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## MAZAGON DOCK SHIPBUILDERS LIMITED

Our Company was incorporated in Bombay as a private limited company on February 26, 1934 as Mazagon Dock Private Limited with the Registrar of Companies, Bombay under the Indian Companies Act, 1913. For further details in connection with change in name and registered office of our Company, see “History and Certain Corporate Matters - Brief history of our Company” and “History and Certain Corporate Matters - Changes in the Registered Office” on pages 144 and 144 respectively of the Draft Red Herring Prospectus.

**Registered and Corporate Office:** Dockyard Road, Mumbai - 400010, Maharashtra, India

**Contact Person:** Vijayalakshmi Kumar, Company Secretary and Compliance Officer; **Telephone:** +91 22 2376 2000 **E-mail:** investor@mazdock.com

**Website:** <https://mazagondock.in>

**Corporate Identity Number:** U35100MH1934GOI002079

### ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED AUGUST 05, 2019: NOTICE TO INVESTORS (THE “ADDENDUM”)

THIS IS IN RELATION TO THE INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF MAZAGON DOCK SHIPBUILDERS LIMITED (OUR “COMPANY” OR THE “ISSUER”) THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF DEFENCE, GOVERNMENT OF INDIA (THE “SELLING SHAREHOLDER”), FOR CASH AT A PRICE OF ₹[●]\* PER EQUITY SHARE (THE “OFFER PRICE”), AGGREGATING TO ₹[●] MILLION (THE “OFFER”). SUBJECT TO RECEIPT OF NECESSARY APPROVALS FROM THE GOVERNMENT OF INDIA (“GOI”), [●] EQUITY SHARES MAY BE RESERVED FOR ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS EMPLOYEE RESERVATION PORTION (IF ANY) IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPRISE OF A NET OFFER OF 25,211,250\*\* EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF [●] EQUITY SHARES. THE EMPLOYEE RESERVATION PORTION, IF ANY, SHALL NOT EXCEED 5.00% OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND 12.50% RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

\*A discount of up to [●]/% (equivalent to up to ₹[●] per Equity Share) on the Offer Price may be offered to Retail Individual Bidders (“Retail Discount”) and to Eligible Employees (“Employee Discount”) bidding in the Retail Portion and the Employee Reservation Portion, respectively (if any).

\*\* There has been a reduction in the size of the Offer on account of the buy back of 22,410,000 Equity Shares undertaken by our Company from the existing shareholders pursuant to the Board resolution dated January 28, 2020. Accordingly, the size of the Net Offer has changed from 28,012,500 Equity Shares as disclosed in the DRHP to 25,211,250 Equity Shares. The Net Offer continues to constitute 12.50% of the post-Offer Equity Share capital of the Company.

Potential Bidders may note the following:

- The Draft Red Herring Prospectus currently includes details of the restated audited consolidated statements as at and for the financial years ended March 31, 2019, 2018 and 2017. Due to lapse of time, and on account of availability of updated financial information, the section titled “Financial Statements” has been updated to provide the updated consolidated financials of the Company as at and for the financial years ended March 31, 2020, 2019, 2018 and 2017 of the date of this Addendum. Please note that audited financial statements for the financial year ended March 31, 2020 have not been certified by the Comptroller and Auditor General of India; and
- The Draft Red Herring Prospectus currently includes details of directors of the Company, namely, Rakesh Anand, Rajiv Lath and Sanjiv Sharma whose terms have expired and they are no longer on the Board of our Company. Due to the appointment of new directors on the Board of our Company, the section titled “Our Management” has been updated to provide biographies, including educational qualification and prior work experience of the new directors, namely, Narayan Prasad as the Chairman and Managing Director, Jasbir Singh as the Director (Submarine & Heavy Engineering) and Sanjeev Singhal as the Director (Finance) in this Addendum. Please note that all other details and updates will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC.

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the section “Financial Statements”, “Other Financial Information” and “Our Management” has been included in this Addendum.

The above is to be read in conjunction with the Draft Red Herring Prospectus. The information in this notice supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC. All capitalised terms used in this notice shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

On behalf of Mazagon Dock Shipbuilders Limited

Place: Mumbai  
Date: August 27, 2020

Sd/-  
Vijayalakshmi Kumar  
Company Secretary and Compliance Officer

### BOOK RUNNING LEAD MANAGERS



#### YES SECURITIES (INDIA) LIMITED

**Address:** Unit No. 602 A, 6th Floor, Tower 1 & 2, IFC Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013  
**Telephone:** +91 22 3012 6919  
**Email:** mdl ipo@ysil.in  
**Website:** [www.yesinvest.in](http://www.yesinvest.in)  
**Investor Grievance ID:** igc@ysil.in  
**Contact Person:** Mukesh Garg/Pratik Pednekar  
**SEBI Registration Number:** INM000012227

#### AXIS CAPITAL LIMITED

**Address:** Axis House, 1st Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai -400 025  
**Telephone:** +91 22 4325 2183  
**Email:** mazagon.ipo@axiscap.in  
**Website:** [www.axiscapital.co.in](http://www.axiscapital.co.in)  
**Investor Grievance ID:** complaints@axiscap.in  
**Contact Person:** Mayuri Arya/Akash Aggarwal  
**SEBI Registration Number:** INM000012029

#### EDELWEISS FINANCIAL SERVICES LIMITED

**Address:** 14<sup>th</sup> Floor, Edelweiss House, Off. C.S.T Road, Kalina, Mumbai -400 098  
**Telephone:** +91 22 4009 4400  
**Email:** mdl ipo@edelweissfin.com  
**Website:** [www.edelweissfin.com](http://www.edelweissfin.com)  
**Investor Grievance ID:** customerservice.mb@edelweissfin.com  
**Contact Person:** Nishita John  
**SEBI Registration Number:** INM0000010650

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER



#### IDFC SECURITIES LIMITED\*

\*IDFC Securities Limited is in the process of complying with regulatory requirements to effect the change of its name from IDFC Securities Limited to DAM Capital Advisors Limited in the records of stock exchanges/SEBI.  
**Address:** One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.  
**Telephone:** +91 22 4202 2500  
**Email:** mazagon.ipo@idfc.com  
**Website:** [www.idfc.com/capital/index.htm](http://www.idfc.com/capital/index.htm)  
**Investor Grievance ID:** [investorgrievance@idfc.com](mailto:investorgrievance@idfc.com)  
**Contact Person:** Gaurav Mittal  
**SEBI Registration Number:** MB/INM000011336

#### JM FINANCIAL LIMITED

**Address:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.  
**Telephone:** +91 22 6630 3030  
**Email:** mdl ipo@jmfl.com  
**Website:** [www.jmfl.com](http://www.jmfl.com)  
**Investor Grievance ID:** [grievance.idb@jmfl.com](mailto:grievance.idb@jmfl.com)  
**Contact Person:** Prachee Dhuri  
**SEBI Registration Number:** INM000010361

#### ALANKIT ASSIGNMENTS LIMITED

**Address:** 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110055  
**Telephone:** +91- 4254 1954/971/933, +922-4348 1293  
**Email:** [kamalarora@alankit.com](mailto:kamalarora@alankit.com), [abhinavka@alankit.com](mailto:abhinavka@alankit.com)  
**Website:** [www.alankit.com](http://www.alankit.com)  
**Investor Grievance ID:** [mdligr@alankit.com](mailto:mdligr@alankit.com)  
**Contact Person:** Kamal Arora/ Abhinav Kumar Agrawal/Virender Sharma  
**SEBI Registration Number:** INR000002532

### BID/OFFER PROGRAMME

**BID/OFFER OPENING DATE:** [●]

**BID/OFFER CLOSING DATE\*:** [●]

\*The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with SEBI ICDR Regulations.

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## OUR MANAGEMENT

The below are the brief profiles of our new directors:

**Narayan Prasad**, aged 57 years, is the Chairman and Managing Director of our Company. He was appointed as the Chairman and Managing Director on December 30, 2019. An alumnus of Sainik School Tilaiya National Defence Academy, he holds a bachelor's degree in science from Jawaharlal Nehru University, a bachelor's degree in technology (mechanical engineering) from Jawaharlal Nehru University (Naval College of Engineering, INS Shivaji, Lonavala) and a master's degree of engineering in mechanical engineering (marine) from University of Pune and a master's degree in philosophy (defence and strategic studies) from University of Mumbai. Previously, he has served in the Indian Navy for over 36 years and has held several assignments afloat and onboard such as INS Rana, INS Ranjit and INS Talwar and chief staff officer (technical)/ headquarter eastern naval command, admiral superintendent of Naval Dockyard, Vishakapatnam, assistant chief of material (nuclear systems maintenance). He has also served the post of director general of naval project at Visakhapatnam. He has also been awarded Ati Vishisht Seva Medal and Nav Seva Medal for his service to the Indian Navy.

**Jasbir Singh**, aged 53 years, is the Director (Submarine & Heavy Engineering) of our Company. He has been associated with the Company since May 2010 and was appointed a director on November 01, 2019. He holds a bachelor's degree in science from Jawaharlal Nehru University (National Defence Academy, Pune), a bachelor's degree in technology (mechanical engineering) from Jawaharlal Nehru University, New Delhi. He has completed a course in modeling and simulation from the Institute of Armament Technology, Pune and a basic engineering course in INS Shivaji, Lonavala from the Naval College of Engineering. Previously, he has served in the Indian Navy for over 20 years and has received various commendations from the flag officer commander in chief, Eastern Naval Command as well as Western Naval Command. He has served as a naval engineer oversees, project co-ordinating officer of INS Prabal.

**Sanjeev Singhal**, aged 55 years, is the Director (Finance) of our Company. He has been associated with our Company since January 08, 2020. He holds a bachelor's degree in commerce (honours course) from University of Delhi. He is also a costs accountant and has obtained a degree from the Institute of Costs Accountants of India. He has over 32 years of experience in finance and accounting. Previously, he was associated with Mishra Dhatu Nigam Limited as a director (finance) and with Steel Authority of India Limited in the finance and accounts department.

## **FINANCIAL STATEMENTS**

The audited consolidated financial statements of our Company as at and for the financial years ended March 31, 2020, 2019, 2018 and 2017, which comprises the audited consolidated balance sheet, the audited consolidated statement of profit and loss and the audited consolidated cash flow statement and notes to the audited consolidated financial statements of assets and liabilities, profit and loss and cash flows, prepared in accordance with Ind AS and the Companies Act (including the audited financials for the financial year ended March 31, 2020 which has not been certified by Comptroller and Auditor General of India) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexures thereto.

**[The remainder of this page has intentionally been left blank]**

**Independent Auditor's Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2020, 2019, 2018 and 2017, restated consolidated summary statement of profits and losses (including other comprehensive income), restated consolidated summary statement of cash flows and changes in equity for each of the years ended March 31, 2020, 2019, 2018 and 2017, of Mazagon Dock Shipbuilders Limited (the “Restated Consolidated Financial Information”)**

To  
The Board of Directors  
Mazagon Dock Shipbuilders Limited,  
Dockyard Road,  
Mumbai -400010  
Maharashtra

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Mazagon Dock Shipbuilders Limited (the “Company”) and its associate named Goa Shipyard Limited (“GSL” collectively with the Company referred to as “Group”), which comprises the Restated Consolidated Summary Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2020, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Summary Statement of changes in equity for each of the years ended 31<sup>st</sup> March, 2020, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017, Restated Consolidated Summary Statement of Cash Flows for each of the years ended 31<sup>st</sup> March, 2020, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 respectively and the Summary of Significant Accounting Policies and other explanatory information (collectively, the “Restated Consolidated Financial Information”) as approved by the Board of Directors of the Company at their meeting held on 27<sup>th</sup> August, 2020 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“proposed IPO”) and prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP/addendum to the DRHP/ RHP/Prospectus to be filed with Securities and Exchange Board of India, BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together with BSE the “Stock Exchanges”) and Registrar of Companies, Mumbai, Maharashtra in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 2.1 under Annexure V- Basis of preparation and Significant Accounting Policies to the Restated Consolidated Financial Information. The respective Board of Director of the Company and the Associate is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the Company and of the Associate is also responsible for identifying and ensuring that the Group complies with the Act, Guidance Note and ICDR Regulations.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 3<sup>rd</sup> January, 2019 and amendment letter dated 26<sup>th</sup> July 2019.in connection with the proposed Initial Public Offering (IPO) of the Company;
  - b) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI). This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- c) concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information and
- d) the requirements of Section 26 of the Companies Act and ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the Management from the:

- a) Audited Consolidated financial statements of the Group as at and for the year ended on 31<sup>st</sup> March, 2020 which include the comparative Ind AS financial statements as at and for the year ended 31<sup>st</sup> March, 2019 prepared in accordance with the Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, which have been approved by the Board of directors at their meeting held on 27<sup>th</sup> August, 2020.
- b) Audited Consolidated financial statements of the Group as at and for the year ended 31<sup>st</sup> March, 2019 which include the comparative Ind AS financial statements as at and for the year ended 31<sup>st</sup> March, 2018, prepared in accordance with the Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, which have been approved by the Board of directors at their meeting held on 17<sup>th</sup> June, 2019
- c) Audited Consolidated financial statements of the Group as at and for the year ended 31<sup>st</sup> March, 2018 which include the comparative Ind AS financial statements as at and for the year ended 31<sup>st</sup> March, 2017, prepared in accordance with the Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India, which have been approved by the Board of directors at their meeting held on 16<sup>th</sup> July, 2018.

