



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

AUTHENTICATED

**RAKSHA RAJYA MANTRI**



## **VISION**

To become Global leader in Warship building

## **MISSION**

- To be self-reliant in design capability and deploy state-of-the-art manufacturing process.
- To build quality Warship at competitive prices, exceeding customer's expectation in terms of delivery time and product support.
- To achieve sustained growth through customer satisfaction, product innovation, capturing export potential and employee satisfaction.

## **OBJECTIVES**

- Establish a self-reliant design house
- Productivity Improvement
- Quality Improvement
- QMS & ISO 9001 Certification for Ship Division
- Ship repair as a Business Venture & Profit Centre
- Business Development through concerted marketing efforts
- Marketing Deck Machinery items, Portable steel bridges and Diesel engines
- Vendor development & building long term partnership
- Building GRSE Brand
- Material Management / Supply Chain Management
- Human Resource Development
- CSR & Sustainability



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## BOARD OF DIRECTORS

### Chairman & Managing Director



Rear Admiral A K Verma, VSM, IN (Retd)

### Government Directors



Vice Admiral A V Subhedar  
AVSM, VSM, IN  
(From 18 Jun 14)



Shri Ashok K K Meena  
IAS

### Independent Directors



Shri Swapan Kumar Mukherjee  
Ex-C&MD, Balmer Lawrie & Co. Ltd.  
(From 23 Jul 14)



Cmde (Retd) M Jitendran  
Ex-C&MD, Cochin Shipyard Ltd.  
(From 23 Jul 14)



Shri Ajay Bhattacharya  
IAS (Retd)  
(From 20 Aug 14)

### Whole Time Directors



Shri Kallol Kumar Rai  
Director (Finance)



Cmde (Retd) R Ghosh  
Director (Shipbuilding)



Shri R C Nautiyal  
Director (Personnel)  
(From 01 Jul 13)

### Former Directors



Prof. Shekhar Chaudhari  
Ex-Director, IIM, CAL  
(Upto 01 Feb 14)



Shri P. C. Sharma  
IAS (Retd.)  
(Upto 01 Feb 14)



Shri Amarjit Chopra  
Ex-President, ICAI  
(Upto 01 Feb 14)



Vice Admiral K R Nair  
AVSM, VSM, IN  
(Upto 18 Jun 14)

### Permanent Special Invitees

Shri P K Kataria, Addl FA (K) & JS  
Shri Rajnish Kumar, Addl FA (RK) & JS  
Dr. V Bhujanga Rao, CC (R&D) (NS),  
RAdmn A K Saxena, NM, DGND

### Special Invitees

VAdm A G Thapliyal, DGCG  
RAdm R K Shrawat, IN (Retd.), C&MD, MDL  
RAdm Sunil Mittal, IN (Retd.), C&MD, GSL

### Bankers

State Bank of India  
Indian Bank  
Allahabad Bank  
ICICI Bank  
HDFC Bank  
AXIS Bank

### Company Secretary

Shri Sandeep Mahapatra

### Auditors

G P Agrawal & Co.  
Chartered Accountants

### Registered Office

43/46, Garden Reach Road, Kolkata 700 024

Branch Auditor  
Poddar & Jain.

