if any, of the Management or an employee having a significant role in the company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: Kolkata	**Niranjan Mukund Bhalerao**	**Cmde P R Hari, IN (Retd.)**
Date: 28th Apr, 2026	Director (Finance) & CFO	Chairman & Managing Director
	DIN: 10941391	DIN: 08591411

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	:	L35111WB1934GOI007891
2.	**Name of the Listed Entity**	:	Garden Reach Shipbuilders & Engineers Limited
3.	**Year of incorporation**	:	26 Feb 1934
4.	**Registered office address**	:	GRSE Bhavan, 61, Garden Reach Road, Parganas South, Kolkata, West Bengal, India - 700 024
5.	**Corporate address**	:	GRSE Bhavan, 61, Garden Reach Road, Parganas South, Kolkata, West Bengal, India - 700 024
6.	**E-mail**	:	co.sec@grse.co.in
7.	**Telephone**	:	033-2469 8101
8.	**Website**	:	www.grse.in
9.	**Financial year for which reporting is being done**	:	2025-26
10.	**Name of the Stock Exchange(s) where shares are listed**	:	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11.	**Paid-up Capital**	:	₹1,14,55,20,000
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	:	Shri Sandeep Mahapatra (Company Secretary), Garden Reach Shipbuilders & Engineers Limited, GRSE Bhavan, 61, Garden Reach Road, Parganas South, Kolkata, West Bengal, India - 700 024 Telephone: 033-2469 8545 E-mail: co.sec@grse.co.in
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).**	:	Standalone Basis
14.	**Name of assurance provider**	:	M/s. Spoctech Green Ventures Private Limited, Mumbai
15.	**Type of assurance obtained**	:	Reasonable Assurance

II. Products/services

16. 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
01.	Manufacturing	(i) Shipbuilding	92.79
		(ii) Engineering	3.10
		(iii) Diesel Engine	0.21
02.	Service	(iv) Ship Repair	3.90

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
01.	Shipbuilding	301	92.79
02.	Engineering	281	3.10
03.	Diesel Engine	711	0.21
04.	Ship Repair	331	3.90

III. Operations

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

Location	Number of plants	Number of offices	Total
National	7	6	13
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Our product reach covers the entire Indian Territory through our Defence Forces.
International (No. of Countries)	07 countries

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

3.87%

c. A brief on types of customers

GRSE supplies to both national and international customers catering to the Defence as well as Civil operations. The majority of the Company's supplies are directed towards the Indian Defence Services namely, Indian Navy (IN), Indian Coast Guard (ICG), Indian Army (IA), and Border Road Organisation (BRO). In addition, GRSE also serves various government agencies such as Central Public Works Department (CPWD), State Public Works Departments (State PWDs), and State Government bodies, NCPOR-MoES (GoI), NPOL-DRDO and Geological Survey of India (GSI).

IV. Employees

20. Details as at the end of Financial Year: 2025-26

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)	597	547	91.62	50	8.38
2.	Other than Permanent (E)	85	78	91.76	7	8.24
3.	**Total employees (D + E)**	**682**	**625**	**91.64**	**57**	**8.36**
WORKERS						
4.	Permanent (F)	866	842	97.23	24	2.77
5.	Other than Permanent (G)	42	42	100	0	0
6.	**Total workers (F + G)**	**908**	**884**	**97.36**	**24**	**2.64**

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)	11	10	90.9	1	9.10
2.	Other than Permanent (E)	1	1	100	0	0
3.	**Total differently abled employees (D + E)**	**12**	**11**	**91.67**	**1**	**8.33**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	32	30	93.75	2	6.25
5.	Other than permanent (G)	3	3	100	0	0
6.	**Total differently abled workers (F + G)**	**35**	**33**	**94.29**	**2**	**5.71**

21. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	0	0
Key Management Personnel	1	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.67%	14%	8.20%	1.50 %	1.90%	1.50 %	3.20 %	3.92%	3.30 %
Permanent Workers	7.71%	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	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)
01	NA	NA	NA	NA

VI. CSR Details

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

a. Turnover - ₹7,00,215.78 lakh

b. Net worth - ₹2,62,611.72 lakh

VII. Transparency and Disclosures Compliances

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

During the financial year 2025-26, investor complaints/grievances received by the Company and through SEBI Scores Platform, NSE, BSE and Registrar & Transfer Agent have been resolved within the prescribed time.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		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 (www.pgportal.gov.in)	22	2	These complaints are tracked through Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms and Public Grievances This includes 01 PG filed by Ex- Employee for old cheque related to letter of appreciation issue.	17	3	These complaints are tracked through Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms and Public Grievances

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		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
Investors (other than shareholders)	No	0	0	NA	0	0	NA
Shareholders	Yes* (https://grse.in/policies/GRSE%20Shareholders%20%20Dispute%20Resolution%20Policy%20-%20GRSE.pdf)	16	0	NA	5	0	NA
Employees and workers	Yes (www.pgportal.gov.in)	3	3	1) PG filed by employee for issuing of NOC for passport of his wife and son. 2) PG filed by employee NOC to participate a drama audition at Akash Vani Kolkata. 3) PG filed by employee for reimbursement of medical bill.	0	0	-
Customers	Yes**	0	0	The issues have been deliberated in Structured Meeting with Customers and have been attended.	0	0	The issues have been deliberated in Structured Meeting with Customers and have been attended.
Value Chain Partners	Yes (https://grse.in/public-grievances/)	-	-	NA	-	-	NA
Other (please specify)	-	-	-	-	-	-	-

* Shareholders queries / complaints are being handled by the Company both directly and with the support of RTA. Further, the Company has Stakeholder Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations. Hence, there is no web link

** GRSE deals with Defence Customers and therefore all the communication is through confidential mode as per the requirement of Customer. So, there is no web link.

26. **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.	Environmental Footprint – Water Management	Risk	Water is not involved directly in production of finished good as used in textile, power and food processing industries. Replaced use of surface water for gardening, cleaning purpose to reduce groundwater and fresh water consumption. Inadvertent non-compliance with existing and emerging regulations around recycling can result in economic penalties and reputation damage	Reduction in ground water and freshwater resources, treatment of waste water and waste, maximization of recycling and reuse.	Negative
2.	Regulatory Compliance	Risk	Violating regulatory compliance often results in legal punishment, including fines and penalties	Creating a strong ethical rganizational culture with focus on transparency and compliance Regularly carrying out risk assessments to identify areas of potential exposure to compliance-related risks	Negative
3.	Corporate Governance – Board composition	Risk	GRSE, being a CPSE, the appointment of Directors are made by Govt. of India through Presidential orders. 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.	The Company is taking advance action with Administrative Ministry, i.e. Ministry of Defence to appoint Directors in time.	Negative
4.	Health and Safety	Risk	Health & safety at Workplace is an integral part of managing a business. Risk assessment is necessary to put measures in place to effectively control them to ensure that the hazards and risk do not cause harm to employees and workers	Training, awareness programs, technological upgrades, regular surveillance and work zone monitoring by experienced professionals and regular senior-level reviews.	Negative

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)
5.	Data Security	Risk	Handling sensitive defence contracts and proprietary shipbuilding technologies place GRSE at risk of cyber attacks and data breaches. Any compromise of confidential information could result in significant financial losses, legal challenges, and damage to national security interests, highlighting the critical need for robust cybersecurity measures.	The Company has implemented a comprehensive cybersecurity policy in line with Government guidelines and has taken several corrective measures to enhance its security framework. Cybersecurity advisories from regulatory bodies such as THE Cyber Security Group-Department of Defence Production (CSG-DDP), the Cyber Investigation Research Agency, CERT-In, and the National Informatics Centre are routinely reviewed and shared with employees to promote awareness. Regular Vunerability Assessment and Penetration Testing (VAPT) audits are carried out to proactively identify and address security risks. The Company also maintains continuous communication with the CSG-DDP, submitting regular reports on its cybersecurity structure, assessed risks, and the actions taken to mitigate emerging threats.	Negative
6.	Sustainable supply chain and sourcing	Opportunity	Ensuring a green, local, and socially sound supply chain can contribute to stability and diversity while also creating local employment	Not Applicable	Positive
7.	Human Capital Development	Opportunity	Investment in employee /talent development & retention leads to improvement in productivity and innovation.	Not Applicable	Positive
8.	Positive Labour practices	Opportunity	Enhancing workplace and industrial relations lead to improvement in productivity and organizational harmony.	Not Applicable	Positive
9.	Waste Management	Opportunity	-Wastes are disposed vide authorized dealer which covers recovering valuable metals like gold, silver, copper refurbishing electronics and safe disposal of hazardous material.. Biogas plant installed to convert waste into sustainable energy. These processes creates opportunity to reduce waste, ensure compliance with statutory requirements and enhance resource efficiency	Not Applicable	Positive

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)
10.	Fuel Economy & Emissions in Use-phase	Opportunity	As environmental regulations tighten and customer demand for greener solutions, GRSE's development of energy-efficient vessels and equipment presents an opportunity to reduce emissions during operation. Innovations in design can improve compliance, enhance brand value, and open access to emerging markets focused on sustainability.	Not Applicable	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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes, the policies are approved by the Board or other competent authorities in accordance with the delegated powers								
c. Web Link of the Policies, if available	All the SEBI mandated policies are uploaded on the website of the Company at https://grse.in/policies/ The internal policies of the Company are accessible to all the employees via intranet.								

		Policy	Web Link
	Principle 1	Code of Business Conduct and Ethics for Board and Senior Management	https://grse.in/policies/Code%20of%20Conduct%20and%20Ethics%20-%202026.pdf
		Familiarisation Programme for Independent Director	https://grse.in/board-of-directors-and-committees/Familiarisation%20Programme%20-%202024-25_02.pdf
		Related Party Transaction Policy	https://grse.in/policies/GRSE-Policy_for_Related_Party_Transactions_25_5_23.pdf
		Code of Conduct for Prohibition of Insider Trading	https://grse.in/policies/Insider%20_rading_Code_GRSE_apr_25.pdf
		Directors' & Officers' Liability Policy	Web Link Not Available
		Recruitment and Promotion Rules applicable to officers/ Supervisors/ Office Assistants/ Operatives Category of Employees	Web Link Not Available
		Whistle Blower Policy	https://grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy-1.pdf

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
			Materiality Policy				https://grse.in/wp-content/uploads/2022/04/Policy-for-Determining-Material-Subsidiaries-GRSE.pdf		
	Principle 2		Environmental Social Governance (ESG) Policy/ Business Responsibility & Sustainability Reporting (BRSR) Policy				https://grse.in/policies/ESG_BRSR_Policy_of_GRSE.pdf		
			GRSE Procurement Manual				Web Link Not Available		
			Integrated Policy on (Environment, Occupational Health & Safety, Energy)				Web Link Not Available		
	Principle 3		Equal Opportunity Policy				Web Link Not Available		
			Maternity Benefit Rules				Web Link Not Available		
			Recruitment and Promotion Rules applicable to officers/ Supervisors/ Office Assistants/ Operatives Category of Employees				Web Link Not Available		
			Post-Retirement Medical Insurance Scheme (PREMIS) for Officers and Supervisors				Web Link Not Available		
			Process for Grievance Redressal				Web Link Not Available		
	Principle 4		Dividend Distribution Policy				https://grse.in/policies/Dividend_Distribution_Policy_apr_2025.pdf		
			Policy for Determination of Materiality of Event or Information				https://grse.in/policies/Policy_for_Determination_of_Materiality_of_Event_or_Information.pdf		
			CSR Policy				https://grse.in/wp-content/uploads/2022/04/GRSE-Revised-CSR-Sustainability-Policy-dated-07-Sep-2021-1-1-1.pdf		
			Related Party Transaction Policy				https://grse.in/policies/GRSE-Policy_for_Related_Party_Transactions_25_5_23.pdf		
			Code of Conduct for Prohibition of Insider Trading				https://grse.in/policies/Insider%20_rading_Code_GRSE_apr_25.pdf		
			Equal Opportunity Policy				Web Link Not Available		
			GRSE Policy on Vendor Development				Web Link Not Available		
			Maternity Benefit Rules				Web Link Not Available		
			Recruitment and Promotion Rules applicable to officers/ Supervisors/ Office Assistants/ Operatives Category of Employees				Web Link Not Available		
			GRSE Procurement Manual				Web Link Not Available		
			Post-Retirement Medical Insurance Scheme (PREMIS) for Officers and Supervisors				Web Link Not Available		
			Policy for Engagement of Experts / Specialists on Contract				Web Link Not Available		
	Principle 5		Equal Opportunity Policy				Web Link Not Available		
			Process for Grievance Redressal				Web Link Not Available		

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
			GRSE- Conduct Discipline and Appeal Rule (CDA Rules)				Web Link Not Available		
			Policy for Prohibition, Prevention and Redressal of Sexual Harassment of Women at workplace				Web Link Not Available		
	Principle 6		Environmental Social Governance (ESG) Policy/ Business Responsibility & Sustainability Reporting (BRSR) Policy				https://grse.in/policies/ESG_BRSR_Policy_of_GRSE.pdf		
			Integrated Policy on (Environment, Occupational Health & Safety, Energy)				Web Link Not Available		
	Principle 7		Related Party Transaction Policy				https://grse.in/policies/GRSE-Policy_for_Related_Party_Transactions_25_5_23.pdf		
			Code of Conduct for Prohibition of Insider Trading				https://grse.in/policies/Insider%20_rading_Code_GRSE_apr_25.pdf		
			Materiality Policy				https://grse.in/wp-content/uploads/2022/04/Policy-for-Determining-Material-Subsidiaries-GRSE.pdf		
	Principle 8		CSR Policy				https://grse.in/wp-content/uploads/2022/04/GRSE-Revised-CSR-Sustainability-Policy-dated-07-Sep-2021-1-1-1.pdf		
			GRSE Policy on Vendor Development				Web Link Not Available		
			GRSE Procurement Manual				Web Link Not Available		
	Principle 9		GRSE Procurement Manual				Web Link Not Available		
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	The company's existing policies do not extend to its value chain partners. However, all vendors working with GRSE must comply with the Purchase Manual and procurement guidelines set by the Government of India								
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.	Provisions of SEBI Regulations and DPE Guidelines	ISO 9001: 2015, - ISO 14001: 2015, ISO 45001: 2018	ISO 45001: 2018 and DPE Guidelines	Section 135 of Companies Act, 2013, DPE Guidelines and SDGs	ISO 45001: 2018, DPE Guidelines and SDGs	ISO 14001: 2015 and ISO 50001: 2018	DPE Guidelines and SDGs	Section 135 of Companies Act, 2013 and DPE Guidelines	ISO 9001: 2015, MoD Net Policy, and SDGs

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	As part of the ESG commitment, the Company actively addressing climate change and global warming through various energy conservation initiatives and the adoption of renewable energy sources. A key measure in this regard is the installation of rooftop solar power plants across multiple units, including Main, FOJ, TU, 61 Park, RBD. To date the Company has an installed Solar Power generation capacity of 3050KWh, these installations collectively generated 21,81,582 kWh of electricity. and has targeted the further solar panels as follows: • FY 2026-27: 90KWp • FY 2027-28: 900 KWp • FY 2028-29: 600KWp • FY 2029-30: 150 KWp The Company is also actively working on the installation of energy efficient appliances, as on date the company has replaced 2000 of 4191 LED lights, 743 of 3016 BLDC/5 start Fan, 391 of 626 5 Start AC. The Company has set the year on year target for replacement, with 100% completion by FY 2030-31. The Company is also progressively working on improvement in Power distribution System, usage of energy efficient welding receptacles, use of energy monitoring system and use of electric vehicles. In accordance with the Company's CSR Policy, a CSR expenditure target of ₹997.00 lakhs was set for the year. The target was duly approved by the Board and closely monitored by the concerned department. Periodic progress updates were presented to the CSR & SD Committee, and the achievement of the target was subsequently reported to the Board. Further, the MoU has been signed between GRSE and Ministry of Defence for financial, non-financial targets and compliance parameters for the year 2025-26 with weightage of 100 marks.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	To date the company has an installed Solar Power generation capacity of 3050KWh, these installations collectively generated 21,81,582 kWh of electricity. As on date the company has replaced 2000 of 4191 LED lights, 743 of 3016 BLDC/5 start Fan, 391 of 626 5 Start AC. The Company had already replaced OCBs to VCBs at DD1 Sub Station Main Unit in May 2026 and Installed a 1000 KVA CRCA (Cold Rolled Close Annealed) transformer in place of vintage (of 1950s) transformer at RBD unit. GRSE started use of electrical vehicles in 2014 with initial lot of 14 electrical vehicles. This has now increase to 25 electric vehicles. The Company has Started monitoring energy consumption across various inhouse facilities to optimize energy usage. Further, 30 no Welding receptacles has been installed which resulted into 5 to 10 % reduction of energy consumption eliminating leakage current. Periodic progress on the target for CSR Spending were presented to the CSR & SD Committee, and the achievement of the target was subsequently reported to the Board. MoU for the year 2025-26 is under evaluation. On the completion of evaluation, the same will be submitted to MoD/DPE for further evaluation and award of rating.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

7. **Governance, leadership and oversight**

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

At GRSE, we recognize that long-term business sustainability is not embedded in our operational ethos, but also in responsible environmental, social, and governance (ESG) practices. As one of India's leading defence public sector undertakings, we are deeply committed to aligning our growth with national priorities such as Make in India, Skill India, Digital India and the Sustainable Development Goals (SDGs). Our ESG approach integrates innovation, inclusion, and integrity into every aspect of our operations, ensuring that our progress positively impacts both people and planet.

During the reporting year, we made various strides across key ESG Pillars. We have implemented various process improvements and worked towards installation of Effluent Treatment Plants, Fume Extractors, Chillers/Air Conditioning systems, and energy-efficient LED Lighting, contributing to enhanced operational efficiency and environmental compliance.

On the Social front, we strengthen our community development programs, emphasizing nutrition, education, health, and women empowerment, while also deepening our engagement with SC/ST and Women entrepreneurs through targeted vendor development initiatives

On the Governance side, as a CPSE, we are compliant with the applicable rules, regulations, and best practices prescribed by local and national regulatory bodies and have robust governance mechanisms to address the governance-related issues. Our strong governance framework ensures accountability, transparency, and effective oversight across the areas of operation.

Capt. P Sunilkumar, IN (Retd.), Director (Corporate Planning & Personnel)

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

DIN Number	11193635
Name	Capt. P Sunilkumar, IN (Retd.)
Designation	Director (CP & P)
Telephone No.	033-24691040
Email ID	dp@grse.co.in

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.

Yes, the Capt. P Sunilkumar, IN (Retd.), Director (Corporate Planning & Personnel) is the decision-making authority with regard to sustainability related issues. Further, the Company also has various Board Level and Management Level Committees, to deal with the sustainability related issues as follows:

1. CSR and Sustainability Development Committee of the Board of Director
2. Risk Management Committee of the Board of Directors
3. Management level BRSR Committee

The Composition of the Board level Committees is provided in the Corporate Governance Report

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 (P1–P9)	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) (P1–P9)
Performance against above policies and follow up action	The implementation and performance of these policies are reviewed by the Functional Directors, Board of Directors, along with relevant Board Level Committees in accordance with statutory requirements.	Performance against above policies is reviewed periodically or on a need basis from time to time.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with statutory requirements is periodically reviewed by the Functional Directors, relevant Committees or Board of Directors. For the FY 2025-26 all the statuary requirements were complied, except for the composition of the Board of Directors & constitution of its Committees under SEBI (LODR) Regulations, due to non-appointment of adequate number of Independent Directors by the Government of India as the Company is a CPSE.	Compliance with statutory requirements is reviewed periodically or on a need basis from time to time.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.	No external evaluation was undertaken; however, the policies, processes and compliances are subject to scrutiny/ reviews by internal & external auditors, regulators, Parliamentary Committees, Administrative Ministry, etc. Policies are periodically accessed and updated by respective department and business heads, with the necessary approval from the management and/or the Board of the Company.								
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
	The entity does not consider the Principles material to its business (Yes/No)	As the company has formulated policies based on all the nine Principles, hence 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: PRINCIPLE WISE 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	3	R&D, Technology, Operations, Digital Transformation, Risk, Governance and Leadership, ESG, Cyber Security, New Labour Codes Implementation & Challenges.	50
Key Managerial Personnel	2	ESG and Governance	100
Employees other than BoD and KMPs	39	Training / Awareness Programs pertaining to wellness of the employees, CDA, safety, environment & sustainability, etc.	31.78
Workers	26	Training / Awareness Programs will enable the employees to acquire the knowledge / skills for enhancement of their capabilities.	34.25

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	1	NSE BSE	22,31,380 41,64,220	During FY 2025–26, the Company could not comply with Regulation 17(1) and Reg 17 (2A) of the SEBI (LODR Regulations), 2015 relating to the composition of the Board of Directors and Quorum for the Board Meeting. This non-compliance arose due to the non-appointment of the requisite number of Independent Directors, including a Woman Independent Director, by the Government of India. Further, during the year due to inadequate number of Independent Directors on the Board, the Company was unable to reconstitute Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee (06 Apr 2025 to 31 May 2025) and Risk Management Committee (06 Apr 2025 to 31 May 2025) of the Board of Directors leading to the Non-Compliance of Regulations 18(1), 19(1)/ 19(2), 20 (1) and 21 of the SEBI (LODR) Regulation, 2015. As a CPSE, the Company does not have the authority to appoint Directors. Such appointments are made by the Government of India through Presidential Orders. The matter has been referred to our Administrative Ministry, i.e., the Ministry of Defence, and is currently under consideration.	Yes
Penalty/ Fine	1	Government of West Bengal – Commercial Taxes (GST)	₹10,19,377	On 13 Feb 2026 appeal order was passed by the authority for reversal of Input Tax Credit and payment of interest and penalty for FY 2018-19 due to Non-reversal of input tax credit for credit notes, cancellation of GSTIN of suppliers and Non-filing of GSTR3B of Suppliers. The Company has filed an appeal with West Bengal GST Appellate Tribunal (GSTAT), and waiting for disposal of the appeal.	Yes
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred (Yes/ No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

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
During FY 2025–26, monetary penalties were levied by the Stock Exchanges due to non-compliance with 17(1) and 17 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), arising from non-availability of the adequate number of Independent Directors including Women Independent Director on the Board of the Company and Quorum for the Board Meeting. As a result, the Company was unable to reconstitute Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee (06 Apr 2025 to 31 May 2025) and Risk Management Committee (06 Apr 2025 to 31 May 2025) of the Board of Directors leading to the Non-Compliance of Regulations 18(1), 19(1)/ 19(2), 20 (1) and 21 of the SEBI (LODR) Regulation, 2015. As a CPSE, the Company does not have the authority to appoint Directors, which is the prerogative of the Government of India through Presidential Orders. The matter has been referred to the Administrative Ministry, i.e., the Ministry of Defence, and is currently under consideration. The delay in appointments and the resulting non-compliance is beyond the control of the Company. In reply to the penalty notices, the Company submitted quarter wise response to the Stock Exchanges through letters dated 30 Aug 2025, 29 Nov 2025, 10 Mar 2026, and 29 May 2026, requesting waiver of the penalties. However, as per SOP of SEBI, the Stock Exchanges are unable to consider such requests until the underlying non-compliances are complied/ resolved.	NSE & BSE
On 13 Feb 2026 appeal order was passed by the authority for reversal of Input Tax Credit and payment of interest and penalty for FY 2018-19 due to Non-reversal of input tax credit for credit notes, cancellation of GSTIN of suppliers and Non-filing of GSTR3B of Suppliers. The Company has filed an appeal with West Bengal GST Appellate Tribunal (GSTAT) on 22 May 2026, and waiting for disposal of the appeal.	Government of West Bengal – Commercial Taxes (GST)

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 Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. To this end, the Company has adopted the DPE Model CDA Rules, which lays down the principles and standards that guide and governs the actions of the Company and its employees. In line with this, a Whistle Blower Policy has been formulated in the Company, providing a mechanism for employees to report and potential violations of the Code directly to the Chairman of the Audit Committee. The Web link of the policy is https://grse.in/wp-content/uploads/2022/04/Whistle-Blower-Policy-1.pdf

Further, to ensure transparency and integrity in procurement and contracting processes, GRSE has adopted Integrity Pact with all vendors / suppliers / contractors' / service providers for all Orders / Contracts of value ₹200 lakh and above. This Integrity Pact enables the bidders to raise any issues with respect to high value tenders floated from time to time with the Independent External Monitor (IEM). IEMs are appointed by the Central Vigilance Commission (CVC), who oversee implementation of the Integrity Pact. The pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (GRSE), committing the Persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors/ bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings. Further, all the policies relating to ethics, bribery and corruption are "inclusive" and cover the Company as well as its employees and all other external stakeholders.

In addition, "Online Vigilance Complaint Management System" also available in official website of the company to lodge complaint, monitored by Vigilance Department.

During FY 2025-26, the Company conducted anti-corruption and anti-bribery training and awareness programs to promote ethical conduct, transparency and vigilance. Around 70 newly inducted officers and supervisors were trained on Vigilance Administration and preventive Vigilance as part of the orientation program. Awareness sessions were also organized for mid-level and senior management during vigilance awareness week (VAW) 2025 with expert inputs from central Vigilance Commission (CVC) Additionally, two CVC nominated master trainers from the Vigilance department conducted training for HR officials on disciplinary procedures and vigilance related compliance, reinforcing the companies zero- tolerance approach toward bribery and corruption.

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 2025-26	FY 2024-25
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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.**

   No fines/penalties/actions were imposed by regulators/law enforcement agencies or judicial institutions on cases related to corruption and conflict of interest on GRSE during the financial year.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payables	107	90

9. **Open-ness of business:**

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter		Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	NIL*	NIL*
	b.	Number of trading houses where purchases are made from	NA	NA
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	NIL	NIL
	b.	Number of dealers / distributors to whom sales are made	NA	NA
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	b.	Sales (Sales to related parties / Total Sales)	NIL	NIL
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	NIL	NIL
	d.	Investments (Investments in related parties / Total Investments made)	NIL	NIL

*GRSE material procurement is made through qualified suppliers, i.e., either directly through OEMs or their authorized distributor/ stockiest.

Leadership Indicators

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

Total number of awareness programs held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
03	1. Workshop on B&D Procurement was conducted with major OEM's under the presence of Naval Headquarters	Invitation for attending the workshop was sent to approx. 70 major OEM's in which 45-50 OEM's representatives have attended the program in presence of NHQ and local WOT officers, Approx. 70% value chain partners covered in the workshop
	2. Knowledge Transfer (KT) Sessions on Online Bills Processing System (OBPS)	100% GRSE registered indigenous vendors have been onboarded in OBPS Portal
	3. Awareness session on TReDS to GRSE registered MSE Vendors for payment	Approx. 500-600 GRSE registered regular MSE Vendors targeted for TReDS registration in which Approx. 422 Vendors have been registered in TReDS platform

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, the Company has established processes to manage and avoid conflicts of interest involving Board members/ the disclosures/declarations regarding Directorship, Committee positions, and shareholding is obtained from Board Members upon appointment and annually thereafter.

Before entering into any transactions involving related parties or potentially interested individuals/ entities, the Company ensures that all requisite approvals are in place. Additionally, Directors are who deemed to be interested Directors in any agenda item abstain from participating in discussions or voting on such matters at Board/Committee Meetings.

https://grse.in/policies/Code%20of%20Conduct%20and%20Ethics%20-%202026.pdf

PRINCIPLE 2:

BUSINESS 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 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	Nil	NIL	NA
Capex	3.16%	2.34%	Improvement in Green Energy

2. (a) Does the entity have procedures in place for sustainable sourcing?

Yes. The Company follows the Government of India's "Make in India" policy, which mandates a minimum of 20% local content in supplies. Additionally, if there is an MSME among the bidders, subject to purchase preference margin conditions, they will be considered for 25% of procurement of the tender quantity. 3% from within the 25% target is earmarked for procurement from Micro and Small Enterprises owned by women.