5. For the purpose of our examination, we have relied on:

- a) Auditors’ reports issued by us dated 27<sup>th</sup> August 2020 and 17<sup>th</sup> June 2019 on the consolidated financial statements of the Company for the years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019 respectively as referred in Paragraph 4(a) and 4 (b) above; and
- b) Auditors’ Reports issued by Fords Rhodes & Parks & Co LLP, (the “Previous Auditors”) dated 16<sup>th</sup> July 2018 and 23<sup>rd</sup> August 2017 on the consolidated financial statements of the Group as at and for the years ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 respectively, as referred in Paragraph 4 (c) above

6. As indicated above and in respect of GSL:

- a) We did not audit the financial statements of GSL (the associate) as at and for each of the years ended 31<sup>st</sup> March, 2020 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 whose share of net profit/(loss) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below which have been audited by other auditors, M/s ABM & Associates LLP. and M/s Deshpande Pandit & Co., and whose reports have been furnished to us by the Company’s management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors;

(₹ in million)

Name of Entity	Audit for the period/year ended	Share of net Profit/(Loss)	Name of the Auditor(s)
Goa Shipyard Limited	31 <sup>st</sup> March, 2020	933.69	M/s ABM & Associates LLP
	31 <sup>st</sup> March, 2019	620.90	M/s ABM & Associates LLP
	31 <sup>st</sup> March, 2018	1,026.00	M/s ABM & Associates LLP
	31 <sup>st</sup> March, 2017	554.27	M/s Deshpande Pandit & Co.

- b) Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

## 7. Emphasis of Matter

We draw attention to the following matters in the annexure to the restated consolidated financial statement:

For the year ended 31<sup>st</sup> March, 2020;

- a. Registration formalities and Renewals of Leasehold are pending in respect of certain properties. (Refer Annexure VIII Point i, vi, viii)
- b. In respect to the balances due from / to Indian Navy (Refer Annexure XXV Point C)
- c. Balance of Advance to Vendors and balance outstanding in Trade Payables are subject to confirmation. (Refer Annexure XXV Point B)
- d. The company has opted for reduced rate of income tax by electing the non reversible option U/s 115BAA of Income tax Act, 1961. This has resulted in one time effect on PAT by Rs.160.73 crores due to reduction in deferred tax assets. (Refer Annexure XXVIII Point 16)

For the year ended 31<sup>st</sup> March, 2019;

- a) Registration formalities are pending in respect of certain properties. (Refer Annexure VIII Point no. (xiv))
- b) Balance of Advance to Vendors and balance outstanding in Trade Payables are subject to confirmation. (Refer Annexure XXV Point No. B)
- c) In respect to the balances due from / to Indian Navy which are in the process of reconciliation. (Refer Annexure XXV Note No. C)

For the period ended 31<sup>st</sup> March, 2018;

- a. The financials of Joint Venture Company “Mazagon Dock Pipavav Defence Pvt Ltd” in which the Company holds 50% of the equity has not been consolidated by the management in the restated consolidated financial statement for the years ended 31<sup>st</sup> March, 2018. (Refer Annexure XXVIII Note no. 5)
- b. In respect of certain leasehold properties, initial premium paid has been treated as prepaid rent and charged on the basis of available information pending execution of lease agreement (Refer Annexure – XI Point no 2)
- c. Registration formalities are pending in respect of certain properties. (Refer Annexure VIII Point no. (vii))
- d. Balance of Advance to Vendors and balance outstanding in Trade Payables are subject to confirmation. (Refer Annexure XXV Point No. B)
- e. In respect to the balances due from / to Indian Navy which are in the process of reconciliation. (Refer Annexure XXV Note No. C)
- f. Stating the reason for non-provisioning of the liquidated damages related to the project (Refer Note No. XXVIII Point No. 8)

For the period ended 31<sup>st</sup> March, 2017;

- a. The financials of Joint Venture Company “Mazagon Dock Pipavav Defence Pvt Ltd” in which the Company holds 50% of the equity has not been consolidated by the management in the restated consolidated financial statement for years ended 31<sup>st</sup> March, 2017 (Refer Annexure XXVIII Note no. 5)
- b. In respect of certain leasehold properties, initial premium paid has been treated as prepaid rent and charged on the basis of available information pending execution of lease agreement (Refer Annexure – XI Point no 2)

- c. Registration formalities are pending in respect of certain properties. (Refer Annexure VIII Point no. (i))
- d. Balance of Advance to Vendors and balance outstanding in Trade Payables are subject to confirmation. (Refer Annexure XXV Point No. B)
- e. In respect to the balances due from / to Indian Navy which are in the process of reconciliation. (Refer Annexure XXV Note No. C).

Our opinion is not modified in respect of these matters

8. Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the Previous Auditors and other auditors, for the respective years, we report that the Restated Consolidated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively during the years ended 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017; to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the financial year ended 31<sup>st</sup> March, 2020 and have been fully described in Annexure VII - Notes on Statements of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements,
  - b) do not require any adjustments as there are no qualifications in the Auditor's Report;
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated Ind As financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors of the Company, nor should this report be construed as a new opinion on any of the Consolidated financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP/addendum to the DRHP/RHP/Prospectus to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Mumbai, Maharashtra in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
13. List of Restated Consolidated Financial Information examined and enclosed with Examination report:
  - i. Restated Ind AS Consolidated Summary Statement of Assets and Liabilities included in Annexure I
  - ii. Restated Ind AS Consolidated Summary Statement of Profits and Losses included in Annexure II
  - iii. Restated Ind AS Consolidated Summary Statement of Cash Flows included in Annexure III
  - iv. Restated Ind AS Consolidated Statement of Changes in Equity included in Annexure IV
  - v. Restated Ind AS Consolidated Summary Statements – Accounting Policies included in Annexure V
  - vi. Restated Ind AS Consolidated Statement of Capitalisation included in Annexure VI
  - vii. Statement of Restatement Adjustments to audited Ind AS Consolidated Financial Statements included in Annexure VII
  - viii. Restated Ind AS Consolidated Statement Property, plant and equipment, intangible assets and Depreciation expense included in Annexure VIII
  - ix. Restated Ind AS Consolidated Statement of Non-current investments included in Annexure IX
  - x. Restated Ind AS Consolidated Statement of Cash and Bank balances included in Annexure X
  - xi. Restated Ind AS Consolidated Statement of Other Assets included in Annexure XI
  - xii. Restated Ind AS Consolidated Statement of Deferred Tax Assets included in Annexure XII
  - xiii. Restated Ind AS Consolidated Statement of Inventories included in Annexure XIII
  - xiv. Restated Ind AS Consolidated Statement of Trade Receivables included in Annexure XIV



- xv. Restated Ind AS Consolidated Statement of Share Capital included in Annexure XV
- xvi. Restated Ind AS Consolidated Statement of Provisions included in Annexure XVI
- xvii. Restated Ind AS Consolidated Statement of Other Liabilities included in Annexure XVII
- xviii. Restated Ind AS Consolidated Statement of Revenue included in Annexure XVIII
- xix. Restated Ind AS Consolidated Statement of Other Income included in Annexure XIX
- xx. Restated Ind AS Consolidated Statement of Cost of raw material consumed included in Annexure XX
- xxi. Restated Ind AS Consolidated Statement of Employee benefit expense included in Annexure XXI
- xxii. Restated Ind AS Consolidated Statement of Finance cost included in Annexure XXII
- xxiii. Restated Ind AS Consolidated Statement of Other expenses and provisions included in Annexure XXIII
- xxiv. Restated Ind AS Consolidated Statement of Restated Consolidated Statement of Exceptional items included in Annexure XXIIIA
- xxv. Restated Ind AS Consolidated Statement of Related Party Transactions included in Annexure XXIV
- xxvi. Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments included in Annexure XXV
- xxvii. Restated Ind AS Consolidated Statement of Dividend paid included in Annexure XXVI
- xxviii. Restated Ind AS Consolidated Statement of Accounting Ratios included in Annexure XXVII
- xxix. Restated Ind AS Consolidated Statement of Other notes included in Annexure XXVIII

**For JCR & Co**  
**Chartered Accountants**  
**FRN: 105270W**

**FCA Mitesh Chheda**  
**Partner**  
**Membership No. 160688**

**Date: 27<sup>th</sup> August, 2020**  
**Place: Mumbai**

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure I**
**Restated Consolidated Summary Statement of Assets and Liabilities**
**(₹ in million)**

Sr. No.	Particulars	Annexure	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
<b>A</b>	<b>ASSETS</b>					
	<b>Non-current assets</b>					
	Property, Plant and Equipment	VIII	8,312.48	7,873.22	6,769.13	5,440.52
	Capital work-in-progress	XI	799.61	887.67	853.82	984.28
	Other intangible assets	VIII	171.46	229.91	284.12	213.52
			<b>9,283.55</b>	<b>8,990.80</b>	<b>7,907.07</b>	<b>6,638.32</b>
	<b>Financial assets</b>					
	Investments	IX	4,841.80	4,306.69	4,291.47	3,835.89
	Trade receivable	XIV	156.09	157.82	159.28	160.46
	Loans	XI	68.94	66.60	89.49	87.01
	Other financial assets	XI	1,534.48	1,435.16	34.00	33.98
	Deferred tax assets (net)	XII	4,116.58	5,819.81	5,521.74	5,068.31
	Non-current tax assets (net)	XI	2,259.32	1,933.76	2,067.25	1,811.33
	Other non-current assets	XI	6,517.51	4,990.13	3,195.20	1,388.14
	<b>Total of non-current assets</b>		<b>28,778.27</b>	<b>27,700.77</b>	<b>23,265.50</b>	<b>19,023.44</b>
<b>B</b>	<b>Current assets</b>					
	Inventories	XIII	46,226.92	37,903.03	37,859.69	40,286.56
	<b>Financial assets</b>					
	Trade receivables	XIV	14,587.66	14,728.92	11,133.75	8,116.95
	Cash and cash equivalents	X	4,832.79	7,296.81	3,735.85	1,428.78
	Bank balances other than cash and cash equivalents	X	53,150.00	67,400.00	68,160.00	82,200.00
	Loans	XI	21.07	42.87	9.12	10.22
	Others	XI	1,781.04	2,212.97	1,105.35	1,476.67
	Contract assets		554.74	9,013.05	7,379.37	11,632.44
	Assets held for sale		2.17	20.71	0.08	0.21
	Other current assets	XI	59,725.62	42,160.21	41,055.01	29,736.38
	<b>Total of current assets</b>		<b>1,80,882.01</b>	<b>1,80,778.57</b>	<b>1,70,438.22</b>	<b>1,74,888.21</b>

	<b>Total A+B</b>		<b>2,09,660.28</b>	<b>2,08,479.34</b>	<b>1,93,703.72</b>	<b>1,93,911.65</b>
	<b><u>EQUITY AND LIABILITIES</u></b>					
<b>C</b>	<b>- EQUITY</b>					
	Equity share capital	XV	2,016.90	2,241.00	2,241.00	2,490.00
	Other equity	IV	28,674.41	29,928.19	26,099.51	27,411.49
	<b>Total equity</b>		<b>30,691.31</b>	<b>32,169.19</b>	<b>28,340.51</b>	<b>29,901.49</b>
<b>D</b>	<b>Non-current liabilities</b>					
	<b>Financial liabilities</b>					
	Trade payables	XVII	156.10	157.82	159.28	160.46
	Others	XVII	360.08	355.27	372.67	385.52
	Other long-term liabilities	XVII	1,694.64	1,578.37	1,597.35	1,669.47
	Long-term provisions	XVI	12,150.69	11,977.56	12,063.72	12,121.11
	<b>Total non-current liabilities</b>		<b>14,361.51</b>	<b>14,069.02</b>	<b>14,193.02</b>	<b>14,336.56</b>
<b>E</b>	<b>Current liabilities</b>					
	<b>Financial liabilities</b>					
	Borrowings					
	Trade payables					
	i. total outstanding dues of micro and small enterprises		200.65	186.80	134.20	131.64
	ii. total outstanding dues other than (i) above	XVII	47,507.19	28,985.70	23,776.53	9,131.83
	Others	XVII	1,364.62	2,367.02	2,578.71	1,747.11
	Contract liability		1,13,831.15	1,29,499.35	1,23,380.80	1,37,595.64
	Other current liabilities	XVII	436.27	220.60	98.79	251.06
	Short-term provisions	XVI	1,267.58	981.66	1,201.15	816.32
	<b>Total current liabilities</b>		<b>1,64,607.46</b>	<b>1,62,241.13</b>	<b>1,51,170.18</b>	<b>1,49,673.60</b>
	<b>Total C+D+E</b>		<b>2,09,660.28</b>	<b>2,08,479.34</b>	<b>1,93,703.72</b>	<b>1,93,911.65</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

As per our report of even date

For and on behalf of the Board of Directors

For

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

**VAdm Narayan Prasad, IN (Retd)**  
Chairman and Managing  
Director

**Mitesh Chheda**

Partner

Membership No. 160688

**Sanjeev Singhal**

Director (Finance)

Date - 27th August, 2020

Place – Mumbai

**Vijayalakshmi Kamal Kumar**

Company Secretary

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure II**
**Restated Consolidated Summary Statement of Profits and Losses**
**(₹ in million)**

