



GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED

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CIN: L35111WB1934GOI007891

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rule, 2014]

Dear Shareholder,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other laws, rules and regulations applicable from time to time, that the approval of the Shareholders is sought for the following Resolutions by way of Postal Ballot / Electronic Voting:

Item No. 1 – Borrowing Powers of the Company

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules made thereunder, and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’) to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of the business of the Company, inter alia, by way of loans, advances, issue of debentures/bonds or other debt instruments, financial assistance(including fund based and/or non-fund based facilities) etc., from various bank(s), financial institution(s) and/or other lender(s),with or without security, whether in India or abroad, on such terms and conditions as the Board at its sole discretion may deem fit, notwithstanding that the moneys so borrowed together with moneys already borrowed by the Company (excluding the temporary loans obtained/to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium of the Company, provided that the total principal amount up to which moneys may be borrowed or raised by the Board shall not exceed the sum of ₹5,000/- crore (Rupees Five Thousand Crore only) at any point of time.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all necessary steps and do all necessary things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto.”

Item No. 2 – Creation of Security / Charge on the Company’s Assets with respect to Borrowing

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules made thereunder, and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’), to create mortgage, charge, lien, hypothecation and/or floating charge or any other encumbrances whatsoever, on such terms and conditions and at such time(s) and in such form and manner, on all or any of the immovable and/or movable assets or properties of the Company, both present and future, constituting of every nature, including the whole or substantially the whole of the Company’s undertaking or undertakings, in favour of the bank(s), financial institution(s), and/or other lender(s), agent(s) trustee(s)etc., as may be agreed by the Board of the Company to secure loans, and/or borrowings, financial assistances including fund based and non-fund based facilities etc., issue of debentures or bonds or other instruments issued to the public and/or on private placement basis and/or in any other manner, in foreign currency or in Indian rupees, the aggregate of which shall not, at any point of time, exceed the limit of ₹5,000/- crore (Rupees Five Thousand Crore only) together with interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges already created or to be created in future by the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements/ undertakings as may be required and do all such acts, deeds or things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/ charge/ pledge / hypothecation as mentioned aforesaid.”

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)

Company Secretary and Compliance Officer

Date: 29th May, 2019
Place: Kolkata

Notes:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed special resolutions at Item Nos. 1 & 2 above, are appended herein below for your consideration.
2. The Board of Directors of the Company (the "Board") at its Meeting held on 29th May, 2019 has appointed Mr. A. K. Labh, Practising Company Secretary (FCS: 4848 / CP No.: 3238) of M/s. A. K. Labh & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
3. This Notice of Postal Ballot is being sent to all the Shareholders, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on the close of working hours on Friday, 31st May, 2019 i.e. Cut-off date.
4. Resolutions passed by the Shareholders through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the Shareholders.
5. Shareholders who have registered their e-mail IDs for receipt of documents in electronic form under the Green Initiative of the Ministry of Corporate Affairs are being sent the Notice of the Postal Ballot by e-mail to their email addresses registered with their Depository Participants / the Company's Registrar and Transfer Agent. Shareholders who receive the Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download the same from the website of the Company at www.grse.in. For Shareholders whose e-mail IDs are not registered, physical copies of this Postal Ballot Notice are being sent by registered post, speed post or a courier along with a postage-prepaid self-addressed business reply envelope ("Business Reply Envelope").
6. Shareholders wishing to obtain a printed Postal Ballot Form or a duplicate form, may send an e-mail to the Company's Registrar and Share Transfer Agent at rta@alankit.com, who shall forward the same along with Business Reply Envelope to the Shareholder.
7. In compliance with the provisions of Sections 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided facility to the Shareholders to exercise votes through Electronic Voting System ('e-voting') on the e-voting platform provided by NSDL.
8. **The Shareholders have the option to vote either through Postal Ballot or through E-Voting, but not both.** If a Shareholder has opted for Physical Postal Ballot, then he/she cannot vote by e-voting and vice versa. However, in case Shareholders cast their vote through both, Physical Postal Ballot and E-Voting, then vote cast through e-voting shall be considered and the vote cast through physical Postal Ballot shall be treated as invalid.

