



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

(भारत सरकार का उपक्रम , रक्षा मंत्रालय)

(A GOVERNMENT OF INDIA UNDERTAKING, MINISTRY OF DEFENCE)

CIN NO. : L35111WB1934GOI007891

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

20 Jun 2020

To,

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: GRSE

BSE Limited

Floor-25, Phiroze Jeejeebhoy
Towers,
Dalal Street, Fort
Mumbai – 400 001
Scrip Code: 542011

Sub: Annual Secretarial Compliance Report of Garden Reach Shipbuilders & Engineers Limited for the year ended 31 March 2020

Dear Sir / Madam,

1. In terms of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08 Feb 2019, please find enclosed Annual Secretarial Compliance Report duly issued and signed by a Practicing Company Secretary for the year ended 31 March 2020.
2. This is for your information and record.

Thanking You,

Yours faithfully,

For GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

Sandeep Mahapatra
Company Secretary and Compliance Officer

Encl: As above

VINOD KOTHARI & COMPANY

Practising Company Secretaries

1006-1009, Krishna Building, 224 A.J.C. Bose Road

Kolkata – 700 017, India

Phone: +91 – 33 – 2281 7715 | 1276 | 3742

email: vinod@vinodkothari.com

Web: www.vinodkothari.com

Unique Code – P1996WB042300

PAN No - AAMFV6726E

Udyog Adhar Number – WB10D0000448

GSTIN No. - 19AAMFV6726E1ZR

Secretarial Compliance Report of Garden Reach Shipbuilders & Engineers Limited for the year ended March 31, 2020

[Pursuant to the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019]

We, Vinod Kothari & Company, Practicing Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by Garden Reach Shipbuilders & Engineers Limited (“Company”);
- (b) the filings/ submissions made by the Company to the stock exchanges;
- (c) website of the Company;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956, rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations,

Mumbai Office: 403-406 175 Shreyas Chambers, D.N. Road, Fort, Mumbai-400001

Delhi Office: A-467 First Floor, Defence Colony, New Delhi-110024

VINOD KOTHARI & COMPANY

Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: vinod@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Adhar Number – WB10D0000448
GSTIN No. - 19AAMFV6726E1ZR

2018 to the extent applicable to the Company;

(f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent applicable to the Company; and

(g) The circulars/ guidelines issued under the aforesaid Regulations.

Based on the above examination, we hereby report that, during the Review Period:

(a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of the matters specified below: -

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
Same as provided in the Secretarial Compliance Report of the Company for the year ended March 31, 2019			

(b) The Company has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the details of actions taken against the Company/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
None				

VINOD KOTHARI & COMPANY

Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: vinod@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Adhar Number – WB10D0000448
GSTIN No. - 19AAMFV6726E1ZR

(d) The Company has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March, 2019	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
1.	-	In terms of Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is required to frame a Succession Plan for orderly succession of the directors and senior management. The Company has framed such plan only for senior management because being a Central Public Sector Enterprise, the appointment of directors is made by Central Government. However, in this regard, there is no specific exemption provided to the Company from the provisions of the Regulation 17(4) of the Listing Regulations.	Based on the representations made to us by the officials of the Company, being a Central Public Sector Enterprise, the appointment of directors are made by the Central Government (Ministry of Defence). Therefore, the Company is of the view that it is not required to frame a Succession Plan for the directors of the Company. However, the Company has framed a succession plan for the senior management.	There has been no change in the position since previous year.

VINOD KOTHARI & COMPANY

Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: vinod@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Adhar Number – WB10D0000448
GSTIN No. - 19AAMFV6726E1ZR

2.	-	<p>In terms of Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the independent directors of the Company is required to evaluate the:</p> <ol style="list-style-type: none">Performance of non-independent directorPerformance of the Board as a whole;Performance of the chairperson; andAssess the quality, quantity and timeliness of flow of information between the Board and management <p>The Independent Directors (IDs) do not evaluate the performance of directors pursuant to the exemption notification of MCA dated 5th July, 2017. However, there is no similar exemption granted under Regulation 25(4) of Listing Regulations.</p>	<p>The Independent Directors (IDs) do not evaluate the performance of directors, Board as a whole and of the Chairperson in view of the Notification issued by the Ministry of Corporate Affairs dated 5th July, 2017 which exempts IDs of Government companies from conducting performance evaluation of the Board, if the directors are being evaluated by the Ministry separately. Therefore, the Company was of the view that IDs are not required to carry out the aforesaid evaluation.</p>	<p>There has been no change in the position since previous year.</p>
----	---	---	---	--