Sr No.	Particulars	Annexure	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>F</b>	<b>Income</b>					
	Revenue from operations	XVIII	49,776.50	46,139.56	44,703.61	35,190.82
	Other income	XIX	5,576.57	5,907.18	5,572.68	7,557.81
	<b>Total income</b>		<b>55,353.07</b>	<b>52,046.74</b>	<b>50,276.29</b>	<b>42,748.63</b>
<b>G</b>	<b><u>Expenses</u></b>					
	Cost of materials consumed	XX	25,031.72	25,571.21	26,928.93	21,400.75
	Procurement of base and depot spares		3,622.33	6,080.47	917.17	348.66
	Employee benefits expense	XXI	7,929.34	6,894.66	8,857.00	7,288.37
	Finance costs	XXII	92.64	90.76	90.81	93.13
	Depreciation and amortization expenses	VIII	686.77	643.26	524.84	416.57
	Sub-contract		7,440.86	1,759.07	3,226.95	1,101.93
	Power and fuel		165.21	192.63	226.23	260.44
	Other expenses: (a) Project related	XXIII	1,137.04	810.19	1,512.06	1,417.13
	(b) Others	XXIII	1,383.84	1,834.40	1,296.02	1,523.88
	Provisions	XXIII	386.46	388.94	192.21	592.23
	<b>Total expenses</b>		<b>47,876.21</b>	<b>44,265.59</b>	<b>43,772.22</b>	<b>34,443.09</b>
<b>H</b>	<b>Profit before tax but before exceptional items</b>		<b>7,476.86</b>	<b>7,781.15</b>	<b>6,504.07</b>	<b>8,305.54</b>
	<b>Exceptional items</b>	XXIIIA	123.17	-	-	-
	<b>Profit before tax but after exceptional items</b>		<b>7,353.69</b>	<b>7,781.15</b>	<b>6,504.07</b>	<b>8,305.54</b>
	<b>Tax expense:</b>					
	Current tax		1,804.30	3,321.06	2,915.20	2,930.71
	Deferred tax (credit) / charge		1,703.24	(298.06)	(453.29)	(53.48)

<b>I</b>	Adjustment of tax relating to earlier years		9.25	54.31	106.43	-
	<b>Profit for the period attributable to equity shareholders</b>		<b>3,836.90</b>	<b>4,703.84</b>	<b>3,935.73</b>	<b>5,428.31</b>
	<b>Share of Net Profit/(loss) of associate</b>		<b>933.69</b>	<b>620.90</b>	<b>1,026.00</b>	<b>554.27</b>
	<b>Profit for the year</b>		<b>4,770.59</b>	<b>5,324.74</b>	<b>4,961.73</b>	<b>5,982.58</b>
<b>J</b>	<b>Other comprehensive income ('OCI')</b>					
	<b>OCI not to be reclassified to profit or loss in subsequent periods:</b>					
	Remeasurement of defined employee benefit plan		(228.73)	(237.86)	(599.34)	(13.46)
	Income tax effect		57.55	83.12	207.42	4.66
<b>K</b>	Remeasurement of post-employment benefit obligation of associate		(19.35)	(39.24)	(8.30)	3.59
	<b>Total comprehensive income for the period attributable to equity shareholders</b>		<b>4,580.06</b>	<b>5,130.76</b>	<b>4,561.51</b>	<b>5,977.37</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

As per our report of even date

For and on behalf of the Board of Directors

For

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

**VAdm Narayan Prasad, IN (Retd)**  
Chairman and Managing  
Director

**Mitesh Chheda**

Partner

Membership No. 160688

**Sanjeev Singhal**

Director (Finance)

Date - 27th August, 2020

Place – Mumbai

**Vijayalakshmi Kamal Kumar**

Company Secretary

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure III**
**Restated Consolidated Summary Statement of Cash Flows**
**(₹ in million)**

Sr. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A</b>	<b>Cash flow from operating activities</b>				
	<b>Profit before tax (as restated)</b>	7,353.69	7,781.15	6,504.07	8,305.54
	<b>Adjustments for :</b>				
	<b>(+) Non cash expenditure and non-operating expenses</b>				
	Depreciation / Amortization including amount allocated in exceptional items	710.67	643.26	524.84	416.57
	Finance cost	92.64	90.76	90.81	93.13
	Amortization of prepaid rentals	1.54	1.52	1.52	1.52
	<b>(-) Non-operating income</b>				
	Profit / Loss on sale of fixed assets	20.30	1.79	1.92	(3.13)
	Interest income	(5,277.80)	(5,411.54)	(4,827.10)	(6,328.79)
	Amortization gain on deferred deposits of vendors	(1.43)	(1.32)	(0.69)	(0.16)
	Amortization of deferred revenue (customer funded assets)	(73.75)	(73.73)	(73.30)	(25.41)
	Interest income on deferred payment liability to foreign supplier	(37.42)	(37.69)	(37.92)	(38.80)
	Interest income on deferred deposit with MbPT	(1.89)	(1.76)	(1.60)	(1.55)
	<b>Operating profit before working capital changes</b>	<b>2,786.55</b>	<b>2,992.44</b>	<b>2,182.55</b>	<b>2,418.92</b>
	<b>Movement in working capital</b>				
	Decrease / (Increase) in inventories	(8,323.89)	(43.34)	2,426.87	2,160.14
	Decrease / (Increase) in trade receivables and loans and advances	201.76	(3,565.12)	(2,977.48)	2,293.79
	Decrease / (Increase) other current and non-current assets	3,956.48	(6,341.85)	5,538.48	(13,196.96)
	(Decrease) / Increase in trade payables and provisions	18,721.66	4,675.79	14,335.66	(1,608.14)
	(Decrease) / Increase in other current and non current liabilities	(16,216.67)	6,093.19	(13,528.25)	1,366.31
	<b>Cash flow from operations generated</b>	<b>1,125.89</b>	<b>3,811.11</b>	<b>7,977.83</b>	<b>(6,565.94)</b>
	<b>Direct tax paid (net of refunds)</b>	<b>(2,081.56)</b>	<b>(3,158.76)</b>	<b>(3,070.13)</b>	<b>(3,461.14)</b>
	<b>Net cash from (used in) operating activities (A)</b>	<b>(955.67)</b>	<b>652.35</b>	<b>4,907.70</b>	<b>(10,027.08)</b>
<b>B</b>	<b>Cash flow from investing activities</b>				

	Purchase of Property, plant and equipment (net of adjustments)	(1,095.00)	(1,718.28)	(1,929.38)	(2,183.34)
	Capital work in progress	88.06	(33.85)	130.46	711.56
	Proceeds from sale of property, plant and equipment	1.77	2.73	3.50	7.58
	Capital advance	(9.91)	57.72	(1.42)	(11.26)
	Interest received	5,277.80	5,411.54	4,827.10	6,328.79
	Dividend received	313.26	469.90	467.14	87.93
	Principal portion of lease payment	(38.58)	(23.73)	(18.24)	(11.42)
	<b>Net cash from / (used in) investing activities (B)</b>	<b>4,537.40</b>	<b>4,166.03</b>	<b>3,479.16</b>	<b>4,929.84</b>
<b>C</b>	<b>Cash flow from financing activities</b>				
	Dividend paid (including dividend distribution tax thereon)	(2,617.98)	(1,205.55)	(2,953.70)	(2,397.50)
	Buy Back of equity share capital	(2,778.84)	-	(2,534.90)	-
	Payment of buy back tax	(595.15)	-	(538.90)	-
	Finance cost – Lease	(50.36)	(49.75)	(52.29)	(54.18)
	Finance cost – Others	(3.42)	(2.12)	-	-
	<b>Net cash from / (used in) financing activities (C )</b>	<b>(6,045.75)</b>	<b>(1,257.42)</b>	<b>(6,079.79)</b>	<b>(2,451.68)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,464.02)</b>	<b>3,560.96</b>	<b>2,307.07</b>	<b>(7,548.92)</b>
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,296.81</b>	<b>3,735.85</b>	<b>1,428.78</b>	<b>8,977.70</b>
	<b>Cash and cash equivalents at the end of the period</b>	<b>4,832.79</b>	<b>7,296.81</b>	<b>3,735.85</b>	<b>1,428.78</b>

Note: Figure in bracket indicate outflow

Sr. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	<b>Components of cash and cash equivalents:</b>				
	Balances with banks:-				
	- In Current accounts				
	i) In India	98.97	320.55	16.43	6.07
	ii) Outside India	8.68	7.09	9.80	7.93
	- In cash credit accounts	0.01	0.18	-	-
	- In deposit accounts	4,725.13	6,968.99	3,709.52	1,414.78



	- In fixed deposit accounts - maturity less than 3 months	-	-	-	-
	Cash on hand	-	-	0.10	-
	<b>Total</b>	<b>4,832.79</b>	<b>7,296.81</b>	<b>3,735.85</b>	<b>1,428.78</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Notes Annexure XXVIII.

As per our report of even date

For and on behalf of the Board of Directors

For

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing  
Director

**Mitesh Chheda**

Partner

Membership No. 160688

**Sanjeev Singhal**

Director (Finance)

Date - 27th August, 2020

Place – Mumbai

**Vijayalakshmi Kamal Kumar**

Company Secretary

**MAZAGON DOCK SHIPBUILDERS LIMITED**  
**Annexure IV**  
**Restated Consolidated Statement of Changes in Equity**

**(A) Equity share capital**

<b>(₹ in million)</b>				
<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Opening balance	2,241.00	2,241.00	2,490.00	1,992.00
Changes in equity share capital during the period				
Buy back of equity shares	(224.10)	-	(249.00)	-
Issue of bonus share (in the ratio of 1 : 4)	-	-	-	498.00
<b>Closing balance</b>	<b>2,016.90</b>	<b>2,241.00</b>	<b>2,241.00</b>	<b>2,490.00</b>

**(B) Other equity**

**For the year ended 31st March, 2020**

**(₹ in million)**

<b>Particulars</b>	<b>Retained Earnings</b>	<b>General reserve</b>	<b>Capital reserve</b>	<b>Indigenisation Fund</b>	<b>Capital Redemption Reserve</b>	<b>Other Comprehensive Income (OCI)</b>	<b>Total Other Equity</b>
<b>Balance as at 1st April, 2019</b>	7,471.66	21,980.53	0.50		988.20	(512.70)	29,928.19
Profit / (loss) for the year	3,836.90						3,836.90
Share of change in reserves of associate	848.37						848.37
Remeasurement of defined employee benefit plan (net of tax)			..			(171.18)	(171.18)
Indigenisation Fund	(103.90)			103.90			-
Buy Back of shares at premium		(2,554.74)					(2,554.74)
Tax on Buyback	(595.15)						(595.15)
Transfer from General Reserve to Capital Redemption Reserve		(224.10)			224.10		-
Dividends							-
Interim	(1,613.40)						(1,613.40)
Final	(558.20)						(558.20)
Tax on dividends	(446.38)						(446.38)
Transfer to General Reserve	(4,000.00)	4,000.00					-
<b>Balance as at 31st March, 2020</b>	<b>4,839.90</b>	<b>23,201.69</b>	<b>0.50</b>	<b>103.90</b>	<b>1,212.30</b>	<b>(683.88)</b>	<b>28,674.41</b>

**For the year ended 31st March, 2019**
**(₹ in million)**

Particulars	Retained Earnings	General reserve	Capital reserve	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at 1st April, 2018</b>	3,488.24	21,980.53	0.50	988.20	(357.96)	26,099.51
Profit / (loss) for the year	4,703.84					4,703.84
Share of change in reserves of associate	485.13					485.13
Remeasurement of defined employee benefit plan (net of tax)					(154.74)	(154.74)
Dividends						
Interim	(1,000.00)					(1,000.00)
Final						-
Tax on dividends	(205.55)					(205.55)
<b>Balance as at 31st March, 2019</b>	<b>7,471.66</b>	<b>21,980.53</b>	<b>0.50</b>	<b>988.20</b>	<b>(512.70)</b>	<b>29,928.19</b>

**For the year ended 31st March, 2018**
**(₹ in million)**

Particulars	Retained Earnings	General reserve	Capital reserve	Capital Redemption Reserve	Other Comprehensive Income (OCI)	Total Other Equity
<b>Balance as at 1st April, 2017</b>	2,122.40	24,515.43	0.50	739.20	33.96	27,411.49
Profit / (loss) for the year	3,935.73					3,935.73
Share of change in reserves of associate	922.71					922.71
Remeasurement of defined employee benefit plan (net of tax)					(391.92)	(391.92)
Buy back of shares at premium		(2,285.90)				(2,285.90)
Transfer from general surplus to capital redemption surplus		(249.00)		249.00		-
Tax on buy back	(538.90)			-		(538.90)
Dividends						-
Interim	(1,800.00)					(1,800.00)
Final	(654.10)					(654.10)
Tax on dividends	(499.60)					(499.60)
Utilized for expenses						-

Transfer from surplus		-				-
<b>Balance as at 31st March, 2018</b>	<b>3,488.24</b>	<b>21,980.53</b>	<b>0.50</b>	<b>988.20</b>	<b>(357.96)</b>	<b>26,099.51</b>

**For the year ended 31st March, 2017**

**(₹ in million)**

<b>Particulars</b>	<b>Retained Earnings</b>	<b>General Surplus</b>	<b>Capital Surplus</b>	<b>Capital Redemption Surplus</b>	<b>CSR Fund</b>	<b>Other Comprehensive Income (OCI)</b>	<b>Total Other Equity</b>
<b>Balance as at 1st April, 2016</b>	(1,590.05)	24,327.33	0.50	1,237.20	188.10	42.76	24,205.84
Profit / (loss) for the year	5,428.31						5,428.31
Share of change in reserves of associate	681.64						681.64
Remeasurement of defined employee benefit plan (net of tax)						(8.80)	(8.80)
Changes in accounting policies / prior period items							-
Issue of bonus shares				(498.00)			(498.00)
Dividends							-
Interim	(1,000.00)						(1,000.00)
Final	(992.00)						(992.00)
Tax on dividends	(405.50)						(405.50)
Restatement of LD Adjustment							-
Transfer to general surplus					(188.10)		(188.10)
Transfer from CSR surplus		188.10					188.10
<b>Balance as at 31st March, 2017</b>	<b>2,122.40</b>	<b>24,515.43</b>	<b>0.50</b>	<b>739.20</b>	<b>-</b>	<b>33.96</b>	<b>27,411.49</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

The description of the nature and purpose of each surplus within equity is as follows:

Capital reserve: The capital reserve was created till 1974 on the realized profit on sale of fixed asset

Capital redemption reserve: These reserve are created out of redemption of 7% Redeemable cumulative preference shares and buy back of Equity shares.

