



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/Q2/20-21

11 Nov 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

Dear Sir / Madam,

Sub: Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2020

1. This has reference to our letter No. SECY/GRSE/BD-69/CA/21/20-21 dated 16 Oct 2020 on the subject matter of 'Intimation of Date of Board Meeting to, inter alia, consider and approve, Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2020'.
2. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:
 - a) Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2020 including the Statement of Assets and Liabilities as on that date and Statement of Cash flow (as part of notes) for the half year ended 30th September, 2020.
 - b) Limited Review Report given by the Statutory Auditors on the Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2020.
3. The aforesaid Results were taken on record by the Board of Directors at its Meeting held on 11 Nov 2020. Necessary publications are also being made in English, Hindi and Local dailies.
4. The meeting commenced at 1130 Hours and concluded at 1500 Hours.
5. This is for your information and record.

Thanking You,

Yours faithfully,
For GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED


Sandeep Mahapatra

Company Secretary and Compliance Officer

Encl: As above

Garden Reach Shipbuilders & Engineers Limited

(A Government of India Undertaking -Ministry of Defence)

(CIN : L35111WB1934GOI007891)

Registered & Corporate Office : 43/46, Garden Reach Road, Kolkata 700024.

E-mail : secygrse@vsnl.net / co.sec@grse.co.in, Website : www.grse.in, Ph : 033-24698100 to 8114, Fax : 033-24698150

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Quarter Ended			Half year Ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)			(Unaudited)		Audited
	INCOME						
1	Revenue from operations	27,244.06	10,995.84	43,901.87	38,239.90	60,697.69	1,43,329.53
2	Other income	4,735.81	4,996.01	7,006.35	9,731.82	12,146.54	22,549.94
3	Total income (1+2)	31,979.87	15,991.85	50,908.22	47,971.72	72,844.23	1,65,879.47
4	EXPENSES						
	(a) Cost of materials consumed	10,705.07	3,366.43	25,863.90	14,071.50	32,183.77	69,169.71
	(b) Purchase of products for resale (B & D spares)	830.00	868.89	357.57	1,698.89	751.53	5,426.26
	(c) Changes in inventories of work-in- progress and scrap	445.98	337.48	(290.45)	783.46	(2,236.70)	(2,419.95)
	(d) Sub-contracting charges	1,866.48	1,821.71	4,124.79	3,688.19	6,491.62	17,007.21
	(e) Employee benefits expense	5,334.68	6,396.06	7,881.65	11,730.74	14,825.04	29,694.15
	(f) Finance costs	17.01	12.42	45.63	29.43	59.73	133.56
	(g) Depreciation and amortisation expense	597.15	765.32	775.89	1,362.47	1,470.85	3,008.92
	(h) Other expenses - project related	1,663.50	1,000.57	1,734.17	2,664.07	2,645.77	7,311.90
	(i) Other expenses	3,060.67	1,246.55	2,713.82	4,307.22	5,327.06	13,099.91
	Total expenses	24,520.54	15,815.43	43,206.97	40,335.97	61,518.68	1,42,431.67
5	Profit before exceptional items & tax (3 - 4)	7,459.33	176.42	7,701.25	7,635.75	11,325.55	23,447.80
6	Exceptional items	(2,074.94)	-	-	(2,074.94)	-	(1,060.70)
7	Profit before tax (5+6)	5,384.39	176.42	7,701.25	5,560.81	11,325.55	22,387.10
8	Tax expense						
	- Current tax	1,503.61	72.50	1,675.79	1,576.11	2,783.11	5,808.78
	- Deferred tax	111.05	89.06	123.09	200.11	112.41	230.15
9	Profit for the period (7-8)	3,769.73	14.86	5,902.37	3,784.59	8,430.03	16,348.17
10	Other comprehensive income / (loss) (net of tax) items that will not be reclassified to profit or loss						
	- Remeasurements of defined benefit plans	822.24	(334.37)	(350.94)	487.87	(485.19)	(1,584.81)
	- Income tax relating to above item	(206.97)	84.16	75.21	(122.81)	122.12	398.90
11	Total comprehensive income for the period (9 +10) [comprising profit and other comprehensive income for the period]	4,385.00	(235.35)	5,626.64	4,149.65	8,066.96	15,162.26
12	Paid - up equity share capital (Face value of Rs. 10/- each)	11,455.20	11,455.20	11,455.20	11,455.20	11,455.20	11,455.20
13	Other equity excluding revaluation reserves	-	-	-	-	-	92,567.90
14	Earnings per share (Basic & Diluted) (Rs.) (not annualised except 31.03.2020)	3.29	0.01	5.15	3.30	7.36	14.27

Notes:

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

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3. As required under clause 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have carried out limited review of the above Financial Results for the quarter and half year ended 30.09.2020.
4. On account of the spread of COVID-19, the Government of India had imposed a complete nationwide lockdown on March 24, 2020 leading to shut down of the Company's manufacturing facilities and logistics operations. The Company had resumed its manufacturing facilities post mandatory lockdown. In the current quarter the Company have resumed operations to near normalcy. The management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. Management has estimated value of loss of production hours and quantum of non-usage of Plant & Machinery of production shops during this half year period as ₹ 1920.22 Lakhs and ₹ 154.72 Lakhs respectively which has been stated as Exceptional items in the financial statement (includes ₹ 1707.79 Lakhs due to loss of production hours and ₹ 136.64 Lakhs loss due to non-usage of Plant & Machinery for the quarter ending 30.06.2020)
5. As per Section 115BAA of the Income Tax Act,1961, which provides domestic companies an option to pay Income Tax at lower rate of 22% (effective tax rate 25.17 %) effective from 1st April 2019 (Assessment Year 2020-21), subject to certain conditions. Accordingly, the Company has adopted the concessional tax rate under the new regime. The tax expenses for the quarter ended 30th Sept, 2020 have also been provided for at reduced tax rate.
6. The above Statement of Financial Results has been reviewed & recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 11th Nov, 2020.
7. Figures for the previous periods/ year have been regrouped/reclassified/rearranged wherever considered necessary to make them comparable with figures of the current period.

For Mookherjee Biswas & Pathak

Chartered Accountants

Firm's Registration No - 301138E



(CA. Sudersan Mukherjee)

Partner

Membership No. 059159



For and on behalf of the Board of Directors



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

Chairman & Managing Director

DIN – 07696782

Place : Kolkata

Date : 11th November, 2020

Garden Reach Shipbuilders & Engineers Limited

Statement of Assets and Liabilities as at 30 September, 2020 is given below :

(₹ in Lakhs)

Particulars	As at 30 September, 2020 (Unaudited)	As at 31 March, 2020 (Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	29,157.09	29,923.31
(b) Capital work-in-progress	8,362.45	5,151.52
(c) Intangible assets	377.24	445.56
(d) Financial assets		
(i) Investments	0.44	0.44
(ii) Other financial assets	7,732.53	7,660.42
(e) Non-current tax assets	11,219.99	12,060.02
(f) Other non-current assets	1,387.46	2,408.06
(2) Current assets		
(a) Inventories	39,917.43	44,102.22
(b) Financial assets		
(i) Current Investment	21,929.93	5,400.43
(ii) Trade receivables	21,232.20	53,528.00
(iii) Cash and cash equivalents	35,907.09	72,922.75
(iv) Bank balances other than (iii) above	3,23,544.28	1,88,207.93
(v) Other financial assets	20,404.94	20,732.75
(c) Other current assets	96,478.15	95,818.44
(d) Assets classified as held for sale	42.79	52.82
TOTAL ASSETS	6,17,694.01	5,38,414.67
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11,455.20	11,455.20
(b) Other equity	95,113.90	92,567.90
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues other than micro enterprises and small enterprises	1,066.32	1,075.05
(b) Provisions	7,710.80	7,662.46
(c) Deferred tax liabilities (net)	1,276.69	953.78
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	64.00	293.43
(b) total outstanding dues other than micro enterprises and small enterprises	28,677.25	54,384.37
(iii) Other financial liabilities	2,733.59	2,426.41
(b) Other current liabilities	4,54,339.23	3,52,337.17
(c) Provisions	15,257.02	15,258.90
TOTAL EQUITY AND LIABILITIES	6,17,694.01	5,38,414.67

For Mookherjee Biswas & Pathak

Chartered Accountants

Firm's Registration No - 301138 E


(CA. Sudersan Mukherjee)