9. The e-voting period commences on **Sunday, 9th June, 2019 (9.00 a.m.) and ends on Monday, 8th July, 2019 (5.00 p.m.)**. The e-voting module shall be disabled by NSDL for e-voting thereafter.
10. Shareholders desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in the enclosed Business Reply Envelope, so as to reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Monday, 8th July, 2019. Postage will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Shareholder, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelope. Please note that Postal Ballot Forms received after 5:00 p.m. on Monday, 8th July, 2019 shall be considered invalid.
11. Shareholders desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions as stated in the Notes under the section "Instructions relating to Voting through Electronic Means". Reference to postal ballot(s) in this Postal Ballot Notice includes votes received electronically.
12. This Postal Ballot Notice is also being uploaded on the Company's website at www.grse.in and on the website of NSDL at <https://evoting.nsdl.com>.
13. The Scrutinizer will submit his report to the Chairman & Managing Director of the Company (the "Chairman") or any other duly authorized person of the Company after completion of the scrutiny of the postal ballots (including e-voting). The result of the Postal Ballot (including e-voting) shall be declared by the Chairman or any other duly authorized person of the Company on or before Wednesday, 10th July, 2019 at the Registered Office of the Company by placing the same along with the Scrutinizer's Report on the Company's website at www.grse.in. The voting results will be communicated to the stock exchanges where the shares of the Company are listed, depositories, registrar and share transfer agent and shall also be displayed on the website of NSDL i.e. www.nsdl.co.in.
14. Subject to receipt of requisite number of votes, the resolution(s) in the Notice shall be deemed to be passed on Monday, 8th July, 2019 i.e. last day of the voting period.
15. In case of any query or clarification, the Shareholders of the Company may contact the Company Secretary and Compliance Officer of the Company at co.sec@grse.co.in.
16. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Postal Ballot Notice until the last date for receipt of votes by Postal Ballot / e-voting.

Instructions relating to Voting through Electronic Means

In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Sections 108, 110 and other applicable provisions of the Act, read with the related rules, the Company is

pleased to provide e-voting facility to all its Shareholders, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Shareholders.

The instructions for e-voting are as follows:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Step 1: Log-in to NSDL e-Voting system

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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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 Shareholders 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 Shareholders 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 Shareholders 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. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use 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 force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) [Click here](#) for "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL)
 - b) [Click here](#) for "Physical User Reset Password?" (If you are holding shares in physical mode)
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) You 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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG 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 evoting@grse.co.in with a copy marked to evoting@nsdl.co.in
2. 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.
3. 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 toll free no.:1800-222-990 or send a request at evoting@nsdl.co.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 1 and 2

Garden Reach Shipbuilders & Engineers Limited (“GRSE” or the “Company”) is required to make regular arrangements for fund based and non-fund based facilities for working capital requirements and bank guarantees, from time to time, for supporting its ongoing business operations. The Board of Directors of the Company, from time to time, approve borrowings including credit facility / working capital requirements under the overall limits as prescribed under Section 180(1)(c) of the Companies Act, 2013 and the Company has been judicially utilizing these limits through its Board / Committee.

Your Company’s order book position has increased substantially after two recent orders were awarded by the Indian Navy for a total value of ₹8,746.47 crore, in addition to the existing projects. With these two orders, the total order book position of the

Company as on 30th April, 2019 stands at ₹27,900 crore (approx.) for a total of 22 warships from six projects.

In this context, the previous practice of submission of Indemnity Bonds to the Government of India for contracts was replaced with submission of Bank Guarantees in recent years. This has given phenomenal rise to the Bank Guarantee requirements as they would be required for claiming each of the stage payment and also for the Performance cum Warranty clause compliance.

Accordingly, considering the Company's existing and future projects and its financial requirements to support its business operations including the fund requirements for fund based and non-fund based facilities, the Company expects additional fund requirements to meet its working capital needs and for deployment of resources on capital expenditure for strengthening/expanding capacity and/or maintenance etc. Based on these projections, the Board of Directors of the Company at its meeting held on 29th May, 2019, proposed to raise the borrowing limit to ₹5,000 Crore (Rupees Five Thousand crore), which is subject to the approval of the Shareholders of the Company as per Section 180(1)(c) of the Act.

Further, these borrowings may be secured by way of charge, mortgage, lien, pledge and/or hypothecation on the Company's assets, both movable and immovable in favour of the banks, financial institutions and/or other lender(s). This may give the lenders the power to take over the management of the Company in certain events, in terms of the charge created, which may be regarded as disposal of undertaking(s) under Section 180(1)(a) of the Act. Accordingly, the Board of Directors of the Company at its meeting held on 29th May, 2019, proposed to create charge, mortgage, lien, pledge and/or hypothecation on any movable or immovable assets of the Company for amounts not exceeding the limit of ₹5,000 Crore (Rupees Five Thousand Crore) at any point of time, which is subject to the approval of the Shareholders of the Company as per Section 180(1)(a) of the Act.

The Board of Directors of the Company recommends the Special Resolutions as set out in Item Nos. 1 and 2 in the accompanying Notice for approval of the Shareholders through Postal Ballot.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in these resolutions, except to the extent of their respective shareholding, if any, in the Company.

By Order of the Board
Garden Reach Shipbuilders & Engineers Limited

Sd/-
(Sandeep Mahapatra)
Company Secretary and Compliance Officer

Date: 29th May, 2019
Place: Kolkata