Dividend: The Board has recommended the final dividend for FY 2019-20 of ₹ 461.70 million. This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

Buyback: The Company has completed 10% Buyback of equity shares (No. Of Shares: 24.9 million of ₹10 each) for ₹2,534.86 million and ₹538.88 million tax thereon total amounting to ₹3,073.73 million in December 2017.

The Company has also completed 10% Buyback of equity shares (No. Of Shares: 22.41 million of ₹10 each) for ₹2,778.84 million and ₹558.20 million tax thereon total amounting to ₹3,337.04 million in March 2020.

Indigenisation Fund: The fund is created as per Indigenisation policy for providing support for future indigenisation.

As per our report of even date

For and on behalf of the Board of Directors

For

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

**VAdm Narayan Prasad, IN (Retd)**

Chairman and Managing Director

**Mitesh Chheda**

Partner

Membership No. 160688

**Sanjeev Singhal**

Director (Finance)

Date - 27th August, 2020

Place – Mumbai

**Vijayalakshmi Kamal Kumar**

Company Secretary

## **MAZAGON DOCK SHIPBUILDERS LIMITED**

### **Annexure V**

#### **Notes to Restated Consolidated Summary Statements-Accounting Policies**

##### **Note 1: Statement of Significant Accounting Policies**

###### **1) Corporate information:**

The Company is a Government Company domiciled and incorporated in India. The registered office of the Company is located at Dockyard Road, Mumbai.

The Company is principally engaged in building and repairing of ships, submarines, various types of vessels and related engineering products for its customers.

###### **2) Significant accounting policies:**

###### **2.1 Basis of preparation:**

The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2020, 2019, 2018 and 2017 and the related Restated Consolidated Summary Statement of Profit and Loss, Restated Consolidated Summary Statement of Changes in Equity and Restated Consolidated Summary Statement of Cash Flows for the year ended March 31, 2020, 2019, 2018 and 2017 (hereinafter collectively referred to as “Restated Consolidated Financial Information”) have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Registrar of companies (ROC), Stock exchange in connection with proposed Initial Public Offering (“IPO”) through Offer for Sale of its equity shares.

These Restated Consolidated Financial Information have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. These Restated Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the SEBI regulations”) as amended from time to time.

The Restated Consolidated Financial Information have been compiled from the audited annual consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 which were prepared by the Company in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

The Restated Consolidated Financial information were approved by the board of directors of the Company on 27th August, 2020.

###### **2.2 Summary of significant accounting policies:**

###### **a) Use of estimates :**

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances

surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized:

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. Recognition of deferred tax assets:

A deferred tax asset is recognised for all the deductible temporary differences and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the unused tax losses can be utilized. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may vary.

v. Discounting of long-term financial liabilities

All financial liabilities are measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. Determination of estimated cost to complete the contract is required for computing revenue as per Ind AS 115 on 'Revenue Recognition'. The estimates are revised periodically.

b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

i. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

ii. A liability is treated as current when it is:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

c) Property, plant and equipment:

i. Property, plant and equipment, including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital works executed internally are valued at prime cost plus appropriate overheads.

· Cost means cost of acquisition, inclusive of inward freight, duties, taxes and other incidental expenses incurred in relation to acquisition of such assets. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised.

· When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

· When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

· Spares purchased along with PPE are capitalised.

· The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

· Unserviceable tangible assets are valued at the net realisable value. In case the net realisable value is not available, the same is considered at 5% of original cost as scrap value. For IT hardware assets, i.e. end user devices such as desktops, laptops, etc. residual value is considered as nil.

· An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The Company has elected to measure all its Property Plant & Equipment, on the date of transition i.e. 1st April 2015, at deemed cost being the carrying value of the assets in accordance with previous GAAP.

Funds received from customers for acquisition or construction of property, plant and equipment from 1st April, 2015, are recognised as deferred revenue, which is amortised equally over the useful lives of the assets.

ii. Depreciation:



(a) Depreciation is calculated on a straight-line basis, based on the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful lives are estimated on technical assessment by technical experts, past trends and management estimates:

Asset class	Description	Years
Plant & Machinery	Wet basin	60 years
Plant & Machinery	Goliath crane (300 ton capacity)	30 years

(b) Loose tools costing over ₹ 5000 is written off evenly over a period of five years commencing from the year of purchase.

(c) Additions to assets individually costing ₹ 5000 or less are depreciated at 100%.

(d) Spares purchased along-with the main asset are depreciated over the estimated useful life of that asset.

(e) In respect of additions / extensions forming an integral part of the existing assets, depreciation has been provided over residual life of the respective assets.

(f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Depreciation on property, plant and equipment commences when the assets are ready for intended use

(h) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life of the assets.

(i) The residual value of all the assets have been considered at 5% of the original cost of the respective assets, except for computer and related hardware assets, where the residual value is considered to be nil.

(j) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

d) Intangible assets:

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment, if any. Amortisation is done over their estimated useful life of five years on straight line basis from the date they are available for intended use.

e) Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less cost of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Investment in associate:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control over those policies.

Company has investment in equity shares of its associate and it is measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

Exemption availed under Ind AS 101: On transition to Ind AS, Company has elected to continue with the carrying value of its investments in its associate as at April 1, 2015, measured as per previous GAAP and used that carrying value as the deemed cost of the same.

g) Foreign currency transactions:

The financial statements are prepared in Indian Rupees being the functional currency.

· Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.

- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date.
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
- Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

h) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds and includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

i) Inventory valuation

- Raw materials and stores and general spares are valued at weighted average cost.
- Equipment for specific projects are valued at cost.
- Stock-in-transit is valued at cost.
- Cost of inventories comprises of purchase cost, conversion and other cost incurred in bringing them to the present location and condition.
- Provision for obsolescence will be made for raw materials, stores and spares not moved for over 3 years. For Project specific material, obsolescence is provided to the items for which shelf life is expired.
- Scrap is valued at estimated net realizable value.
- Work in progress and finished goods other than construction contracts & ship repair contracts have been valued at lower of cost and net realisable value.

j) Revenue recognition

i. Ship construction & repair contracts

Revenue from Ship Construction / repair Contracts shall be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met-

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs
- the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time (i.e. under the percentage of completion method). For the application of the overtime method (PoC method), the measure of the progress towards complete satisfaction of a performance obligations is based on inputs (i.e. cost incurred).

Fixed Price Contract:

Revenues from construction contracts with customers are recognized over time using input method i.e. by comparing the actual costs incurred to the total costs anticipated for the entire contract. These estimates are revised periodically.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction / repair contract cannot be reliably estimated, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

#### Cost Plus Contract:

In case of Cost plus contracts, contract revenue is recognized on the basis of cost incurred plus profit margin applicable on the contract, when such cost can be estimated reliably.

Additional revenue, in respect of contracts completed in earlier years, is accounted for as contract revenue in the year in which such revenue materializes.

For contracts in which performance obligation is satisfied within 12 months (at a point of time), revenue is recognised at the time of completion of performance obligation.

#### Contract Asset:

The company's right to consideration in exchange for goods or services that the company has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

#### Contract Liability:

The company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer

#### Revenue from supply of Base & Depot (B&D) spares:

Revenue from supply of B&D spares is to be recognised based on satisfaction of performance obligation satisfied at a point in time based on proof of receipts of goods from Naval stores.

#### Revenue for contract is yet to be finalized or under revision

Revenue is recognised based on agreed prices with customer. In certain cases, where the prices are yet to be agreed upon/ determined /revised the revenue is recognised on estimation basis. Upon the agreement with customer, differential revenue, if any, is recognised on the revision of contract amount.

#### ii. Dividend income

Dividend income from investments is recognized when the Company's right to receive payment has been established.

#### iii. Interest income

For all debt instruments, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

#### v. Insurance claims:

Amounts due against insurance claims are accounted for on accrual basis; in respect of claims which are yet to be finally settled at the end of reporting date by the underwriter, credits are reckoned, based on the company's estimate of the realisable value.

#### k) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets:

##### i. Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

ii. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Financial assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

iv. Financial assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v. Financial assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi. Investment in equity instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income.

vii. Investment in debt instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

viii. Impairment of financial asset:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss of all the financial assets that are debt instrument and trade receivable.

ix. Derecognition of financial assets:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities:

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

i. Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

ii. Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. In each financial year, the unwinding of discount pertaining to financial liabilities is recorded as finance cost in the statement of profit and loss.

iii. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

iv. Retentions

Retention amount payable / receivable under the terms of the contracts with the vendors / customers are retained towards performance obligation under the normal terms of trade and do not constitute financial arrangement and hence are not amortised.

v. Security deposit

Security Deposits obtained from vendors below ₹ 1 lakh individually are not amortised as the same is not considered material.

l) Leases

In March 2019 the Ministry of Corporate Affairs notified the new standard Ind AS 116 which replaces the Ind AS 17 "Leases", Appendix A of Ind AS 17 "Operating Leases—Incentives", Appendix B of Ind AS 17 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". and Appendix C of Ind AS 17 "Determining Whether an Arrangement Contains a Lease".

Ind AS 116 introduces a uniform lessee accounting model. Applying that model, a lessee is required to recognise a right-of-use asset representing the lessee's right to use the underlying asset and a financial liability representing the lessee's obligation to make future lease payments. There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable to that provided by the existing leases standard and hence lessors will continue to classify their leases as operating leases or finance leases.

The Company adopted the new standard Ind AS 116 for accounting period beginning on or after April 1,2019 using retrospective method and therefore the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings with restatement of comparative information.

Identifying a lease

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The previous determination pursuant to Ind AS 17 and Appendix C of Ind AS 17 of Determining Whether an Arrangement Contains a Lease” is maintained for existing contracts.

i. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on assessment of whether the risks and rewards incidental to ownership of the underlying asset were transferred. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of its leases. Leases which were classified as operating lessees under Ind AS 17 are now recognised on the balance sheet. Lease term includes Non-cancellable period (which includes the period covered by the option to terminate the lease, if only a lessor has right to terminate a lease), periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Lease term begins at the commencement date and include any rent free period. Termination options held by the lessor are not considered when determining the lease term.

Extension and termination options are taken into account on recognition of the lease liability if the Company is reasonably certain that these options will be exercised in the future.

As a general rule, the Company recognizes non-lease components such as services separately from lease payments. Non-lease components are identified and accounted for separately from the lease component in accordance with other Ind AS.

When applying Ind AS 116 for the first time, the Company has used the following practical expedients for leases previously classified as operating leases under Ind AS 17:

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics,
- The right-of-use to the leased asset has generally been measured at the amount of the lease liability, using the discount rate at the commencement of lease. Where accrued lease liabilities existed, the right-of-use asset has been adjusted by the amount of the accrued lease liability under Ind AS 116. At initial application of Ind AS 116, the measurement of the right-of-use does not include initial direct costs. In some cases, the value of right-of-use assets may differ from the value of the liabilities due to offsetting against existing provisions or as a result of valuation allowances. - Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before April 1,2018..
- Not to apply the new recognition requirements to short-term leases and to leases of low value assets as soon as the new standard is effective.
- The definition of a lease in accordance with Ind AS 17 and Appendix C to Ind AS 17 will continue to be applied to leases entered or changed before April 1,2018, and as a result the Company has not reassessed whether a contract is or contains a lease on transition.
- Leases with a determined lease term of less than 12 months remaining from April 1,2018 have been treated as short term. Availing exemption by the Company

Furthermore, the Company has also elected to make use of the following exemptions provided by Ind AS 116:

- a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease.
- b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to value a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight line basis across the life of the lease. To apply this exemption, a threshold of Rs.1,00,000/- has been utilised to define “low value”. The Company’s operating leases mainly relate to real estate assets, company cars and equipment. The most significant impact identified by the Company relates to its operating leases of real estate assets (such as land, warehouses, storage facilities and offices).

For leases that were classified as finance leases under Ind AS 17, the Company did not change the carrying amount of the right-of-use asset and the lease liability as of March 31,2019, measured under Ind AS 17.

ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

iii. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and post-retirement medical scheme for non executives; and
- (b) defined contribution plans such as provident fund, pension and post-retirement medical scheme for executives.

Gratuity

Gratuity Fund, a defined benefit scheme, is administered through duly constituted independent Trust and yearly contributions based on actuarial valuation are charged to revenue. Any additional provision as may be required is provided for on the basis of actuarial valuation as per Ind AS 19 on Employee Benefits.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Post-retirement medical scheme

The post-retirement medical scheme to the non executives employees is a defined benefit plan and is determined based on actuarial valuation as per Ind AS 19 on Employee Benefits using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The post-retirement medical scheme liability towards executives is recognised on accrual basis and charged to statement of profit and loss, which is a contribution plan.

Provident fund and Pension

Retirement benefits in the form of Provident fund and Family pension funds are defined contribution plans and the contribution is charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due in accordance with the relevant statute.

Defined contribution to Superannuation Pension Scheme is charged to statement of Profit & Loss at the applicable contribution rate as per approved Pension scheme.

n) Dividend to equity shareholders

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

o) Provision for current & deferred tax

Income tax expense represents the sum of current tax, deferred tax and adjustments for tax provisions of previous years. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current income tax:

Current tax comprises of the expected tax payable on the taxable income for the year. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

p) Provision for doubtful debts and loans and advances :

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

q) Warranty provision:

Provision for warranty related costs are recognised when the product is sold or services are rendered to the customer in terms of the contract. Initial recognition is based on the historical experience and management estimates. The initial estimate of warranty related costs are revised periodically.

r) Provision, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation



Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

**Mazagon Dock Shipbuilders Limited**  
**Annexure VI**  
**Restated Consolidated Statement of Capitalisation**

(₹ in million)

Particulars	Pre-offer as at 31st March, 2020	Adjusted for post offer
<b>Debts</b>		
Short Term Debts	Nil	Nil
Long Term Debts	Nil	Nil
<b>Total Debts</b>	Nil	Nil
<b>Share Holder's Funds</b>		
Share Capital	2,016.90	2,016.90
Surplus as Restated	28,674.41	28,674.41
Total Share Holders Funds	30,691.31	30,691.31
Total Debts/Total Shareholders' Funds	Nil	Nil
Long Term Debts/ Total Shareholders' Funds	Nil	Nil

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure VII**
**Statement of Restatement Adjustments to Audited Consolidated Financial Statements**

The summary of results of restatement adjustments made in the audited Consolidated Financial Statements for the respective years and its impact on the profit of the company is as follows:

Sr no.	Particulars	(₹ in million)		
		For the year ended		
		31st March, 2019	31st March, 2018	31st March, 2017
<b>A</b>	<b>Profit for the year as per audited financial statements</b>	<b>5,345.99</b>	<b>4,956.92</b>	<b>5,850.95</b>
<b>B</b>	<b>Adjustments to net profit as per audited financial statements</b>			
<b>1</b>	<b>Restatements</b>			
a.	<b>Due to prior period items</b>			
	<b>Increase/(Decrease) in Income</b>			
	Increase in unwinding of lease due to adoption of Ind AS 116	3.01	1.11	-
	Decrease in Revenue from Operations	(351.95)	(176.23)	(462.63)
	Decrease in provisions written back	(29.67)	-	-
	Excess booking of revenue	-	(133.74)	-
	Reversal of gratuity expenses now restated	-	130.65	-
	Reversal of CSR expenditure	-	0.90	-
	Reversal of Employee benefit expense	-	3.20	-
b.	<b>Material adjustments relating to previous years</b>			
	<b>Increase/(Decrease) in Income</b>			
	<b>(Increase)/Decrease in Expenses</b>			
	Increase in finance cost due to adoption of Ind AS 116	(49.75)	(52.29)	(54.18)
	Reversal of actuarial gain / loss on leave encashment	-	-	(114.58)
	Increase in depreciation due to adoption of Ind AS 116	(29.08)	(22.67)	(22.67)
	Decrease in amortization of prepaid rent due to adoption of Ind AS 116	11.34	5.06	5.06
	Decrease in Provision for Liquidated Damages	358.90	182.15	492.30
	Decrease in Rent due to adoption of Ind AS 116	70.47	69.41	65.60
<b>C</b>	<b>Total adjustments</b>	<b>(16.73)</b>	<b>7.55</b>	<b>(133.37)</b>

<b>D</b>	<b>Restated profit / (loss) before tax adjustments (A-C)</b>	<b>5,329.26</b>	<b>4,964.47</b>	<b>5,717.58</b>
<b>E</b>	<b>Tax impact of adjustments</b>			
a.	On restatement adjustments-income/(expense)	(2.43)	(2.96)	265.00
b.	On Ind AS adjustments	(2.09)	0.22	-
<b>F</b>	<b>Restated profit / (loss) after tax</b>	<b>5,324.74</b>	<b>4,961.73</b>	<b>5,982.58</b>

The above statement should be read with the notes to the Restated Consolidated Summary Statements as appearing in Annexure V.

### **Tax Adjustments**

The impact, if any on the restated items in Sr. No. E above on the tax has been treated as deferred tax adjustments in the Restated Consolidated Summary Statements.

### **Material regroupings**

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company for the year ended 31st March, 2020 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (as amended).

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure VIII**
**Restated Consolidated Statement of Property, plant and equipment and Intangible assets**

Property, plant and equipment													(₹ in million)
Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-16	Additions	Adjustments	Disposal	Balance 31-03-17	Opening 01-04-16	For the Year	Adjustments	Disposal	Balance 31-03-17	As on 31-03-17	As on 31-03-16
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	286.70	-	-	-	286.70	-	-	-	-	-	286.70	286.70
2	Buildings: i) Factory Building	88.47	85.60	-	-	174.07	4.40	6.02	-	-	10.42	163.65	84.07
	ii) Office and Staff Quarters												
	a) RCC	158.50	29.30	-	-	187.80	2.70	5.35	-	-	8.05	179.75	155.80
	b) Non RCC	25.60	13.70	-	-	39.30	1.00	1.52	-	-	2.52	36.78	24.60
	iii) Others (Temporary structure)	0.90	-	-	-	0.90	0.30	0.28	-	-	0.58	0.32	0.60
3	Road	66.69	-	-	-	66.69	9.80	13.35	-	-	23.15	43.54	56.89
4	Plant and Equipment	1,196.40	244.90	-	76.52	1,364.78	76.50	99.29	-	72.74	103.05	1,261.73	1,119.90
5	Furniture and Fixtures	103.54	31.00	-	-	134.54	14.80	15.35	-	-	30.15	104.39	88.74

6	Vehicles	167.68	6.30	-	1.18	172.80	21.20	23.58	-	1.10	43.68	129.12	146.48
7	Office Equipment	106.08	75.70	-	7.89	173.89	30.60	31.99	-	7.50	55.09	118.80	75.48
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	37.00	30.70	-	24.71	42.99	14.20	20.04	-	24.60	9.64	33.35	22.80
	ii) Server and Network	59.80	133.30	-	3.41	189.69	15.80	19.43	-	3.40	31.83	157.86	44.00
9	Loose Tools	14.37	10.70	-	-	25.07	6.20	12.95	-	-	19.15	5.92	8.17
10	Ship - Launches and Boats	30.19	-	-	-	30.19	1.50	1.50	-	-	3.00	27.19	28.69
	Electrical Installation and Equipments	90.10	33.40	-	1.29	122.21	13.50	14.87	-	1.20	27.17	95.04	76.60
11	Right to use asset - Leasehold land	451.34	-	-	-	451.34	237.15	22.67	-	-	259.82	191.52	214.19
	<b>Sub-total</b>	<b>2,883.36</b>	<b>694.60</b>	<b>-</b>	<b>115.00</b>	<b>3,462.96</b>	<b>449.65</b>	<b>288.19</b>	<b>-</b>	<b>110.54</b>	<b>627.30</b>	<b>2,835.66</b>	<b>2,433.71</b>
	Previous Year's Figures	2,059.54	837.92	(3.60)	10.50	2,883.36	214.48	244.47	-	9.30	449.65	2,433.71	1,845.06

Note: 9 Nos Vessels under the head "Launches and Boats" costing ` 30.19 million are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-16	Additions	Adjustments	Disposal	Balance 31-03-17	Opening 01-04-16	For the Year	Adjustments	Disposal	Balance 31-03-17	As on 31-03-17	As on 31-03-16
1	Buildings: i) Factory Building	867.60	931.75	-	-	1,799.35	27.80	30.39	-	-	58.19	1,741.16	839.80
	ii) Office and Staff Quarters						-				-	-	-
	a) RCC	-	156.50	-	-	156.50	-	0.24	-	-	0.24	156.26	-
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	-	13.28	-	-	13.28	-	0.22	-	-	0.22	13.06	-
3	Plant and Equipment	398.20	131.15	-	-	529.35	41.90	19.60	-	-	61.50	467.85	356.30
4	Electrical	-	62.62	-	-	62.62	-	0.52	-	-	0.52	62.10	-
5	Installation and Equipments	-	22.62	-	-	22.62	-	0.55	-	-	0.55	22.07	-
6	Furniture and Fixtures	-	14.51	-	-	14.51	-	0.70	-	-	0.70	13.81	-
7	Office Equipment Computers and Data Processing Units	-					-				-	-	-
	i) Server and Network	33.80	-	-	-	33.80	0.20	5.63	-	-	5.83	27.97	33.60
8	Ship - Launches and Boats	-	101.71	-	-	101.71	-	1.13	-	-	1.13	100.58	-
	<b>Sub-total</b>	<b>1,299.60</b>	<b>1,434.14</b>	<b>-</b>	<b>-</b>	<b>2,733.74</b>	<b>69.90</b>	<b>58.98</b>	<b>-</b>	<b>-</b>	<b>128.88</b>	<b>2,604.86</b>	<b>1,229.70</b>
	Previous Year's Figures	1,006.60	260.30	32.70	-	1,299.60	-	69.90	-	-	69.90	1,229.70	1,159.78

	<b>Total (A+B)</b>	<b>4,182.96</b>	<b>2,128.74</b>	<b>-</b>	<b>115.00</b>	<b>6,196.70</b>	<b>519.55</b>	<b>347.17</b>	<b>-</b>	<b>110.54</b>	<b>756.18</b>	<b>5,440.52</b>	<b>3,663.41</b>
	Previous Year's Figures	3,066.14	1,098.22	29.10	10.50	4,182.96	214.48	314.37	-	9.30	519.55	3,663.41	3,004.84

### Intangible Assets

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-16	Additions in the year	Adjustments in the Year	Disposal in the Year	Balance 31-03-17	Opening 01-04-16	For the Year	Adjustments in the Year	Disposal in the Year	Balance 31-03-17	As on 31-03-17	As on 31-03-16
A	Assets Owned by MDL												
1	Computer Software/SAP-ERP	72.70	-	-	-	72.70	9.30	14.88	-	-	24.18	48.52	63.40
2	Other than SAP-ERP	183.90	54.62	-	-	238.52	36.80	50.89	-	-	87.69	150.83	147.10
	<b>Sub-total</b>	<b>256.60</b>	<b>54.62</b>	<b>-</b>	<b>-</b>	<b>311.22</b>	<b>46.10</b>	<b>65.77</b>	<b>-</b>	<b>-</b>	<b>111.87</b>	<b>199.35</b>	<b>210.50</b>
	Previous Year's Figures	90.50	166.10	-	-	256.60	-	46.10	-	-	46.10	210.50	90.50

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-16	Additions in the year	Adjustments in the Year	Disposal in the Year	Balance 31-03-17	Opening 01-04-16	For the Year	Adjustments in the Year	Disposal in the Year	Balance 31-03-17	As on 31-03-17	As on 31-03-16
1	Computer Software/SAP-ERP	100.00	-	-	-	100.00	100.00	-	-	-	100.00	-	-
2	Other than SAP-ERP	18.10	-	-	-	18.10	0.30	3.63	-	-	3.93	14.17	17.80
	<b>Sub Total</b>	<b>118.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.10</b>	<b>100.30</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>103.93</b>	<b>14.17</b>	<b>17.80</b>
	Previous Year's Figures	-	118.10	-	-	118.10	-	100.30	-	-	100.30	17.80	-
	<b>Total (A+B)</b>	<b>374.70</b>	<b>54.62</b>	<b>-</b>	<b>-</b>	<b>429.32</b>	<b>146.40</b>	<b>69.40</b>	<b>-</b>	<b>-</b>	<b>215.80</b>	<b>213.52</b>	<b>228.30</b>
	Previous Year's Figures	90.50	284.20	-	-	374.70	-	146.40	-	-	146.40	228.30	90.50
	<b>Total</b>	<b>4,557.66</b>	<b>2,183.36</b>	<b>-</b>	<b>115.00</b>	<b>6,626.02</b>	<b>665.95</b>	<b>416.57</b>	<b>-</b>	<b>110.54</b>	<b>971.98</b>	<b>5,654.04</b>	<b>3,891.71</b>
	Previous Year's Figures	3,156.64	1,382.42	29.10	10.50	4,557.66	214.48	460.77	-	9.30	665.95	3,891.71	3,095.34

(i)

Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 11.40 million (2016: ₹ 11.40 million, 2015: ₹ 16.56 million).