(b) If yes, what percentage of inputs were sourced sustainably?

While formal compliance with sustainable sourcing standards is not a mandatory requirement, for all vendors, many suppliers have voluntarily adopted such practices. During FY 2025-26, 69% of the total procurement value was sourced from supply chain partners who have implemented sustainable practices.

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.

GRSE primarily manufactures capital goods such as Warships, Vessels, Bailey Bridges, Ship Engines and other accessories, which have a long operational life, often exceeding 25 years. These products are intended for strategic and national security use and do not return to the Company after sale.

At the end of their lifecycle, these products are typically deemed unfit for reuse and are disposed as scrap by respective owners. As such, the Company does not have direct involvement in the reclamation or disposal process of these goods.

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.**

EPR is not applicable to GRSE's activities.

GRSE primarily manufactures capital goods such as Warships, Vessels, Bailey Bridges, Ship Engines and other accessories, which have a long operational life, often exceeding 25 years. These products are intended for strategic and national security use and do not return to the Company after sale.

At the end of their lifecycle, these products are typically deemed unfit for reuse and are disposed as scrap by respective owners. As such, the Company does not have direct involvement in the reclamation or disposal process of these goods.

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.

No.

The Company primarily manufactures ships, which are long-life capital goods. Once delivered, these products do not return to the Company, and therefore, Life Cycle Assessments (LCA) ae not conducted.

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
	NIL	

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 2025-26	FY 2024-25
	NIL	NIL

The Company's manufacturing processes generates a certain amount of metal scrap. Engineering measures are place to minimize waste generation. A portion of the scrap is reused internally, while the remaining is disposed off through a defined and approved process.

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 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

GRSE operates in a B2B environment, manufacturing capital goods such as warships and related systems, which have a long service life (typically over 25 years). Due to the nature of the products and their usage, there is no provision for reclaiming the products or packaging materials from the customer at the end of their life-cycle.

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 % of total products sold in respective category
NA	

There is no use of packaging in case of ship building, ship repair and other products of the Company. Further, the products once sold, they would not come back to the Company.

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:**

Category	Total (A)	% of employees covered by									
		Health insurance (*)		Accident insurance		Maternity benefits		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	547	-	-	-	-	-	-	20	3.65	-	-
Female	50	-	-	-	-	1	2	-	-	-	-
Total	**597**	**-**	**-**	**-**	**-**	1	0.17	**20**	**3.35**	**-**	**-**
Other than Permanent employees											
Male	78	-	-	-	-	-	-	1	1.28	-	-
Female	7	-	-	-	-	-	-	-	-	-	-
Total	**85**	**-**	**-**	**-**	**-**	-	-	**1**	**1.17**	**-**	**-**

(b) **Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance (*)		Accident insurance		Maternity benefits		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	842	-	-	-	-	-	-	5	0.59	-	-
Female	24	-	-	-	-	-	-	-	-	-	-
Total	**866**	**-**	**-**	**-**	**-**	**-**	-	**5**	**0.57**	**-**	**-**
Other than Permanent workers											
Male	42	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
Total	**42**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(*) Medical facility is administered by the Company through its own resources under Medical Attendance Rules of the Company.

(c) **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.51%	0.64%

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

Benefits	FY 2025-26			FY 2024-25		
	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	NA	100	100	NA
ESI	NA	NA	NA	NA	NA	NA
Others – (GRSE Pension scheme)	NA	NA	NA	NA	NA	NA

Note:

(i) The medical needs of permanent employees/workers have been taken care by the Company Industrial Health Centers set up within the Units of the Company. In case of specialized treatment, employees/ workers are referred to empaneled Hospitals. Since medical needs of the permanent employees/ workers have been taken care by the Company, no separate Health Insurance is taken.

(ii) In addition to Provident Fund and Gratuity, all employees and workers are covered under GRSE pension scheme/ National Pension Scheme (NPS) as part of retirement benefits.

(iii) ESI provisions are not applicable, as equivalent or better medical facilities are already extended to all employees by GRSE.

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.

Yes. All office premises and units of GRSE are accessible to the differently abled employees and workers. The Company is continuously working towards improving accessibility of Infrastructure to the differently abled person and made in accordance to the requirements of the Rights of Persons with Disabilities Act, 2016.

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.**

Yes, the web link to the policy is https://www.grse.in/equal-opportunity-policy/

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/ No *(If Yes, then give details of the mechanism in brief)*
Permanent Workers	Yes
Other than Permanent Workers	Yes
Employees	Yes
Other than Permanent Employees	Yes

GRSE has established multiple online grievance redressal platforms, including a dedicated Grievance Redressal System. These platforms allows/ enable employees and workers to systemically raise concerns, provide feedback, and share their opinions/ views with the Company in a structured and transparent manner.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	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	597	419	70.18	**593**	**443**	**74.70**
▪ Male	547	389	71.12	541	407	75.23
▪ Female	50	30	60.00	52	36	69.23
Total Permanent Workers	866	866	100.00	**930**	**930**	**100.00**
▪ Male	842	842	100.00	906	906	100.00
▪ Female	24	24	100.00	24	24	100.00

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	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	625	157	25.12	304	48.64	646	240	37.15	426	65.94
Female	57	35	61.40	22	38.60	63	31	49.21	45	71.43
Total	**682**	**192**	**28.15**	**326**	**47.80**	**709**	**271**	**38.22**	**471**	**66.43**
Workers										
Male	884	275	31.11	58	6.56	952	236	24.79	132	13.87
Female	24	9	37.50	2	8.33	24	7	29.17	1	4.17
Total	**908**	**284**	**31.28**	**60**	**6.61**	**976**	**243**	**24.90**	**133**	**13.63**

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	%(B/ A)	Total (C)	No. (D)	%(D/ C)
Employees						
Male	625	625	100%	646	646	100.00
Female	57	57	100%	63	31	49.21
Total	**682**	**682**	**100%**	**709**	**677**	**95.49**
Workers						
Male	884	499	56.44%	952	236	24.79
Female	24	09	37.5%	24	7	29.71
Total	**908**	**508**	**55.94%**	**976**	**243**	**24.90**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes. the coverage such system?

Yes. GRSE has implemented a comprehensive Occupational Health and Safety Management System (OHSMS) across all its units, which are ISO certified as per applicable standards.

The OHSMS facilitates proactive risk assessment, implementation of preventive measures, and compliance with all relevant regulations, policies, and guidelines. Internal and surveillance audits and evaluations are conducted on a regular basis, which leads to continuous improvement in safety standards and performance.

b. What are the processes used to identify Work-related Hazards & Assess Risks on a routine and non-routine basis by the Company?

The Company adopts a structured approach to identify work related hazards & assess associated risks, both on a routine and non-routine basis. The key processes include:

(i) Hazard Identification and Risk Assessment

(ii) Aspect and Impact Register

(iii) Check List

(iv) Safety Inspections/ Observations

(v) Drive & Campaigns

(vi) Safety Audits

(vii) Work zone monitoring

c. Whether Company has process for Workers to report the work-related Hazards & to remove themselves from such risks? (Yes / No)

Yes

d. Do the Employees / Workers of the Company have access to non-occupational medical & healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident I Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.7	2.72
	Workmen (Contractor)	1.05	0.29
Total recordable work-related Injuries	Employees	2	07
	Workmen (Contractor)	12	03
No. of fatalities	Employees	Nil	Nil
	Workmen (Contractor)	1	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workmen (Contractor)	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented the following measures to maintain a safe and healthy working environment:

(i) Provisions of adequate workplace infrastructure, including proper ventilations, lighting, machine guards, and exhaust systems.

(ii) Basic amenities, such as safe drinking water, rest rooms, and dedicated First Aid Centers.

(iii) Supply and Enforcement of Personal Protective Equipment for all relevant work activities.

(iv) Awareness and training initiatives, including the display of safety signage, precautionary boards, and regular trainings on Fire, Safety, Health and First Aid.

(v) Implementation of work permit systems, covering high risk activities such as working at Height, Hot Work Confined space, APT and blasting/painting tasks.

(vi) Periodical Health Check-up for employees to monitor and maintain their well being.

(vii) Celebration of Safety Day, which includes safety banners., distribution of safety badges, taking safety pledge and displaying safety awareness posters, etc.

(viii) Arrangement for 'Behavior Based Safety' training programme for employees for safety awareness and safety culture in the workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	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	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

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
Working Conditions	100

During the year 2025-26, External safety audit conducted by third party agency at Main, RBD, FOJ units.

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.**

(i) All safety related incidents are thoroughly investigated, and the key learnings are shared across organization to ensure implementation of corrective actions and prevent recurrence of such incidents. The effectiveness of these corrective measures is subsequently evaluated during Safety Audits.

(ii) Standard Operating Procedures (SOPs) and "Contractors' Safety Guidelines" are reviewed and updated based on the nature of the incident and the specific operational area concerned.

(iii) Significant risks/concerns arising from assessment of Health and Safety Practices and working conditions are addressed through the following risk control hierarchy i.e. elimination, substitution, engineering control (use of Technology/Digitization etc.), administrative control (Safety Capability Building, Monitoring and supervision, visual displays etc.) and usage of PPEs.

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).**

A.	Employees	Yes
B.	Workers	Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Bills of the value chain partners are cleared after ensuring remittance of applicable statutory dues to the concerned authorities by verifying deposit / remittance challans submitted along with the bills.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	2	0	2

Note: Family members have been placed for suitable employment under contractual in all cases.

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/ No)**

No

5. **Details on assessment of value chain partners:**

All of GRSE's value chain partners operate under the purview of applicable labour laws and acts, because of which both the Central and State labour department conduct periodic inspections related to health and safety practices and working conditions at the premise of value chain partners. Any gaps identified during these inspections are suitably addressed by the concerned partners to ensure adherence to regulatory standards.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	NIL

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.**

GRSE has a well-defined system in place for identifying and engaging with its key stakeholder groups. Stakeholder engagement is an ongoing and integral process wherein the Company interacts with various stakeholders across multiple levels to understand their expectations and foster mutual collaboration for creating shared value.

The Company has built a strong and constructive relationships with its stakeholders, built on the pillars of trust, transparency, ethics, and accountability. A continuous two-way communication process, including regular feedback mechanisms on matters impacting the Company's operations, has enabled GRSE to cultivate sustainable stakeholder relationships.

Key stakeholders include customers, suppliers, employees, shareholders, government authorities, regulatory and statutory bodies, auditors, bankers, and the local communities in and around the Company's operational units and divisions.

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, Meetings, Website etc.	Regularly	Assessment of customer needs, their requirement, complaints resolution, business enquiries etc.
Investors/ Shareholders	No	Website, Email, Letters, Meetings, Press Releases, Stock Exchange Disclosures, Annual Report, Investor Meets, Investor calls, etc.	Engagement is done on Quarterly, Half yearly & Annual basis as well as whenever the event occurs.	All events required shareholders' approval, resolution of grievances and disclosures required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
Employees	No	Email, Notice Board, E-Newsletter, Magazine, C&MD's message on events, Shop council, Plant council, portal (Ask Anvesha), rewards and recognition, engagement through family activity program 'Ahoban', etc.	Weekly, Monthly, Yearly and Occasionally	Information on Company activities, Building strong employee engagement, recognition and rewards, building strong organization culture, leadership development, union engagement.
Vendors/ Suppliers	No	Website, Emails, GRSE website, Vendor meets etc.	Regularly	To make vendors/suppliers aware of: • Public Procurement Policy (Preference to Make in India) • Import substitution • Participating in tenders issued on GeM portal • Lodging and tracking grievances on GRSE's grievance redressal portal. • GRSE quality objectives

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
Industry bodies & Regulators	No	Email, Letters, Meetings	As and when required.	Ensure 100% compliance to applicable laws
Experts / Academic and Research Institutions	No	Collaborative need-based engagements on mutually beneficial projects, case based Meetings.	Need basis	Ensuring technical, managerial and leadership alignment with customer requirement and regulatory needs
Governments, NGO, local Communities, Media Industry analysts, and society at large	No	As needed: Governance RFIs/ RFPs, presentations, project meetings, reviews, due diligence, calls and meetings, conferences and seminars, surveys, press releases, press conferences, media interviews and quotes, sponsored events, and Analyst meetings.	Monthly, Quarterly, Half Yearly and Need based.	• Communicate GRSE performance and strategy; • Share and contribute to insight into public and business concerns; • Discuss GRSE response to responsible business issues.

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.**

   GRSE firmly believes in maintaining ongoing dialogue with our Stakeholders, demonstrating our commitment to transparency and accountability. Our leadership actively engages with stakeholders through various platforms to ensure the feedback from stakeholders are incorporated on economic, environmental or social topics. To facilitate this engagement, GRSE has established several committees dedicated to key areas of concern:

   - The Safety, Health and Sustainability (SHS) Committee assesses our performance in safety, health and sustainable issues and overseeing the implementation of Company's relevant policies.
   - The Corporate Social Responsibility (CSR) Committee plays a pivotal role in formulating and recommending CSR policies to the Board. Additionally, it meticulously monitors CSR Budget allocations, activities and expenditures to ensure alignment with our commitment to Social responsibility.
   - Stakeholders' Relationship Committee is entrusted with evaluating statutory compliances and services related to dividend payments, security holders and the performance of Registrar and Transfer Agent (RTA), thereby enhancing trust and transparency in our interactions.

   In line with our dedication to Shareholders engagement, we offer shareholders the opportunity to interact with all Board Members annually during the AGM. This forum allows us to stay attuned to the evolving needs and concern of our stakeholders reinforcing our pledge to remain accountable and responsive to their interest.

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.**

   Yes. Stakeholder consultation is key to identification of areas of improvement in corporate environmental & social efforts. Stakeholders have provided their support to various environmental & social endeavours of GRSE viz. Indigenization under Atmanirbhar Bharat, Development of import substitution equipment, Promotion and utilisation of solar energy, Empowerment of women employees, etc.

   In the case of CSR projects and environmental conservation efforts outside the GRSE's operational boundaries, consultations are held with local communities, regulatory bodies, and other relevant stakeholders. Their feedback helps in effective resource allocation and ensures that the initiatives undertaken deliver maximum impact and social value.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company's action to address the concerns of vulnerable / marginalized Stakeholder groups include some of the programs as follows:

   a) Reservation in appointment for socially disadvantaged sections of the society i.e. Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section and Physically Challenged.

   b) Through CSR activities the Company have undertaken following activities:

      i) Skill and Vocational Training to unemployed youths

      ii) Adoption of ITI in the backward area.

      iii) Empowering differently abled children supporting classes of Indian Institute of Cerebral Palsy (IICP), Kolkata.

      iv) Apprenticeship program for students belonging to Below Poverty Line (BPL)

v) Bringing lasting change in the lives of vulnerable children in association with CRY by providing healthy and safe environment to study, learn and grow.

c) MSMEs have been given priority in project tendering with women-owned and SC/ST owned MSMEs being given an earmarked portion of procurement.

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 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	597	316	52.93	593	173	29.17
Other than Permanent	85	52	61.18	116	50	43.10
Total Employees	**682**	**368**	**53.96**	**709**	**223**	**31.45**
Workers						
Permanent	866	21	2.42	930	10	1.08
Other than Permanent	42	0	0.00	46	0	0.00
Total Workers	**908**	**21**	**2.31**	**976**	**10**	**1.02**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					2024-25				
	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	**597**	**-**		**597**	**100**	**593**	**-**		**593**	**100**
▪ Male	547	-		547	100	541	-		541	100
▪ Female	50	-		50	100	52	-		52	100
Other than Permanent	**85**			**85**	**100**	**116**			**116**	**100**
▪ Male	78	-		78	100	105	-		105	100
▪ Female	07	-		07	100	11	-		11	100
Workers										
Permanent	**866**			**866**	**100**	**930**			**930**	**100**
▪ Male	842	-		842	100	906	-		906	100
▪ Female	24	-		24	100	24	-		24	100
Other than Permanent	**42**	**-**		**42**	**100**	**46**	**-**		**46**	**100**
▪ Male	42	-		42	100	46	-		46	100
▪ Female	0	-		0	0	0	-		0	0

3. **Details of remuneration/salary/wages**

   a. **Median remuneration/ wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)
Board of Directors (BoD)				
▪ Functional Directors	4	98.67	0	0.00
▪ Govt. Nominee Director		0.00	0	0.00
▪ Independent Director		0.00	0	0.00
Key Managerial Personnel	1	53.66	0	0.00
Employees other than BoD and KMP:				
Officers	538	24.75	44	20.88
Supervisors	178	9.13	27	10.24
Workers	951	17.93	24	13.60

   Note:

   (i) The Board of Directors and KMPs as on 31.03.2026 has been considered. Median Salary arrived based on salary & perquisite.

   (ii) Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2023-24.

   (iii) Government Nominee Director does not receive any remuneration from the Company.

   (iv) Independent Director receives the sitting fees for attending the meeting of Board and its Committees.

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	4.39%	4.66%

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/No)**

   Yes. The Head of HR Department is the 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.**

   No separate mechanism exists in the Company for Redressal of Human Rights Issues. However, Grievance mechanism is functioning to resolve employees' grievances on service-related matters and other issues.

   The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Whistle Blower 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. Further, 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.

   In the Company, no discrimination of any kind based on race, creed, gender, religion, language, physical characteristics, socio-economic status, place of birth etc. is done. The following Committees exist for resolving employees' grievances on service related matters and other issues:-

   (a) Grievance Redressal Committee for employees

   (b) Public Grievance is addressed by the Public Grievance Officer in consultation with the concerned dealing Department.

   (c) Internal Complaints Committee to address sexual harassment.

   (d) Employee Connect Committee to address general issues

   (e) Employee Connect Committee for lady employees

   (f) Whistle Blower Mechanism to protect the whistle blower from any harassment / victimisation.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	6	2	Including 01 Pending complaint of 2023-24 resolved during FY 2024-25
Human Rights related issues	Nil	Nil	-	Nil	Nil	-
Others	3	3	1) PG filed by employee for issuing of NOC for passport of his wife and son. 2) PG filed by employee NOC to participate a drama audition at Akash Vani Kolkata. 3) PG filed by employee for reimbursement of medical bill.	Nil	Nil	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Female employees/ workers	87	86
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	NA	NA

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In GRSE, there is a proper mechanism to prevent adverse consequence of the complainant in sexual harassment cases. GRSE also has a dedicated Grievance Redressal System, under which internal complaints' Committee has been formed to take cognizance of complaints. A detailed enquiry is conducted and serious action is taken, if anyone is found guilty.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

Yes, human rights requirement forms part of business agreement or contract. The service contracts between GRSE and service providers contain clause meeting human rights requirement like child labour, minimum wages etc.

10. 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

GRSE conducts comprehensive assessments of all its plants and offices to ensure compliance on Human rights standards. Internal teams rigorously evaluate each facility, supported by robust checks and controls designed to identify and rectify any violations. These are assessed as part of the regular ongoing reviews by the senior leadership team of the Company.

Further, all GRSE Units are periodically inspected by central and state labour departments, PF and ESI departments and other government institutions or departments for compliance related to relevant law/act/statue and identifying gaps.

11. Provide details of any corrective action taken or underway to address significant risks/ concerns arising from the assessment at Question 10 above?

Throughout FY 2025-26, the Company diligently monitored its operations and identified no significant risks or concerns. However, as part of our commitment to responsible corporate practices, we maintain a vigilant approach through continuous monitoring of our activities.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Nil. The Company did not receive any grievances/complaints regarding Human Rights principles and guidelines during 2025-26.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

All locations maintain 100% compliance of statutory provisions. Due reporting of the same is also done to the concerned Government Offices as per the statute. The due diligence for the same is also regulated through the periodic internal inspections.

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?

Yes

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	GRSE didn't assess its value chain partners on Human Rights criteria as these entities come under labour related laws/acts/statutes and are assessed or inspected by relevant Govt. department/institution.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	21,860 GJ	21,648 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	21,860 GJ	21,648 GJ
From non-renewable sources		
Total electricity consumption (D)	27,992 GJ	25,844 GJ
Total fuel consumption (E)	19,153 GJ	Nil
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	47,145 GJ	25,844 GJ
Total energy consumed (A+B+C+D+E+F)	69,005 GJ	47,492 GJ
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from operations)	9.85 GJ / Crore	7.42 GJ / Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	200.44 GJ / Crore, USD	191.31 GJ / Crore, USD
Energy intensity in terms of physical output	12.32	14.75
Energy intensity (optional) – the relevant metric may be selected by the entity	0	0

Revenue from Operations (Rs Crore) : FY 2024-25: 5,075.69 and FY 2025-26: 7002.16

For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.34 INR/USD as per World Economic Outlook(April 2026) implied PPP conversion rate) has been considered.

(Source for PPP - https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

Physical Output is measured in terms of Steel throughput. Fabrication steel throughput of GRSE for the FY 2025-26 is 5600 Ton

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. – M/s. Spoctech Green Ventures Private Limited, Mumbai

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

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Ground water	120,810	3,31,007
(iii) Third party water	70,232	5,41,036
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**191,042**	**8,72,043**
Total volume of water consumption (in kilolitres)	**191,042**	**8,72,043**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	**27.28 KL/ Crore**	**171.81 KL/ Crore**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**554.87 KL/ Crore, USD**	**3,549.59 KL/ Crore, USD**
Water intensity in terms of physical output (KL/Metric Ton)	**34.11**	**270.82**
Water intensity (optional)–the relevant metric may be selected by the entity	0	0

Revenue from Operations (Rs Crore) : FY 2024-25: 5,075.69 and FY 2025-26: 7002.16

For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.34 INR/USD as per World Economic Outlook (April 2026) implied PPP conversion rate) has been considered.

(Source for PPP - https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC)

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 – M/s. Spoctech Green Ventures Private Limited, Mumbai

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	2,050
(ii) To Groundwater		
▪ No treatment	0	22,300
▪ With treatment – please specify level of treatment	0	0
(iii) To Seawater		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
(v) Others		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	24,350

GRSE uses STPs/ETPs for treating the waste/effluent water. The treated water is used for watering plants and non-potable purposes.

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 – M/s. Spoctech Green Ventures Private Limited, Mumbai

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. ETPs (upto 1 KLD capacity@ GRSE Bhaban, 4KLD @ Main Unit) and Soak Pits were installed at our production locations for treating waste water/effluent obtained from ground water after use. The treated water from the ETPs are used for gardening and other non-portable uses.

Chlorination chambers are installed in sewage treatment system to destroy bacteria, virus and parasites from water.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

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. - . – M/s. Spoctech Green Ventures Private Limited, Mumbai

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,380.63	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5,520.58 per year	7,972 per year
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Tonnes/crore rupee	0.99	1.571
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) [Crore-USD]	Tonnes /USD	20.05	32.46
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	1.23	2.48
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Burning per ton of Diesel produces is 3087.94462 Kg of CO2 equivalent GHG gas and Burning 1 ton of Petrol produces 2772.97935 Kg of CO2 equivalent GHG gas. Source: https:\\www.gov.uk\Grid Emission Factor as per CEA is 0.071

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. – M/s. Spoctech Green Ventures Private Limited, Mumbai

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. The Company actively addressing climate change and global warming through various energy conservation initiatives and the adoption of renewable energy sources. A key measure in this regard is the installation of rooftop solar power plants across multiple units, including Main, FOJ, TU, 61 Park, RBD.

To date, the Company has commissioned rooftop solar power plants with a cumulative capacity of 3.05 MW (3050 KWP). During the reporting year, these installations collectively generated 21,81,582 kWh of electricity.

This initiative contributed to an estimated reduction in greenhouse gas emissions by approximately 1,548.92 Metric Ton of CO_2 {KWh x 0.710 (i.e Grid Emission factor) = Kg of CO2}.

Converting CESC Electricity from RE sources an estimated reduction in greenhouse gas emissions by 2,762.24 MT of CO_2. Total reduction in MT of CO_2 is 4,311.17

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)*	Cable – 20.21 MT Other-12.66 MT	1.71
Bio-medical waste (C)	0.006 MT	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	Paint Drum, and other – 72.62 MT Dirty Oil 22.71 MT	Paint Drum, Insulation, Electrode – 119.82 Cable – 6 Grease – 1.29
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Metal scrap – 1,631.82 MT Wooden scrap- 220.78 MT	0
Total (A+B + C + D + E + F + G + H)	**1,980.806 MT**	**128.82 MT**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**0.28 MT / Crore**	**0.025 MT / Crore**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**5.75 MT / Crore, USD**	**0.52 MT / Crore, USD**
Waste intensity in terms of physical output (Total scrap/Steel throughput)	**0.354**	**0.04**
Waste intensity (optional) – the relevant metric may be selected by the entity	**0**	**0**
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	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	95.330	0
(ii) Landfilling	0	0
(iii) Other disposal operations (Sale of scrap)	**1885.476**	905
Total	**1,980.806**	**905**

All the waste disposed vide State Pollution Control Board authorized 3rd party.

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 - M/s. Spoctech Green Ventures Private Limited

10. **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.**

Different production units have taken various measures towards environment protection and conservation, governed by various acts and rules like the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water Act 1974 (Prevention and Control of Pollution), etc. All Units are ISO 14001 certified and comply with the rules prescribed by respective State Pollution Control Boards. All emissions and waste generation are monitored as prescribed by the Pollution Control Boards.

In our manufacturing activity, reduction of waste generation is taken as a very important activity and our nesting plan for cutting of metal sheet is made in such a way to take care of this aspect. Across GRSE, solid wastes/scraps having resale value were collected, segregated, stored and sold.

Hazardous wastes mainly paint drums, dirty oil generated at units are disposed as per the regulatory requirement. Hazardous wastes are disposed vide State Pollution Control Board authorized vendor on regular interval. Bio medical Waste generated very insignificant quantity and the same is also disposed via State Pollution Control Board authorized representatives.

The Company, as part of its operations, generates e-waste from old electrical and electronic systems, computer systems (IT) and communication systems, AC Unit which disposed after their life expiry or damage. The e-waste generated and collected is centralized stored in designated areas (under cover) and auctioned through with MSTC Limited for disposal through authorized dismantlers/recyclers/refurbishes.

Battery waste generated is very negligible amount and the same is returned to the buyer during subsequent replacement activity.

11. **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:**

Sl. No.	Location of operations/ offices	Type 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.
GRSE does not have any operations/offices in /around ecologically sensitive areas.			

12. **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
Not Applicable. There have been no projects undertaken at any of our locations that would necessitate Environmental Impact Assessment (EIA) during the FY 2025-26					

13. **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, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Sl. No.	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 action taken, if any
Not Applicable				

Yes, GRSE is compliant with the applicable environmental law/regulations/guidelines in India.

Leadership Indicators

1. **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 – Garden Reach, Kolkata

(ii) Nature of operations – Shipbuilding

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Groundwater	1,20,810	3,31,007
(iii) Third party water	70,232	5,41,036
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Kilolitres)	191,042	8,72,043
Total volume of water consumption (in kilolitres)	191,042	8,72,043
Water intensity per rupee of turnover (Water consumed/ turnover)	**27.28 KL/ Crore**	**171.81 KL/ Crore**
Water intensity (optional) – the relevant metric may be selected by the entity (KL/Metric Ton)	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	2050
(ii) Into Groundwater		
▪ No treatment	0	22,300
▪ With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
(v) Others		
▪ No treatment	0	0
▪ With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	24,350

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

Process are being initiated to capture the water withdrawal and discharges. Water Meters are being planned to install across all sources and discharge points. Waste water is being treated through ETP Plant, chlorination and treated water is used in gardening.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	0	0	0
Total Scope 3 emissions per rupee of turnover	0	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	0	0	0

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

3. **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 alongwith prevention and remediation activities.**

   Not Applicable.