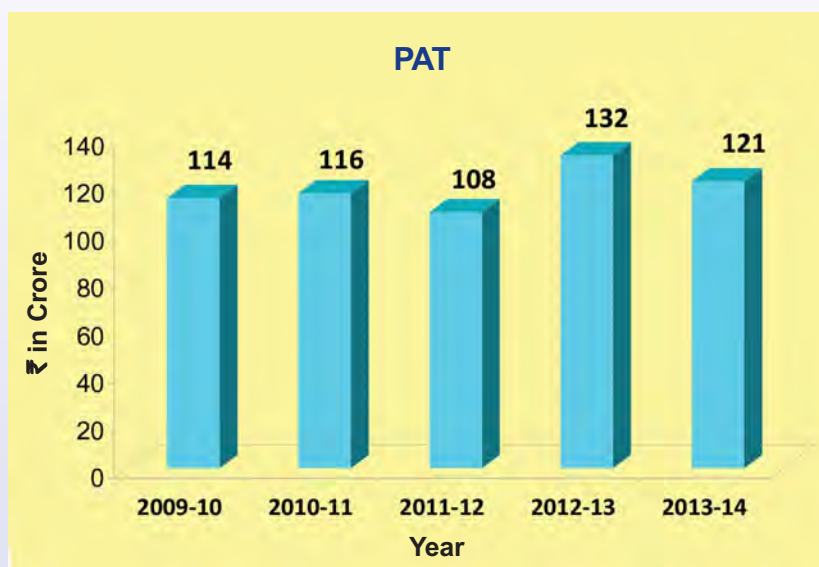
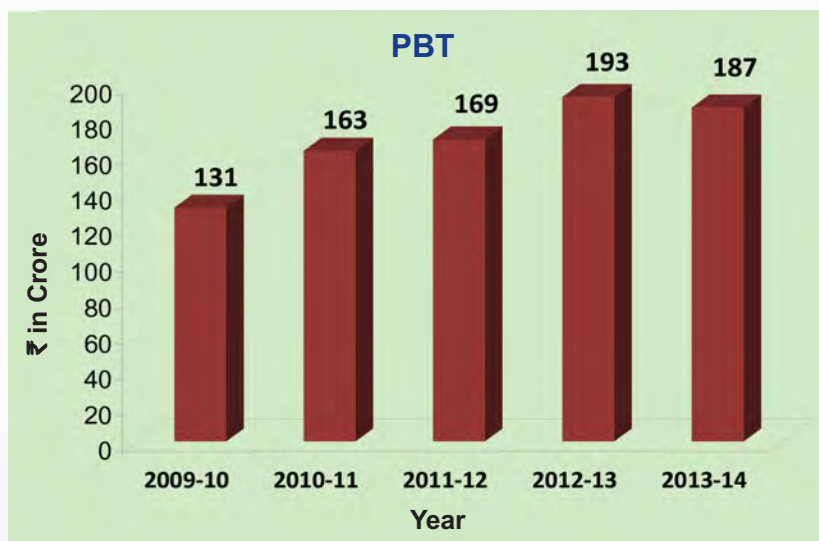
Chartered Accountants





## **SENIOR MANAGEMENT**

RAAdm. A K Verma, IN (Retd.)	:	Chairman & Managing Director
Shri Kallol Kumar Rai	:	Director (Finance)
Cmde. R Ghosh, IN (Retd.)	:	Director (Shipbuilding)
Shri R C Nautiyal	:	Director (Personnel)
Shri Gautam Mandal, IRS	:	Chief Vigilance Officer
Shri Arup Ratan Pal	:	Chief General Manager (C&CP & ERP)
Shri Samiran Basu	:	Chief General Manager (Material)
Cdr. Ajit Kumar Das, IN (Retd.)	:	Chief General Manager (FOJ)
Cdr. S Bhaduri, IN (Retd.)	:	Chief General Manager (QA)
Shri Kanu Priya Chattoraj	:	General Manager (HR)
Cmde. S Mathivanan, IN (Retd.)	:	General Manager (MW)
Shri Pradip Kumar Mitra	:	General Manager (Finance)
Capt. SKS Kushwaha, IN (Retd.)	:	General Manager (Planning, FIB & PS)
Cdr. N D Rao, IN (Retd.)	:	General Manager (RBD)
Shri Aparajita Bhattacharya	:	General Manager (Design)
Shri D Vijayam	:	General Manager (Engineering & DEP)
Shri Rabin Gangopadhyay	:	General Manager (Planning)





### Dividend



### Networth



### Manpower





## TEN YEARS AT A GLANCE

(₹ in lakh)

Ten Years	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>FINANCIAL POSITION :</b>										
Equity Share Capital	12384	12384	12384	12384	12384	12384	12384	12384	12384	<b>12384</b>
Preference Share Capital	—	—	—	—	—	—	—	—	—	—
Reserve & Surplus	17519	22632	31862	36425	38692	47255	55947	63872	73948	<b>83196</b>
Cumulative Loss	—	—	—	—	—	—	—	—	—	—
Net Worth	29590	34706	43816	48412	50685	59239	67932	75619	86094	<b>95373</b>
Govt. Loan	—	—	—	—	—	—	—	—	—	—
Capital Employed	29516	34251	41670	46017	45284	47610	55911	60062	75907	<b>91667</b>
Gross Block	17590	17473	24128	24406	25812	26224	29612	30829	42732	<b>53387</b>
Net Fixed Assets	9359	9066	14883	14488	15144	14897	17402	17481	27979	<b>36548</b>
Working Capital	20157	25185	26787	31529	30140	32713	38509	42582	47928	<b>55119</b>
<b>OPERATING RESULTS :</b>										
Sales	88141	98599	71374	55665	74062	42427	54622	54506	46434	<b>30819</b>
Cost of Production	42829	56974	53567	47723	64325	80153	96405	110752	138105	<b>146585</b>
Value of Production	47028	66218	64166	57347	67269	87074	105330	129253	152915	<b>161167</b>
Value Added	16767	25388	26021	28075	23353	30771	37868	49613	49609	<b>50463</b>
Profit/(Loss) Before Tax	4856	10131	17504	11040	8898	13075	16276	16935	19315	<b>18723</b>
Provision for Tax	2104	3598	5490	3593	3733	1633	4705	6132	6161	<b>6577</b>
Profit/(Loss) after Tax	2752	6533	12014	7447	5165	11441	11571	10803	13154	<b>12146</b>
<b>APPROPRIATION</b>										
Investment Allowance Reserve	—	—	—	—	—	—	—	—	—	—
Capital Redemption Reserve	—	—	—	—	—	—	—	—	—	—
CSR Reserve	—	—	—	—	—	—	228	10	—	—
General Reserve	275	653	1201	745	517	1144	1134	1079	1315	<b>1215</b>
Proposed Dividend Equity	1102	1238	2477	2477	2477	2477	2477	2477	2631	<b>2477</b>
Dividend Preference Share	—	—	—	—	—	—	—	—	—	—
Tax on Proposed Dividends	147	184	391	421	421	411	402	402	447	<b>421</b>
<b>RATIOS</b>										
Gross Profit/ Capital Employed	0.16	0.30	0.42	0.24	0.20	0.27	0.29	0.28	0.26	<b>0.21</b>
PBT/ Production (VOP)	0.10	0.15	0.27	0.19	0.13	0.15	0.15	0.13	0.13	<b>0.12</b>
Production (VOP)/ Capital Employed	1.59	1.93	1.54	1.25	1.49	1.83	1.88	2.15	2.01	<b>1.76</b>
Value Added/ Production (VOP)	0.36	0.38	0.41	0.49	0.36	0.35	0.36	0.38	0.32	<b>0.31</b>
No. of Employees	5524	5088	5126	4971	4768	4345	4117	3792	3491	<b>3133</b>