- (ii) Government of Kerala has assigned “Free of Cost” 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled “National Institute for Research and Design in Defence Shipbuilding” (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the year except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the year as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers and data processing units where no residual value is retained.
- (vii) Lease agreements have not been executed in the cases of:-
- ) 1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However, MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.  
2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 2 million. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
- (vi) As per Significant Accounting Policy at Para-IV (C), assets amounting to ₹ 1149.20 million (2016: ₹ 1113.52 million, 2015: ₹ 957.20 million) (net cost to Company) were capitalised upto 31st March 2017 as jointly funded by the Company and Indian Navy and depreciation of ₹ 307.00 million (2016: ₹ 124.40 million, 2015: ₹ 35.60 million) has been accounted on it upto 31st March 2016. Total Assets of ₹ 10161.20 million (2016: ₹ 8727.20 million, 2015: ₹ 8192.40 million) are jointly funded by the Company and Indian Navy.

**Assets jointly funded by MDL and Indian Navy**

**(₹ in million)**

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships, Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible asset SAP	Roads	Total as on 31-03-17	Total as on 31-03-16
1	Total Cost upto 31.03.2017	3,378.80	62.60	6,379.00	34.50	9.60	101.70	15.80	24.10	141.80	13.30	<b>10,161.20</b>	<b>8,727.20</b>

2	Less: Funded By Navy	2,540.90	62.60	6,109.80	34.50	9.60	96.60	15.80	24.10	118.10	-	<b>9,012.00</b>	<b>7,613.68</b>
<b>3</b>	<b>Funded By MDL</b>	837.90	-	269.20	-	-	5.10	-	-	23.70	13.30	<b>1,149.20</b>	<b>1,113.52</b>
	Previous Year's Figures	822.13	-	267.73	-	-	-	-	-	23.67	-	<b>1,113.52</b>	<b>957.15</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure VIII**

**Restated Consolidated Statement of Property, plant and equipment and Intangible assets**

**Property, plant and equipment**

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-17	Additions	Adjustments	Disposal	Balance 31-03-18	Opening 01-04-17	For the Year	Adjustments	Disposal	Balance 31-03-2018	As on 31-03-18	As on 31-03-17
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	286.70	182.77	-	-	469.47	-	-	-	-	-	469.47	286.70
2	Buildings: i) Factory Building	174.07	3.23	-	0.13	177.17	10.42	8.49	-	0.12	18.79	158.38	163.65
	ii) Office and Staff Quarters	-						-	-	-			
	a) RCC	187.80	1.94	-	0.06	189.68	8.05	5.69	-	0.06	13.68	176.00	179.75
	b) Non RCC	39.30	32.17	-	-	71.47	2.52	2.27	-	-	4.79	66.68	36.78

	iii) Others (Temporary structure)	0.90	-	-	-	0.90	0.58	0.28	-	-	0.86	0.04	0.32
3	Road	66.69	-	0.60	-	67.29	23.15	12.61	-	-	35.76	31.53	43.54
4	Plant and Equipment	1,364.78	721.30	(0.60)	6.47	2,079.01	103.05	112.80	-	5.76	210.09	1,868.92	1,261.73
5	Furniture and Fixtures	134.54	9.56	-	0.27	143.82	30.15	15.99	-	0.25	45.89	97.93	104.39
6	Vehicles	172.80	22.01	-	2.40	192.41	43.68	24.22	-	2.26	65.64	126.77	129.12
7	Office Equipment	173.89	18.76	-	1.68	190.97	55.09	33.23	-	1.61	86.71	104.26	118.80
8	Computers and Data Processing Units	-											
	i) Desktops, Laptops etc.	42.99	25.99	-	13.61	55.37	9.64	24.46	-	13.58	20.52	34.85	33.35
	ii) Server and Network	189.69	114.32	-	19.28	284.73	31.83	38.44	-	15.34	54.93	229.80	157.86
9	Loose Tools	25.07	12.94	-	-	38.01	19.15	7.88	-	-	27.03	10.98	5.92
10	Ship - Launches and Boats	30.19	13.43	-	-	43.62	3.00	1.56	-	-	4.56	39.06	27.19
11	Electrical Installation and Equipments	122.21	23.22	-	-	145.43	27.17	17.46	-	-	44.63	100.80	95.04
12	Right to use asset - Leasehold land	451.34	420.61	-	-	871.95	259.82	22.67	-	-	282.49	589.46	191.52
	<b>Sub-total</b>	<b>3,462.96</b>	<b>1,602.25</b>	<b>-</b>	<b>43.90</b>	<b>5,021.30</b>	<b>627.30</b>	<b>328.05</b>	<b>-</b>	<b>38.98</b>	<b>916.37</b>	<b>4,104.93</b>	<b>2,835.66</b>
	Previous Year's Figures	2,883.36	694.60	-	115.00	3,462.96	449.65	288.19	-	110.54	627.30	2,835.66	2,433.71

Note: 10 Vessels under the head "Launches and Boats" costing ₹ 43.62 million (Previous year - ₹ 30.19 million) out of which ₹ 30.19 million (Previous year - ₹ 30.19 million) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1838 / Indian Vessels Act, 1917 and registration of one vessel costing ₹ 13.43 million in the name of CMD is under process as on 31st March, 2018.

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-17	Additions	Adjustments	Disposal	Balance 31-03-18	Opening 01-04-17	For the Year	Adjustments	Disposal	Balance 31-03-2018	As on 31-03-18	As on 31-03-17
1	Buildings: i) Factory Building	1,799.35	15.51	-	-	1,814.86	58.19	57.76	-	-	115.95	1,698.91	1,741.16
	ii) Office and Staff Quarters		-	-	-	-	-	-	-	-	-	-	-
	a) RCC	156.50	5.59	-	-	162.09	0.24	2.83	-	-	3.07	159.02	156.26
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	13.28	-			13.28	0.22	2.52			2.74	10.54	13.06
3	Plant and Equipment Electrical	529.35	136.20	-	-	665.55	61.50	29.85	-	-	91.35	574.20	467.85
4	Installation and Equipments	62.62	2.26	-	-	64.88	0.52	6.15	-	-	6.67	58.21	62.10
5	Furniture and Fixtures	22.62	-	-	-	22.62	0.55	2.11	-	-	2.66	19.96	22.07
6	Office Equipment	14.51	0.79	-	-	15.30	0.70	2.81	-	-	3.51	11.79	13.81
7	Computers and Data Processing Units	-	-			-	-				-		-
	i) Server and Network	33.80	-	-	-	33.80	5.83	5.70	-	-	11.53	22.27	27.97
8	Ship - Launches and Boats	101.71	12.54	-	-	114.25	1.13	3.82	-	-	4.95	109.30	100.58

	<b>Sub-total</b>	<b>2,733.74</b>	<b>172.89</b>	-	-	<b>2,906.63</b>	<b>128.88</b>	<b>113.55</b>	-	-	<b>242.43</b>	<b>2,664.20</b>	<b>2,604.86</b>
	Previous Year's Figures	1,299.60	1,434.14	-	-	2,733.74	69.90	58.98	-	-	128.88	2,604.86	1,229.70
	<b>Total Tangibles Assets (A+B)</b>	<b>6,196.70</b>	<b>1,775.14</b>	-	<b>43.90</b>	<b>7,927.93</b>	<b>756.18</b>	<b>441.60</b>	-	<b>38.98</b>	<b>1,158.80</b>	<b>6,769.13</b>	<b>5,440.52</b>
	Previous Year's Figures	4,182.96	2,128.74	-	115.00	6,196.70	519.55	347.17	-	110.54	756.18	5,440.52	3,663.41

### Intangible Assets

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04- 17	Additions	Adjust ments	Disposal	Balance 31-03-18	Opening 01-04-17	For the Year	Adjust ments	Disposal	Balance 31-03- 2018	As on 31-03- 18	As on 31-03- 17
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	72.70	6.70	-	-	79.40	24.18	15.77	-	-	39.95	39.45	48.52
2	Other than SAP-ERP	238.52	147.54	-	6.02	380.04	87.69	63.84	-	5.62	145.91	234.13	150.83
	<b>Sub Total</b>	<b>311.22</b>	<b>154.24</b>	<b>-</b>	<b>6.02</b>	<b>459.44</b>	<b>111.87</b>	<b>79.61</b>	<b>-</b>	<b>5.62</b>	<b>185.86</b>	<b>273.58</b>	<b>199.35</b>
	Previous Year's Figures	256.60	54.62	-	-	311.22	46.10	65.77	-	-	111.87	199.35	210.50

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-17	Additions	Adjustments	Disposal	Balance 31-03-18	Opening 01-04-17	For the Year	Adjustments	Disposal	Balance 31-03-2018	As on 31-03-18	As on 31-03-17
1	Computer Software/SAP-ERP	100.00	-	-	-	100.00	100.00	-	-	-	100.00	-	-
2	Other than SAP-ERP	18.10	-	-	-	18.10	3.93	3.63	-	-	7.56	10.54	14.17
	<b>Sub Total</b>	<b>118.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.10</b>	<b>103.93</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>107.56</b>	<b>10.54</b>	<b>14.17</b>
	Previous Year's Figures	118.10	-	-	-	118.10	100.30	3.63	-	-	103.93	14.17	17.80
	<b>Total Intangible Assets (A+B)</b>	<b>429.32</b>	<b>154.24</b>	<b>-</b>	<b>6.02</b>	<b>577.54</b>	<b>215.80</b>	<b>83.24</b>	<b>-</b>	<b>5.62</b>	<b>293.42</b>	<b>284.12</b>	<b>213.52</b>
	Previous Year's Figures	374.70	54.62	-	-	429.32	146.40	69.40	-	-	215.80	213.52	228.30
	<b>Total Assets (i+ii)</b>	<b>6,626.02</b>	<b>1,929.38</b>	<b>-</b>	<b>49.92</b>	<b>8,505.47</b>	<b>971.98</b>	<b>524.84</b>	<b>-</b>	<b>44.60</b>	<b>1,452.22</b>	<b>7,053.25</b>	<b>5,654.04</b>
	Previous Year's Figures	4,557.66	2,183.36	-	115.00	6,626.02	665.95	416.57	-	110.54	971.98	5,654.04	3,891.71

- (i) Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 1.4 million (2017: ₹ 11.4 million)
- (ii) Government of Kerala has assigned “Free of Cost” 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled “National Institute for Research and Design in Defence Shipbuilding” (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers and data processing units where no residual value is retained.
- (vi) Lease agreements have not been executed in the cases of:-  
 1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.  
 2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 2 million. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
- (vii) As per Significant Accounting Policy at Para-IV (C), assets amounting to ₹ 1299.13 million (2017: ₹ 1149.20 million,) (net cost to Company) were capitalised upto 31st March 2018 as jointly funded by the Company and Indian Navy and depreciation of ₹ 424.20 million (2017: ₹ 307.0 million) has been accounted on it upto 31st March 2018. Total Assets of ₹ 10334.10 million (2017: ₹ 10161.20 million) are jointly funded by the Company and Indian Navy.
- (viii) The company has adopted Ind AS as on 1.04.2015 and has opted to follow deemed cost for initial recognition of Fixed Assets as on 1.04.2015. The grant received in 2015-16 related to assets purchased in 2018 has been adjusted against opening retained earnings as on date of first time adoption of Ind AS.

**Assets jointly funded by MDL and Indian Navy**

**(₹ in million)**

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships , Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible asset SAP	Roads	Total as on 31-03-18	Total as on 31-03-17



1	Total Cost upto 31.03.2018	3,399.92	64.88	6,515.18	34.54	9.58	114.25	16.62	24.15	141.81	13.28	10334.21	10161.20
2	Less: Funded By Navy	2,543.00	62.79	6,128.71	34.54	9.58	98.33	15.84	24.15	118.14	-	9035.08	9012.00
3	<b>Funded By MDL</b>	856.92	2.09	386.47	0.00	0.00	15.92	0.78	0.00	23.67	13.28	1299.13	1149.20
	Previous Year's Figures	837.90	-	269.20	-	-	5.10	-	-	23.70	13.30	1,149.20	1,113.52

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure VIII**

**Restated Consolidated Statement of Property, plant and equipment and Intangible assets**

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-18	Additions	Adjustments	Disposal	Balance 31-03-19	Opening 01-04-18	For the Year	Adjustments	Disposal	Balance 31-03-19	As on 31.03.2019	As on 31-03-18
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	469.47	500.02	-	-	969.49	-	-	-	-	-	969.49	469.47
2	Buildings: i) Factory Building	177.17	101.82	-	0.35	278.64	18.79	10.27	-	0.34	28.72	249.92	158.38
	ii) Office and Staff Quarters												
	a) RCC	189.68	76.55	-	0.06	266.17	13.68	10.59	-	0.06	24.21	241.96	176.00
	b) Non RCC	71.47	10.23	-	2.76	78.94	4.79	3.35	-	2.63	5.51	73.43	66.68
	iii) Others (Temporary structure)	0.90	0.36	-	-	1.26	0.86	0.05	-	-	0.91	0.35	0.04
3	Road	67.29	-	-	-	67.29	35.76	12.61	-	-	48.37	18.92	31.53