4. **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:**

   As a responsible global citizen, the organization acknowledges the relation between Green House Gas (GHG) emissions and climate change. To address the Global Challenge, GRSE has been putting efforts in reducing carbon footprint of its products and services, thereby enabling the customers to generate power in a sustainable manner with reduced environmental footprints over the life cycle of the product.

   In internal operations also, the organization is putting a major thrust in energy efficiency and use of renewable energy sources. The Company has established a total 2.80 MW Unit of solar photo voltaic (roof top) plants at various GRSE locations which has helped the company in making energy mix more sustainable.

   Additionally, the Company has undertaken several environmental initiatives, including water and energy conservation projects, afforestation drives, solid waste management, and overall resource optimization. These efforts collectively aim to minimize the environmental impact of operations and promote long-term sustainability.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. The Risks related to business continuity and disaster management are addressed under the Company's Risk Management Policy, which outlines strategies for ensuring operational resilience and timely response to potential disruptions. The policy is reviewed periodically and forms part of the broader enterprise risk management framework. The Risk Management Policy is available in the website of the company at https://grse.in/policies

6. **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.**

   No assessment has been undertaken.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   NIL. The value chain partners were assessed themselves for their respective environmental impact.

8. **How many Green Credits have been generated or procured:**

   a. By the listed entity: Nil

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

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.**

   The Company has taken Corporate Membership with Seven (07) Nos. of trade and industry chambers/ associations.

   (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	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Bengal Chambers of Commerce and Industry (BCCI)	State
4	Indian Shipbuilders Association (ISBA)	National
5	Society of Indian Defence Manufacturers (SIDM)	National
6	Indian Maritime Centre (IMC)	National
7	Indian Chamber of Commerce (ICC)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   No instance of anti-competitive conduct raised by regulatory authorities on GRSE.

Name of authority	Brief of case	Corrective action taken
	NIL	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

   GRSE actively engages with various trade and industry associations, including through industry representations to the Government and regulatory bodies. The Company participates in policy advocacy in a transparent, responsible, and constructive manner, with due consideration to the broader national interest.

Sr. 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
			NIL		

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:**

Sl. 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 mechanism to receive and redress grievances of the community.**

Complaints can be received through Public Grievance Portal (www.pgportal.gov.in). In addition, The Company's CSR department has a community feedback mechanism across all its CSR projects. Any aggrieved individual/ groups can express their grievances through this annual exercise or on as and when required basis.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	60.20% (approx.)	63.54% (approx.)
Sourced directly from within India	87.04 % (approx.)	86.06 % (approx.)

Note: percentage calculation of procurement from India & MSE sources are considering total procurement (Indigenous+ Import).

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or works employed on a permanent or non-permanent / on contract basis) in the following locations as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	-	-
Semi – Urban	-	-
Urban	-	-
Metropolitan	100%	100%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impact 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 identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1	Jharkhand	Ranchi	79.50 lakh
2	Jharkhand	Khunti	47.28 lakh

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes

(b) **From which marginalized /vulnerable groups do you procure?**

Social Category (SC/ST) and Companies owned by Women

(c) **What percentage of total procurement (by value) does it constitute?**

	FY 2025-26	FY 2024-25
Total procurement made from MSEs	60.20%	63.54%
Procurement from Social Category (SC/ST) Entrepreneurs	1.26%	2.68 %
Procurement from Women Entrepreneurs	4.43%	5.32 %

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
1	Nil	No	No	NA

Note: Above percentage calculation of procurement from India & MSE sources are considering total procurement (Indigenous+ Import).

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
	NIL	

6. **Details of beneficiaries of CSR Projects:**

Sl No	Name of the project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Supporting 14 nos. Gadadhar Abhyuday Prakalp (GAP) Units of Ramakrishna Mission Belur Math	747	100
2	Project Akansha for holistic development of children at Hastings and Khidirpore in association with Child Rights and You (CRY)	416	100
3	Support for adoption of classes and other projects of IICP	256	100
4	Daily Cleaning & Maintenance of Toilets at 20 Schools, Colleges, Institutions etc. for 10 months in association with Sulabh International Social Service Organization	26,016	100
5	Monthly Health Camps for Marginalized Segment at Naora (South 24 Parganas District), Agarhati (North 24 Parganas District), Rajabagan (Kolkata) etc. by GRSE Medical Cell	7,524	NA
6	Medical examination (investigation) for local workers by GRSE Medical Cell, GRSE	5,658	NA
7	Blood Donation Camps by GRSE Medical Cell, GRSE	169	NA
8	TB Nikshay Mitra by GRSE Medical Cell in association with Kolkata Municipal Corporation (KMC)	157	100
9	Ulcer Care Treatment for Leprosy Patients in association with TLMTI at Premananda Memorial Leprosy Hospital (located at Manicktala, Kolkata)	75	100
10	Building Community Toilets in West Bengal and Jharkhand - ASHA	100	100
11	Sanitation Related - Swachh Bharat, Swachhta Pakhwada, Special Campaign etc.	28,000	NA
12	Providing medical equipment to Matri Bhavan Hospital, Kolkata (Ram Krishna Sarada Mission)	516	100

Sl No	Name of the project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
13	Distribution of Umbrella to Under Privileged Communities in Ranchi	22,550	100
14	Enhancement of Eye Care Facilities for Under-Priviledged Communities	671	100
15	Short-Stay Facility for marginalised communities-Matruchhya Trust, Goa	112	100
16	Vocational skill development training for youths in the heath sector at MSSK	91	100
17	SMILE TRUST- Acquisition of eye laser device and renovation of treatment room (H&N) - NEW	NA	100
18	TRCSC - Backyard Poultry and Khaki Campbell Duck Distribution (H&N) - NEW	60 *	100
19	Vocational skill development training for youths in the non-heath sector at MSSK	154	100
20	Development of Mayer Ghat on the Bank of Hooghly River at Baghbazar, Kolkata in Association with Syama Prasad Mukherjee Port Kolkata (SMPK)	0 **	NA
21	Development of Bichali Ghat on the Bank of Hooghly River at Metiabruz, Kolkata	0 **	NA
22	Hoogly River Pollution Abatement-"Keep the Hoogly Clean "	0 **	NA
23	Construction of Building at Garden Reach Moulana Azad Memorial Girls' Higher Secondary School, H-83, Paharpur Road at Ward 135, Garden Reach, Kolkata-700024 Revised Project: Smart Class for Students (Installation of LCD Screens/CCTV/AC etc.)	1200	100
24	Skill development training for local school students, unemployed youths etc. and Development of training facility related infrastructure at Industrial Training Institutes (ITI), Educational Institute, School, College, Social Organization, Charitable Organization, Library etc. in West Bengal	83	100
25	Infrastructure Development of Bakery cum Vocational Unit for Mentally Challenged Children at Nodakhali (South 24 Parganas District) in association with Behala Naba Proyas	12	100
26	Plantation of Mangrove Saplings, Fruit Bearing Tree Saplings etc. in West Bengal and Jharkhand	500 *	100
27	Rural Development, Promoting Self Help Group, Promoting Road Safety, Promoting Gender Equality, Empowering Women & Disabled, Promoting Rural & Nationally Recognized Sports, Swachh Bharat Kosh, Clean Ganga Fund, PM Cares, Promoting Environmental Sustainability, Protecting Ecological Balance, Protecting Flora & Fauna, Animal Welfare, Agroforestry, Conservation of Natural Resources, Maintaining quality (Soil, Air, Water, Noise), Impact Assessment Study for the CSR Projects undertaken during FY 2023-24 etc.	150	NA
28	Purchase of Training Boat-Sea Explorer's' institute, Kolkata	50	NA
29	Hockey for Her-Empowering Girls through sports in Ranchi	100	100
30	Fund Support for School Construction, Ramakrishna Mission Jhargram	390	100
31	Fund for women safety and awareness: Kolkata Police: Smile Trust	0 **	NA
32	Stipend to apprentices and other trainees engaged in GRSE	–	NA

Note 1: * Unit: Number of Families

Note 2: ** The projects cover general public at large, hence the actual number of beneficiaries can't be ascertained.

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.**

   The Company follows a structured approach to handling consumer complaints and feedback, aligning with the Defence forces established system for issue resolution. Regular meetings are conducted to address concerns and to manage any defects covered under warranty or guarantee, even after product delivery. These processes ensure that any issues are systematically addressed. Given the sensitive nature of the documentation involved, all records remain confidential as per defence forces protocols.

2. **Turnover of products and services as a percentage of turnover from all products/ service that carry information about:**

	As percentage to total turnover
Environmental and social parameters relevant to the product	The main products of the Company are Warships, Vessels, Bailey Bridges, Ship Engines and other accessories for use in strategic/ national security applications. Hence, Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	The main products of the Company are Warships, Vessels, Bailey Bridges, Ship Engines and other accessories for use in strategic/ national security applications. Once the products are sold they do not come back to the company.

3. **Number of consumer complaints in respect of the following:**

	2025-26		Remarks	2024-25		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at end of year	
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-Security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

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.**

   The Company has implemented a comprehensive cyber-security policy designed to safeguard its digital infrastructure and sensitive data. The policy is readily accessible on the company's intranet, allowing all employees to stay informed about their responsibilities in maintaining cyber security.

   For confidentiality and security reasons, the cyber security policy is made available to the employees through Company's intranet only, hence the web-link is not provided.

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 did not receive any significant complaint in the last financial year that may require any corrective action.

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches - NIL

   b) Percentage of data breaches involving personally identifiable information of customers - NA

   c) Impact, if any, of the data breaches - NA

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information on products and services of GRSE can be accessed from its website at www.grse.in.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Operational Manual and Training on equipment / systems are provided to customers as per contractual requirements.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The main product of the Company is Ship, mainly for use by Indian Armed Forces. The company is committed to provide support whenever such services are required by the customer.

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)**

   Not Applicable. The products of the Company are such that do not require any standard information to display/stenciled.

INDEPENDENT ASSURANCE PRACTITIONER'S STATEMENT

To,
Garden Reach Shipbuilders & Engineers Limited
GRSE Bhavan, 61 Garden Reach Road, Kolkata - 700 024.

Spoctech Green Ventures Pvt. Ltd. (hereinafter referred to as "Greenifit", "we", "us" or "the assurance practitioner") was appointed and engaged by the management of Garden Reach Shipbuilders & Engineers Limited (hereinafter referred to as "GRSE" or "the Company") to perform an independent reasonable assurance engagement on the nine core attributes of the BRSR Core, in respect of the environmental, social and governance information disclosed by the Company in its Business Responsibility and Sustainability Report ("BRSR") for the reporting period from April 1, 2025 to March 31, 2026, prepared in accordance with the applicable regulations and circulars issued by the Securities and Exchange Board of India ("SEBI") for listed entities.

We performed the engagement through a multidisciplinary team of experienced professionals and subject-matter specialists, on the attributes pertaining to the environmental, social and governance performance of the Company reported through the BRSR Core, to obtain sufficient appropriate evidence to support our professional judgement and to provide the basis for a reasonable assurance conclusion within the defined scope and boundary of the engagement. The assurance team applied professional judgement, skills and techniques, with professional scepticism, throughout a systematic engagement process to arrive at an independent conclusion on the subject matter within the scope and boundary of the engagement.

Assurance Standard and Level of Assurance

We conducted this **reasonable assurance** engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, issued by the International Auditing and Assurance Standards Board (IAASB).

Scope and Boundary of Assurance

The scope of this engagement, as agreed with the Company, was to provide reasonable assurance on the non-financial sustainability disclosures covered under the nine core attributes of the BRSR Core format, for the reporting period from April 1, 2025, to March 31, 2026, as provided by the Company in its BRSR.

The reporting boundary of the Company's BRSR is a standalone basis, as disclosed in Section A of the SEBI BRSR format for the reporting period.

The on-site fieldwork was conducted at GRSE plants. The selection of sample sites and indicators was based on our professional judgement, considering the percentage contribution of each site to the reported indicators, the complexity of operations at each location and the reporting systems in place.

The Methodology Adopted for Assurance

Our procedures, designed to obtain reasonable assurance on the subject matter information, included:

- interviewing relevant personnel of the Company's management responsible for sustainability and ESG matters, and their teams, through a combination of physical and virtual interactions, to understand the processes for collecting and collating the information as required by the SEBI circulars on BRSR Core;
- obtaining an understanding and evaluating the design and implementation of the key systems, processes and controls for recording, processing and reporting the BRSR Core indicators, and assessing the operational control and reporting boundaries;
- assessing the appropriateness of the assumptions, estimations and materiality thresholds used by the Company for data analysis;
- performing analytical procedures to analyse and assess the reasonableness of the data reported in the current year;
- performing the testing on a sample basis of the identified indicators to verify that the data had been appropriately measured, recorded, collated and reported — including examination of underlying documents, returns and internal monitoring reports filed with, or relied upon from and the relevant authorities,; and
- verifying the consolidated reported information for the nine BRSR Core attributes against source records for the reporting boundary described above.

Our conclusion does not extend to the continuing effectiveness of the Company's internal controls. The assurance approach was based on our professional judgement, having regard to the availability of data, the evidence obtained, and the risk of material misstatement or misrepresentation.

Inherent Limitations and Exclusions

It is crucial to acknowledge certain inherent limitations of the methodology and scope as below.

- Reducing engagement risk to zero is rarely attainable; accordingly, reasonable assurance is a high but not absolute level of assurance and is less than absolute assurance.
- The preparation of the BRSR information requires management to establish the reporting criteria, decide what information is relevant, and make estimates and assumptions that affect the reported information.
- The measurement of certain BRSR Core metrics, such as greenhouse gas emissions, energy, water and waste footprints, involves assumptions, estimations and inherent measurement uncertainty; obtaining sufficient appropriate evidence does not eliminate the uncertainty inherent in these amounts and metrics.
- The evaluation and verification of the Company's financial performance and financial data are outside the scope of this engagement, except to the extent of reliance on the Company's third-party audited financial statements, where materially required in connection with the nine BRSR Core attributes.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, targets, expectations, aims or future intentions, nor assertions relating to intellectual property rights or other competitive matters. It

does not extend to a review of the Company's strategy, its legal compliance, or the mapping of the BRSR to reporting frameworks other than those specifically mentioned above.

Responsibilities of the Management of the Company

The management of the Company is responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the BRSR information so that it is free from material misstatement, whether due to fraud or error, including the prevention of deliberate misrepresentation;
- selecting or establishing suitable criteria for preparing the information, and disclosing the applicable criteria used;
- preparing, measuring and calculating the information in accordance with the reporting criteria, and making it available to the intended users with relevant explanations; and
- ensuring compliance with applicable laws, regulations and contracts, and identifying and describing the inherent limitations in measuring or evaluating the information against the reporting criteria.

Our Responsibilities

Our responsibility is to:

- plan and perform the engagement to obtain reasonable assurance about whether the disclosures on the BRSR Core are free from material misstatement, and thereafter to form an independent conclusion based on the procedures performed and the evidence obtained;
- exercise professional scepticism, judgement, skills and techniques throughout a systematic engagement process; and
- express our conclusion to the management of the Company. This statement represents our independent conclusion and is intended to inform the stakeholders of the Company of the outcome of our assurance.

Independence, Quality Control and Competence

We are independent of the Company and have no financial interest in the Company other than in respect of this independent assurance engagement on the non-financial sustainability information disclosed in the BRSR. Our assurance team was drawn from a dedicated pool of sustainability and ESG professionals with multidisciplinary expertise across sustainability reporting standards, greenhouse gas accounting and aforesaid assurance standard, and with experience in conducting assessment of sustainability data, systems and processes. We maintain a comprehensive system of quality management, consistent with the requirements of the International Standard on Quality Management (ISQM) 1, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Conclusion

Based on the procedures performed and the evidence obtained, **in our opinion, the disclosures of the nine BRSR Core attributes, as covered under the scope of this assurance and set out in the BRSR of the Company for the reporting period from April 1, 2025, to March 31, 2026, are prepared, in all material respects, in accordance with the reporting criteria described above, and are free from material misstatement.**

Our reasonable assurance conclusion relates only to the information for the period from April 1, 2025, to March 31, 2026, and does not extend to any other elements included in the BRSR or in any report linked to the BRSR, and we express no conclusion thereon.

Intended Use and Restriction on Use

This assurance statement has been prepared for the Board of Directors, the management and the stakeholders of the Company, solely for the purpose of providing reasonable assurance on the non-financial sustainability information relating to the nine BRSR Core attributes as required in the SEBI BRSR Core format, as described in the scope above. It is intended for users who have a reasonable knowledge of the BRSR Core attributes and who read the information with reasonable diligence.

Except for its publication together with the BRSR as part of the Company's annual report, this statement is not intended to be used, reproduced in part, or altered in design or content for any other purpose. This document is intended to be used in its original form without modification. We will not be responsible for monitoring disclosures made by the Company after the date of issue of this statement; in the event that any material deviation comes to our attention, we may bring it to the notice of the Company and, if necessary, in the context of regulatory expectations, to the relevant stakeholders and authorities.

Limitation of Liability

We do not accept or assume responsibility to anyone other than the Company for our work, for this assurance statement, or for the conclusions we have reached. In no event shall the assurance practitioner or its personnel be liable to any party for any direct, indirect, incidental, special, punitive or consequential damages, costs, expenses or losses in connection with any use of the content of this statement. This statement is not intended to be relied upon in any court of law, and any reliance a third party may place on the BRSR or on this statement is entirely at its own risk.

For and on behalf of
Spoctech Green Ventures Pvt. Ltd.

Vikash

Vikash Sharda
Engagement Leader

Place: Mumbai
Date: 21st July 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Garden Reach Shipbuilders & Engineers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Garden Reach Shipbuilders & Engineers Limited** ("the Company"), which comprise the balance sheet as at March 31, 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act 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.

Emphasis of Matter

We draw attention to Note 48 of the financial statements, which describes the effects of change in estimation of cost to complete and expected sale consideration in respect of projects named P17A, ASWSWC & NGOPV and consequential impact on the financial results of current year. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit Matter	How the matter was addressed in our audit
1. Recognition of revenue from ship building contracts Company's revenue is mainly derived from ship building. Revenue on such contracts is recognised over time as performance obligations are fulfilled over time. The Company recognizes revenue from a performance obligation in accordance of Ind AS 115 only when it can reasonably measure its progress towards complete satisfaction of the obligation. Progress with respect to ship construction is recognized using input method i.e. by comparing the actual costs anticipated for the entire contract. As disclosed in Note 20 to the financial statements, during the year, the Company has earned ₹5,77,294.23 lakh (₹4,44,852.57 lakh) from ship building out of total revenue from operations of ₹7,00,215.78 lakh (₹5,07,568.77 lakh) during the year. This area was important to our audit due to the fact that significant estimates are involved in determination of stage of completion and measurement of progress towards satisfaction of performance obligations and estimating costs to complete of each contract.	We obtained an understanding of the Company's controls over the revenue and cost recognition process to assess the design of the key controls in place. Our substantive audit procedures included • Review of the contracts and service orders to evaluate management's assessment of performance obligations in accordance with Ind AS 115; • Obtaining cost estimation schedules approved by project teams and verifying the costs to complete by agreeing to evidence of committed expenditure, budgeted rates and actual costs incurred to date; • Review of correspondences to corroborate management's assessment of liquidated damages payable that may arise as per terms of contract due to probable delivery time overrun.

Key Audit Matter	How the matter was addressed in our audit
2. Inventories As at the year end the Company carries inventory valued ₹3,40,217.12 lakh (₹3,55,224.67 lakh) refer Note 9 to financial statements. The above includes raw materials and equipment valued at ₹3,30,959.22 lakh (₹3,41,744.45 lakh) which are mostly project specific. The Company maintains detailed item wise record of these inventories and the same are classified project wise for management and control of inventories. The Company carries out regular physical verification of inventories, including technical evaluation of the condition and usability of the such items and makes necessary provision in the books for unusable/ obsolete items identified if any. The basis of valuation of inventories is set out in Note 1.2(h) to the financial statements. We have considered inventory management as a key audit matter since inventory constitutes a significant part of the assets of the Company. Moreover, timely recognition of procurement, issue, consumption, accounting of inventory, identification of unusable, obsolete items by way of technical evaluation and physical verifications have major impact on the profitability of the Company.	Our audit procedures of inventory included but were not limited to the following: • Understanding the basis followed for recognition of purchase and issue of materials and ensuring that the same are in accordance with normally followed accounting principles. • Review of item wise/ contract wise record of inventories. • Review of reports on physical verification/ technical evaluation of inventories carried out by the management and ensuring adequacy of year end provision for slow-moving / non-moving / obsolete items identified based on the same. We critically assessed the Company's inventory provisioning policy, with specific consideration given to aged inventory and their movement status; We have verified the value of few sample of inventory items to confirm whether they are held at the lower of cost and net realisable value in accordance to Ind AS 2.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Report on Corporate Governance, Business Responsibility & Sustainability Report and other information contained in the Annual Report, but does not include the financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. In compliance to directions of the Comptroller and Auditor General of India u/s.143(5) of the Act, we give in **Annexure "B"** to this report a statement on the matters specified therein.

3. As required by Section 143(3) of the Act, 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, and the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except disclosure under Ind AS 108 Operating Segments. Ministry of Corporate Affairs vide notification S.O No 802(E) dated 23rd February 2018 has exempted the companies engaged in defence production from application of Segment Reporting and hence no such disclosure is made by the Company.

   (e) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India.

   (f) The provisions of Section 197(16) of the Act regarding payment of managerial remuneration to Company's directors are not applicable in view of Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report given in **Annexure "C"** to this report.

   (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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has pending litigations, the liabilities in respect of which are either provided for or disclosed as contingent liabilities – Refer Note 29 to the financial statements. The impact of these pending litigations on the financial position of the Company is subject to their judicial outcome;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except Guarantee Repair in respect of which the Company holds adequate provision – Refer Note 19 to the 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made by the management in this regard contain any material mis-statement.

v. The dividend declared and paid during the year by the Company is in compliance of with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the Company has in place an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail is preserved by the Company as per the statutory requirements for record retention.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

Sd/-
(CA Dr. B. S. Kundu)
Partner
Membership No.051221
UDIN: 26051221WHGKVW6911

Place: Kolkata
Date: 28.04.2026

ANNEXURE - A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

i. In respect of the Company's Property, Plant and Equipment:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, Property, Plant and Equipment of some division/ unit of the Company were verified internally by management during the year. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the accounts. In our opinion, the periodicity of such physical verification is reasonable having regard to the size of the Company and nature of its assets;

(b) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company or the properties where the Company is the perpetual user free of cost), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date;

(c) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(d) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

i. (a) The inventories (other than those lying with third parties), have been physically verified during the year by the management. The procedure followed for such verification, in our opinion, is appropriate. The discrepancies between physical stock and book records arising out of physical verification, have been properly dealt with in the books of account. However, there were no discrepancies of 10% or more in the aggregate for each class of inventory;

(b) During the year, 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 Company has the sanction of ₹23,000 lakh for fund-based facilities and ₹14,16,300 lakh for non-fund based facilities as at the year end. The quarterly returns of stocks and book debts filed by the Company with the banks are in agreement with the books of account of the Company.

ii. 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 investments in companies, firms, Limited Liability Partnerships or any other parties other than the investment in equity shares and mutual funds as disclosed in Note 6(a) to the financial statements. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, or stood guarantee, or provide security to companies, firms, Limited Liability Partnerships or any other parties. The Investments made by the Company in mutual funds, and equity shares are not prejudicial to the interest of the Company. Other matters of the clause are not applicable to the Company.

iii. The Company has not given any loan, guarantee or provided any securities where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Further, in terms of Notification No. G.S.R. 463(E) dated June 5, 2015, the provisions of section 185 are not applicable to a Government company if the loans or advance in the loan are pre-approved by the Government; and section 186 of the Companies Act, 2013 are not applicable to the Government companies engaged in defence production.

iv. According to the information and explanations given to us the Company has not accepted any deposits or accepted any amount which are deemed to be deposits during the year to which directives of Reserve Bank of India or provisions of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules made thereunder are applicable.

v. According to the information and explanations given to us, maintenance of cost records by the Company has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of construction of ships, manufacturing of engineering goods and diesel engines. We have broadly reviewed such cost records and are of the opinion that, prima facie, prescribed accounts and records have been made and maintained.

vii. (a) According to information and explanations given to us, and on the basis of our examination of books and accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, ESI, income tax, goods and services tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities. There is no undisputed amount payable in respect of aforesaid dues as on March 31, 2026 for a period of more than six months from the date they become payable.

(b) According to the records of the Company and information and explanations given to us, the following are the details of disputed statutory dues not deposited on March 31, 2026:

Sl. No.	Name of the Statute	Nature of dues	Year to which pertains	Amount (₹ in Lakh)	Forum where the dispute is pending
1	Income Tax Act, 1961	Income Tax	2008-09	1729.93	Assessing Officer for Appeal Effect Order
2	Income Tax Act, 1961	Income Tax	2023-24	58.19	Commissioner of Income Tax (Appeals) – NFAC
3	Goods & Service Tax Act, 2017	Goods & Service Tax	2018-19	212.64	Goods & Service Tax Appellate Authority (subject to filing)
4	Goods & Services Tax Act, 2017	Goods & Service Tax	2021-22	626.74	Commissioner (Appeals) – First Appellate Authority
5	Customs Act, 1962	Custom Duty	2024-25	826.40	Principal Commissioner of Customs – (Airport & ACC)
	Total			3,453.90	

The amounts mentioned above are exclusive of interest and penalties that may be payable on final settlement of pending cases.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has working capital limits sanctioned by banks (Both Funded & Non-Funded facilities). The Company has availed short term borrowings from the bank. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon;

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender;

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence application of term-loan other than the purpose for which the loans were obtained does not arise;

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis, prima facie, have not been utilized for long-term purposes by the Company during the year;

(e) The Company does not have any subsidiary, joint venture or associate companies and hence taking any funds from any or person on account of them or meet their obligations or raising any loan on the pledge of securities held by them does not arise. As such, clauses 3(ix)(e) & (f) of the Order are not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and 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 on the Company 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 in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year;

(c) No whistle blower complaints have been received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence clauses 3(xii)(a), (b) & (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and the nature of its business;

(b) We have duly considered the internal audit reports for the year under audit received by the Company during the year in determining the nature and extent of our audit.

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

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

(b) The Company has not conducted any Non-banking Financial or Housing Finance activities as per Reserve Bank of India Act, 1934 during the year;

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) The Company does not belong to any Group having more than one CIC as part of the Group.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our report is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will be discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, the Company has no unspent funds towards Corporate Social Responsibility (CSR) required to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act;

(b) The Company does not have any ongoing projects on CSR and hence there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

Sd/-
(CA Dr. B. S. Kundu)
Partner
Membership No.051221
UDIN: 26051221WHGKVW6911

Place: Kolkata
Date: 28.04.2026

ANNEXURE “B”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & Auditor General of India

According to the information and explanations given to us by the management and on the basis of our examination of books and records of the Company, we report that:

Sl. No.	Query	Reply
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The Company manages and administers Provident Fund for post-retirement benefits of its employees through a Trust which in turn invests the funds available with it. The investments are mainly in Central and State Governments Securities, PSU Bonds guaranteed by Central/State Government and deposits in Public Sector Banks. The Fund also holds investments in Mutual Fund (MF) and Exchange-Traded Fund (ETF). The investment pattern of the Fund complies with the applicable Regulations. The trust has not adopted Ind As as the same is not applicable to it. As per accounting policy of the Fund, investments are stated at face value and any difference between the face value and cost price is charged to revenue account. Market value of investments in Central and State Governments Securities and PSU Bonds are not declared in the financial statements of the Fund. NAV of investments in MF/ETF are obtained as at the year end. Diminution in the value of investments in MF/ETF is not considered permanent in nature and hence no provision is taken for such diminution in the financial statements of the Fund. The investments are verifiable with supporting documents like consolidated account statement received from NSDL, constituent SGL account from HDFC Bank Ltd. and confirmation of bank deposits. No material deviations or misstatements is noticed.
2.	Whether the company has a system in place to process all the accounting transaction through IT system? If yes, whether review of this system and controls that are significant to the Companies’ financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be stated.	The Company has SAP system in place to process all the accounting transactions through IT system. However, in few cases e.g., amortization of prototype intangible asset and right of use assets (ROU) and unwinding of amortized cost of lease and other financial liabilities, recording of transaction is not automated through the IT system. Processing of these accounting transactions outside IT system is fair, reasonable and consistent. Financial implication of these transactions is also not material. During 2024-25 review of the system and controls that are significant to the Company’s financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In in two audit rounds dated 30th September 2024 and 30th January 2025 and a certificate to this effect dated 24.03.2025 was issued to the Company wherein it is declared that the certificate is valid till no major configuration changes or one year, whichever is earlier. No material discrepancies arising out of the review were reported. However, no review of IT System is done thereafter till the date of this report since, as explained to us, the Framework for Improving Cyber Security Infrastructure in Department of Defence Production issued by the Cyber Security Group, Department of Defence Production, Ministry of Defence mandates that external audit by CERT-In empanelled agency is to be done once in two years.