Partner

Membership No.059159

Place of Signature : Kolkata

Date : 11th day of November, 2020



For and on behalf of the Board of Directors



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

Chairman & Managing Director

DIN - 07696782

Particulars	Half Year ended 30 September, 2020		Half Year ended 30 September, 2019	
A. Cash flow from operating activities:				
Profit before taxation		5,560.81		11,325.55
Adjustments for -				
Interest income		(8,058.88)		10,355.09
Unrealised Fair Value gain (Net)		(78.37)		-
Actuarial Gain/ Loss on remeasurements of defined benefit plan		365.06		(138.53)
Depreciation & amortisation expense		1,517.19		1,470.85
Retirement /Write off of Assets -Net		(15.92)		(19.71)
Finance cost		29.43		59.73
Unrealized loss/ (gain) on foreign exchange fluctuation		4.63		(73.90)
Write down/(Reversal of written down) of inventories		-		11.01
Liquidated Damages written back		(339.70)		-
Liabilities no longer required written back		(498.58)		(519.09)
Operating profit before working capital changes		(1,514.33)		22,471.02
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade and other receivables	32,690.37		10,927.12	
(Increase)/Decrease in Other financial assets (Current & Non Current)	255.70		(8,315.58)	
(Increase)/Decrease in Other non-current assets	1860.63		(1083.30)	
(Increase)/Decrease in Other current assets	(659.71)		(57,076.89)	
(Increase)/Decrease in Assets held for sale (current assets)	10.03		(13.55)	
(Increase)/Decrease in Inventories	4,184.79		(1,319.84)	
Increase/(Decrease) in Trade payables	(25,949.91)		6,455.94	
Increase/(Decrease) in Provisions	545.13		2,035.70	
Increase/(Decrease) in Other financial liabilities	307.18		467.74	
Increase/(Decrease) in Other current liabilities	1,02,000.61		1,07,500.00	
Increase/(Decrease) in Other non- current liabilities (Deferred Tax Liability)	322.91	1,15,567.73	528.54	60,105.88
Cash generated from/ (used in) operations		1,14,053.40		82,576.90
Taxes paid (net of refunds)		(1,776.22)		(1,950.00)
Net cash from/(used in) operating activities		1,12,277.18		80,626.90
B. Cash flow from investing activities				
Purchase of Property, plant and equipment (including intangibles and capital work in progress)		(3,877.66)		(1,575.24)
Investments in Mutual Fund (Net)		(16,506.00)		183.01
Investments in Fixed Deposit (Net)		(1,35,334.90)		(69,783.01)
Interest received		8,058.88		2,054.32
Net cash from/(used in) investing activities		(1,47,659.67)		(69,120.92)
C. Cash flow from financing activities:				
Proceeds from/(Repayment of) Short term borrowings				3,702.90
Interest and other borrowing cost paid		(29.43)		(59.73)
Dividend paid (incl tax)		(1603.73)		(5842.15)
Net cash from/(used in) financing activities		(1,633.16)		(2,198.98)
Net Increase/(Decrease) in Cash and cash equivalents		(37,015.66)		9,307.00
Opening Cash and cash equivalents at the beginning of the period		72,922.75		927.43
Closing Cash and cash equivalents at the end of the period		35,907.09		10,234.43

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 :

Particulars	As at 30 September,2020		As at 30 September,2019	
Balances with banks				
Current accounts		906.84		234.19
Bank Deposits with maturity of less than three months		35,000.00		10,000.00
Cash in hand		0.25		0.24
Cash and cash equivalents		35,907.09		10,234.43

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

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration No - 301138 E


(CA. Sudersan Mukherjee)

Partner
Membership No.059159

Place of Signature : Kolkata
Date : 11th day of November, 2020



For and on behalf of the Board of Directors


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

Mookherjee Biswas & Pathak
Chartered Accountants

Independent Auditor's Review Report on Unaudited Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter and Half Year ended September 30, 2020

To
The Board of Directors,
Garden Reach Shipbuilders & Engineers Limited,
43/46, Garden Reach Road,
Kolkata-700024

We have reviewed the accompanying statement of unaudited financial results of **Garden Reach Shipbuilders & Engineers Limited** (the 'Company') for the quarter and half year ended September 30, 2020 (the 'Statement') being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors of the Company has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The unaudited financial results of the Company for the quarter and half year ended September 30, 2019 and quarter ended June 30, 2020 were reviewed by the predecessor auditor, and they had expressed unmodified conclusion vide their reports dated October 31, 2019 and August 13, 2020 on such financial results. Also, the financial information of the



Mookherjee Biswas & Pathak

Company for the year ended March 31, 2020 included in this statement, were audited by predecessor auditor and they had expressed an unmodified opinion on financial statements vide their report dated June 06, 2020.

Emphasis of Matter

We draw attention to note no. 4 of the accompanying statement of unaudited financial results for the quarter and half year ended September 30 regarding impact of the pandemic (COVID 19) in the operation of the Company, which affected the revenue and financial performance of the Company for the reporting period. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operation of the business on long term basis. However, the actual impact may be different from the estimate as at the date of approval.

Attention is also invited to the treatment of Rs 2,074.94 lakhs shown as Exceptional item (Note no 4) due to loss of production hours and non-usage of Plant and machinery during the days of lockdown.

Our conclusion is not modified in respect of the above matter.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm's Registration Number 301138E


(Sudersan Mukherjee)

Partner
Membership No. 059159
ICAI UDIN: 20059159AAAABK1129



Place: Kolkata

Date: November 11, 2020