### CHAIRMAN'S STATEMENT

#### Ladies & Gentlemen,

1. On behalf of the Board of Directors, I have immense pleasure in welcoming all of you to the 98<sup>th</sup> "Annual General Meeting" of the Company and share with you all, some of the Company's significant achievements during the year 2013-14.
2. During the year 2013-14, the Company has achieved a **turnover of ₹ 1,612 crore**, which is a **growth of 5%** over the previous year 2012-13. The Company's **Profit Before Tax** recorded as **₹ 187.23 crore** and **Net Profit** as **₹ 121.46 crore**. The Company's **Net Worth** has also gone up by **11%** over the previous year.
3. During 2013-14, the Company has delivered **two (02) ships** (IPV Class) to the Indian Coast Guard and progressed the work on **seventeen (17) other ships** including four (04) ASW Corvettes, four (04) WJFACs, eight (08) LCUs and most prestigious order of MOPV for our neighboring country Mauritius. Overall, during the year the company has progressed the work on seventeen (17) ships which is a remarkable achievement. The Company also launched the first ship of Landing Craft Utility (LCU) MK-IV class during the year in the presence of Shri Ashok Kumar Gupta, IAS, Additional Secretary (Defence Production).
4. The first Anti-Submarine Warfare Corvette (ASWC), "INS Kamorta" was delivered to Indian Navy on 12<sup>th</sup> July 2014. The ASW Corvette is a frontline warship with anti-submarine warfare capability with advanced stealth features including very low signature radiated under water noise. The successful construction of ASWC by your company show cases the capability of the shipyard to build most complex and most advanced frontline warship for the nation. I am happy to inform that, the ship was commissioned on 23 Aug 2014 by Hon'ble Raksha Mantri Shri Arun Jaitley in the august presence of Admiral R K Dhowan, Chief of Naval Staff and other distinguished guests.

5. These accomplishments were possible only due to the guidance and unstinted support of the Government of India, especially the Department of Defence Production and I am extremely grateful to them. The active role of the members of the Board of Directors, especially the Independent Directors, the dedicated efforts put in by the Officers, Supervisors and Workers of the Company as well as the trust and confidence reposed by our valued customers, the Indian Navy, the Indian Coast Guard and the Ministry of Home Affairs.

#### Performance highlights of the year 2013-14

6. **Financial Parameters** : The Company has registered Profit Before Tax of **₹ 187.23 crore**.
7. **Turnover/Value of Production** : The Company has achieved a growth of **5%** in its turnover and recorded a turnover of **₹ 1,612 crore**. This turnover is so far the highest achieved by your company.
8. **Dividend** : For the year 2013-14, the Directors are pleased to recommend a dividend @ 20% (including 10% as interim dividend) on the Company's paid up equity capital amounting to **₹ 24.77 crore** (approx.).
9. **MOU Rating** : In terms of parameters contained in the Memorandum of Understanding signed with the Government for the year 2013-14, the Company is expected to be rated as **"Excellent"** in its performance. This would be the **fifth consecutive year** wherein your company would achieve **"Excellent"** grading in respect of the targets set in MoU.
10. **Awards & Recognition** : The Company during the year has received **"Best Performing Defence Shipyard Award"** for 2010-11 and 2011-12 from Hon'ble Raksha Mantri. The Company also received second prize (Region-C) of the prestigious **Indira Gandhi Rajbhasha Puraskar** for the year 2011-12 from **Honourable President of India** and **"PSE Excellence Award 2013"** from DPE-ICC in recognition to the **CSR & Sustainability efforts** of the Company. **GRSE** received a **Certificate of Appreciation for being a Model Total Quality Management Company by CII for 2013**. **GRSE**,