Sl. No.	Query	Reply
3.	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Governments or its agencies were properly accounted for as per the applicable accounting standards or norms / and whether the received funds were utilized as per its term and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	During the year no fund (grant, subsidy or assistance) has been received by the Company from the Central or any State Government or any Government agencies for any scheme and hence accounting of receipt of fund as per applicable accounting standards or norms and utilization of the fund as per its terms and conditions and accounting of interest earned on grants received as per terms and conditions of the grant does not arise.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified and recorded key risk areas and duly formulated Risk Management Policy to mitigate those risks. In our opinion and to the best of our information (a) the Risk Management Policy has been formulated considering global best practices. The Company has identified its data assets. However, as informed to us, formal third party qualitative evaluation of the same is in process.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management. Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Nothing has come to our attention that causes us to believe that the Company is not complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management. Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable except non-compliance of Regulations 17(1), 18(1) and 19 of The Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 due to inadequate numbers of Independent Directors including Women Directors. The appointment of Directors is made by the Government of India and hence the non-compliance is beyond the control of the Company.

For Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

Sd/-
(CA Dr. B. S. Kundu)
Partner
Membership No.051221
UDIN: 26051221WHGKVW6911

Place: Kolkata
Date: 28.04.2026

ANNEXURE "C"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026 OF GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED

Report on the Internal Financial Controls 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 **GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED** ("the Company") as of March 31, 2026 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, 2026, 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 Guha Nandi & Co.
Chartered Accountants
FRN: 302039E

Sd/-
(CA Dr. B. S. Kundu)
Partner
Membership No.051221
UDIN: 26051221WHGKVW6911

Place: Kolkata
Date: 28.04.2026

COMMENTS OF C&AG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GARDEN REACH SHIPBUILDERS AND ENGINEERS LIMITED, KOLKATA FOR THE YEAR ENDED 31 MARCH 2026.

The preparation of financial statements of **Garden Reach Shipbuilders and Engineers Limited Kolkata** for the year ended 31 March 2026 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 them vide their Audit Report dated 28 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Garden Reach Shipbuilders and Engineers Limited, Kolkata** for the year ended 31 March 2026 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

Sudha Rajan

(Sudha Rajan)
Director General of Audit (Defence-Commercial)

Place: Bengaluru
Date: 08 July 2026

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BALANCE SHEET
As at 31 March, 2026

(₹ in Lakh)

Particulars				Note No.	As at 31 March, 2026	As at 31 March, 2025
ASSETS						
(1)	**Non-current assets**					
(a)	Property, plant and equipment			3		
	(i)	Property, plant and equipment-other than RoU			52,133.70	49,026.13
	(ii)	Right-of-use-assets (RoU)			3,574.96	918.97
(b)	Capital work-in-progress			4	1,578.13	2,122.93
(c)	Intangible assets			5	1,904.94	1,571.03
(d)	Intangible assets under development			4(a)	799.62	676.91
(e)	Financial assets					
	(i)	Investments		6(a)	0.44	0.44
	(ii)	Other financial assets		6(b)	22,079.80	9,427.33
(f)	Non-current tax assets			7	11,867.04	19,237.08
(g)	Other non-current assets			8	11.41	23.43
Total non-current assets					**93,950.04**	**83,004.25**
(2)	**Current assets**					
(a)	Inventories			9	3,40,217.12	3,55,224.67
(b)	Financial assets					
	(i)	Trade receivables		10(a)	1,22,086.90	25,945.77
	(ii)	Cash and cash equivalents		10(b)	1,726.58	388.27
	(iii)	Bank balances other than (ii) above		10(c)	3,37,082.79	3,72,797.13
	(iv)	Other financial assets		10(d)	13,401.18	20,491.43
(c)	Other current assets			11	1,55,136.46	1,77,566.62
Assets classified as held for sale				12	8.96	5.05
Total current assets					**9,69,659.99**	**9,52,418.94**
TOTAL ASSETS					**10,63,610.03**	**10,35,423.19**
EQUITY AND LIABILITIES						
Equity						
(a)	Equity share capital			13(a)	11,455.20	11,455.20
(b)	Other equity			13(b)	2,51,156.52	1,96,471.04
Total equity					**2,62,611.72**	**2,07,926.24**
Liabilities						
(1)	**Non-current liabilities**					
(a)	Financial liabilities					
	(i)	Lease liabilities			3,145.37	762.08
	(ii)	Trade payables		14		
		(A)	total outstanding dues of micro enterprises and small enterprises		-	-
		(B)	total outstanding dues other than micro enterprises and small enterprises		800.03	771.19
(b)	Provisions			15	9,507.16	9,409.56
(c)	Deferred tax liabilities (net)			16	1,618.10	1,629.36
Total non-current liabilities					**15,070.66**	**12,572.19**
(2)	**Current liabilities**					
(a)	Financial liabilities					
	(ia)	Lease liabilities			594.41	204.80
	(ii)	Trade payables				
		(A)	total outstanding dues of micro enterprises and small enterprises	17(a)	607.53	367.61
		(B)	total outstanding dues other than micro enterprises and small enterprises	17(a)	1,82,165.42	1,14,773.18
	(iii)	Other financial liabilities		17(b)	4,424.17	3,572.74
(b)	Other current liabilities			18	5,76,801.24	6,90,583.00
(c)	Provisions			19	21,334.88	5,423.43
Total current liabilities					**7,85,927.65**	**8,14,924.76**
TOTAL EQUITY AND LIABILITIES					**10,63,610.03**	**10,35,423.19**
MATERIAL ACCOUNTING POLICY INFORMATION						
Company information and Material Accounting Policy Information				1		
Critical estimates and judgements				2		

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Guha Nandi & Co.
Chartered Accountants
Firm's Registration No - 302039E

Sd/-
(CA Dr. B.S. Kundu, FCA)
Partner
Membership No. 051221

Place of Signature : Kolkata
Date : 28th day of April, 2026

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director
DIN - 08591411

Sd/-
Niranjan Mukund Bhalerao
Director (Finance) & CFO
DIN: 10941391

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

STATEMENT OF PROFIT AND LOSS

For the year ended 31 March, 2026

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March, 2026	Year ended 31 March, 2025
Revenue from operations	20	7,00,215.78	5,07,568.77
Other income	21	27,438.60	33,483.75
Total income		**7,27,654.38**	**5,41,052.52**
EXPENSES			
Cost of materials consumed	22(a)	3,42,171.67	3,32,470.33
Purchase of products for resale (B & D spares)		58,831.40	27,123.16
Changes in inventories of work-in-progress and scrap	22(b)	4,967.51	(6,054.30)
Sub-contracting charges		1,18,252.46	48,356.74
Employee benefits expense	23	41,284.99	36,084.66
Finance costs	24	1,611.69	1,032.28
Depreciation and amortisation expense	25	4,887.38	4,249.23
Other expenses - project related	26	39,980.79	14,818.47
Other expenses	27	15,196.90	12,642.98
Total expenses		**6,27,184.79**	**4,70,723.55**
Profit before tax		**1,00,469.59**	**70,328.97**
Tax expense	28(a)		
- Current tax		25,782.37	17,271.48
- Deferred tax		(106.22)	317.11
Total tax expense		**25,676.15**	**17,588.59**
Profit for the year		**74,793.44**	**52,740.38**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		377.26	(342.22)
- Income tax relating to above item		(94.96)	86.14
Other comprehensive income for the year, net of tax		**282.30**	**(256.08)**
Total comprehensive income for the year		**75,075.74**	**52,484.30**
Earnings per equity share:			
(Nominal value per share ₹ 10)			
Basic and diluted earnings per share (₹)		65.29	46.04
Company information and Material Accounting Policy Information	1		
Critical estimates and judgements	2		

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Guha Nandi & Co.
Chartered Accountants
Firm's Registration No - 302039E

Sd/-
(CA Dr. B.S. Kundu, FCA)
Partner
Membership No. 051221

Place of Signature : Kolkata
Date : 28th day of April, 2026

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director
DIN - 08591411

Sd/-
Niranjan Mukund Bhalerao
Director (Finance) & CFO
DIN: 10941391

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

CASH FLOW STATEMENT

For the year ended 31 March, 2026

(₹ in Lakh)

Particulars	Year ended 31 March, 2026		Year ended 31 March, 2025	
A. Cash flow from operating activities:				
Profit before taxation		1,00,469.59		70,328.97
Adjustments for :				
Interest income		(24,631.91)		(24,973.68)
Unrealised Fair Value gain (Net)		687.93		(137.63)
Actuarial Gain/ Loss on remeasurements of defined benefit plan		282.30		(256.08)
Depreciation & amortisation expense		4,887.38		4,249.23
Retirement /Write off of Assets -Net		12.82		(126.62)
Finance costs		1,611.69		1,032.28
Unrealised loss/ (gain) on foreign exchange fluctuation		424.38		(772.36)
Liabilities no longer required written back		(2,082.97)		(3,268.79)
Operating profit before working capital changes		**81,661.21**		**46,075.32**
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade and other receivables	(96,141.13)		(6,525.07)	
(Increase)/Decrease in Other financial assets (Current & Non Current)	(5,562.22)		1,332.48	
(Increase)/Decrease in Other non-current assets	7,382.06		602.40	
(Increase)/Decrease in Other current assets	22,430.16		(45,137.88)	
(Increase)/Decrease in Assets held for sale (current assets)	(3.91)		10.94	
(Increase)/Decrease in Inventories	15,007.55		43,219.47	
Increase/(Decrease) in Trade payables	66,779.02		16,875.45	
Increase/(Decrease) in Provisions	18,092.02		5,096.51	
Increase/(Decrease) in Other financial liabilities (Current & Non Current)	508.09		(94.53)	
Increase/(Decrease) in Other current liabilities	(1,13,437.58)		(42,538.73)	
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	(11.26)	(84,957.20)	230.97	(26,927.99)
Cash generated from/ (used in) operations		**(3,295.99)**		**19,147.33**
Taxes paid (net of refunds)		(25,676.15)		(17,588.59)
Net cash from/(used in) operating activities		**(28,972.14)**		**1,558.74**
B. Cash flow from investing activities				
Purchase of Property, plant and equipment,intangibles and capital work in progress	(7,689.67)		(6,705.67)	
Investments in Fixed Deposit (Net)	35,714.34		(1,290.29)	
Interest received	24,631.91	52,656.58	24,973.68	16,977.72
Net cash from/(used in) investing activities		**52,656.58**		**16,977.72**

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
C. Cash flow from financing activities:		
Interest	(1,380.52)	(1,070.92)
Principal Component of Lease Rent	(344.18)	(182.48)
Interest component of Lease Rent	(231.17)	(79.84)
Borrowing (Bank OD)	-	(5,440.00)
Dividend paid	(5613.05)	(1649.55)
Interim Dividend	(14777.21)	(10252.40)
Net cash from/(used in) financing activities	**(22,346.13)**	**(18,675.19)**
Net Increase/(Decrease) in Cash and cash equivalents	**1,338.31**	**(138.73)**
Opening Cash and cash equivalents at the beginning of the year	**388.27**	**527.00**
Closing Cash and cash equivalents at the end of the year	**1,726.58**	**388.27**

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 :

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Balances with banks :		
Current accounts	1,726.57	388.27
Cash in hand	0.01	-
Cash and cash equivalents	**1,726.58**	**388.27**

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

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Guha Nandi & Co.
Chartered Accountants
Firm's Registration No - 302039E

Sd/-
(CA Dr. B.S. Kundu, FCA)
Partner
Membership No. 051221

Place of Signature : Kolkata
Date : 28th day of April, 2026

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director
DIN - 08591411

Sd/-
Niranjan Mukund Bhalerao
Director (Finance) & CFO
DIN: 10941391

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March, 2026

A. Equity share capital

(₹ in Lakh)

Balance as at 1 April, 2025	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2025	Changes in equity share capital during the year	Balance as at 31 March, 2026
11,455.20	-	11,455.20	-	11,455.20

Balance as at 1 April, 2024	Changes in equity share capital due to prior period errors	Restated balance as at 1 April, 2024	Changes in equity share capital during the year	Balance as at 31 March, 2025
11,455.20	-	11,455.20	-	11,455.20

B. Other equity

(₹ in Lakh)

Particulars	Reserve and surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General reserve	Retained earnings		
Balance as at 1 April, 2025	928.80	6,064.86	1,90,147.04	(669.66)	1,96,471.04
Profit for the year (a)	-	-	74,793.44	-	74,793.44
Other comprehensive income for the year (b)	-	-	-	282.30	282.30
Total comprehensive income for the year (a + b)	-	-	74,793.44	282.30	75,075.74
Dividend paid [Refer Note 13 (b)]	-	-	(5,613.05)	-	(5,613.05)
Interim dividend paid [Refer Note 13 (b)]	-	-	(14,777.21)	-	(14,777.21)
Balance as at 31 March, 2026	**928.80**	**6,064.86**	**2,44,550.22**	**(387.36)**	**2,51,156.52**

(₹ in Lakh)

Particulars	Reserve and surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General reserve	Retained earnings		
Balance as at 1 April, 2024	928.80	6,064.86	1,49,308.61	(413.58)	1,55,888.69
Profit for the year (a)	-	-	52,740.38	-	52,740.38
Other comprehensive income for the year (b)	-	-	-	(256.08)	(256.08)
Total comprehensive income for the year (a + b)	-	-	52,740.38	(256.08)	52,484.30
Dividend paid [Refer Note 13 (b)]	-	-	(1,649.55)	-	(1,649.55)
Interim dividend paid [Refer Note 13 (b)]	-	-	(10,252.40)	-	(10,252.40)
Balance as at 31 March, 2025	**928.80**	**6,064.86**	**1,90,147.04**	**(669.66)**	**1,96,471.04**

The accompanying notes 1 to 54 form an integral part of the financial statements.

In terms of our report of even date.

For Guha Nandi & Co.
Chartered Accountants
Firm's Registration No - 302039E

Sd/-
(CA Dr. B.S. Kundu, FCA)
Partner
Membership No. 051221

Place of Signature : Kolkata
Date : 28th day of April, 2026

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director
DIN - 08591411

Sd/-
Niranjan Mukund Bhalerao
Director (Finance) & CFO
DIN: 10941391

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1: Company Information and Material Accounting Policy Information

Note 1.1: Company Information

Garden Reach Shipbuilders & Engineers Limited ('GRSE Ltd.' or 'the Company') is a Defence Public Sector Undertaking under the administrative control of Ministry of Defence. The Company was incorporated on 26th February, 1934. The Company is domiciled in India having its registered office at GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024.

The company's diverse product portfolio ranges from complex naval warships to cutting-edge weapon systems, commercial vessels, research vessels, electric ferries, advanced deck machinery, marine diesel engines, naval surface guns and Bailey-type portable steel bridges. The Company is also engaged in Ship Repairing activities.

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Ltd.

Note 1.2: Material Accounting Policy Information

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the followings:

a) certain financial assets and liabilities that are measured at fair value;

b) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

c) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current classification

The assets and liabilities in the Balance Sheet are based on current/ non-current classification.

The classification of assets and liabilities, wherever applicable, are based on normal operating cycles of different business activities of the Company, which are as under:

(a) In case of Shipbuilding and Ship repair/ Refit activities, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of guarantee period.

(b) In case of other business activities, normal operating cycle is 12 months.

An asset is classified 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.

A liability is classified as current when it is:

i. Expected to be settled in normal operating cycle,

ii. Held primarily for the purpose of trading,

iii. 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 liabilities.

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

(iv) Rounding of amounts

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

(v) Functional and Presentation Currency

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

(b) Property, Plant and Equipment (PPE)

I. Initial Recognition:

(i) The Property, Plant and Equipment is initially recognised at cost.

(ii) Cost of Property, Plant and Equipment, not ready for their intended use as at each balance sheet date is disclosed as 'Capital Work in Progress'. It comprises of supply cum erection contract, value of capital supplies received at site and accepted, capital goods in transit and under inspection and the cost of Property, Plant and Equipment that are yet to be ready for their intended use.

(iii) Cost means purchase price considered as cash price after deducting trade discount, rebates and adding duties, non-refundable taxes and costs directly attributable to make the asset available for intended use, other cost for replacing part of Property, Plant and Equipment and borrowed cost for long term project, if the recognition criteria are met.

(iv) 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.

(v) Where cost of the parts of a Property, Plant and Equipment are significant and have different useful lives, they are treated as separate component and depreciated over their estimated useful lives.

(vi) Jointly Funded Assets: Property Plant and Equipment acquired with financial assistance from outside agencies either wholly or partially are capitalised at gross value.

(vii) Addition to Assets individually costing ₹5000/- or less are depreciated at 100% in the year when available for use.

(viii) Spares purchased along with main asset are depreciated over the estimated useful life of that asset.

II. Subsequent Measurement: The Company has adopted the 'Cost Model' of subsequent recognition to measure the Property, Plant and Equipment. Consequently, all Property, Plant and Equipment are carried at its cost less accumulated depreciation and impairment, if any.

III. De-recognition: An item/ part of Property, Plant and Equipment is derecognized on disposal or when no future economic benefit is expected from its use or disposal. Any Gain /loss arising from de-recognition of an item is recognized in Statement of Profit & Loss of that reporting period.

IV. Depreciation methods, estimated useful lives and residual values

Depreciation is provided, under the Straight-Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013, except for items specified in i (f).

i. Depreciation on Property, Plant and Equipment

a) Depreciation on the asset commences when asset is available for use. It ceases at the earlier of the date that the asset is classified as held for sale and the date of de-recognition of the asset. Depreciation is recognized to write off the cost of asset (other than free hold land and properties under construction) less their residual values over their respective useful life.

b) The residual value is considered at 5% of the original cost of the respective assets except computers & IT peripherals.

c) Computer & peripherals (excluding servers & network equipment) are fully depreciated over their useful life.

d) Assets individually costing ₹5000/- or less are depreciated at 100% in the year when available for use.

e) Spares purchased along with main asset are depreciated over the estimated useful life of that asset.

f) The following items, where useful life estimated on technical assessment, past trends and expected useful life is different from those provided in Schedule II to the Companies Act, 2013:

Asset Class	Description	Years
Plant & equipment	Goliath Crane (250 Ton Capacity)	**25**
Plant & equipment	Hand power tools like grinders, chippers, drilling machines; Fastening tools like bottle screws, clamps & slings, hoist/chain-pulley blocks, hooks, shackles, measuring and testing devices	**08**
Plant & equipment	Miscellaneous tools/tackles and accessories thereof; Welding Torches, Gas Torches, Portable Electrode Ovens, Masks & helmets; Small instruments, measurements /control devices	**05**
Furniture & fixture	All electronic /electrical gadgets like refrigerator, MW/ other ovens, TV sets/ entertainment systems/ Geyser/Water heater, Water purifiers & coolers, Air coolers, Electronic Medical gadgets/instruments, Canteen gadgets/utilities, Communication equipment	**05**

ii. In respect of additions/extensions forming an integral part of the existing assets, depreciation is provided over residual life of the respective asset. Significant additions which are required for replacement/ performed at regular interval are depreciated over the useful life of the respective item of Property, Plant and Equipment.

iii. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate and accounted for on a prospective basis.

iv. In respect of assets whose useful life has been revised, the unamortized depreciable amount has been charged over the revised remaining useful life of the assets.

v. Air Conditioners have been classified under the head furniture & fixtures and useful life is considered as applicable to furniture & fixtures under Schedule II to Companies Act, 2013.

vi. Depreciation on second hand tangible assets is charged on straight line method to write off 95% of the cost over the estimated useful lives of such asset based on the internal technical assessment and evaluation.

(c) Intangible Assets and Amortisation

Recognition: Intangible Assets are initially recognised at cost and subsequently measured at cost of acquisition less accumulated amortization and accumulated impairment, if any. Such assets are recognized where it is probable that the future economic benefits attributable to the assets will flow to the Company.

Expenditure incurred, eligible for capitalization are carried as 'Intangible assets under development' till they are ready for their intended use.

De-recognition: An item/ part of Intangible Asset is derecognized on disposal or when no future economic benefit is expected from its use or disposal. Any Gain /loss arising from de-recognition of an item is recognized in Statement of Profit & Loss of that reporting period.

Amortisation: Intangible Assets are amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

i. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 5 years.

ii. Licence fee for specific period is amortised on straight line basis over the said period.

iii. Individual items of intangible assets valuing ₹ 5,000 or less are fully amortized in the year of acquisition or available for use.

iv. Intangible Assets created under development phase are amortised in proportion to future revenue accruals. In absence of potential revenue generation opportunity, the same is amortised over the useful life of 3 years.

(d) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets, which are specifically exempt from this requirement.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

(e) Borrowing Costs

Borrowing costs (net of income earned on temporary deployment of funds) that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowing of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

(f) Impairment of Assets

At the date of balance sheet, if there are indications of impairment and the carrying amount of the cash generating unit or an asset exceeds its recoverable amount (i.e., the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

(g) Research and Development

The Company categorises 'the expenditure incurred for original and planned investigation to gain new scientific and technical knowledge and understanding and application of the same undertaken to plan or design of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use' as Research and Development activities.

Expenditure incurred during research phase is charged to Profit and Loss accounts and expenditure during development phase is recognised as intangible assets. Assets with physical substance (e.g., prototype) resulting from Research and Development activities are recognised as Intangible Assets.

(h) Inventories

Inventory valuation is as per provisions of Ind AS 2. The cost is determined as under:

i. Raw materials, components, stores and spares: At weighted average cost.

ii. In-plant items: At standard cost.

iii. Equipment for specific projects, Stores in transit, materials and other supplies: At cost.

iv. Obsolete, slow-moving and defective inventories are identified at the time of physical verification and provisions are made for such inventories wherever necessary.

(a) Project specific stores not moving for 4 years and more from the date of delivery of a vessel are valued at 50% of cost.

(b) Obsolescence is provided to the items for which shelf life is expired, non-moving stores (other than 'iv (a)' above) for 4 years and more and which may not be required for further use.

v. All items of jobs in progress (including material held by contractors) other than the Construction and Ship Repair Contracts: At cost.

vi. Scrap: At estimated net realisable value.

vii. Inter-unit transfer items: At cost.

viii. Stock in Transit:

(a) Domestic Purchases in Transit (Ex-works/ Ex-Godown): At Cost

(b) Import Purchases in Transit (FOB/ CIF): At cost of materials, freight, Insurance and Custom Duty wherever applicable.

(c) Outbound goods in transit designated for sale: At Cost

Note:

a) The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

b) In-plant items are valued at standard cost for convenience taking into account normal level of activity and are regularly reviewed.

(i) Revenue Recognition

Keeping in view of applicable Ind AS 115, revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from Contracts is recognised when (or as) the entity satisfies a performance obligation by transferring a promised goods 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 considers whether there are other promises in the contract that are separate performance obligations. For each performance obligation identified in the contract, the Company determines at the inception of the contract whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

Revenue from Operations

(A) Revenue from Ship Construction, Ship Repair and Other Construction Contracts:

(i) The Company transfers control of a goods 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; or

(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.

(d) Ship Building Financial Assistance is recognised over a period of time in respect of contracts which are eligible under SBFA policy when the management can reliably measure the probable receipt of the same.

The Company recognises revenue for a performance obligation satisfied over time only if the entity can reasonably measure its progress towards complete satisfaction of the performance obligation.

Methods for Measuring Progress:

- Based on the nature of the goods, progress w.r.t Ship Construction is 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.
- For ship repair contracts having defined performance obligation, revenue is recognized over time using Input Method i.e., by comparing the actual costs incurred to the total costs anticipated for the entire contract.
- For Ship repair contracts involving continuous maintenance support, revenue is recognised by using Output Method to measure its progress based on time elapsed upto reporting date as the same is representative of the satisfaction of performance obligation subject to entitlement of consideration in exchange of goods and/or services.

(ii) Revenue from supply of B&D Spares is recognised based on satisfaction of performance obligation at point in time on proof of receipt of goods from Naval Stores.

(iii) Revenue Recognition for Modification Jobs: In case of modification jobs, revenue against completed Modification jobs is recognised on the basis of Work Done Certificate issued by appropriate authority and for which Modification Cost for approval is submitted to the customer, duly recommended by onsite representative of customer.

(B) Revenue from contracts for construction of diesel engine, overhauling of diesel engine, and Helo -Traversing System (a product of deck machinery) which involves designing, engineering or constructing specifically designed products and service contracts, is recognized over time using input method. While other provisions attracting point over time, the same is recognised on the basis as stated in (A) (i) supra.

(C) Revenue from Bailey Bridge Contracts is satisfied at point in time, as it does not meet the over-time criteria. Every set of bridge supplied is a distinct good and a separate performance obligation. Thus, the Company recognizes revenue (including transportation) when the control is transferred, that is when an entire set of bridge is delivered to customer.

For Bailey Bridge Contracts having multiple performance obligation such as the sale of Bailey Bridge, installation service and construction of approach roads, free maintenance service, project management service, etc., the Company recognises revenue of performance obligation related to sale of Bailey Bridge when the control of Bailey Bridge is transferred. However, for other performance obligations in the contract, revenue is recognised over time using input method. While other provisions attracting point over time, the same is recognised on the basis as stated in (A) (i) supra.

(D) Revenue from sale of Deck Machinery (except Helo-Traversing System) is in substance similar to delivery of goods which is recognised when control over the assets that is subject of the contract is transferred to the customer considering performance obligations being satisfied at a point in time.

(E) Other operational revenue represents income earned from activities incidental to the business which is recognised when a right to receive the income is established when performance obligation is satisfied as per terms of contract.

(F) When either party to a contract has performed, the Company presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment.

Contract Assets: When the contract revenue recognized by the company by satisfaction of performance obligation, exceeds the performance obligation satisfied by the customer by way of payment of consideration, is presented as a Contract Assets.

Contract Liabilities: When the performance obligation satisfied by the customer through payment of consideration exceeds the contract revenue recognized by the company, the difference is presented as a Contract Liabilities.

(G) **Variable Consideration:**

Discounts, rebates, refunds, credits, price concessions, penalties (liquidated damages) or other similar items in a Contract are recognised on the basis of contractual provisions/ management estimation and the net amount of consideration to which the company is entitled in exchange for transferring the promised goods or services to a customer is taken for determining revenue from operations. The promised consideration can vary if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event

Other Income

(A) Interest income is recognised using the effective interest rate (EIR). Interest income is included in "Other Income" in the Statement of Profit and Loss and is accounted for on accrual basis on time proportion on certainty of receipt. In case of fixed deposits, interest is accounted when it accrues to the Company by applying interest rate as applicable to each fixed deposit.

(B) Other items are recognized on accrual basis.

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.

(j) Foreign currency transactions:

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing exchange rate as on the reporting date. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using exchange rate at the date of the transaction. Advances paid to foreign suppliers for material/ services are treated as non-monetary assets and consequently are reported using exchange rate on the date of transaction.