VINOD KOTHARI & COMPANY

Practising Company Secretaries

1006-1009, Krishna Building, 224 A.J.C. Bose Road

Kolkata – 700 017, India

Phone: +91 – 33 – 2281 7715 | 1276 | 3742

email: vinod@vinodkothari.com

Web: www.vinodkothari.com

Unique Code – P1996WB042300

PAN No - AAMFV6726E

Udyog Adhar Number – WB10D0000448

GSTIN No. - 19AAMFV6726E1ZR

3.	-	<p>In terms of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company are required to evaluate the performance of IDs.</p> <p>In this regard, the Board of Directors of the Company do not evaluate the performance of the directors pursuant to the exemption notification of MCA dated 5th July, 2017. However, there is no similar exemption granted under the aforementioned Regulation.</p>	<p>The Board does not evaluate the performance of independent directors of the Company by virtue of the Notification issued by the Ministry of Corporate Affairs dated 5th July, 2017 which exempts Board of Directors of Government companies from conducting performance evaluation of the Independent Directors. Therefore, the Company was of the view that the Board is not required to evaluate the performance of independent directors of the Company.</p>	<p>There has been no change in the position since previous year.</p>
4.	-	<p>In terms of Regulation 19(4) read with Part D, Para A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of Nomination and Remuneration Committee includes:</p> <p>a) Formulation of criteria for determining qualifications, positive attributes and independence of a</p>	<p>The Company being a Central Public Sector Enterprise, the appointment and remuneration of directors are approved by the Central Government (Ministry of Defence). Therefore, the Company was of the view that such requirement becomes redundant for Government companies and the role of NRC of the Company cannot be aligned with the</p>	<p>We have been informed by the Company that SEBI vide its letter dated 21st February, 2018 has exempted the Company at the time of IPO from compliance of terms of reference of the Nomination and Remuneration Committee.</p>

Mumbai Office: 403-406 175 Shreyas Chambers, D.N. Road, Fort, Mumbai-400001

Delhi Office: A-467 First Floor, Defence Colony, New Delhi-110024

VINOD KOTHARI & COMPANY

Practising Company Secretaries
1006-1009, Krishna Building, 224 A.J.C. Bose Road
Kolkata – 700 017, India
Phone: +91 – 33 – 2281 7715 | 1276 | 3742
email: vinod@vinodkothari.com
Web: www.vinodkothari.com
Unique Code – P1996WB042300
PAN No - AAMFV6726E
Udyog Adhar Number – WB10D0000448
GSTIN No. - 19AAMFV6726E1ZR

	<p>director and recommend to the Board of Directors a policy relating to the remuneration of directors, KMP, and other employees</p> <p>b) Formulation of criteria for evaluation of performance of IDs and Board of Directors</p> <p>c) Devising a policy on diversity of Board of Directors</p> <p>d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.</p> <p>e) Whether to extend or continue the term of appointment of the IDs, on the basis of the report of performance evaluation of IDs.</p> <p>The Company being a Central Public Sector Enterprise, the appointment and remuneration of directors are approved by Central</p>	<p>requirements of Part D Para A of Schedule II of the Listing Regulations. Eventually, the Company did not have the following:</p> <p>a) Board Diversity Policy;</p> <p>b) Nomination and Remuneration Policy;</p> <p>c) Criteria for evaluation of performance of independent directors and the board of directors.</p>	
--	---	---	--

VINOD KOTHARI & COMPANY

Practising Company Secretaries

1006-1009, Krishna Building, 224 A.J.C. Bose Road

Kolkata – 700 017, India

Phone: +91 – 33 – 2281 7715 | 1276 | 3742

email: vinod@vinodkothari.com

Web: www.vinodkothari.com

Unique Code – P1996WB042300

PAN No - AAMFV6726E

Udyog Adhar Number – WB10D0000448

GSTIN No. - 19AAMFV6726E1ZR

		Government (Ministry of Defence). Hence, the Company did not have the following: a) Board Diversity Policy b) Nomination and Remuneration Policy c) Criteria for evaluation of performance of IDs and Board of Directors.		
--	--	--	--	--

- (e) The Company has complied with the provisions of SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019. In terms of Para 6 (A) and 6 (B) of the said Circular, the Company had suitably inserted the required clauses under the terms of appointment of its statutory auditors vide appointment letter dated 20th November, 2019.

**For Vinod Kothari & Company
Practising Company Secretaries**

Digitally signed by
MUNMI PHUKON
Date: 2020.06.19
15:07:24 +05'30

MUNMI
PHUKON

**Munmi Phukon
Partner**

Membership No.: A60355

CP No.:22846

UDIN: A060355B000356961

Place: Kolkata

Date: 19th June, 2020