4	Plant and Equipment	2,079.01	200.97	-	18.77	2,261.21	210.09	151.72	-	15.32	346.49	1,914.72	1,868.92
5	Furniture and Fixtures	143.82	18.65	-	1.62	160.85	45.89	16.01	-	0.65	61.25	99.60	97.93
6	Vehicles	192.41	2.36	-	2.81	191.96	65.64	25.54	-	2.58	88.60	103.36	126.77
7	Office Equipment	190.97	73.83	-	68.61	196.19	86.71	34.08	-	50.14	70.65	125.54	104.26
8	Computers and Data Processing Units												
	i) Desktops, Laptops etc.	55.37	46.81	-	39.85	62.33	20.52	36.73	-	39.85	17.40	44.93	34.85
	ii) Server and Network	284.73	118.71	-	21.05	382.39	54.93	65.65	-	19.83	100.75	281.64	229.80
9	Loose Tools	38.01	16.00	-	0.78	53.23	27.03	7.08	-	0.78	33.33	19.90	10.98
10	Ship - Launches and Boats	43.62	450.00	-	-	493.62	4.56	4.09	-	-	8.65	484.97	39.06
11	Electrical Equipments	145.43	38.78	-	0.02	184.19	44.63	18.50	-	0.02	63.11	121.08	100.80
12	Right to use asset - Leasehold land	871.95	-	-	-	871.95	282.49	28.95	-	-	311.44	560.51	589.46
13	Right to use asset - Vehicles	-	2.89	-	-	2.89	-	0.13	-	-	0.13	2.76	-
	<b>Sub-total</b>	<b>5,021.30</b>	<b>1,657.98</b>	<b>-</b>	<b>156.68</b>	<b>6,522.60</b>	<b>916.37</b>	<b>425.35</b>	<b>-</b>	<b>132.20</b>	<b>1,209.52</b>	<b>5,313.08</b>	<b>4,104.93</b>
	Previous Year's Figures	3,462.96	1,602.25	-	43.90	5,021.30	627.30	328.05	-	38.98	916.37	4,104.93	2,835.66

Note: Vessels under the head "Launches and Boats" costing ₹ 493.62 million (Previous year - ₹ 43.62 million) out of which ₹ 493.62 million (Previous year - ₹ 30.19 million) are registered in the name of CMD of the Company to comply with the requirement of Indian Coastal Act, 1838 / Indian Vessels Act, 1917.

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-18	Additions	Adjustments	Disposal	Balance 31-03-19	Opening 01-04-18	For the Year	Adjustments	Disposal	Balance 31-03-19	As on 31.03.2019	As on 31-03-18
1	Buildings: i) Factory Building	1,814.86	5.42	-	-	1,820.28	115.95	57.97	-	-	173.92	1,646.36	1,698.91
	ii) Office and Staff Quarters	-	-	-	-	-	-	-	-	-	-	-	-
	a) RCC	162.09	-	-	-	162.09	3.07	2.84	-	-	5.91	156.18	159.02
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	13.28	-	-	-	13.28	2.74	2.52	-	-	5.26	8.02	10.54
3	Plant and Equipment	665.55	5.95	-	-	671.50	91.35	30.82	-	-	122.17	549.33	574.20
4	Electrical Installation and Equipments	64.88	-	-	-	64.88	6.67	6.16	-	-	12.83	52.05	58.21
5	Furniture and Fixtures	22.62	-	-	0.96	21.66	2.66	2.07	-	0.31	4.42	17.24	19.96
6	Office Equipment	15.30	-	-	-	15.30	3.51	2.82	-	-	6.33	8.97	11.79
7	Computers and Data Processing Units												

	i) Server and Network	33.80	-	-	-	33.80	11.53	5.70	-	-	17.23	16.57	22.27
8	Ship - Launches and Boats	114.25	-	-	-	114.25	4.95	3.88	-	-	8.83	105.42	109.30
	<b>Sub-total</b>	<b>2,906.63</b>	<b>11.37</b>	<b>-</b>	<b>0.96</b>	<b>2,917.04</b>	<b>242.43</b>	<b>114.78</b>	<b>-</b>	<b>0.31</b>	<b>356.90</b>	<b>2,560.14</b>	<b>2,664.20</b>
	Previous Year's Figures	2,733.74	172.89	-	-	2,906.63	128.88	113.55	-	-	242.43	2,664.20	2,604.86
	<b>Total Tangibles Assets (A+B)</b>	<b>7,927.93</b>	<b>1,669.35</b>	<b>-</b>	<b>157.64</b>	<b>9,439.64</b>	<b>1,158.80</b>	<b>540.13</b>	<b>-</b>	<b>132.51</b>	<b>1,566.42</b>	<b>7,873.22</b>	<b>6,769.13</b>
	Previous Year's Figures	6,196.70	1,775.14	-	43.90	7,927.93	756.18	441.60	-	38.98	1,158.80	6,769.13	5,440.52

### Intangible Assets

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-18	Additions	Adjustments	Disposal	Balance 31-03-19	Opening 01-04-18	For the Year	Adjustments	Disposal	Balance 31-03-19	As on 31.03.2019	As on 31-03-18
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	79.40	-	-	-	79.40	39.95	16.22	-	-	56.17	23.23	39.45
2	Other than SAP-ERP	380.04	48.93	-	-	428.97	145.91	83.29	-	-	229.20	199.77	234.13

	<b>Sub Total</b>	<b>459.44</b>	<b>48.93</b>	<b>-</b>	<b>-</b>	<b>508.37</b>	<b>185.86</b>	<b>99.51</b>	<b>-</b>	<b>-</b>	<b>285.37</b>	<b>223.00</b>	<b>273.58</b>
	Previous Year's Figures	311.22	154.24	-	6.02	459.44	111.87	79.61	-	5.62	185.86	273.58	199.35

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-18	Additions	Adjustments	Disposal	Balance 31-03-19	Opening 01-04-18	For the Year	Adjustments	Disposal	Balance 31-03-19	As on 31.03.2019	As on 31-03-18
1	Computer Software/SAP-ERP	100.00	-	-	-	100.00	100.00	-	-	-	100.00	-	-
2	Other than SAP-ERP	18.10	-	-	-	18.10	7.56	3.63	-	-	11.19	6.91	10.54
	<b>Sub Total</b>	<b>118.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.10</b>	<b>107.56</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>111.19</b>	<b>6.91</b>	<b>10.54</b>
	Previous Year's Figures	118.10	-	-	-	118.10	103.93	3.63	-	-	107.56	10.54	14.17
	<b>Total Intangible Assets (A+B)</b>	<b>577.54</b>	<b>48.93</b>	<b>-</b>	<b>-</b>	<b>626.47</b>	<b>293.42</b>	<b>103.14</b>	<b>-</b>	<b>-</b>	<b>396.56</b>	<b>229.91</b>	<b>284.12</b>
	Previous Year's Figures	429.32	154.24	-	6.02	577.54	215.80	83.24	-	5.62	293.42	284.12	213.52
	<b>Total Assets (i+ii)</b>	<b>8,505.47</b>	<b>1,718.28</b>	<b>-</b>	<b>157.64</b>	<b>10,066.11</b>	<b>1,452.22</b>	<b>643.26</b>	<b>-</b>	<b>132.51</b>	<b>1,962.98</b>	<b>8,103.13</b>	<b>7,053.25</b>
	Previous Year's Figures	6,626.02	1,929.38	-	49.92	8,505.47	971.98	524.84	-	44.60	1,452.22	7,053.25	5,654.04

(i) Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 1.4 million (2018: ₹ 1.4 million)

- (ii) Government of Kerala has assigned “Free of Cost” 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled “National Institute for Research and Design in Defence Shipbuilding” (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v) As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.
- (vi) Lease agreements have not been executed in the cases of:-  
1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.  
2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 2 million. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.

(vii) **Assets jointly funded by MDL and Indian Navy**

(₹ in million)

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships , Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-2019	Total as on 31-03-18
1	Total Cost upto 31.03.2019	3,405.35	64.88	6,521.13	34.54	9.58	114.25	16.62	24.15	141.81	13.28	<b>10,345.59</b>	<b>10,334.21</b>
2	Less: Funded By Navy	2,548.42	62.79	6,133.66	34.54	9.58	98.33	15.84	24.15	118.14	-	<b>9,045.45</b>	<b>9,035.08</b>
3	Funded By MDL	856.93	2.09	387.47	-	-	15.92	0.78	-	23.67	13.28	<b>1,300.14</b>	<b>1,299.13</b>

	Previous Year's Figures	856.92	2.09	386.47	-	-	15.92	0.78	-	23.67	13.28	1,299.13	1,149.20
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Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure VIII

#### Restated Consolidated Statement of Property, plant and equipment and Intangible assets

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-2020	Opening 01-04-19	For the Year	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Freehold Land	969.49	107.66	-	-	1,077.15	-	-	-	-	-	1,077.15	969.49
2	Buildings: i)												
	Factory Building	278.64	309.59	-	4.03	584.20	28.72	19.02	-	3.82	43.92	540.28	249.92
	ii)												
	Office and Staff Quarters												
	a)												
	RCC	266.17	14.50	-	0.78	279.89	24.21	23.18	-	0.55	46.84	233.05	241.96
	b)												
	Non RCC	78.94	64.04	-	-	142.98	5.51	5.02	-	-	10.53	132.45	73.43
	iii)												
	Others	1.26	8.89	-	-	10.15	0.91	1.98	-	-	2.89	7.26	0.35



	(Temporary structure)												
3	Road	67.29	-	-	-	67.29	48.37	12.61	-	-	60.98	6.31	18.92
4	Plant and												
5	Equipment	2,261.21	218.08	-	2.06	2,477.23	346.49	162.70	-	1.95	507.24	1,969.99	1,914.72
6	Furniture and												
7	Fixtures	160.85	14.75	-	5.86	169.74	61.25	17.10	-	4.41	73.94	95.80	99.60
8	Vehicles	191.96	2.12	-	-	194.08	88.60	25.11	-	-	113.71	80.37	103.36
9	Office												
10	Equipment	196.19	169.39	-	10.18	355.40	70.65	55.88	-	9.50	117.03	238.37	125.54
11	Computers and												
12	Data Processing												
13	Units												
	i)												
	Desktops,												
	Laptops etc.	62.33	12.32	-	3.05	71.60	17.40	28.64	-	3.05	42.99	28.61	44.93
	ii)												
	Server and												
	Network	382.39	40.45	-	3.32	419.52	100.75	68.21	-	2.55	166.41	253.11	281.64
14	Loose Tools	53.23	8.80	-	0.36	61.67	33.33	8.06	-	0.36	41.03	20.64	19.90
15	Ship - Launches												
16	and Boats	493.62	-	-	-	493.62	8.65	17.22	-	-	25.87	467.75	484.97
17	Electrical												
18	Installation and												
19	Equipments	184.19	45.99	-	1.25	228.93	63.11	19.31	-	1.19	81.23	147.70	121.08
20	Right to use asset												
21	- Leasehold land	871.95	-	-	-	871.95	311.44	28.95	-	-	340.39	531.56	560.51
22	Right to use asset												
23	- Vehicles	2.89	42.00	-	-	44.89	0.13	10.53	-	-	10.66	34.23	2.76
	<b>Sub-total</b>	<b>6,522.60</b>	<b>1,058.58</b>	<b>-</b>	<b>30.89</b>	<b>7,550.29</b>	<b>1,209.52</b>	<b>503.52</b>	<b>-</b>	<b>27.38</b>	<b>1,685.66</b>	<b>5,864.63</b>	<b>5,313.08</b>
	Previous Year's												
	Figures	5,021.30	1,657.98	-	156.68	6,522.60	916.37	425.35	-	132.20	1,209.52	5,313.08	4,104.93

Note: Vessels under the head "Launches and Boats" costing ₹ 493.62 million (2019 - ₹ 493.62 million) out of which ₹ 493.62 million (2019 - ₹ 493.62 million) are registered in the name of CMD of the Company to comply with the requirement of Indian Costal Act,1838 / Indian Vessels Act, 1917.