(iii) Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting a company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(k) Grants/Subsidy

i. Capital grants / Subsidies

Capital grants/ Subsidies/ assistance relating to specific assets are disclosed at gross value and are amortised over the useful life of the respective item of PPE.

ii. Revenue grants / Subsidies

Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

(l) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cheques in hand, balance with banks in current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

(n) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

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.

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.

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.

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 Other Comprehensive Income.

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.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 discloses how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Debts from Government / Government departments / Government Companies are generally not treated as doubtful. However, provisions are made in the Accounts on a case to case review basis excepting those which are not contractually due.

Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have ceased 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 borrowings, trade and other payables.

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 subsequently measured at amortized cost. Amortized 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.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

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.

(o) Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

(p) Leases

As a Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments) and variable lease payment, if any, that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

a) Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

b) Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing, and

c) Makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

a) the amount of the initial measurement of lease liability,

b) any lease payments made at or before the commencement date less any lease incentive received, and

c) any initial direct costs

Right-of-use assets are generally depreciated over the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a Lessor

The Company classifies leases as either operating or finance lease. A lease is classified as a financial lease if the Company transfers substantially all the risks and rewards incidental to ownership of the Asset to the lessee, and classifies it as an operating lease otherwise.

(q) 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 yield on 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; and

(b) defined contribution plans such as pension scheme.

Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions are based on actuarial valuation. 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.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Re-measurement 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 benefit to the existing employees is a defined benefit plans and is determined based on actuarial valuation as per Ind AS -19 on Employee Benefits using Projected Unit Credit Method which recognises 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.

Post-retirement medical benefits in the case of the super annuated employees are defined contribution schemes and premium paid to an insurance company is charged to the Statement of Profit and Loss of the year.

Provident Fund and Pension Scheme

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of covered employee's salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Provident Fund Trust of the Company has to declare interest on the Provident Fund at a rate not less than that declared by the Employees Provident Fund Organization. In case, the trust is not able to meet the interest liability, Company has to make good the shortfall. Since, the plan is defined benefit plan, the Company has got the same actuarially valued. In case, the additional liability is needed for the year, the same is provided.

<u>Pension Fund</u>

Defined contribution to Superannuation Pension Scheme is charged to statement of Profit & Loss at the applicable contribution rate as per approved Pension scheme.

(r) Dividend to Equity Shareholders

Dividend to Equity Shareholders is recognised as a liability and deducted from shareholders equity, in the period in which dividends are approved by the equity shareholders in the general meeting. In case of Interim dividend, the same is recognised as a liability and deducted from shareholders equity in the period in which interim dividend are approved by the Board of Director.

(s) Provision for Current & Deferred Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income, in which case it is recognized in Equity or in Other Comprehensive Income, as applicable.

i. Current Tax

Current tax comprises of the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of the previous years. 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.

ii. Deferred Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax base 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:

a. Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b. Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

(t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

(u) Provision, Contingent Liabilities and Contingent Assets

i. Provisions for legal claims, warranties, discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. However, a provision is recognised if the Company has a contract that is onerous.

ii. Provision for guarantee liability in respect of delivered ships is made on the basis of actuarial estimates. Such provision for all other products is made, as applicable, on the basis of management estimates.

iii. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

iv. Contingent Liabilities are not recognised but are disclosed in the notes.

v. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period on the basis as detailed below. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A. In non-tax civil cases

In the case of non-tax civil cases, creation of accounting provision is considered on a review of status of each case as on the reporting date and provision, if required, is made in the accounts on the basis given below:

a. In the arbitration cases where the Company has not contested or does not intend to contest the adverse outcome of arbitral award, the liability is not treated as contingent and full provision is considered.

b. Where an adverse award/ decision is given by the arbitrator or by the trial court and an appeal is preferred by the Company or intended to be preferred, provision is made as follows: -

i. After the claim is disposed of by the Arbitrator - 25% of the amount in dispute.

ii. After the claim is disposed of by Higher Appeal Court - 50% of the amount in dispute, until disposal by the final appeal court. Revision petition, larger bench of the same court is considered as part of the relevant appeal process in the said court.

c. Full provision of the disputed claim is considered in the case of an award/ decision where the Company does not proceed to contest the appellate award.

d. No provision is made in case of demands raised by Government department/ statutory authority/ by Commissioner or Tribunal set up by such Government department/ statutory authority if the said demand is contested within the set-up of such Government department/ statutory authority and there is likelihood of deletion of demand in appeal based on legal opinion/latest judgement in favour of the Company.

B. In taxation cases

In the matter of taxation cases, the claimed amount is considered as contingent liability and no provision is considered if the decision up to Appeal stage goes against the Company and if the Company contests or intends to contest such decision before the Appellate Tribunal or decision of High Court/Supreme Court in similar cases is against the Company.

Where the decision of Appellate tribunal is against the Company, full provision of the amount in dispute is made irrespective of whether the Company contests such decision at any higher forum.

Note 2: Critical Estimates and Judgments:

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 amount realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. 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/ materialised and, if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

i. Estimated useful life of Property, Plant and Equipment (PPE):

Determination of the estimated useful life of PPE and the assessment as to which components of the cost may be capitalized. Useful life of PPE is based on the life prescribed in Schedule II to 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. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

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 securities. The period to maturity of the underlying securities corresponds to the probable maturity of the post-employment benefit obligations.

iii. Recognition of Deferred Tax Assets:

Deferred tax asset is recognised for all the deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. 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 therefore vary from the figure included in other provisions.

v. Discounting of long-term financial liabilities

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

Note 2.1: Recent Accounting Pronouncements:

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) rules as issued from time to time. On 13th August 2025, Ministry of Corporate Affairs (MCA) announced the notification to amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments were made to Ind AS 101, 107, 108, 109, 115, 1, 7, 10, 12, 28 and 32. The Company has reviewed the amendments to the Indian Accounting Standards and there is no impact in its financial statements except for:

Ind AS 7 – Statement of Cash flows – The amendment mandates disclosure requirement w.r.t 'Supplier Finance Arrangements' of the company wherein, these arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. The Company has accessed the impact of the same in financial statements and necessary disclosure have been provided in note 52.

Note 3: Property, plant and equipment

(₹ in Lakh)

Particulars	Gross Carrying Amount				Depreciation and Amortisation				Net carrying amount	
	a	b	c	d=(a+b-c)	e	f	g	h=(e+f-g)	i=(d-h)	
	As at 1 April, 2025	Addition	Deductions / Adjustments	As at 31 March, 2026	As at 1 April, 2025	Charge for the period	Deductions / Adjustments	As at 31 March, 2026	As at 31 March, 2026	As at 31 March, 2025
Other than RoU										
Land - Freehold	5,125.72	-	-	5,125.72	-	-	-	-	5,125.72	5,125.72
Building - Freehold	13,172.56	3,249.70	6.25	16,416.01	2,344.04	541.38	0.90	2,884.52	13,531.49	10,828.52
Plant & equipment	30,173.48	1,768.53	90.80	31,851.21	8,938.61	1,447.09	74.63	10,311.07	21,540.14	21,234.87
Electrical installations	1,884.31	261.81	0.27	2,145.85	910.97	195.58	-	1,106.55	1,039.30	973.34
Docks & jetties	8,395.05	945.76	-	9,340.81	3,580.83	502.24	-	4,083.07	5,257.74	4,814.22
Furniture & fixtures	2,607.52	217.79	26.19	2,799.12	1,352.55	270.20	21.93	1,600.82	1,198.30	1,254.97
Office equipment	821.35	8.27	15.67	813.95	436.66	79.51	12.34	503.83	310.12	384.69
Computer	4,199.08	906.26	22.70	5,082.64	2,960.28	525.19	17.84	3,467.63	1,615.01	1,238.80
Launches, barges & boats	117.29	-	-	117.29	38.60	6.16	-	44.76	72.53	78.69
Vehicles	41.58	1.69	2.50	40.77	34.41	1.73	2.36	33.78	6.99	7.17
Motor lorries, trailers, mobile cranes etc.	266.93	-	3.43	263.50	137.87	26.38	3.18	161.07	102.43	129.06
Sub-total (1)	**66,804.87**	**7,359.81**	**167.81**	**73,996.87**	**20,734.82**	**3,595.46**	**133.18**	**24,197.10**	**49,799.77**	**46,070.05**
Previous Year	**62,000.89**	**5,127.71**	**323.73**	**66,804.87**	**17,767.54**	**3,277.81**	**310.53**	**20,734.82**	**46,070.05**	
Assets jointly funded by GRSE & Indian Navy										
Building	4,516.49	-	-	4,516.49	-	-	-	-	-	-
Less: Funded by Navy	3,224.69	-	-	3,224.69	-	-	-	-	-	-
Building funded by GRSE (a)	1,291.80	-	-	1,291.80	543.20	54.38	-	597.58	694.22	748.60
Plant & Equipment	3,320.27	-	-	3,320.27	-	-	-	-	-	-
Less: Funded by Navy	861.00	-	-	861.00	-	-	-	-	-	-
Plant & equipment funded by GRSE (b)	2,459.27	-	-	2,459.27	2,011.96	97.16	-	2,109.12	350.15	447.31
Dock & Jetties	34,140.54	-	-	34,140.54	-	-	-	-	-	-
Less: Funded by Navy	28,240.08	-	-	28,240.08	-	-	-	-	-	-
Dock & jetties funded by GRSE (c)	5,900.46	16.96	-	5,917.42	4,140.29	487.57	-	4,627.86	1,289.56	1,760.17
Sub-total (a+b+c) (2)	**9,651.53**	**16.96**	**-**	**9,668.49**	**6,695.45**	**639.11**	**-**	**7,334.56**	**2,333.93**	**2,956.08**
Previous Year	**9,405.68**	**245.85**	**-**	**9,651.53**	**6,122.81**	**572.64**	**-**	**6,695.45**	**2,956.08**	
Total Property, plant and equipment - other than RoU (1+2)	76,456.40	7,376.77	167.81	**83,665.36**	27,430.27	4,234.57	133.18	**31,531.66**	**52,133.70**	49,026.13
Previous Year	**71,406.57**	**5,373.56**	**323.73**	**76,456.40**	**23,890.35**	**3,850.45**	**310.53**	**27,430.27**	**49,026.13**	
Right of Use Asset										
Land - Leasehold	757.69	2,646.04	-	3,403.73	84.55	110.23	-	194.78	3,208.95	673.14
Vehicles - Leasehold	590.86	239.87	44.42	786.31	345.03	119.69	44.42	420.30	366.01	245.83
Total Right of use assets (RoU) (3)	**1,348.55**	**2,885.91**	**44.42**	**4,190.04**	**429.58**	**229.92**	**44.42**	**615.08**	**3,574.96**	**918.97**
Previous Year	**1,287.61**	**60.94**	**-**	**1,348.55**	**305.89**	**123.69**	**-**	**429.58**	**918.97**	
Total property, plant and equipment (1+2+3)	77,804.95	10,262.68	212.23	**87,855.40**	27,859.85	4,464.49	177.60	**32,146.74**	**55,708.66**	49,945.10
Previous Year	**72,694.18**	**5,434.50**	**323.73**	**77,804.95**	**24,196.24**	**3,974.14**	**310.53**	**27,859.85**	**49,945.10**	

Note :

(i) Current year deductions includes adjustment for scrapping of assets valued ₹ 18.73 Lakh (Deemed Cost ₹ 72.25 Lakh), retirement of assets valued ₹ 5.18 Lakh (Deemed Cost ₹ 18.62 Lakh) and assets retired & sold during the year valued ₹ 10.72 Lakh (Deemed cost ₹ 76.94 Lakh). Scrapping and retirement of assets in FY 2024-25 were ₹ 6.26 Lakh (Deemed Cost ₹ 314.42 Lakh) and ₹ 6.94 Lakh (Deemed cost ₹ 9.98 Lakh) respectively.

(ii) Jointly funded assets - Plant & Machinery as at 31 March 2026 of ₹ 350.15 Lakh (₹ 447.31 Lakh as at 31 March, 2025) also includes Electrical installation of New Dry Dock valued ₹ 61.88 Lakh (31 March, 2025: ₹ 61.88 Lakh).

(iii) Property, plant and equipment as at 31 March 2026 include Modern Hull Shop, a New Dry Dock, Inclined Berth, Paint cell and other miscellaneous facilities which have been created under modernisation of infrastructure development. These assets have been jointly funded by the Indian Navy to the tune of ₹ 32,325.77 Lakh (original cost).

(iv) Assets as at 31 March, 2026 exclusively funded by Navy (original Cost) not included in Property, plant and equipment is ₹ 801.23 Lakh. (31 March, 2025: ₹ 801.23 Lakh).

(v) Land of 61, Garden Reach Road,Kolkata is owned by Government of India, Ministry of Defence.

(vi) Building as at 31 March 2026 includes ₹ 95.96 Lakh (original cost) (31 March, 2025: ₹ 95.96 Lakh) being one third share of the Company in Delhi Shipyard House. The building is jointly held by Garden Reach Shipbuilders and Engineers Limited, Mazagon Dock Shipyard Limited and Goa Shipyard Limited.

Note 4: Capital work-in-progress

(₹ in Lakh)

Particulars	a	b	c	d= (a+b-c)
	As at 1 April, 2025	Addition	Deductions / Adjustments	As at 31 March, 2026
Plant & equipment	162.33	803.82	192.61	773.54
Docks & jetties	6.05	238.63	230.52	14.16
Computer	573.14	37.18	610.32	-
Civil construction	1,381.41	2,160.80	2,751.78	790.43
Total	**2,122.93**	**3,240.43**	**3,785.23**	**1,578.13**
Previous Year	**1,161.86**	**4,369.87**	**3,408.80**	**2,122.93**

Note 4 (a) : Intangible asset under development

(₹ in Lakh)

Particulars	a	b	c	d= (a+b-c)
	As at 1 April, 2025	Addition	Deductions / Adjustments	As at 31 March, 2026
Prototype development	676.91	417.91	295.20	799.62
Total	**676.91**	**417.91**	**295.20**	**799.62**
Previous Year	**1,314.39**	**715.72**	**1,353.20**	**676.91**

Ageing schedule as at 31 March, 2026

As at 31 March, 2026

(₹ in Lakh)

CWIP	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	1,578.13	-	-	-	1,578.13
Projects temporarily suspended	-	-	-	-	-
Total	**1,578.13**	**-**	**-**	**-**	**1,578.13**

As at 31 March, 2026

(₹ in Lakh)

Intangible asset under development	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	417.92	381.70	-	-	799.62
Projects temporarily suspended	-	-	-	-	-
Total	**417.92**	**381.70**	**-**	**-**	**799.62**

Project Completion Schedule

As at 31 March, 2026

(₹ in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Civil construction	940.73	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**940.73**	**-**	**-**	**-**

As at 31 March, 2026

(₹ in Lakh)

Intangible asset under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Prototype development	274.20	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**274.20**	**-**	**-**	**-**

Note 4: Capital work-in-progress (Contd.)

Ageing schedule as at 31 March, 2025

As at 31 March, 2025 (₹ in Lakh)

CWIP	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	2,118.39	4.54	-	-	2122.93
Projects temporarily suspended	-	-	-	-	-
Total	**2,118.39**	**4.54**	**-**	**-**	**2,122.93**

As at 31 March, 2025 (₹ in Lakh)

Intangible asset under development	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	485.03	191.88	-	-	676.91
Projects temporarily suspended	-	-	-	-	-
Total	**485.03**	**191.88**	**-**	**-**	**676.91**

Project Completion Schedule

As at 31 March, 2025 (₹ in Lakh)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Plant & equipment	4.97	-	-	-
Docks & jetties	232.32			
Computer	69.93	-	-	-
Civil construction	1,217.70	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**1,524.92**	**-**	**-**	**-**

As at 31 March, 2025 (₹ in Lakh)

Intangible asset under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	588.14	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**588.14**	**-**	**-**	**-**

Note 5: Intangible assets

(₹ in Lakh)

Particulars	Gross Block				Amortisation				Net Carrying Amount	
	As at 1 April, 2025	Additions	Deduc-tions / Adjust-ments	As at 31 March, 2026	As at 1 April, 2025	Charge for the Period	Deduc-tions / Adjust-ments	As at 31 March, 2026	As at 31 March, 2026	As at 31 March, 2025
	a	b	c	d = (a + b - c)	e	f	g	h=(e+f-g)	i=(d-h)	
Software (acquired)	3,035.14	756.80	-	3,791.94	2,242.31	352.13	-	2,594.44	1,197.50	792.83
Prototype	778.20	-	-	778.20	-	70.76	-	70.76	707.44	778.20
Total Intangible assets	**3,813.34**	**756.80**	**-**	**4,570.14**	**2,242.31**	**422.89**	**-**	**2,665.20**	**1,904.94**	**1,571.03**
Previous Year	**2,726.62**	**1,087.40**	**0.68**	**3,813.34**	**1,967.90**	**275.09**	**0.68**	**2,242.31**	**1,571.03**	

Note 6: Financial assets (Non-current)

Note 6(a): Investments - Non-current

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Equity instruments		
Fully Paid up, Unquoted		
At Fair value through Profit and Loss		
6,145 shares of Woodlands Multispeciality Hospital Ltd (31 March, 2025: 6,145 shares) equity shares of ₹ 10/- each.	0.44	0.44
Total investments	**0.44**	**0.44**
Total non-current investments	**0.44**	**0.44**
Aggregate amount of unquoted investments	0.44	0.44

Considering investment amount is not material, management believes that fair value of the same will also be immaterial and hence the same is carried at cost as on the reporting date.

Note 6(b): Other financial assets (Non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Bank Deposits with maturity more than 12 months	12,300.00	-
Leave Encashment invested with LIC	7,725.10	7,836.10
Net defined benefit asset for Gratuity (Surplus)	204.24	-
Deposits with electricity board and others	1,048.16	820.04
Deferred credit recoverable from Navy	800.03	771.19
Interest accrued but not due on deposits	2.27	-
Total other financial assets (non - current)	**22,079.80**	**9,427.33**

Note 7: Non-current tax assets

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advance income tax	9,661.24	9,642.54
Add : TDS & TCS Receivable	29,801.26	29,036.97
	39,462.50	38,679.51
Less: Provision for income tax	(27,595.46)	(19,442.43)
Total non-current tax assets	**11,867.04**	**19,237.08**

Note 8: Other non-current assets

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Prepaid expenses	11.41	23.43
Total other non-current assets	**11.41**	**23.43**

Note 9: Inventories

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Raw materials & equipments	1,93,644.20	1,58,711.94
Variable items of P17A	1,38,226.64	1,83,858.80
	3,31,870.84	3,42,570.74
Less:Provision for obsolescence & non-moving	(911.62)	(826.29)
	3,30,959.22	3,41,744.45
Stock in transit	1,616.73	736.02
Work in progress	7,442.43	12,478.40
Stores,Spares & Consumables	52.31	166.20
Scrap	146.43	99.60
Total inventories	**3,40,217.12**	**3,55,224.67**

Raw Material and Equipment includes ₹ 18,906.79 Lakh (31 March, 2025 : ₹ 35,743.40 Lakh) lying with third parties. Above inventory includes ₹ 318.94 Lakh (31 March, 2025 : ₹ 1,523.29 Lakh) value of material which are in transit, not considered as sale, as control not yet transferred.

Note 10: Financial assets (Current)

Note 10(a): Trade receivables - Current

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Trade receivables		
Unsecured, considered good	1,22,086.90	25,945.77
Unsecured, considered doubtful	0.58	0.58
	1,22,087.48	25,946.35
Less: Provision for doubtful trade receivable	0.58	0.58
Total trade receivables - Current	**1,22,086.90**	**25,945.77**

Note 10: Financial assets (Current) (Contd.)

Trade receivables ageing schedule

As at 31 March, 2026 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	73,836.86	39,611.82	1,786.63	6,155.11	654.83	41.65	1,22,086.90
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	0.58	0.58
Disputed Trade Receivables -considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**73,836.86**	**39,611.82**	**1,786.63**	**6,155.11**	**654.83**	**42.23**	**1,22,087.48**
Less: Allowance for doubtful debt							(0.58)
Total trade receivables - Current							**1,22,086.90**

As at 31 March, 2025 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	2,556.63	12,280.08	9,496.39	1,481.12	105.55	26.00	25,945.77
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit impaired	-	-	-	-	-	0.58	0.58
Disputed Trade Receivables -considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,556.63**	**12,280.08**	**9,496.39**	**1,481.12**	**105.55**	**26.58**	**25,946.35**
Less: Allowance for doubtful debt							(0.58)
Total trade receivables - Current							**25,945.77**

Note 10(b): Cash and cash equivalents (₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balances with banks		
- in current accounts	1,726.57	388.27
Cash in hand	0.01	-
Total cash and cash equivalents	**1,726.58**	**388.27**

Note 10: Financial assets (Current) (Contd.)

Note 10(c): Other bank balances

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Bank Deposits with original maturity from 3 months to 12 months	3,16,059.91	3,63,784.10
Flexi bank deposits earmarked for variable item of P17A	21,000.00	8,999.42
Unpaid dividend account	22.88	13.61
Total other bank balances	**3,37,082.79**	**3,72,797.13**

Note 10(d): Other financial assets - Current

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Deposit with Customs and Port trust	2.73	2.73
Leave Encashment invested with LIC	469.87	501.01
Interest accrued but not due on deposits	6,269.75	10,669.79
Contract Assets	6,513.24	9,185.25
Current portion of deferred credit recoverable from Navy	145.59	132.65
Total other financial assets - Current	**13,401.18**	**20,491.43**

Note 11: Other current assets

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advances recoverable in kind or for value to be received		
- Employees	164.40	197.49
- Sales Tax /VAT	67.08	67.08
- Goods and Services Tax	68,092.92	1,19,100.37
- Prepaid expenses	2,492.17	2,443.80
- Suppliers	73,387.67	53,955.10
Other receivables	10,932.22	1,802.78
Total other current assets	**1,55,136.46**	**1,77,566.62**

Note 12: Assets classified as held for sale

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Plant & equipment	5.03	3.17
Furniture & fixtures	3.33	1.02
Motor cars	0.25	-
Office equipments	0.34	0.86
Total assets classified as held for sale	**8.96**	**5.05**

Non-recurring fair value measurements

Assets classified as held for sale during the reporting period is measured at the lower of its carrying amount and fair value less costs to sell and dispose off as per procedure. The Company has estimated the fair value to be higher than the carrying amount based on historical trend of realisation.

Note 13: Equity share capital and other equity

Note 13(a): Equity share capital

(₹ in Lakh)

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10/- (31 March, 2025: ₹ 10/-) each	20,00,00,000	20,000.00	20,00,00,000	20,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- (31 March, 2025: ₹ 10/-) each	11,45,52,000	11,455.20	11,45,52,000	11,455.20
		11,455.20		11,455.20

Reconciliation of number and amount of equity shares outstanding:

(₹ in Lakh)

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	11,45,52,000	11,455.20	11,45,52,000	11,455.20
Add: Issue of shares upon sub-division *	-	-	-	-
At the end of the period	**11,45,52,000**	**11,455.20**	**11,45,52,000.00**	**11,455.20**

*The Company in its board meeting held on 30th June,2017 and the Annual General Meeting held on 25 August, 2017, sub-divided the Authorised Share Capital of the Company, comprising of 1,25,00,000 shares of ₹ 100/- each, into 12,50,00,000 shares of ₹ 10/- each. The Company in its 108th Annual General Meeting held on 20 September, 2024 increased its Authorised Share capital to 20,00,00,000 shares of ₹ 10/- each by creation of 7,50,00,000 shares of ₹ 10/- each.

Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10/- (31 March, 2025: ₹ 10/-). They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Details of shareholders holding more than 5% shares in the Company

Shareholder	As at 31 March, 2026		As at 31 March, 2025	
	Number of shares	% holding	Number of shares	% holding
The President of India	8,53,41,240	74.50%	8,53,41,240	74.50%

Disclosure of shareholding of promoters

Shares held by promoters as at 31 March, 2026

Promoter name	As at 31 March, 2026		As at 31 March, 2025		% of change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The President of India	8,53,41,240	74.50%	8,53,41,240	74.50%	-

Shares held by promoters as at 31 March, 2025

Promoter name	As at 31 March, 2025		As at 31 March, 2024		% of change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
The President of India	8,53,41,240	74.50%	8,53,41,240	74.50%	-

Note 13: Equity share capital and other equity (Contd.)

Note 13(b): Other Equity

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Capital redemption reserve	928.80	928.80
General reserve	6,064.86	6,064.86
Retained earnings	2,44,550.22	1,90,147.04
Other Comprehensive Income	(387.36)	(669.66)
Total reserves and surplus	**2,51,156.52**	**1,96,471.04**

(i) Retained earnings

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Opening balance	1,90,147.04	1,49,308.61
Net profit for the period	74,793.44	52,740.38
Dividend paid	(5,613.05)	(1,649.55)
Interim Dividend paid	(14,777.21)	(10,252.40)
Closing balance	**2,44,550.22**	**1,90,147.04**

(ii) Other Comprehensive Income

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Opening balance	(669.66)	(413.58)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefit plans (net of tax)	282.30	(256.08)
Closing balance	**(387.36)**	**(669.66)**

Nature and purpose of other reserves:

Note:

(i) Pursuant to Section 69 of The Companies Act,2013 the Company has transferred a sum equal to the nominal value of the shares so purchased to the capital redemption reserve account out of free reserves of the Company. The capital redemption reserve is not in nature of free reserve.

(ii) General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

Note 14: Financial liabilities (Non-current)

Trade payable (non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Trade payable		
- Russian deferred credit - foreign supplier	800.03	771.19
Total trade payables (non-current)	**800.03**	**771.19**

Note 14: Financial liabilities (Non-current) (Contd.)

Trade payables ageing schedule

As at 31 March, 2026 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	-	145.59	145.59	508.85	800.03
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**-**	**145.59**	**145.59**	**508.85**	**800.03**

As at 31 March, 2025 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	-	-	-	-	-
Others	-	132.65	132.65	505.89	771.19
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**-**	**132.65**	**132.65**	**505.89**	**771.19**

Note 15: Provisions (non-current)

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Accrued leave liability	7,539.08	7,708.16
Post retirement medical benefits	1,968.08	1,701.40
Total provisions (non-current)	**9,507.16**	**9,409.56**

(i) Information about individual provisions and significant estimates

Information about individual provisions and significant estimates, are set out in Note 19.

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out in Note 19.