Director (Finance), Shri K. K. Rai won the **BT Star PSU Excellence Award 2014, "The Star PSU Director (Finance) for Outstanding Performance"** in the Category of Non Maharatna & Navratna PSUs. The Company was conferred the **IIIE Performance Excellence Award in the Golden Category (Financial & Operational Strength)**, for the year **2012-13**. The **QC Teams** of the Company also executed very well this year and won **three (3) "Par Excellence"** and **seven (7) "Excellent" Awards** in the National Convention Organised by the Quality Circle Forum of India.

11. **Certification** : GRSE is the **first Ship Building organisation in the country and the first DPSU** to get accreditation on **Integrated Management System** harmonizing **ISO 14001:2004 (Environment Management System)**, **BS OHSAS 18001:2007 (Occupational Health & Safety Assessment Standard)**, and **EN ISO 50001:2011 (Energy Management System)**.
12. **Corporate Governance** : The Company's philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. The Company gives importance to adherence to adopted corporate values and objectives and discharging social responsibilities as a corporate citizen. The Company believes in customer satisfaction, financial prudence and commitment to values. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.

#### Shipbuilding and Production Achievements

13. The Company's Shipbuilding and Engineering activities have registered a substantial growth due to greater thrust on enhanced productivity, improved quality control and dedicated human resource. The following are the main achievements for this year.

(a) **Infrastructure Up-gradation** : The new **"Integrated Shipbuilding Facility"** has been successfully completed and the same was inaugurated by Hon'ble Raksha Rajya Mantri, Shri Jittendra Singh, on 06 Jun 13. The 1<sup>st</sup> ship constructed at the new inclined berth was Offshore Patrol Vessel for Mauritius Government (MOPV) was successfully launched on 02 Aug 13. Subsequently, two Landing Craft Utility (LCU) ships are being concurrently constructed at the new Inclined Berth (keel laid on 30 Aug 13).

(b) **Delivery of Ships** : During the year, GRSE has

**delivered two (02) ships** to Indian Coast Guard, ICGS "Rajveer" and ICGS "Rajdhvaj".

(c) **Launching of Ships** : During the year GRSE has **launched** first ship of **Landing Craft Utility (LCU) MK-IV** class of ships.

(d) **Keel Laying** : During the year, GRSE laid the **Keel of the first two LCUs** and of the **first follow-on WJFACs for Indian Navy**.

(e) **Start Production** : The Company also **commenced the production of eight (08) ships** for the Indian Navy.

(f) **Portable Steel Bridges** : Your Company has supplied 33 Bridges during 2013-14 amounting to **₹ 36.56 crore**. During the year, your Company have entered in to an MOU with Govt of Odisha for supply of about 100 bridges a year on turnkey basis. A similar MOU was signed with the Govt of Chattisgarh too.

(g) **Deck Machinery** : Deck Machinery Unit has achieved a remarkable feat in this year by way of successful supply and carrying-out of HATs of Rail less Helo Traversing System to handle a helicopter on board ship for P28 ASW Corvettes. Being the only proven indigenous supplier of such systems, the company has bagged orders for 5-NOPVs and 3-CTSs from Pipavav & ABG Shipyards respectively. Good numbers of further offers are under process. You will be pleased to know that this has an indigenous content of about 72%. The Unit has supplied 58 Nos. – Equipment to various shipyards and also towards in-house consumptions and registered a value of production/turnover of ₹ 12.76 crore. The present order book position for various Deck Machinery items and Naval Pumps is about ₹ 63 crore.

(h) **Engine Department (Ranchi)** : The Value of Production achieved by Engine Department during the year under review amounted to ₹ 5.40 crore. This is mainly because of low order book and aging of assembly & test facilities. In order to expanding the business, modernisation of assembly & test facilities of marine engines has been undertaken. On completion of this up-gradation, Engine Division will enter in to an extended MOU with MTU Asia for production of Marine Engines at SKD level and this is likely to get business of about ₹ 428 crore in phased manner in next ten years.

(i) **Order Book Position** : The present order book position of the Company is **₹ 10,404 crore**. Out of these, **sales** of approximately **₹ 5,257 crore** have been completed and the **balance order book** is approximate **₹ 5,147 crore**.