



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/Q3/19-20

01 Feb 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 Nine Months Ended 31st December, 2019

1. This has reference to our letter No. SECY/GRSE/BD-69/CA/17/19-20 dated 16 Jan 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 nine months ended 31st December, 2019'.
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 nine months ended 31st December, 2019.
 - b. Limited Review Report given by the Statutory Auditors on the Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2019.
3. The aforesaid Results were taken on record by the Board of Directors at its Meeting held on 01 Feb 2020. Necessary publications are also being made in English, Hindi and Local dailies.
4. The meeting commenced at 1430 Hours and concluded at 1800 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 : 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 NINE MONTHS ENDED 31st DECEMBER, 2019

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)			(Unaudited)		(Audited)
	INCOME						
1	Revenue from operations	36,963.12	43,901.87	48,859.48	97,660.81	89,721.17	1,38,642.16
2	Other income	5,124.18	7,006.35	4,149.77	17,270.72	12,127.68	17,123.93
3	Total income (1+2)	42,087.30	50,908.22	53,009.25	1,14,931.53	1,01,848.85	1,55,766.09
4	EXPENSES						
	(a) Cost of materials consumed	18,468.81	25,863.90	27,639.35	50,652.58	41,811.42	68,018.44
	(b) Purchase of products for resale (B & D spares)	1,788.71	357.57	1,744.18	2,540.24	5,630.16	9,225.74
	(c) Changes in inventories of work-in- progress and scrap	(151.49)	(290.45)	(663.55)	(2,388.19)	(298.72)	(915.38)
	(d) Sub-contracting charges	4,202.13	4,124.79	3,497.02	10,693.75	8,470.22	12,580.02
	(e) Employee benefits expense	7,528.76	7,881.65	7,981.77	22,353.80	21,932.71	29,146.70
	(f) Finance costs	108.97	45.63	237.88	168.70	372.83	511.31
	(g) Depreciation and amortisation expense	748.87	775.89	676.84	2,219.72	2,042.20	2,708.47
	(h) Other expenses - project related	2,754.42	1,734.17	2,049.85	5,400.19	3,523.31	5,461.31
	(i) Other expenses	2,491.72	2,713.82	2,502.53	7,818.78	7,551.92	10,913.57
	Total expenses	37,940.90	43,206.98	45,665.87	99,459.57	91,036.05	1,37,650.18
5	Profit before exceptional items & tax (3 - 4)	4,146.40	7,701.24	7,343.38	15,471.96	10,812.80	18,115.91
6	Exceptional items	-	-	(218.17)	-	(218.17)	(219.89)
7	Profit before tax (5+6)	4,146.40	7,701.24	7,125.21	15,471.96	10,594.63	17,896.02
8	Tax expense (including deferred tax)	1,196.79	1,798.88	2,390.90	4,092.31	2,962.96	6,902.15
9	Profit for the period (7-8)	2,949.61	5,902.36	4,734.31	11,379.65	7,631.67	10,993.87
10	Other comprehensive income / (loss) (net of tax)	(181.53)	(275.73)	13.63	(544.60)	71.87	(637.21)
11	Total comprehensive income for the period (9 +10) [comprising profit and other comprehensive income for the period]	2,768.08	5,626.63	4,747.94	10,835.05	7,703.54	10,356.66
12	Paid - up equity share capital (Face value of Rs. 10/- each)	11,455.20	11,455.20	11,455.20	11,455.20	11,455.20	11,455.20
13	Other equity excluding revaluation reserves	-	-	-	-	-	92,375.51
14	Earnings per share (Basic & Diluted) (Rs.) (not annualised except 31.03.2019)	2.57	5.15	4.13	9.93	6.66	9.60

Notes:

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

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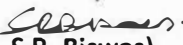


3. As required under clause 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Statutory Auditor of the Company have carried out Limited Review of the above Financial Results for the quarter and nine months period ended 31.12.2019.
4. On 20th September 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act,1961, which provides domestic companies an option to pay Income Tax at lower rate of 22% (effective tax rate 25.17 %) effective from 1 April 2019 (Assessment Year 2020-21), subject to certain conditions. The tax expenses for the quarter and nine months period ended 31 December, 2019 have been provided for at reduced tax rate.
5. Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with Right of Use Asset recognized at an amount equal to the lease liability adjusted by any prepayments/ accruals recognized in the balance sheet immediately before the date of initial application, wherever applicable.
6. The above Statement of Financial Results has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 1st February 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 year.

For A. Kayes & Co.

Chartered Accountants

Firm Registration No - 311149E


(CA. S.R. Biswas)

Partner

Membership No. 051512

ICAI UDIN: 20051512AAAAAAB5203

For and on behalf of the Board of Directors



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

Chairman & Managing Director

DIN – 07696782

Place : Kolkata

Date : 1st February, 2020





To
The Board of Directors
Garden Reach Shipbuilders & Engineers Limited,
43/46, Garden Reach Road,
Kolkata – 700 024

We have reviewed the accompanying statement of unaudited financial results of Garden Reach Shipbuilders & Engineers Limited (“the Company”) for the quarter and nine months ended 31st December 2019. This statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with 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 financial statements are 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 above, nothing has come to our attention, that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter:

In case of Shipbuilding Contract with customer (Yard No. 3020) there is delay in delivering ship by more than 56 months as on 31 Dec 2019. As per Contract, after considering grace period of one month, for each month delay Liquidated Damage (LD) shall be levied at 1% per

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month of the basic cost of vessel subject to a maximum of 5 % of the ship cost. LD may be levied by the buyer if the delay days ultimately attributable to the Company by more than one month. Management has explained that the LD matter will be decided by the buyer when all the delays are analysed and a case for delivery extension is submitted by the company only after delivery of the ship which is yet to take place. However, the company has considered an amount of ₹ 7,442 lakhs as contingent liability. This practice is being consistently followed for all the ships of the Project. Since the ultimate outcome of the matter, cannot be presently ascertained, no provision for the above liability that may result in future has been made in the accounts.

Our conclusion is not modified in respect of this matter.

Place: Kolkata

Date: 1st February, 2020

For A.Kayes &Co

Chartered Accountant

Firm Registration No. 311149E


(CA. S.R. Biswas)

Partner

Membership No. 051512

ICAI UDIN: 20051512AAAAAB5203