Note 16: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to: (₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Deferred tax liability		
Property, plant & equipment and intangible asset	5,018.84	4,194.40
Total deferred tax liabilities	**5,018.84**	**4,194.40**
Deferred tax asset		
Defined benefit obligation	2,459.29	2,564.89
Allowance for doubtful trade receivables	0.15	0.15
Lease Liability	941.30	-
Total deferred tax assets	**3,400.74**	**2,565.04**
Net deferred tax liabilities	**1,618.10**	**1,629.36**

Note 16 (a): Deferred tax liabilities (net)

Movement in deferred tax liabilities/ (assets) (₹ in Lakh)

Particulars	Property, plant and equipment & intangible asset	Defined benefit obligation	Other items	Total
At 01 April, 2024	**4,017.31**	**(2,550.64)**	**(68.28)**	**1,398.39**
Charged/(credited):				
- to profit or loss	177.09	71.89	68.13	317.11
- to other comprehensive income	-	(86.14)	-	(86.14)
At 31 March, 2025	**4,194.40**	**(2,564.89)**	**(0.15)**	**1,629.36**
Charged/(credited):				
- to profit or loss	824.44	10.64	(941.30)	(106.22)
- to other comprehensive income	-	94.96	-	94.96
At 31 March, 2026	**5,018.84**	**(2,459.29)**	**(941.45)**	**1,618.10**

Note 17: Financial liabilities (current)

Note 17(a): Trade payables (current) (₹ in Lakh)

Particulars	**As at 31 March, 2026**	**As at 31 March, 2025**
Trade payables		
- Micro and small enterprises	607.53	367.61
- Russian deferred credit	145.59	132.65
- Others	1,82,019.83	1,14,640.53
Total trade payables (current)	**1,82,772.95**	**1,15,140.79**

Trade payables ageing schedule

As at 31 March, 2026 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	607.53	-	-	-	607.53
Others	1,44,100.31	5,814.01	14,672.35	17,578.75	1,82,165.42
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total trade payables (current)	**1,44,707.84**	**5,814.01**	**14,672.35**	**17,578.75**	**1,82,772.95**

As at 31 March, 2025 (₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
MSME	367.61	-	-	-	367.61
Others	48,086.03	51,002.43	3,860.03	11,824.69	1,14,773.18
Disputed dues-MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total trade payables (current)	**48,453.64**	**51,002.43**	**3,860.03**	**11,824.69**	**1,15,140.79**

Note 17(b): Other financial liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Security deposit	851.28	803.68
Accrued expenses		
- Accrued salaries and benefits	903.48	717.06
- Rent	15.53	15.53
Unpaid dividend	22.88	13.61
Other payables	2,631.00	2,022.86
Total other financial liabilities	**4,424.17**	**3,572.74**

Note 18: Other current liabilities

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Contract liabilities	5,75,061.44	6,90,004.03
Statutory liabilities	1,739.77	578.97
Other liabilities	0.03	-
Total other current liabilities	**5,76,801.24**	**6,90,583.00**

Note 19: Provisions (current)

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Guarantee repair	16,507.77	1,910.88
Accrued Leave Liability	458.56	492.83
Post retirement medical benefits	9.22	287.88
Other provisions	4,359.33	2,731.84
Total provisions (current)	**21,334.88**	**5,423.43**

Information about individual provisions and significant estimates

Guarantee repairs

Provision is made for estimated warranty claims in respect of ships and other products delivered which are still under warranty at the end of the reporting period. Management estimates the related provision for future warranty claims in respect of delivered ships based on the actuarial report which takes into consideration the historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

For provision with respect to other products management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Other Provisions

Other Provisions represent employee related provisions based on the management's assessment.

Movements in provisions

Movements in major class of provisions during the financial year, are set out below: (₹ in Lakh)

Particulars	Guarantee Repairs	Other Provisions
As at 01 April, 2024	**1,050.86**	**1,550.09**
Charged/(credited) to profit or loss		
Additional provision recognised	1,277.09	2,784.23
Amount used during the year	(417.07)	(1602.48)
As at 31 March, 2025	**1,910.88**	**2,731.84**
Charged/(credited) to profit or loss		
Additional provision recognised	15,624.67	4,352.50
Unused amounts reversed	(175.65)	-
Amount used during the year	(852.13)	(2,725.01)
As at 31 March, 2026	**16,507.77**	**4,359.33**

Note 20: Revenue from operations

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
a) Contract revenue		
- Shipbuilding	5,77,294.23	4,44,852.57
- Ship repair	25,728.91	10,000.16
- Diesel engines	1,235.20	4,997.78
b) Sale of products		
- B & D spares	60,350.41	27,650.26
- Bailey bridge	17,171.27	11,096.63
- General engineering	1,426.68	372.64
- Gun	11,291.11	3,200.00
(c) Sale of services		
- Ship repair	1,564.39	1,382.19
- Bailey bridge	3,035.23	3,449.39
- General engineering	22.55	60.77
- Diesel engines	236.36	35.92
(d) Misc. Project	125.10	-
(e) Other operating revenue		
- Scrap sales	714.39	452.96
- Training Fees	19.95	17.50
Total revenue from operations	**7,00,215.78**	**5,07,568.77**

i. Above includes Revenue from operation from export contracts ₹ 27,070.14 Lakh (FY 24-25 : ₹ 7,363.12 Lakh).

ii. Export sales ₹ 2,308.57 Lakh (FY 24-25 : ₹ 6,964.68 Lakh).

iii. The Company is engaged in the production of defence equipment and was exempted from Segment Reporting vide notification S.O. 802 (E) dated 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 as well as Ind AS 115.

Note 21: Other income

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest income	24,631.91	24,973.68
Profit on sale of mutual fund	-	293.72
Gain on fair valuation		
- others	326.57	835.47
Rental income	16.85	12.59
Net foreign exchange gains	-	772.36
Insurance claims	94.35	0.40
Liability/provision written back	2,082.97	3,268.79
Profit/(Loss) on retired assets (net)	5.91	132.88
Other items	280.04	3,193.86
Total other income	**27,438.60**	**33,483.75**

Note 22(a): Cost of materials consumed

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Raw materials	37,211.13	31,042.07
Equipments & components	3,04,960.54	3,01,428.26
Total cost of materials consumed	**3,42,171.67**	**3,32,470.33**

Note 22(b): Changes in inventories of work-in-progress and scrap

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Opening balance		
- Bailey bridge unit	4,978.09	3,659.29
- Engine unit	610.19	308.78
- Others	6,890.12	2,477.10
Total opening balance	**12,478.40**	**6,445.17**
Closing balance		
- Bailey bridge unit	3,909.33	4,978.09
- Engine unit	311.22	610.19
- Others	3,221.88	6,890.12
Total closing balance	**7,442.43**	**12,478.40**
Total changes in inventories of work-in-progress	5,035.97	(6,033.23)
Change in inventories of scrap	(68.46)	(21.07)
Total changes in inventories of work-in-progress and scrap	**4,967.51**	**(6054.30)**

Note 23: Employee benefits expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Salaries and wages	30,921.60	27,991.27
Contribution to provident fund and other funds	5,683.09	3,702.89
Staff welfare expenses	4,680.30	4,390.50
Total employee benefit expense	**41,284.99**	**36,084.66**

Note 24: Finance costs

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Interest expense		
- Interest expense on bank overdraft	538.68	296.66
- Interest expense on LD liability	783.33	618.00
- Interest expense on lease liability	231.17	79.84
- Interst on dues to Micro & Small Enterprises	58.51	37.78
Total finance costs	**1,611.69**	**1,032.28**

Note 25: Depreciation and amortisation expense

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Depreciation of property, plant and equipment	4,464.49	3,974.14
Amortisation of intangible assets	422.89	275.09
Total depreciation and amortisation expense	**4,887.38**	**4,249.23**

Note 26: Other expenses - project related

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Facility hire	447.45	578.48
Insurance	1,747.01	1,296.95
Travelling expenses	504.59	369.32
Technicians' fees	34,100.79	11,114.24
Launching & commissioning expenses	273.47	62.19
Bank Charges	611.69	500.69
Miscellaneous expenses	2,295.79	896.60
Total other expenses - project related	**39,980.79**	**14,818.47**

Note 27: Other expenses

(₹ in Lakh)

Particulars	Year ended 31 March, 2026	Year ended 31 March, 2025
Consumption of stores and spares parts	146.47	143.01
Power and fuel	1,281.98	1,183.19
Rent	493.24	300.76
Repair and maintenance		
- Buildings	682.97	478.85
- Plant & Equipment	1,730.29	1,248.01
- Other	1,448.12	1,251.61
Insurance	721.75	721.96
Rates and taxes	414.81	625.33
Marketing expenses	236.68	196.50
Stores clearing & dispatch expenses	48.08	57.50
Provision for non moving & obsolete inventory	85.34	116.87
Transport hire charges	379.63	379.55
Travelling expenses	360.59	332.85
Advertisement & publicity	425.56	259.30
Bank charges & commission	18.53	53.07
Printing & stationary	25.29	14.99
Postage & courier	8.75	8.72
Telephone & fax	45.30	43.42
Legal expenses	197.92	242.94
Corporate social responsibility	997.00	695.00
Allowance for doubtful debts	-	7.12
Auditor's remuneration:		
(a) Audit Fees	12.50	10.75
(b) Tax audit fees	1.70	1.55
(c) Fees for other services	12.20	9.60
CISF Expenses	4,130.30	3,670.74
Property plant & equipment written off	18.73	6.26
Net Foreign exchange loss	424.38	-
Other miscellaneous expenses	848.79	583.53
Total other expenses	**15,196.90**	**12,642.98**

Expenditure on Research and Development aggregating to ₹ 3,335 Lakh (Previous year ₹ 2,939 Lakh) is reflected under respective various heads in the above notes.

Note 28 (a): Income tax expense

(₹ in Lakh)

	Year ended 31 March, 2026	Year ended 31 March, 2025
Income tax expense		
Current tax		
Current tax (net of adjustment of earlier year) on profits for the year	25,782.37	17,271.48
Total current tax expense	**25,782.37**	**17,271.48**
Deferred tax		
Deferred tax (benefit)/expense	(106.22)	317.11
Total deferred tax expense	**(106.22)**	**317.11**
Income tax expense	**25,676.15**	**17,588.59**

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(₹ in Lakh)

	Year ended 31 March, 2026	Year ended 31 March, 2025
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Profit before tax	1,00,469.59	70,328.97
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**25,286.19**	**17,700.40**
Effect of expenses that are not deductible in determining taxable profit	2,164.49	1,999.14
Effect of expenses that are allowable in determining taxable profit	(2,216.38)	(2,429.62)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	250.92	174.92
Adjustments for excess provision of prior period	-	(144.16)
Adjustments for changes in estimates of deferred tax assets	(106.22)	317.11
Adjustment for excess provision of last year	(6.51)	(220.21)
Effect of Interest u/s 234B & C	303.66	191.01
Total income tax expense recognised in Profit and Loss	**25,676.15**	**17,588.59**

Note 29: Contingent Liabilities and Contingent Assets

As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the disclosures are given here under:

(₹ in Lakh)

(A)	Contingent Liabilities	As at 31 March, 2026	As at 31 March, 2025
(i)	Claims against the Company not acknowledged as debts	9,306.78	9,257.26
(ii)	Estimated amount of liquidated damages on contracts under execution*	-	480.00
(iii)	Guarantees		
	a) Guarantees given by Banks	6,32,065.52	6,44,297.12
	b) Indemnity Bonds for Performance & Warranties	1,43,036.47	1,26,032.44
	c) Unexpired Letters of Credit	7,988.86	239.96
(iv)	Other money for which the Company is contingently liable		
	a) Sales Tax	-	506.83
	b) Income Tax	1,788.12	1,683.57
	c) GST	839.38	216.70
	d) Custom Duty	874.76	401.51

* The delivery extension request for 30MM Naval Surface Guns has been considered and approved by competent authority of Indian Navy. However, Delivery extension has been accorded with imposition of Liquidated Damages. Accordingly, the corresponding impact has been considered in the financial statements as per prevailing accounting policy of the Company.

(a) Contingent liability on account of Sales Tax of ₹ 506.83 lakh towards assessment dues and demand for the years 2007-08 has been settled in 'Settlement of Dispute Scheme 2025' on payment of ₹ 75.90 Lakhs, hence the contingent liability of ₹ 506.83 Lakh is withdrawn.

(b) Contingent liability on account of income tax amounts to ₹ 1788.12 Lakh (31 March, 2025 : ₹ 1683.57 Lakh) towards, Arbitrary increase by the Income Tax Authority in taxable income based on Form 26AS for AY 2009-10 (₹ 1729.93 Lakh) and Arbitary disallowance of expenses for AY 2024-25 (₹ 58.19 Lakh). Above disputes have not been acknowledged as debt and accordingly not provided for in the Accounts as appeal order issued in favour of GRSE for AY 2009-10 and only effect order is pending. Further for AY 2024-25 appeal is pending with first appealate authority.

(c) Contingent liability on account of GST amounts to ₹ 839.38 Lakh (31 March, 2025 : ₹ 216.70 Lakh) towards, Dispute for FY 2018-19 pertaining to demand of taxes & interest mainly on account of arbitary mismatch of ITC (₹ 212.64 Lakh) and Dispute for FY 2021-22 pertaining to demand of tax & interest mainly on account of Goods sent on Job Work (₹ 626.74 Lakh). Above dispute has not been acknowledged as debt and accordingly not provided for in the Accounts as all the issues are under first/second stage of appeal.

(d) Contingent liability on account of Custom Duty amounts to ₹ 874.76 Lakh (Including Interest) (31 March 2025: ₹ 401.51 Lakh) towards, demand from Directorate of Revenue Intelligence, Kakinada Sub-Regional Unit for short payment of custom duty on import drawings. Demand raised by DRI, stating that the imports i.e., "Drawings for 1000 M3 TSH Dredger (Yard 2121) for use in Export Dredging ship" does not fall under the criteria of availing benefit of "NIL" custom duty. Counter justifications are being made to DRI. Hence, above demand have not been acknowledge as debt and accordingly not provided in the Accounts.

(e) The amounts shown under Contingent Liabilities represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above Contingent Liabilities.

In the opinion of the Management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals made by Company.

Note 30: Commitments

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,201.55	4,737.18
Advance paid against above	-	-

Note 31: Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for sick and earned leave.

Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly, leave obligation of ₹ 458.56 Lakh (31 March, 2025 ₹ 492.83 Lakh) is presented as current and remaining amount is presented as non current. The leave obligation is an unfunded plan, the Company makes contributions to scheme maintained by Life Insurance Corporation of India (LIC).

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

(₹ in Lakh)

Particulars	Leave obligation
As at 31 March, 2025	
Current portion	492.83
Non-current portion	7,708.16
Total	**8,200.99**
As at 31 March, 2026	
Current portion	458.56
Non-current portion	7,539.08
Total	**7,997.64**

(ii) Post-employment obligations

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 year are eligible for gratuity. Pursuant to the provisions of New Labour Codes, Fixed Term Employees (FTEs) are also now eligible for gratuity benefits on a prorata basis. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary (including dearness allowance) per month computed proportionately for 15 days salary (reckoning 26 days for a month) multiplied for the number of years of service. In terms of DPE guidelines on Pay revision of Board level, below Board Level Officers & Non-unionised Supervisors, since Dearness Allowance crossed 50% w.e.f 01.10.2025 the ceiling of Gratuity is revised to ₹ 25 Lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The Company has assessed the potential impact of 'The Code on Social Security, 2020' relating to employee benefits on its gratuity obligations. A provision towards Gratuity Liability of Fixed Term Contract Employees (FTEs) amounting to ₹ 84.67 Lakh has been considered in overall actuarial liability.

Based on actuarial valuation, an asset is recognised in full for the excess funds held in the scheme over and above projected obligation.

(b) Post-retirement medical scheme

The Company operates post-retirement medical benefit scheme. The plan is an unfunded plan. Based on actuarial valuation, a provision is recognised in full for the projected obligation.

Apart from the above, post retirement medical benefit to the superannuated employees is a defined contribution scheme and premium of ₹ 1,309.89 Lakh (31 March, 2025: ₹ 1,236.36 Lakh) paid to an Insurance Company. There are no other obligations to employees other than the contribution payable to the Insurance Company.

(c) Provident fund

The exempt provident fund set up by the Company is a defined benefit plan under IND AS 19, Employee Benefits.

Provident Fund for eligible employees is managed by the Company through a trust in line with 'The Employees Provident Funds and Miscellaneous Provisions Act, 1952'. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employees and employer @ 12% of basic salary (including Dearness Allowance) together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement whichever is earlier. The benefit vests immediately on rendering of the services by the employee. The contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with relevant statute.

Employer's contribution to Provident Fund & Family Pension fund is ₹ 2,264.78 Lakh for the year 2025-26 (₹ 1,935.36 Lakh for the year 2024-25).

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. During the current financial year an amount of ₹ 268.38 Lakh has been contributed by the Company to make good such interest shortfall and the same is charged to the profit and loss statement.

The Company has obtained report on the determination and disclosure of interest rate guarantee, valuation of Assets & Liabilities as per Ind AS 19 of Employees Benefits relating to Exempt Provident Fund of GRSE for the period ended 31 March, 2026.

Note 31: Employee benefit obligations (Contd.)

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2025	51,591.35	(51,597.47)	(6.12)
Current service cost	1,819.15	-	1,819.15
Interest expense/(income)	3,542.65	(3,543.08)	(0.43)
Total amount recognised in profit or loss	**5,361.80**	**(3,543.08)**	**1,818.72**
Remeasurements			
Return on plan assets, greater/(lesser) than discount rate	-	1,130.04	(1,130.04)
Actuarial (gain)/loss from change in demographic assumptions	-		-
Actuarial (gain)/loss from change in financial assumptions	(202.18)		(202.18)
Actuarial (gain)/loss from unexpected experience	1,336.69		1,336.69
Total amount recognised in other comprehensive income	**1,134.51**	**1,130.04**	**4.47**
Employer contributions/ premium paid	-	(1,819.15)	(1,819.15)
Benefit payments	(7,188.88)	7,188.88	-
Participant Contributions	2,622.33	(2,622.33)	-
Transfer in			-
31 March, 2026	**53,521.11**	**(53,523.19)**	**(2.08)**

(iii) Defined Contribution Plan:

Superannuation Pension Fund:

The Pension Scheme is administered by a Trust. The Company has transferred an amount of ₹ 89.42 Lakh for officers and non-unionised supervisiors to LIC towards employer's contribution for the year 2025-26 (₹ 457.79 Lakh for the year 2024-25).

The pension scheme for unionised employees has been introduced w.e.f. 01 January 2012. An amount of ₹ 234.20 Lakh has been transferred to LIC for the year 2025-26 (₹ 509.33 Lakh for the year 2024-25) towards employer's contribution for operatives and office assistants.

National pension System has been introduced in GRSE w.e.f December 2024 for those employees who have opted NPS in place of existing Superannuation Pension Scheme. An amount of ₹ 977.28 Lakh for year 2025-26 (₹ 131.20 Lakh for the year 2024-25) has been transferred to NPS Account towards employers contribution.

During the current financial year, the contribution rate towards superannuation pension scheme for officers and supervisors has been revised from 7% to 10% w.e.f 01.04.2020. An amount of ₹ 1,073.13 Lakh towards differential rate of 3% has been contributed by the Company during FY 2025-26 and the same is charged to current year's profit and loss statement.

Note 31: Employee benefit obligations (Contd.)

(iv) Balance sheet recognition

(a) Post retirement medical scheme

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2024	1,795.15
Current service cost	89.88
Interest expense/(income)	125.12
Total amount recognised in Profit or Loss	**215.00**
Remeasurements	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	75.45
Experience (gains)/losses	(96.32)
Total amount recognised in other comprehensive income	**(20.87)**
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2025	**1,989.28**

(₹ in Lakh)

Particulars	Present value of obligation
1 April, 2025	1,989.28
Current service cost	110.97
Interest expense/(income)	134.28
Total amount recognised in Profit or Loss	**245.25**
Remeasurements	
Return on plan assets, excluding amounts included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(52.76)
Experience (gains)/losses	(204.46)
Total amount recognised in other comprehensive income	**(257.22)**
Employer contributions/ premium paid	-
Benefit payments	-
31 March, 2026	**1,977.31**

Note 31: Employee benefit obligations (Contd.)

(b) Gratuity

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2024	12,606.47	(12,606.47)	-
Current service cost	617.86	-	617.86
Interest expense/(income)	821.38	(821.38)	-
Total amount recognised in profit or loss	**1,439.24**	**(821.38)**	**617.86**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(158.14)	(158.14)
Actuarial (gain)/loss from change in demographic assumptions	(21.30)	-	(21.30)
Actuarial (gain)/loss from change in financial assumptions	191.09	-	191.09
Actuarial (gain)/loss from unexpected experience	351.44	-	351.44
Total amount recognised in other comprehensive income	**521.23**	**(158.14)**	**363.09**
Employer contributions/ premium paid	-	(980.95)	(980.95)
Benefit payments	(1,643.90)	1,643.90	-
31 March, 2025	**12,923.04**	**(12,923.04)**	**-**

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2025	12,923.04	(12,923.04)	-
Current service cost	545.40	-	545.40
Interest expense/(income)	820.76	(857.91)	(37.15)
Total amount recognised in profit or loss	**1,366.16**	**(857.91)**	**508.25**
Remeasurements			
Return on plan assets, greater/(lesser) than discount rate	-	2.30	2.30
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(134.99)	-	(134.99)
Actuarial (gain)/loss from unexpected experience	521.12	-	521.12
Total amount recognised in other comprehensive income	**386.13**	**2.30**	**388.43**
Employer contributions/ premium paid	-	(1,100.92)	(1,100.92)
Benefit payments	(1,527.34)	1,527.34	-
31 March, 2026	**13,147.99**	**(13,352.23)**	**(204.24)**

Note 31: Employee benefit obligations (Contd.)

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March, 2026	31 March, 2025
Discount rate	6.90%	6.75%
Expected return on plan asset	6.90%	6.75%
Salary growth rate	7.00%	7.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM (2006-2008) Ultimate	IALM (2006-2008) Ultimate

Assumptions regarding future mortality for gratuity and medical are set, based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a person retiring at the age of 60.

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lakh)

Particulars	Impact on defined benefit obligation (Gratuity)			
	31 March, 2026		31 March, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 0.5%)**	12,716.11	13,261.33	12,496.25	13,377.75
% change compared to base due to sensitivity	-3.30%	0.90%	-3.30%	3.50%
Salary growth rate **(-/+ 0.5%)**	13,624.27	12,615.23	13,146.56	12,686.46
% change compared to base due to sensitivity	3.60%	-4.10%	1.70%	-1.80%
Attrition rate **(-/+ 0.5%)**	13,163.21	13,094.43	12,965.10	12,878.06
% change compared to base due to sensitivity	0.10%	-0.40%	0.30%	-0.30%
Life expectancy/ mortality rate **(-/+ 10%)**	13,150.63	13,145.37	12,925.63	12,920.46
% change compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%

(₹ in Lakh)

Particulars	Impact on Post-retirement medical benefits			
	31 March, 2026		31 March, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 0.5%)**	2,046.51	1,906.12	2,058.91	1,917.67
% change compared to base due to sensitivity	3.50%	-3.60%	3.50%	-3.60%
Attrition rate **(-/+ 0.5%)**	1,914.14	2,043.89	1,924.39	2,057.18
% change compared to base due to sensitivity	-3.20%	3.40%	-3.30%	3.40%
Life expectancy/ mortality rate **(-/+ 10%)**	1,972.36	1,982.24	1,984.31	1,994.25
% change compared to base due to sensitivity	-0.25%	0.25%	-0.25%	0.25%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitvity analysis did not change compared to the prior period.

(vii) The major categories of plan assets

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

Note 31: Employee benefit obligations (Contd.)

(viii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans (except Provident Fund) are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2027 are ₹ 2,410.81 Lakhs.

The weighted average duration of the defined benefit obligation (gratuity) is 7 years and Post-retirement medical benefits is 7 years. The expected maturity analysis of undiscounted gratuity and post-retirement medical benefits are as follows:

(₹ in Lakh)

Particulars	Less than a year	More than 1 year
As at 31 March, 2026		
Defined benefit obligation (gratuity)	1,012.78	22,546.16
Post-retirement medical benefits	9.54	9,528.60
Total	**1,022.32**	**32,074.76**
As at 31 March, 2025		
Defined benefit obligation (gratuity)	994.40	21,979.58
Post-retirement medical benefits	297.44	7,104.17
Total	**1,291.84**	**29,083.75**

Note 32: Related party transactions

The Company is controlled by the President of India having ownership interest of 74.50%.

(a) Key management personnel compensation (₹ in Lakh)

Particulars	31 March, 2026	31 March, 2025
Short-term employee benefits	341.19	331.06
Sitting Fee (to Independent Directors)	5.45	11.40
Post-employment benefits	16.28	12.39
Total compensation	**362.92**	**354.85**

No amount has been written back/written off during the year in respect of dues to related parties.

(b) Transactions with related parties

As GRSE 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 w.r.t. related party transactions with government and government related entities.

Note 32: Related party transactions (Contd.)

However as required under Ind AS 24, following are the individually significant transactions :- (₹ in Lakh)

Particulars	31 March, 2026	31 March, 2025
Sales of goods and services		
Sale of goods (owned by Govt. of India)	15,26,216.83	87,381.21
Sale of services (owned by Govt. of India)	21,393.48	5,761.00
Other transactions		
Final Dividend paid to shareholder	4,181.72	1,228.91
Interim Dividend paid to shareholder	11,009.02	7,638.04

(c) Outstanding balances arising from sales/purchases of goods and services (₹ in Lakh)

Particulars	31 March, 2026	31 March, 2025
Trade receivables (sale of goods and services)	1,17,137.95	21,743.97
Entities (owned by Govt. of India)		

Note 33: Fair value measurements

Financial instruments by category (₹ in Lakh)

Particulars	31 March, 2026			31 March, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments	0.44	-	-	0.44	-	-
Trade receivables	-	-	1,22,086.90	-	-	25,945.77
Security deposits	-	-	1,050.89	-	-	822.77
Deferred credit recoverable from Navy	-	-	945.62	-	-	903.84
Contract Assets	-	-	6,513.24	-	-	9,185.25
Cash and cash equivalents	-	-	1,726.58	-	-	388.27
Other bank balances	-	-	3,49,382.79	-	-	3,72,797.13
Other financial assets:						
Interest accrued but not due on deposits	-	-	6,272.02	-	-	10,669.79
Total financial assets	**0.44**	**-**	**5,00,278.04**	**0.44**	**-**	**4,20,712.82**
Financial liabilities						
Lease liability	-	-	3,739.78	-	-	966.88
Trade payables	-	-	1,83,572.98	-	-	1,15,911.98
Security deposits	-	-	851.28	-	-	803.68
Others	-	-	3,572.89	-	-	2,769.06
Total financial liabilities	**-**	**-**	**1,91,736.93**	**-**	**-**	**1,20,451.60**

(i) 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 and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian accounting standard.

Note 33: Fair value measurements (Contd.)

(₹ in Lakh)

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Total financial assets	**-**	**-**	**0.44**	**0.44**

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy	-	-	945.62	945.62
Trade receivables	-	-	1,22,086.90	1,22,086.90
Total financial assets	**-**	**-**	**1,23,032.52**	**1,23,032.52**
Financial liabilities				
Trade payable				
LD deducted from vendors	-	-	18,507.29	18,507.29
Russian deferred credit	-	-	945.62	945.62
Total financial liabilities	**-**	**-**	**19,452.91**	**19,452.91**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31 March, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investments - healthcare sector	-	-	0.44	0.44
Total financial assets	**-**	**-**	**0.44**	**0.44**

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Deferred credit recoverable from Navy	-	-	903.84	903.84
Trade receivables	-	-	25,945.77	25,945.77
Total financial assets	**-**	**-**	**26,849.61**	**26,849.61**
Financial liabilities				
Trade payable				
LD deducted from vendors	-	-	12,562.97	12,562.97
Russian deferred credit	-	-	903.84	903.84
Total financial liabilities	**-**	**-**	**13,466.81**	**13,466.81**

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include the fair value of the remaining financial instruments which is determined using discounted cash flow analysis.

Note 33: Fair value measurements (Contd.)

(iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakh)

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Deferred credit recoverable from Navy	945.62	945.62	903.84	903.84
Total financial assets	**945.62**	**945.62**	**903.84**	**903.84**
Financial liabilities				
Trade payable				
LD deducted from vendors	18,507.29	17,864.09	12,562.97	11,361.47
Russian deferred credit	945.62	945.62	903.84	903.84
Total financial liabilities	**19,452.91**	**18,809.71**	**13,466.81**	**12,265.31**

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values.

The fair values for financial instruments were calculated based on cash flows discounted using Marginal Cost of Funds based Lending Rate (MCLR) of State Bank of India on the reporting date for the same maturity. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Note 34: Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Diversification of bank deposits and credit limits.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets & liabilities not denominated in Indian rupee (INR).	Reimbursement from buyers for currency fluctuation.

(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 assets

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 (owned by Govt. of India), hence the credit risk is considered low. Further, the Company receives advance against orders which also mitigates the credit risk. For ageing of trade receivables please refer note 10(a).

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investment of surplus funds are made in accordance with DPE Guidelines on investment of surplus funds of the Company. The limits are set to minimize the concentration of risks and to mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March, 2026 and 31 March, 2025 is the carrying amounts as illustrated in Note 6 (b),Note 10 (b) and Note 10 (c).

Note 34: Financial Risk Management (Contd.)

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligations.

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.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted and re-scheduled cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2026	One year or less	More than 1 year	Total
Trade payables	1,82,772.95	1,455.90	1,84,228.85
Lease liabilities	594.41	10,026.39	10,620.80
Other financial liabilities	4,424.17	-	4,424.17
Total financial liabilities	**1,87,791.53**	**11,482.29**	**1,99,273.82**

(₹ in Lakh)

Contractual maturities of financial liabilities - 31 March, 2025	One year or less	More than 1 year	Total
Trade payables	1,15,140.79	1,459.16	1,16,599.95
Lease liabilities	204.80	2,212.64	2,417.44
Other financial liabilities	3,592.74	-	3,592.74
Total financial liabilities	**1,18,938.33**	**3,671.80**	**1,22,610.13**

(C) Market risk

Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Also, the Company exports some of it's ships to foreign buyers and is exposed to foreign exchange risk arising from foreign currency transactions. 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 (i.e. ₹). The outflow on account of imports and payments in foreign currency is mostly reimbursable from the buyers. The risk in case of export is measured through a forecast of highly probable foreign currency cash flows.

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 Lakh)

Particulars	31 March, 2026			31 March, 2025		
	EUR	GBP	USD	EUR	GBP	USD
Financial assets				-	-	207.25
Financial liabilities	1,674.79	75.65	315.91	1,802.76	103.60	995.06
Net exposure to foreign currency risk	**(1,674.79)**	**(75.65)**	**(315.91)**	**(1,802.76)**	**(103.60)**	**(787.81)**

Sensitivity

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

(₹ in Lakh)

Particulars	Impact on profit before tax	
	31 March, 2026	31 March, 2025
EUR sensitivity		
INR/EUR Increases by 6.44% (31 March 2025 - 2.20%)*	(108)	(40)
INR/EUR Decreases by 1.84% (31 March 2025 - 1.84%)*	31	33
GBP sensitivity		
INR/GBP Increases by 5.81% (31 March 2025 - 4.47%)*	(4)	(5)
INR/GBP Decreases by 1.66% (31 March 2025 - 1.66%)*	1	2
USD sensitivity		
INR/USD Increases by 4.99% (31 March 2025 - 3.91%)*	(16)	(31)
INR/USD Decreases is nil (31 March 2025 - 3.58%)*	-	28

* Holding all other variables constant.

Note 35: Capital Management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed (₹ in Lakh)

Particulars	31 March, 2026	31 March, 2025
(i) Equity shares		
Final dividend for the year ended 31 March, 2025: ₹ 4.90 (31 March, 2024: ₹1.44) per fully paid share	5,613.05	1,649.55
Interim dividend for the year ended 31 March, 2026: ₹ 12.90 (31 March, 2025: ₹ 8.95) per fully paid share	14,777.21	10,252.40
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of ₹ 6.70 per fully paid equity share (31 March 2025: ₹ 4.90). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	7,674.98	5,613.05

Note 36: Earnings Per Share

Particulars	31 March, 2026	31 March, 2025
Profit attributable to equity share holders of the Company used in calculating basic and diluted earnings per share (₹ in Lakh)	74,793.44	52,740.38
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	11,45,52,000	11,45,52,000
Basic and diluted earnings per share (₹)	**65.29**	46.04

Note 37 : Expenditure on Corporate Social Responsibility (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows: (₹ in Lakh)

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	Amount Spent
i) Clause (i)	Healthcare and Nutrition	522.31
ii) Clause (i)	Sanitation	69.30
iii) Clause (ii)	Skill Development Training	176.63
iv) Clause (iii)	Women Empowerment	27.65
v) Clause (iv)	Environmental sustainability, ecological balances and protection of flora and fauna	163.02
vi) Clause (vii)	Sports	34.00
vii) Clause (x)	Rural Development	4.09
	TOTAL	**997.00**

(₹ in Lakh)

Particulars	2025-26	2024-25
Amount required to be spent by the Company during the year	990.51	693.66
Amount spent during the year on:		
i) Construction/acquisition of any asset	348.66	140.96
ii) On purposes other than (i) above	648.34	554.04
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities undertaken	i. Promoting healthcare and Nutrition ii. Promoting Sanitation iii. Promoting Skill Development Training iv. Ensuring environmental sustainability, ecological balances and protection of flora and fauna v. Rural Development vi. Sports vii. Women Empowerment	i. Promoting healthcare and Nutrition ii. Promoting Sanitation iii. Promoting Skill Development Training iv. Ensuring environmental sustainability, ecological balances and protection of flora and fauna
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard-	NA	NA
Provision with respect to a liability incurred by entering into a contractual obligation & the movements in the provision during the year	NA	NA

Note 38: Construction contracts

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

(₹ in Lakh)

Particulars		31 March, 2026	31 March, 2025
(i)	Contract revenue recognized for the year	6,04,258.34	4,59,850.51
(ii)	Aggregate amount of costs incurred and recognized profit (less recognized losses) upto the reporting date for all contracts in progress as at that date	4,67,536.68	13,25,845.83
(iii)	Amount of customer advances outstanding (gross) for contracts in progress	9,73,924.10	19,85,976.28

Note 39: Russian (USSR) deferred State Credit

An inter-governmental agreement between Russian Federation and Government of India was reached for restructuring of Russian deferred state credit in Ruble in connection with procurement.

As per the said agreement, the outstanding debt in Ruble as on 01.04.1992 was converted to Indian Rupees at the difference in Rupee-Ruble exchange rate between 01.04.1990 and 01.04.1992 and such amount of exchange rate difference was rescheduled by Government of India under a deferred Rupee payment arrangement payable over 45 years till 2037. These rescheduled payments are also reimbursable by Indian Navy. Such amount is accordingly held as Foreign Suppliers Deferred Credit as at 31 March, 2026 and aggregated to ₹ 945.62 Lakh (Undiscounted amount being ₹ 1,601.49 Lakh) [31 March, 2025 ₹ 903.84 Lakh (Undiscounted amount being ₹ 1,591.81 Lakh)].

Note 40:

a) The Company follows a general practice of undertaking physical verification of all the fixed assets in a phased manner in a block of three years. In the current year, such physical verification has been done in the GRSE's Main Works and Diesel Engine Plant. Discrepancies found have been appropriately dealt in the Accounts.

b) The 62 acres of land for setting up the Diesel Engine Plant at Ranchi was obtained free of cost from Heavy Engineering Corporation Ltd., Ranchi (HEC) in 1966 as a part of industrialization drive at the behest of MoD, Govt. of India and Govt. of Bihar. GRSE is in uninterrupted possession of the land since then and has created permanent structures thereon (title deed is with HEC, Ranchi). Various assets of the Diesel Engine Plant, Ranchi having book value of ₹ 1,551.83 Lakh (original value ₹ 3,881.39 Lakh) as on 31 March, 2026 have been installed / placed on the said premises. Ignoring the right of GRSE in the said land, the then Govt. of Bihar executed a Deed of Conveyance in favour of HEC in February, 1996. Later, HEC vide a letter of 07 August, 1999 raised a claim for a 30-year lease effective from 01.04.1996 of ₹ 1,488 Lakh as onetime premium and a sum of ₹ 148.8 Lakh p.a. being 10% of the said premium as annual lease rent which GRSE repudiated. During April, 2013, HEC unilaterally referred the disputes to PMA, DPE, Govt. of India for arbitration and subsequently inter alia prayed before PMA for directing GRSE to enter into lease agreement for totally baseless, frivolous and absurd lease rent and premium with interest for further period and to declare GRSE as "unauthorized occupant" etc. GRSE raised preliminary objection regarding maintainability and sustainability of the alleged reference of HEC and rejection of claim as the same are not sustainable on facts as well as in law. The matter was under adjudication before Smt. Zoya Hadke, Sole Arbitrator, PMA who after hearing both the parties at length, vide Order dated 30.6.2015 held that in absence of any agreement between the parties, the Arbitral Forum lacks jurisdiction to settle the dispute and rejected the reference of HEC. Accordingly, the arbitration matter stood disposed off. No appeal filed by HEC.

GRSE has also filed a Civil Suit (TS 117 of 2014) in March, 2014 before a competent Civil Court at Ranchi, HEC and the Govt. of Jharkhand being the defendants, with prayer for declaration by the Court that GRSE has acquired irrevocable licence coupled with interest in the subject land by setting up Diesel Engine Plant permanently thereon free of cost in accordance with the law of the land and for permanent injunction restraining HEC from interfering with the possession of land by GRSE and running industry thereon. Hearing of the case is in progress.

HEC has filed an Application under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 before the Estate Officer appointed under the said Act by HEC, for eviction of GRSE alleging as 'unauthorised occupant' from the said land occupied by DEP Unit of GRSE. [Case no. P.P. ACT/REV/201801 dated 28.4.2018].

GRSE has filed a Writ Petition [being WP (C) No. 3359 of 2018] before the Hon'ble Jharkhand High Court praying for 'declaration' that summary proceeding before the Estate Officer under the Public Premises (Eviction of Unauthorised Occupants) Act is not maintainable involving intricate and complicated questions of law pertaining to title, right, interest and possession to the land and moreover, competent civil court at Ranchi is already adjudicating the matter on the self-same cause of action. The High Court on 14.08.2018 directed HEC to file Opposition and not to evict GRSE from the said land. Meanwhile, upon approach by HEC, process to find out various possibilities to arrive at amicable settlement has been initiated.

In view of the above an amount of ₹ 5,509.00 Lakh (Previous year ₹ 5,803.20 Lakh) without interest has been considered as contingent liability not acknowledged as debt.

Note 41:

Letters seeking confirmation of balances in the accounts as at 31 December, 2025 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.

Note 42:

a) The Company has sent letters seeking confirmations of balances in respect of its Debtors Though no response has been received from the debtors, in the opinion of the Company, the balances have realisable values equal to the amount as stated in the books in the ordinary course of business, unless otherwise stated.

b) The amounts received from customers are mainly received in respect of ship division, customers being Indian Navy and Indian Coast Guards. In respect of other divisions, advance from customers are received mainly from Government Departments.

Note 43:

With introduction of Indian Accounting Standard (Ind AS 116) effective from 01.04.2019, the Company has adopted the same using retrospective transition method.

The actual lease rentals paid which were hitherto recognised as expense are now accounted as reduction in lease liability.

During the year, Rent and transport charges under other expenses, for the rent paid for lease hold land of ₹ 186.63 Lakh (FY 2024-25: ₹ 55.20 Lakh) and vehicle of ₹ 157.55 Lakh (FY 2024-25: ₹ 127.28 Lakh) has been adjusted with corresponding lease liability. Finance cost includes unwinding of Interest on lease rent paid of ₹ 231.17 Lakh (FY 2024-25: ₹ 79.84 Lakh) and depreciation & amortisation expenses include amortisation of RoU Assets of ₹ 229.92 Lakh (FY 2024-25: ₹ 123.69 Lakh).

Details of Lease Liabilities are appended below:

(₹ in Lakh)

Particulars	As at 1 April, 2025	Addition/ Adjustment	Unwinding of Interest	Total Cash Outflow	As at 31 March, 2026
Land	655.91	2,646.04	209.19	186.63	3,324.51
Vehicle	310.97	239.87	21.98	157.55	415.27
Total	**966.88**	**2,885.91**	**231.17**	**344.18**	**3,739.78**

Details of Contractual maturity of Assets on an undiscounted basis:

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Less than 1 year	-	7.40
More than 1 year	3,574.96	911.57
Total	**3,574.96**	**918.97**

Details of Contractual maturity of liabilities on an undiscounted basis

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Less than 1 year	594.41	204.80
1 year to 5 years	1,388.06	495.71
More than 5 years	8,638.33	1,716.93

Note 44:

Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follow:

(₹ In Lakh)

Sl. No.	Description	2025-26	2024-25
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	607.53	367.61
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	13.51	16.56
c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	45.00	35.01
e)	The amount of interest accrued during the year/period and remaining unpaid at the end of the accounting year	58.51	51.57
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

Note 45:

The total Fund Based limits ₹ 23,000 Lakh (March 31, 2025: ₹ 22,700 Lakh) and Non-Fund based limits ₹ 14,16,300 Lakh (March 31, 2025: ₹ 8,56,600 Lakh) sanctioned by various banks under Multiple Banking Arrangement (MBA). The said limits are secured by hypothecation charge on the company's entire current assets including raw materials, consumables, store and spares, stock in process, finished goods, receivables/book debt and excluding fixed deposits with banks, other liquid investments and movables which are in the nature of fixed assets.

As on 31 March, 2026 guarantees given by Bank is ₹ 6,32,065.52 Lakh.

Note 46: Disclosure of recovery or settlement of assets and liabilities

(₹ in Lakh)

Particulars	31 March, 2026		31 March, 2025	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	-	55,708.66	-	49,945.10
(b) Capital work-in-progress	1,578.13	-	2,122.93	-
(c) Intangible assets	-	1,904.94	-	1,571.03
(d) Intangible assets under development	799.62	-	676.91	-
(e) Financial assets				
(i) Investments	-	0.44	-	0.44
(ii) Other financial assets	-	22,079.80	-	9,427.33
(f) Non-current tax assets	-	11,867.04	-	19,237.08
(g) Other non-current assets	-	11.41	-	23.43
(2) Current assets				
(a) Inventories	3,40,217.12	-	3,55,224.67	-
(b) Financial assets				
(i) Trade receivables	1,22,086.90	-	25,945.77	-
(ii) Cash and cash equivalents	1,726.58	-	388.27	-
(iii) Bank balances other than (ii) above	3,37,082.79	-	3,72,797.13	-
(iv) Other financial assets	13,401.18	-	20,491.43	-
(c) Other current assets	1,55,136.46	-	1,77,566.62	-
(d) Assets classified as held for sale	8.96	-	5.05	-
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	-	3,145.37	-	762.08
(ii) Trade payables	-	800.03	-	771.19
(b) Provisions	-	9,507.16	-	9,409.56
(c) Deferred tax liabilities (Net)	-	1,618.10	-	1,629.36
(2) Current liabilities				
(a) Financial liabilities				
(ia) Lease liabilities	594.41	-	204.80	-
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises	607.53	-	367.61	-
(B) total outstanding dues other than micro enterprises and small enterprises	1,82,165.42	-	1,14,773.18	-
(iii) Other financial liabilities	4,424.17	-	3,572.74	-
(b) Other current liabilities	5,76,801.24	-	6,90,583.00	-
(c) Provisions	21,334.88	-	5,423.43	-

Note 47:

Title deed of Immovable Properties not held in the name of the company/Jointly held

Relevant line item in Balance sheet	Description of Item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is 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
Property, plant and equipment	Building	₹ 95.96 Lakh	Jointly owned with Mazagon Dock Shipyard Limited and Goa Shipyard Limited. (1/3rd share each)	NA	15.06.1998	Jointly owned with Mazagon Dock Shipyard Limited and Goa Shipyard Limited. (1/3rd share each

Note 48:

As per existing accounting policy of the Company, Revenue in respect of Ship building projects is 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 reviewed and revised periodically.

Considering the advancement in construction stage of ongoing projects and contract amendment in respect of projects (i.e., P17A, ASWSWC & NGOPV), cost to completion and sale consideration of these projects have been reviewed on the basis of best estimate available to management and revised accordingly. Due to such revisions, revenue has been increased by ₹ 51,955 Lakh and cost to completion is increased by ₹ 45,693 Lakh, resulting in net increase in profit of the current year by ₹ 6,262 Lakh.

Note 49:

Ratio	Numerator	Denominator	As at 31 March, 2026	As at 31 March, 2025	Variance (%)	Reason for Variance
Current Ratio (In times)	Current asset	Current Liability	1.25	1.17	7%	
Debt Equity Ratio (In times)	Debt (Long-term)	Equity	0.0120	0.0037	224%	Due to increase in long-term lease liability.
Debt Service Coverage Ratio (In times)	Earnings available for debt service (PAT, Depreciation & Interest)	Debt Service (Interest & lease payments + Principal repayments)	41.56	8. 72	377%	Zero bank OD in FY 25-26 as compared to repayment of ₹ 5,440 Lakh in previous year has improved the ratio.
Return on Equity (%)	Profit After Tax	Average Shareholder's Equity	31.79%	28.11%	13%	
Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	1.80	1.25	44%	Revenue from operation has increased significantly resulting in higher cost of goods sold, where average Inventory level remain similar to previous year.
Trade Receivables Turnover Ratio (In times)	Credit sales	Average Trade Receivables	9.46	22.38	(58%)	Successive deliveries of 8 ships during FY 25-26 has resulted into higher Trade Receivables.
Trade Payable Turnover Ratio (In times)	Credit Purchase	Average Trade Payable	3.76	3.57	5%	
Net Capital Turnover Ratio (In Times)	Revenue from Operation	Working Capital	3.57	3.69	(3%)	
Net Profit Ratio (%)	PAT	Revenue from Operation	10.68%	10.39%	3%	
Return on Capital Employed (%)	EBIT	Capital Employed	38.45%	34.19%	12%	
Return on Investment (%)	Income from Invested Fund	Average Investment	6.95%	7.05%	(1%)	

Note 50:

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 51:

Relationship with Struck off Companies

FY 25-26 (₹ in Lakh)

Name of Struck off Company	Nature of transaction with struck off company	Balance Outstanding As at 31 March, 2026	Relationship with the struck off company, if any to be disclosed
Burn Standard Co. Ltd.	Payables	7.84	Vendor
BCG Consultants (P) Ltd.	Payables	0.03	Vendor
Technico India P Ltd.	Payables	(0.80)	Vendor
Alvin Marine Co. Pvt. Ltd.	Payables	0.38	Vendor
BH Global Marine India Pvt. Ltd.	Payables	0.14	Vendor
Halcyon Friends Projects Pvt.Ltd.	Payables	0.14	Vendor

FY 24-25 (₹ in Lakh)

Name of Struck off Company	Nature of transaction with struck off company	Balance Outstanding As at 31 March, 2025	Relationship with the struck off company, if any to be disclosed
Burn Standard Co. Ltd.	Payables	7.84	Vendor
BCG Consultants (P) Ltd.	Payables	0.03	Vendor
Technico India P Ltd.	Payables	(0.80)	Vendor

Note 52:

Supplier Finance Arrangement:

The Company has Supplier Finance Arrangement with 5 TReDS platforms (finance providers). These TReDS platforms provides company's suppliers with early payment terms compared to the related invoice payment due dates.

(₹ in Lakh)

Particulars	As at 31 March, 2026	As at 31 March, 2025
Carrying amount of financial liabilities (presented in current Trade Payables)	7.84	52.08
- of which suppliers have received payment from finance providers	7.84	52.08
Range of payment due dates (liabilities that are part of the arrangement)	0-30 days after acceptance of goods/services	
Range of payment due dates (Comparable trade payables)	0-30 days after acceptance of goods/services	
Type and changes in non-cash changes in the carrying amounts	NA	NA

Note 53:

Figures for the previous year have been regrouped/rearranged wherever necessary to correspond to those of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

Note 54:

The financial statements are authorised for issue by the Board of Directors on 28th April, 2026.

In terms of our report of even date.

For Guha Nandi & Co.
Chartered Accountants
Firm's Registration No - 302039E

Sd/-
(CA Dr. B.S. Kundu, FCA)
Partner
Membership No. 051221

Place of Signature : Kolkata
Date : 28th day of April, 2026

For and on behalf of the Board of Directors

Sd/-
Cmde Hari PR, IN (Retd.)
Chairman & Managing Director
DIN - 08591411

Sd/-
Niranjan Mukund Bhalerao
Director (Finance) & CFO
DIN: 10941391

Sd/-
S. Mahapatra
Company Secretary
ACS 10992

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

Registered and Corporate Office: GRSE Bhavan, 61, Garden Reach Road, Kolkata-700024

Ph: (033)-24698101, Fax: (033)-24698150

Website: www.grse.in **Email:** co.sec@grse.co.in

CIN: L35111WB1934GOI007891

NOTICE OF 110th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 110th Annual General Meeting of **Garden Reach Shipbuilders & Engineers Limited** will be held on **Friday, 25th September, 2026** at 10:30 hours through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

(1) To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2026, along with the Reports of the Board of Directors, Auditors and the comments of the Comptroller & Auditor General of India thereon.

(2) To confirm the payment of Interim Dividend of ₹5.75 per equity share and Second Interim Dividend of ₹7.15 per equity share and to declare a Final Dividend of ₹6.70 per equity share for the financial year 2025-26 (i.e., total Dividend of ₹19.60 per equity share for the financial year 2025-26).

(3) To appoint a Director in place of Capt. Sunilkumar Panangadan, IN (Retd), (DIN: 11193635), who retires by rotation and being eligible, offers himself for re-appointment.

(4) To fix the remuneration of Statutory Auditors to be appointed by the Comptroller & Auditor General of India for the financial year 2026-27.

In terms of provisions of Section 142 of the Companies Act, 2013, the remuneration of the Auditors shall be fixed by the Company in the General Meeting or in such manner as the Company in the General Meeting may determine. Hence, it is proposed that the Members may authorise the Board to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2026-27, as may deem fit.

SPECIAL BUSINESS:

(5) To confirm the Appointment of Shri Niranjan Mukund Bhalerao, (DIN: 10941391) as the Whole-time Director designated as Director (Finance) of the Company.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161, 196 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, Shri Niranjan Mukund Bhalerao, (DIN: 10941391), who was appointed as an Additional Director of the Company with effect from 06 Oct 2025 in terms of letter no. 1/1(1)/2024/D(NS) dated 03 Oct 2025 issued by Ministry of Defence, Govt. of India (on behalf of President of India) and positioned as Director (Finance) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Director, the consent of the Members be and is hereby accorded for confirmation of the appointment of Shri Niranjan Mukund Bhalerao, (DIN: 10941391) as the Whole-time Director designated as Director (Finance) of the Company and to hold office for a period of five (5) years effective from 06 Oct 2025 or until further orders, whichever is earlier, and shall be liable to retire by rotation."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(6) To confirm the Appointment of Dr. Vijay Namdeorao Zade (DIN: 05142336) as the Government Nominee Director of the Company.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, Dr. Vijay Namdeorao Zade (DIN: 05142336) who was appointed as an Additional Director (Government Nominee Director) of the Company with effect from 05 Jun 2026 in terms of letter no. 8/(29)/2026-D (Coord/ DDP) dated 05 Jun 2026 issued by Ministry of Defence, Govt. of India (on behalf of President of India), and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director, the consent of the Members be and is hereby accorded for confirmation of the appointment of Dr. Vijay Namdeorao Zade (DIN: 05142336) as the Government Nominee Director of the Company on such terms, conditions and tenure as may be determined by the President of India, and shall be liable to retire by rotation.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(7) To ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027.

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) therein or re-enactment thereof, for the time being in force), the remuneration payable to M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants, appointed as the Cost Auditor by the Board of Directors, to conduct audit of the cost accounting records of the Company for the financial year ending 31st March, 2027, amounting to ₹58,000/- plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(8) To approve the alternation of the Articles of Association of the Company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the Shareholders of the Company be and is hereby accorded, subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, to alter the existing Article No. 260 (c), 261 (b), 261 (c) and 261 (y) of Articles of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
ICSI Membership No. ACS 10992

Date: 29th July, 2026
Place: Kolkata

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), setting out all material facts concerning special business under Item Nos. 5 to 8 of the accompanying Notice, is annexed hereto.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 03/2025 dated 22nd September, 2025 ("MCA Circulars") and SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till further orders. In accordance with the said circulars and applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 110th AGM of the Company shall be conducted through VC/ OAVM. The deemed venue for the 110th AGM shall be the Registered and Corporate Office of the Company at GRSE Bhavan, 61, Garden Reach Road, Kolkata – 700 024.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the circulars through VC / OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. Further, in accordance with Regulation 44(4) of SEBI Listing Regulations, the Company is not required to send proxy forms where general meetings are held only through electronic mode.
4. Institutional / Corporate Members are requested to send scanned copy of their respective Board or governing body resolution/ authorization to attend the AGM through VC/ OAVM and vote through e-voting, to the Company at investor.grievance@grse.co.in.
5. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations (as amended) read with the Circulars issued by MCA and SEBI and also SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.
6. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-Voting, participation and e-Voting in the AGM through VC/ OAVM facility. Members may note that NSDL may use third party service provider for providing participation of the members through VC/ OAVM facility. The procedure for participating in the meeting through VC / OAVM is explained in this Notice and is also available on the website of the Company at www.grse.in.
7. The Board of Directors of the Company has appointed CS Atul Kumar Labh, Practicing Company Secretary (FCS-4848/CP-3238) of M/s. A. K. Labh & Co., Company Secretaries, Kolkata to act as

the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

8. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 19th September, 2026 to Friday, 25th September, 2026** (both days inclusive).

9. The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on **Friday, 18th September, 2026 ("record date")** i.e. a day prior to commencement of book closure date. Only those Members whose names appear in the Register of Members/ list of Beneficial Owners maintained by the Depositories (NSDL/ CDSL) as on the record date will be entitled to cast their votes by remote e-voting or e-voting during AGM. A person who is not a Member on the record date should accordingly treat this Notice for information purposes only.

10. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at **9.00 a.m. on Sunday, 20th September, 2026** and will end at **5.00 p.m. on Thursday, 24th September, 2026.** Thereafter, the remote e-voting module shall be disabled by NSDL for voting. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change the vote subsequently. In addition, the facility for e-voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

11. Members are requested to read the instructions as stated in this Notice under the section *"Instructions for e-Voting"*.

12. In line with the Circulars, this Notice of 110th AGM along with the Annual Report of 2025-26 is being sent electronically to all the Members, whose name appear in the Register of Members/ list of Beneficial Owners on 28th August, 2026, as received from Depositories (NSDL / CDSL) and whose email addresses are registered with the Company, its Registrar & Share Transfer Agent (RTA), or the Depository Participants (DPs). Additionally, in accordance with Regulation 36(1)(b) of the SEBI Listing Regulations, the Company is also sending a letter to those Members whose e-mail addresses are not registered, providing the weblink of Company's website for accessing the Annual Report of 2025-26.

13. The Notice of 110th AGM along with the Annual Report of 2025-26 is also being uploaded on the Company's website at www.grse.in and on the website of NSDL at https://evoting.nsdl.com. The Annual Report of 2025-26 along with 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.

14. The results of the e-voting shall be declared within two working days from the conclusion of the AGM and the resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results, along with the Scrutinizer's Report, will be placed on the Company's website www.grse.in under the section 'Investors Corner'. The voting results will be communicated to the stock exchanges where the shares of the Company are listed, depositories, RTA and shall also be displayed on the website of NSDL i.e. www.evoting.nsdl.com.

15. The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

16. All documents referred to in the Notice will be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor.grievance@grse.co.in.

17. During the AGM, Members may access the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Act and other relevant documents, upon login to NSDL e-Voting system at https://www.evoting.nsdl.com.

18. Details as required in Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI in respect of the Director seeking appointment/ re-appointment at the AGM is provided as Annexure to this Notice. Requisite declarations have been received from the Director seeking appointment/ re-appointment.

19. In case of any query or clarification, the Members are requested to address all correspondence, including on dividends, to the Company/ RTA at investor.grievance@grse.co.in /rta@alankit.com.

DIVIDEND RELATED INFORMATION

1. Dividend, if declared at the AGM, will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members/ list of Beneficial owners as on the Record Date.

2. Pursuant to the amendments in SEBI Guidelines, dividend payments shall now be made only through electronic transfer modes. Accordingly, shareholders are requested to update their bank account details with Depository/RTA, as the case may be.

3. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants (DPs), with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members. Thus, Members are requested to complete and/or update, as applicable, their Residential status, PAN, category, email address, postal address with the DPs.

4. Pursuant to the provisions of the Income Tax Act, 2025 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the IT Act. The withholding tax rate would vary depending on the residential status of the member and documents registered/ submitted with the Company. Please note that the details as available on Record Date in the Register of Members will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

A. RESIDENT MEMBERS

(a) Tax Deductible at Source for Resident Members

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought) If total dividend amount to be received in FY 2026-27 does not exceed ₹10,000/-, no TDS / withholding tax will be deducted. Also, please refer para 9 below.
2	No PAN/Valid PAN not updated in the Company's Register of Members/ PAN is not linked with AADHAR in case of individual	20%	No document required (if no exemption is sought) TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the member is not updated/ registered with the Company/ RTA / Depositories. Please also refer para 9 below.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 395 of Income Tax Act, 2025	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority **Please Note**: Shareholders should seek the lower withholding certificate on the TAN - CALG00408C of the Company to enable the Company to grant the benefit of the lower withholding certificate. Any certificate received in any other TAN of the Company will not be accepted.
4	Benefits under Income Tax Rule 203	Rates based on applicability of Income Tax Act, 2025 to the beneficial owner	If the registered member e.g. Clearing Member / intermediaries / stock brokers are not the beneficial members of the shares and if the declaration under Income Tax Rule Form 203 is provided regarding the beneficial owner, the TDS / Withholding tax will be deducted at the rates applicable to the beneficial members

(b) No Tax Deductible at Source on dividend payment to resident members if the members submit and register following documents as mentioned in the below table with the Company / RTA

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 121	NIL	Declaration in Form No. 121 (applicable to any resident Individual person), fulfilling certain conditions.
2	Members to whom section u/s 393(1) [Table Sr. No. 7] read with u/s 393(4) [Table Sr. No. 10] of the Income Tax, 2025 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption of Income Tax, 2025.
3	Member covered u/s 393(5) of Income Tax Act, 2025 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 393(5) of Income Tax Act, 2025
4	Category I and II Alternative Investment Fund	NIL	Self-declaration that its income is exempt under Section 11 - Schedule V [Table Sr. No. 1] of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI
5	▪ Recognised Provident Fund ▪ Approved Superannuation Fund ▪ Approved Gratuity Fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under Section 11 of Schedule VII [Table Sr. No. 41] of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card
7	Any resident member exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification.	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS

B. NON-RESIDENT MEMBERS:

Withholding tax on dividend payment to non-resident members if the non-resident members submit and register following document as mentioned in below table with the Company / RTA

Sr. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FII/ FPI registration certificate.
2	Other Non-resident Members	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: i) Self-attested copy of Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii) Self-attested copy of PAN iii) Electronically generated Form 41 valid for the period April 2026 to March 2027. iv) Self-declaration, certifying the following points: (a) Member is and will continue to remain a tax resident of the country of its residence during the financial year 2026-27; (b) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; (c) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; (d) Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and (e) Member does not have a taxable presence or a permanent establishment in India during the financial year 2026-27. (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident member and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 395 obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 395 of Income Tax Act, 2025	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

5. In order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the aforesaid details/ documents on or before **Friday, 18th September, 2026**. Any communication on the tax determination/deduction received post **Friday, 18th September, 2026** shall not be considered. It may be further noted that application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date, and other documents available with the Company / RTA.

6. The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-resident Member.

7. In case, TDS is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible.

8. No TDS will be deducted in case of resident individual members whose total dividend amount during FY 2026-27 does not exceed ₹10,000. However, where the PAN is not updated in Company / RTA records or in case of an invalid PAN, the Company will deduct TDS / Withholding tax under Section 397 of Income Tax Act, 2025.

   Further, from 01 July, 2024 the PAN of member who have failed to link the PAN with AADHAAR, as required, shall become inoperative and TDS will be deducted at the rate of 20% with reference to section 397 of Income Tax Act.

   All the members are requested to update their PAN with their Depository Participant against all their folio holdings on or before **Friday, 18th September, 2026**.

9. The Company will arrange a soft copy of the TDS certificate to its members through email registered with the Company / RTA post payment of the said Dividend. Members will be able to download the Form 168 from the Income Tax Department's website https://incometax.gov.in.

10. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company, and also provide the Company with all information / documents and co-operation in any proceedings.

11. Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.

12. In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

13. In case of joint Members, the member named first in the Register of Member is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

14. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

OTHER INFORMATION

1. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 (the "Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") and amendments made thereto, the dividends which remained unclaimed for seven years will be credited to the Investor Education and Protection Fund ("IEPF") and thereafter corresponding shares on which dividends were unclaimed for seven consecutive years will also be transferred to the IEPF.

2. Timeline for transfer of unclaimed dividend amount and shares to IEPF Authority for Final dividend 2018–19 is as follows:

Particulars	Date of declaration	Due date and last date for claiming dividend	Timeline for transfer of unclaimed dividend amount and shares to IEPF Authority
Final dividend 2018–19	20 Sep 2019	01 Oct 2026	On or before 21 Nov 2026

3. Members are requested to claim any money lying in the Unpaid Dividend Account(s) with the Company. In case, the requisite documents from the concerned shareholders are not received on or before 01 Oct 2026 for claiming unpaid dividend, the corresponding equity shares along with the unpaid dividend amounts, having completed seven years, shall be transferred to IEPF Authority, without any further notice. No claim shall lie against the Company in respect of unclaimed dividend amounts and equity shares transferred to IEPF pursuant to the said Act and Rules. However, the unclaimed dividend amounts and corresponding shares transferred to the IEPF Authority (including all benefits) accruing on such shares, if any, can be claimed back after following the procedure prescribed in the IEPF Rules. The detailed unpaid/ unclaimed dividend history is available on website of the Company at www.grse.in.

4. Members are requested to contact M/s. Alankit Assignments Limited, RTA of the Company at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110055; Phone: 011- 42541234; Fax: 011-42541201; Email: rta@alankit.com, for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are also available on the website of the Company at www.grse.in.

5. Members, whose KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) is not registered/ updated with the Company or with their respective Depository Participant, and who wish to receive the Notice of the AGM, Annual Report, and all other future communications sent by the Company from time to time, can get their KYC details registered/ updated by following the steps as given below:

   (a) Members holding shares in demat form may update their KYC details including e-mail address with their Depository Participant(s).

(b) Members holding shares in physical form by submitting the duly filled below mentioned forms along with requisite supporting documents and signed request letter to the Company/ RTA at investor.grievance@grse.co.in / rta@alankit.com.

Sr. No.	Particulars	Form
1.	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /updation thereof	ISR-1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Registration of Nomination	SH-13
4.	Cancellation or Variation of Nomination	SH-14
5.	Declaration to opt out of Nomination	ISR-3

6. As per the provisions of Section 72 of the Act members may approach their respective DPs for completing the nomination formalities.
7. Non-Resident Indian members are requested to inform the Company/ respective DPs immediately of change in their residential status on return to India for permanent settlement.
8. In case of any queries/ difficulties in registering the e-mail ids, Members may write to the Company/RTA at investor.grievance@grse.co.in.

INSTRUCTIONS FOR E-VOTING

In compliance with Regulation 44 of SEBI Listing Regulations and Section 108 and other applicable provisions of the Act, read with the related rules, as amended from time to time, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes on the resolutions proposed to be passed at AGM by electronic means. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

Remote E-voting - Key Dates:

Record date (The date, one day prior to the commencement of book closure, for determining the Members who are entitled to vote on the resolutions set forth in this Notice)	Friday, 18th September, 2026
Book closure dates (Period during which the Register of Members and Share Transfer Books of the Company shall remain closed)	Saturday, 19th September, 2026 to Friday, 25th September, 2026 (both days inclusive)
Remote e-voting period	
Start Date and Time	9.00 A.M. (IST) on Sunday, 20th September, 2026
End Date and Time	5.00 P.M. (IST) on Thursday, 24th September, 2026

The details of the process and manner for e-voting are explained herein below. Further, the way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are as follows:

Step 1: Access to NSDL e-voting system:

I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 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 e-mail ID in their demat accounts in order to access e-Voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 2. 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. 3. 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 4. 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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **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. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. 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 user your existing my easi username & password. 2. 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. 3. 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. 4. 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 be 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 / Forget Password' option.

Individual Shareholders holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL may reach out to below helpdesk:

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.com or call at 022 - 4886 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 toll free no. 1800 21 09911

II. 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?

1. 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.
2. 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 on NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
   (a) If you are already registered for e-Voting, then you can user 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 direct 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 above in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com 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.

I. How to cast your vote electronically and join AGM 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 / Corporate Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JEPG 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 aklabhcs@gmail.com with a copy marked to investor.grievance@grse.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. Please note that in case of Non-Individual Shareholders (except HUF), furnishing of the Board Resolution/

Authority Letter/ Power of Attorney, in any mode as mentioned hereinabove is mandatory and in lack of it, the vote would be considered invalid by the Scrutinizer.

2. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

3. 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.

4. 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 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, DVP, NSDL at evoting@nsdl.com. Members may also write to the Company Secretary at the Company's email address at investor.grievance@grse.co.in.

INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/OAVM

1. Members 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 below for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** tab against company name. You are requested to click on VC/OAVM link placed under Join Meeting tab. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members can join the AGM in the VC/OAVM mode 30 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 holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, HR, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. 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.

4. Please note that Members connecting from Mobile Devices, Tablets or Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, the Members who would like to express their views/ask questions during the AGM may register themselves as a speaker, may send their request mentioning their name, DP ID and Client ID number/ folio number, email ID and mobile number at investor.grievance@grse.co.in latest by **5.00 p.m. on Thursday, 17th September, 2026**. Further, members are encouraged to express their views/ send queries in advance mentioning their name, DP ID and Client ID number/ folio number, email ID and mobile number at investor.grievance@grse.co.in. Questions / queries received by the Company till 5.00 p.m. on Thursday, 17th September, 2026 shall only be considered and responded during the AGM.

6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed. Further, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM. In the interest of time, each speaker is requested to express his/her views in 2-3 minutes of their allotted time.

7. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, DVP, NSDL at evoting@nsdl.com or call 022 - 4886 7000

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. Members who need assistance before or during the AGM with use of technology, can contact the persons as mentioned above under the section *"General Guidelines for Shareholders"*.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. (5)

Your Company being a Government Company, the Directors on the Board are appointed by the Government of India (on behalf of the President of India).

The Ministry of Defence, Government of India vide its letter no. 1/1(1)/2024/D(NS) dated 03 Oct 2025 appointed Shri Niranjan Mukund Bhalerao, (DIN: 10941391), as Director (Finance) on the Board of the Company for a period five (5) years effective from 06 Oct 2025 or until further orders, whichever is earlier. In terms of the Companies Act, 2013 ("Act") and Articles of Association of the Company, he is liable to retire by rotation.

Pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and Articles 195 & 196 of the Articles of Association of the Company, Shri Niranjan Mukund Bhalerao, Director (Finance) has been appointed as Additional Director to hold office upto the date of the next Annual General Meeting.

Pursuant to Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Shri Niranjan Mukund Bhalerao for the office of Whole-time Director of the Company.

Pursuant to Regulation 17(1C) of the SEBI Listing Regulations, public sector companies are required to obtain the approval of shareholders for appointment of a person on the Board of Directors at the next general meeting.

A brief resume of Shri Niranjan Mukund Bhalerao inter-alia, detailing his nature of expertise in specific functional areas and experience, disclosure of relationships between directors, directorship in listed entities and other companies, membership/ chairmanship of Committees, shareholding in the Company, and other particulars is annexed to this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Niranjan Mukund Bhalerao, being the appointee, is in any way concerned or interested in the resolution set out at Item No. 5 of this Notice.

The Board accordingly recommends the resolution set forth in Item No.5 of the Notice for the approval of the Members as Ordinary Resolution.

Item No. (6)

Your Company being a Government Company, the Directors on the Board are appointed by the Government of India (on behalf of the President of India).

The Ministry of Defence, Government of India vide its letter no. 8/(29)/2026-D (Coord/ DDP) dated 05 Jun 2026 appointed Dr. Vijay Namdeorao Zade as Part-Time Official Director (Government Nominee Director) on the Board of the Company with effect from 05 Jun 2026 and on such terms, conditions and tenure as may be determined by the President of India. In terms of the Companies Act, 2013 ("Act") and Articles of Association of the Company, he is liable to retire by rotation.

Pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and Articles 195 & 196 of the Articles of Association of the Company, Dr. Vijay Namdeorao Zade, Government Nominee Director, has been appointed as Additional Director to hold office upto the date of the next Annual General Meeting.

Pursuant to Section 160 of the Act, the Company has received a notice from a member proposing the candidature of Dr. Vijay Namdeorao Zade for the office of Nominee Director of the Company.

Pursuant to Regulation 17(1C) of the SEBI Listing Regulations, public sector companies are required to obtain the approval of shareholders for appointment of a person on the Board of Directors at the next general meeting.

A brief resume of Dr. Vijay Namdeorao Zade inter-alia, detailing his nature of expertise in specific functional areas and experience, disclosure of relationships between directors, directorship in listed entities and other companies, membership/ chairmanship of Committees, shareholding in the Company, and other particulars is annexed to this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Dr. Vijay Namdeorao Zade, being the appointee, is in any way concerned or interested in the resolution set out at Item No. 6 of this Notice.

The Board accordingly recommends the passing of the resolution as proposed at Item No.6 of the Notice as an Ordinary Resolution.

Item No. (7)

The Board of Directors of the Company approved the appointment of M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants as the Cost Auditor of the Company, to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2027 at an audit fee of ₹58,000/- plus taxes and out of pocket expenses incurred in connection with the said audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board accordingly recommends the passing of the resolution as proposed at Item No.7 of the Notice as an Ordinary Resolution.

Item No. (8)

The Department of Public Enterprises (DPE), Ministry of Finance, Government of India, vide its Office Memorandum No. PD-26/0003/2025-PD-(14508) dated 19 June 2026, has accorded Navratna Status to Garden Reach Shipbuilders & Engineers Limited (GRSE). The conferment of Navratna status provides the Company with enhanced operational and financial autonomy, enabling it to take faster business decisions and improve its competitive position while remaining compliant with the applicable guidelines issued by the Government of India.

It was also conveyed that the exercise of Navratna powers by the Board of GRSE and review of the performance relating to Navratna status of GRSE will be governed as per the guidelines laid down vide Department of Public Enterprises O.M. No. DPE/11(2)/97-Fin. Dated 22nd July, 1997 read with O.M. No. 18(24)/2003-GM-64 dated 5th August, 2005 and other guidelines made in this regard as amended from time to time.

The status of Navratna grants more autonomy to the Company and confers various power to incur capital expenditure in new projects, modernization, purchase of equipment, establish joint ventures and subsidiaries, Human Resource Management etc without Government approval subject to certain conditions.

To facilitate implementation and empowerment of the Board of Directors of GRSE with the enhanced powers of Navratna PSE, certain existing provisions in Article No.260 (c), 261 (b), 261 (c) and 261 (y) of the Articles of Association (AoA) of GRSE need to be amended as indicated below:

Article Nos.	Existing Provisions	Changes required
260 (c)	Implementation of Scheme involving Capital Expenditure on new Projects, Modernisation, Purchase of equipment etc. exceeding Rs.500 crores or such other limits as may be notified, from time to time, by the Department of Public Enterprises and/or any other competent authority or the amount equal to the net-worth of the Company, whichever is less	Deleted.
261 (b)	To sanction capital expenditure in cases where detailed Project Reports have been prepared with estimates of different component parts of the Projects and where such Project Reports have been approved by Government. In such cases, it will not ordinarily be necessary for the Board to obtain Government's sanction to the incurrence of Capital Expenditure. In case of variation in approved estimates which are not more than 10 percent for any particular component part, the Board of Directors will be competent to proceed with the work without further reference to Government provided there is no substantial variation in the scope of the Project. To incur capital expenditure on new Projects, modernization, Purchase of equipment etc. without Government approval upto Rs. 5,00,00,00,000/- (Rupees Five Hundred Crore Only) or such other limits as may be notified, from time to time, by the Department of Public Enterprises and/or any other competent authority or the amount equal to net worth of the Company, whichever is less.	To incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.
261(c)	**(c) To establish joint ventures / strategic alliances** To establish joint ventures and subsidiaries in India subject to the condition that the equity investment shall be limited to 15% of the net worth of the Company in one project limited to Rs. 5,00,00,00,000/- (Rupees Five Hundred Crore Only) and the overall ceiling of such investments in all projects put together shall be limited to 30% of the net worth of the Company. Enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements subject to Government guidelines as may be issued from time to time.	**(c) To establish joint ventures / strategic alliances** To establish joint ventures and wholly owned subsidiaries in India and abroad subject to the condition that the equity investment shall be limited to 15% of the net worth of the Company in one project limited to Rs. 1000,00,00,000/- (Rupees One thousand Crore Only) and the overall ceiling of such investments in all projects put together shall be limited to 30% of the net worth of the Company. Enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements subject to Government guidelines as may be issued from time to time.
261(y)	**(y) Miscellaneous** Notwithstanding anything contained elsewhere in these Articles, the Board of Directors shall exercise all such powers as may be enhanced, authorized or delegated by the Government to MoU signing PSUs or Mini-Ratna Companies from time to time.	**(y) Miscellaneous** Notwithstanding anything contained elsewhere in these Articles, the Board of Directors shall exercise all such powers as may be enhanced, authorized or delegated by the Government to MoU signing PSUs or Navratna Companies from time to time.

The Board of Directors in its meeting held on 29 Jul 2026 had approved alteration of the Articles of the Association as stated above. The Board, therefore, seeks approval of the Members by way of passing a Special Resolution for alteration of the AoA as set out in Item no. 8 of the accompanying notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer
ICSI Membership No. ACS 10992

Date: 29th July, 2026
Place: Kolkata

Annexure

Additional information on Directors Retiring by Rotation / Seeking Appointment / Re-Appointment at the 110th AGM as required under Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is as under:

Capt. Sunilkumar Panangadan, IN (Retd.), (DIN: 11193635)	
Age	53
Date of Appointment	14 Jul 2025
Qualification(s)	▪ Bachelor of Technology (Mechanical) (B. Tech) from Jawaharlal Nehru University, New Delhi (1995) ▪ Masters of Technology (Systems and Controls Engineering) from IIT Mumbai (2003) ▪ Master of Science (Defence & Strategic Studies) (64th DSSC) from Madras University (2008)
Brief Resume	Capt. P Sunilkumar, IN (Retd.) (DIN: 11193635), joined GRSE in September 2016 after rendering nearly 22 years of commissioned service in the Indian Navy. He assumed charge as Director (Corporate Planning & Personnel) of GRSE with effect from 14 July 2025. He is an alumnus of the Naval College of Engineering and holds a B.Tech (Mechanical) from JNU, New Delhi. He also holds Master's degrees in Systems and Controls Engineering (IIT Mumbai) and Defence & Strategic Studies (64th DSSC) from Madras University. Prior to this appointment, he served as Chief General Manager and was the Unit In-Charge and Occupier of GRSE's Fitting Out Unit, a production facility responsible for outfitting all three P17A class ships and one Survey Vessel, with a workforce exceeding 2,000 personnel. Capt. P Sunilkumar commenced his tenure at GRSE as Additional General Manager (Materials). He subsequently assumed the role of General Manager (Cost Estimation & Corporate Planning) and was later elevated to Chief General Manager (Corporate Planning & Corporate Communication). He is a certified Project Management Professional (PMP®), Certified International Supply Chain Professional (CISCP), and holds diplomas in Supply Chain Management and Human Resource Management. His interests include 'Personal Finance' (he has attained Level 3 in CFP®), and reading in the domains of strategy, motivation, and allied subjects.
Experience and Expertise in specific functional areas	Capt. Sunilkumar brings rich expertise in corporate planning, personnel and project management, strategic sourcing, and supply chain operations. He has demonstrated strong capabilities in leadership, engineering management, cost estimation, export strategy, and cross-border collaboration. His experience spans both defence and commercial shipbuilding sectors, underpinned by his naval background and industry certifications.
Listed entities (other than GRSE) in which the person also holds the directorship and the membership/ chairmanship of Committees of the Board.	Nil
Resignation from the directorship of the listed companies in the past three years	Nil
Directorship in other unlisted companies and Membership / Chairmanship of Committees of such unlisted Companies	Nil
Terms and Conditions of Appointment along with details of remuneration	The Company, being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment vests with the Government of India.
Remuneration last drawn for the FY 2025-26	₹68.50 Lakhs
Number of meetings of the Board attended during the FY 2025-26	7
Relationship with other Directors / Key Managerial Personnel	None
Number of shares held in the Company (self and as a beneficial owner)	Nil

Shri Niranjan Mukund Bhalerao (DIN: 10941391)	
Age	55
Date of Appointment	06 Oct 2025
Qualification(s)	▪ Bachelor of Commerce, M.E.S. College of Commerce, Pune (1992) ▪ Cost Accountant, Institute of Cost Accountants of India (1993) ▪ Chartered Accountant, Institute of Chartered Accountants of India (1996)
Brief Resume	Shri Niranjan Mukund Bhalerao (DIN: 10941391), has been appointed as Director (Finance) of GRSE by the Department of Defence Production, Ministry of Defence, Government of India, with effect from 06 Oct 2025. Shri Niranjan Bhalerao has completed his B.com from Pune and is a Fellow Member of Institute of Chartered Accountants of India. He started his career in 1996 with Indian Oil Corporation Limited, a Maharatna Public Sector Undertaking. He holds 29 years of varied experience of Refineries, Pipelines and Corporate Office. He has handled many assignments like Management Accounting, Banking, Corporate Taxation both Direct and Indirect Taxes, Internal Audit, Corporate Affairs, Shipping, Contracts, City Gas Distribution, Joint Venture and Subsidiary operations etc. He was also Nominee Director of Kochi Salem Pipeline Private Limited, a Joint Venture of Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited for a brief period from 26 Feb 2025 to 22 Aug 2025.
Experience and Expertise in specific functional areas, experience, skills and capabilities	Shri Niranjan Mukund Bhalerao has 29 years of extensive experience in Finance, Accounts, Pricing, Budgeting, Taxation and Audit Functions. Prior to GRSE, Shri Niranjan Mukund Bhalerao was working with Indian Oil Corporation Limited (IOCL) and he was also a Nominee Director on the Board of Kochi Salem Pipeline Private Limited (a Joint Venture Company of IOCL) from 26 Feb 2025 to 22 Aug 2025.
Listed entities (other than GRSE) in which the person also holds the directorship and the membership/ chairmanship of Committees of the Board.	Nil
Resignation from the directorship of the listed companies in the past three years	Nil
Directorship in other unlisted companies and Membership / Chairmanship of Committees of such unlisted Companies	Nil
Terms and Conditions of Appointment along with details of remuneration	The Company, being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment vests with the Government of India.
Remuneration last drawn for the FY 2025-26	₹32.20 lakhs (06 Oct 2025 to 31 Mar 2026)
Number of meetings of the Board attended during the FY 2025-26	4
Relationship with other Directors / Key Managerial Personnel	None
Number of shares held in the Company (self and as a beneficial owner)	Nil

Dr. Vijay Namdeorao Zade (DIN: 05142336)	
Age	54
Date of Appointment	05 Jun 2026
Qualification(s)	• Msc. in Public Management and Governance, London School of Economics & Political Science, London • Masters in Business Administration, Sikkim Manipal University, Gangtok • Doctorate in Horticulture (Post Harvest Technology), Indian Agricultural Research Institute, New Delhi
Brief Resume	Dr. Vijay N. Zade is a 2002 batch IAS Officer of Punjab cadre. He has completed his Doctorate in Horticulture (Post Harvest Technology) from Indian Agricultural Research Institute, New Delhi. He has also done Masters in Business Administration from Sikkim Manipal University, Gangtok and Msc. in Public Management and Governance from London School of Economics & Political Science, London. Before joining IAS, he worked as Junior Scientist at NRCG, Pune and also in Indian Audit and Accounts Service. He has a vast experience in working in various departments of Govt of Punjab like Finance, Housing & Urban Development, Health & Family welfare, Mining, Governance Reforms. He also served in Govt. of Maharashtra in various capacities. Besides this, he also worked in Union territory, Chandigarh as Finance Secretary, Secretary, Engineering, Secretary Estate, Secretary Labour, Secretary Excise & Taxation, Secretary Urban Planning, Secretary Housing, Secretary Industry etc. He served in state PSUs as Managing Director and also in the Board of State PSUs. He has been working as Joint Secretary (Naval Systems) in the Department of Defence Production (DDP), Ministry of Defence, Government of India since May 2026. He deals with all financial, administrative & operational matters of the Defence Public Sector Undertaking Shipyards. He is responsible for indigenisation of technologies and other policy matters. Dr. Vijay N. Zade is also handling all the matters related to international cooperation with SAARC, ASEAN and East Asian countries for promoting defence industrial cooperation and collaborations.
Experience and Expertise in specific functional areas	Vast experience in working in various departments of Govt. of Punjab like Finance, Housing & Urban Development, Health & Family welfare, Mining, Governance Reforms. He also worked in Union territory Chandigarh as Finance Secretary, Secretary Engineering, Secretary Estate, Secretary Labour, Secretary Excise & Taxation, Secretary Urban Planning, Secretary Housing, Secretary Industry, etc. He served in state PSUs as Managing Director and also in the Board of State PSUs.
Listed entities (other than GRSE) in which the person also holds the directorship and the membership/ chairmanship of committee of the Board.	Nil
Resignation from the directorship of the listed companies in the past three years	Nil
Directorship in other unlisted companies and Membership / Chairmanship of Committees of such unlisted Companies	• Goa Shipyard Limited
Terms and Conditions of Appointment along with details of remuneration	The Company, being a Government Company under the administrative control of the Ministry of Defence, the power to appoint Directors and the terms and conditions of such appointment, vests with the Government of India. Accordingly, Dr. Vijay Namdeorao Zade, Government Nominee Director, was appointed by the President of India and he holds office until further orders from the Government. He is not entitled to any remuneration or sitting fees.
Remuneration last drawn for the FY 2025-26	Not Applicable.
Number of meetings of the Board attended during the FY 2025-26	Not Applicable. Dr. Vijay Namdeorao Zade was appointed after the end of the financial year.
Relationship with other Directors / Key Managerial Personnel	None
Number of shares held in the Company (self and as a beneficial owner)	Nil

Hattrick Commissioning of Naval Ships P17A-Dunagiri, SVL-Sanshodhak, ASSWC-Agray by Hon'ble Prime Minister of India, Shri Narendra Modi in presence of Hon'ble Governor of West Bengal, Shri R. N. Ravi, Hon'ble Chief Minister of West Bengal, Shri Surendu Adhikari and the Chief of Naval Staff, Admiral Krishna Swaminathan, PVSM, AVSM, SM.

An evening with Hon'ble Raksha Mantri at GRSE
remember always

Award for Excellence in Financial Performance by
Hon'ble Raksha Mantri, Shri Rajnath Singh

Team GRSE at Singapore Maritime Week 2025
under India Pavilion

GAIN 2025 Inaugurated by
Shri Rajesh Kumar Singh, Defence Secretary

गार्डन रीच शिपबिल्डर्स एण्ड इंजीनियर्स लिमिटेड

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

CIN L35111WB1934GOI007891

पंजीकृत कार्यालय: जीआरएसई भवन 61,
गार्डन रीच रोड, कोलकाता - 700 024

Registered Office: GRSE Bhavan,
61, Garden Reach Road, Kolkata - 700 024.

- Tel: 033-2469 8101 • Fax: 033-2469 8150
- E-mail: co.sec@grse.co.in • website: www.grse.in

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