(₹ in million)

B	Jointly Funded Assets	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-2020	Opening 01-04-19	For the Year	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
1	Buildings: i) Factory Building ii) Office and Staff Quarters	1,820.28	-	-	-	1,820.28	173.92	57.97	-	-	231.89	1,588.39	1,646.36
	a) RCC	162.09	2.47	-	-	164.56	5.91	2.88	-	-	8.79	155.77	156.18
	b) Non RCC	-	-	-	-	-	-	-	-	-	-	-	-
2	Roads	13.28	-	-	-	13.28	5.26	2.52	-	-	7.78	5.50	8.02
3	Plant and Equipment Electrical	671.50	-	-	-	671.50	122.17	30.79	-	-	152.96	518.54	549.33
4	Installation and Equipments	64.88	-	-	-	64.88	12.83	6.16	-	-	18.99	45.89	52.05
5	Furniture and Fixtures	21.66	-	-	-	21.66	4.42	2.04	-	-	6.46	15.20	17.24
6	Office Equipment	15.30	-	-	-	15.30	6.33	2.82	-	-	9.15	6.15	8.97
7	Computers and Data Processing Units												
	i) Server and Network	33.80	-	-	-	33.80	17.23	5.70	-	-	22.93	10.87	16.57
8	Ship - Launches and Boats	114.25	-	-	-	114.25	8.83	3.88	-	-	12.71	101.54	105.42

	<b>Sub-total</b>	<b>2,917.04</b>	<b>2.47</b>	<b>-</b>	<b>-</b>	<b>2,919.51</b>	<b>356.90</b>	<b>114.76</b>	<b>-</b>	<b>-</b>	<b>471.66</b>	<b>2,447.85</b>	<b>2,560.14</b>
	Previous Year's Figures	2,906.63	11.37	-	0.96	2,917.04	242.43	114.78	-	0.31	356.90	2,560.14	2,664.20
	<b>Total Tangibles Assets (A+B)</b>	<b>9,439.64</b>	<b>1,061.05</b>	<b>-</b>	<b>30.89</b>	<b>10,469.80</b>	<b>1,566.42</b>	<b>618.28</b>	<b>-</b>	<b>27.38</b>	<b>2,157.32</b>	<b>8,312.48</b>	<b>7,873.22</b>
	Previous Year's Figures	7,927.93	1,669.35	-	157.64	9,439.64	1,158.80	540.13	-	132.51	1,566.42	7,873.22	6,769.13

### Intangible Assets

(₹ in million)

Sr. No.	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as on 01-04-19	Additions	Adjust ments	Disposal	Balance 31-03- 2020	Opening 01-04-19	For the Year	Adjust ments	Disposal	Balance 31-03-20	As on 31-03- 2020	As on 31-03- 19
<b>A</b>	<b>Assets Owned by MDL</b>												
1	Computer Software/SAP-ERP	79.40	17.10	-	-	96.50	56.17	16.20	-	-	72.37	24.13	23.23
2	Other than SAP-ERP	428.97	16.85	-	-	445.82	229.20	72.57	-	-	301.77	144.05	199.77
	<b>Sub Total</b>	<b>508.37</b>	<b>33.95</b>	<b>-</b>	<b>-</b>	<b>542.32</b>	<b>285.37</b>	<b>88.77</b>	<b>-</b>	<b>-</b>	<b>374.14</b>	<b>168.18</b>	<b>223.00</b>
	Previous Year's Figures	459.44	48.93	-	-	508.37	185.86	99.51	-	-	285.37	223.00	273.58

(₹ in million)

<b>B</b>	<b>Jointly Funded Assets</b>	<b>GROSS BLOCK</b>	<b>DEPRECIATION / AMORTISATION</b>	<b>NET BLOCK</b>
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		Cost as on 01-04-19	Additions	Adjustments	Disposal	Balance 31-03-2020	Opening 01-04-19	For the Year	Adjustments	Disposal	Balance 31-03-20	As on 31-03-2020	As on 31-03-19
1	Computer Software/SAP-ERP	100.00	-	-	-	100.00	100.00	-	-	-	100.00	-	-
2	Other than SAP-ERP	18.10	-	-	-	18.10	11.19	3.63	-	-	14.82	3.28	6.91
	<b>Sub Total</b>	<b>118.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.10</b>	<b>111.19</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>114.82</b>	<b>3.28</b>	<b>6.91</b>
	Previous Year's Figures	118.10	-	-	-	118.10	107.56	3.63	-	-	111.19	6.91	10.54
	<b>Total Intangible Assets (A+B)</b>	<b>626.47</b>	<b>33.95</b>	<b>-</b>	<b>-</b>	<b>660.42</b>	<b>396.56</b>	<b>92.40</b>	<b>-</b>	<b>-</b>	<b>488.96</b>	<b>171.46</b>	<b>229.91</b>
	Previous Year's Figures	577.54	48.93	-	-	626.47	293.42	103.14	-	-	396.56	229.91	284.12
	<b>Total Assets (i+ii)</b>	<b>10,066.11</b>	<b>1,095.00</b>	<b>-</b>	<b>30.89</b>	<b>11,130.22</b>	<b>1,962.98</b>	<b>710.67</b>	<b>-</b>	<b>27.38</b>	<b>2,646.28</b>	<b>8,483.94</b>	<b>8,103.13</b>
	Previous Year's Figures	8,505.47	1,718.28	-	157.64	10,066.11	1,452.22	643.27	-	132.51	1,962.98	8,103.13	7,053.25

- (i) Residential Building at Vashi: Registration formalities are pending in respect of flats at Vashi purchased from CIDCO amounting to ₹ 1.4 million (2018: ₹ 1.4 million)
- (ii) Government of Kerala has assigned "Free of Cost" 40.52 acres of land and handed over the same to the Company in September 2010 for setting up National Institute of Warship/Submarine design and indigenisation centre. A society titled "National Institute for Research and Design in Defence Shipbuilding" (NIRDESH) has been formed in 2010-11 by Government of India, Ministry of Defence, having representation from all the shipyards including the Company under the control of Ministry of Defence, Department of Defence Production. As per the order of Government of Kerala dated 24.04.2015, the ownership of land shall be retained by the Company and only possession will be handed over to NIRDESH for undertaking future infrastructure development.
- (iii) Depreciation has been charged on single shift basis during the period except for wet basin on which depreciation has been charged on double shift basis.
- (iv) No provision for impairment of assets has been considered necessary during the period as required under Indian Accounting Standard - 36.
- (v)

As envisaged under the Schedule II to the Companies Act 2013, the Company has charged the depreciation on its existing tangible assets on straight line basis over the balance life of the assets keeping a residual value of five percent, except for computers, data processing units and loose tools where no residual value is retained.

- (vi) Lease agreements have not been executed in the cases of:-  
 1. Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.  
 2. The company is in possession of approx. 10 acre land belonging to CIDCO which ONGC ceded to MDL during the year 1984 for the cost of ₹ 2 million. MDL is having permanently tenancy rights to co-terminus with the leasehold right of ONGC with the CIDCO land in their possession.
- (vii) Depreciation of ₹ 23.90 lakhs pertaining to lockdown period due to Covid - 19 pandemic is regrouped under Covid expenses.
- (viii) Some of the leases for plots taken on leasehold basis from MbPT have expired and are under renewal. MbPT has proposed the renewal of expired leases of four plots for a period of 30 years by an upfront payment of around ₹ 2731.40 million plus applicable taxes towards the lease premium and ₹ 410 million plus applicable taxes towards the arrears of rent for the period from Fiscal 2006 onwards. This proposal of lease renewal also provides the option of annual payment of lease rent for a period of 10 years amounting to approximately 194.4 million per annum plus applicable taxes. MDL has contested MbPT proposal and has recognised estimated reasonable lease rent in financial statements.
- (ix) The Company has implemented Ind AS 116 "Leases" from 01st April, 2019 with retrospective method and created "Right to use asset - Land" amounting to Rs. 8719 lakhs, "Right to use asset - Vehicles" amounting to ₹ 29 lakhs as on 01/04/2019. Leases that were accounted for as operating lease in accordance with Ind AS 17 Leases, are recognised at the present value retrospectively and discounted using lessee's incremental borrowing rate as on the date of inception of lease. As a result of implementing standard, for FY 2019-20, there is increase in Finance cost by ₹ 50.36 million, increase in depreciation and amortization expenses by ₹ 39.48 million and decrease in other expenses by Rs. 76.20 million. Opening Networth as on 01/04/2017 is reduced to the tune of ₹ 146.11 million (net of tax).

(x) **Assets jointly funded by MDL and Indian Navy**

₹ in million

Sr. No.	Particulars	Office and Factory Building	Electric Installations & Equipment	Plant and Equipment	CDPU	Temporary Structure	Ships , Launches & Boats	Office Equipment	Furniture and Fixtures	Intangible assets	Roads	Total as on 31-03-20	Total as on 31-03-19
1	Total Cost upto 31.03.2020	3,407.81	64.88	6,521.13	34.54	9.58	114.25	16.62	24.15	141.81	13.28	10,348.05	10,334.21
2	Less: Funded By Navy	2,550.89	62.79	6,133.66	34.54	9.58	98.33	15.84	24.15	118.14	-	9,047.92	9,035.08
3	Funded By MDL	856.92	2.09	387.47	-	-	15.92	0.78	-	23.67	13.28	1,300.13	1,299.13
	Previous Year's Figures	856.92	2.09	386.47	-	-	15.92	0.78	-	23.67	13.28	1,299.13	1,149.20

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure IX**

**Restated Consolidated Statement of Non-Current investments**

(₹ in million)

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>Investments</b>				
Investments in equity instruments (Unquoted)				
Equity shares of Goa Shipyard Limited				
5,49,57,600 Equity shares of ₹ 5 each fully paid up (in FY 2019-20, FY 2018-19, FY 2017-18, FY 2016-17 5,49,57,600 Equity shares of ₹ 5 each fully paid up in Goa Shipyard Ltd. (GSL has issued Bonus shares in FY 2016-17 in the ratio of 1:1 and has also subdivided the face value from ₹ 10 to ₹ 5)	4,841.80	4,306.69	4,291.47	3,835.89
	<b>4,841.80</b>	<b>4,306.69</b>	<b>4,291.47</b>	<b>3,835.89</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure X**

**Restated Consolidated Statement of Cash and Bank balances**

(₹ in million)

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
<b>Cash and cash equivalents</b>								
Balances with banks:-								
- In current accounts								
i. In India	98.97		320.55		16.43		6.07	
ii. Outside India	8.68	107.65	7.09	327.64	9.80	26.23	7.93	14.00
- In cash credit accounts		0.01		0.18		-		-
- In flexi deposit accounts		4,725.13		6,968.99		3,709.52		1,414.78

- In fixed deposit accounts - maturity less than 3 months	-	-	-	-
Cash on hand	-	-	0.10	-
	<b>4,832.79</b>	<b>7,296.81</b>	<b>3,735.85</b>	<b>1,428.78</b>
<b>Bank balance other than cash and cash equivalents</b>				
In fixed deposit accounts - more than 3 months but not more than 12 months maturity	53,150.00	67,400.00	68,160.00	82,200.00
	<b>53,150.00</b>	<b>67,400.00</b>	<b>68,160.00</b>	<b>82,200.00</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XI

#### Restated Consolidated Statement of Other Assets

##### Capital work-in-progress

(₹ in million)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017	
<b>1. Own resources</b>								
<b>A. Tangible assets</b>								
Opening balance	883.64		839.92		838.81		317.54	
Add: Expenditure during the period	931.03		1,698.82		1,182.79		1,242.53	
Less: Capitalisation during the period	1,016.62	798.05	1,655.10	883.64	1,181.68	839.92	721.26	838.81
<b>B. Intangible assets under development</b>								
Opening balance	-							
Add: Expenditure during the period	33.95		48.93		154.20		54.62	
Less: Capitalisation/adjustments during the period	33.95	-	48.93	-	154.20	-	54.62	-
<b>2. Funded by Indian Navy</b>								
<b>A. Submarine facilities upgradation project</b>								
Opening balance	4.03		13.90		145.47		1,378.30	
Add: Expenditure/adjustments during the period	-		1.50		41.32		165.62	



Less: Capitalisation/adjustments during the period	2.47	1.56	11.37	4.03	172.89	13.90	1,398.45	145.47
		<b>799.61</b>		<b>887.67</b>		<b>853.82</b>		<b>984.28</b>

#### Other Non current Financial assets

##### Loans

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017	
(Unsecured, considered good, unless otherwise stated)								
Security deposits								
Security deposits with Mumbai Port Trust		36.14		34.26		32.49		30.87
Other deposits		32.80		32.34		57.00		56.14
		<b>68.94</b>		<b>66.60</b>		<b>89.49</b>		<b>87.01</b>

#### Other financial assets

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017	
Fixed deposits with bank with maturity over 12 months (The above deposit is under lien with Mumbai Port Trust)		34.00		34.00		34.00		33.98
Leave encashment fund		1,500.48		1,401.16		-		-
		<b>1,534.48</b>		<b>1,435.16</b>		<b>34.00</b>		<b>33.98</b>

#### Non-current assets

##### Non-current tax asset (net)

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018		As at 31st March, 2017	
Advance income tax paid		10,049.66		11,012.36		11,883.12		11,392.50
Less: Provision for tax		(7,790.34)		9,078.60		9,815.87		9,581.17
		<b>2,259.32</b>		<b>1,933.76</b>		<b>2,067.25</b>		<b>1,811.33</b>

#### Other non-current assets

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
(Unsecured, considered good unless otherwise stated)								

Capital advances		20.67		10.76		68.48		67.06
Deposits with custom and excise authorities		2.02		2.40		2.40		2.40
Other deposits								
Other receivables - considered good	1.13		0.85		1.91		0.41	
Other receivables - considered doubtful	279.09		279.09		279.53		294.60	
Less: Allowance for doubtful receivables	279.09	1.13	279.09	0.85	279.53	1.91	294.60	0.41
Advances paid to vendors - considered doubtful	6.24		6.24		6.24		0.24	
Less: Allowance for doubtful advances	6.24		6.24	-	6.24	-	0.24	-
VAT / sales tax receivable		1,088.71		1,250.40		1,157.41		1,257.44
GST input tax credit								
Services	884.64		1,018.56		742.69		-	
Materials	4,487.40	5,372.04	2,675.60	3,694.16	1,167.06	1,909.75	-	-
Export incentive receivable								
Considered good	19.28		19.28		37.12		37.11	
Considered doubtful	10.71		10.71		10.70		10.71	
	29.99		29.99		47.82		47.82	
Less: Allowance for doubtful receivables	10.71	19.28	10.71	19.28	10.70	37.12	10.71	37.11
Prepaid expenses								
Prepaid deposits (MbPT)	7.59		9.12		10.67		12.30	
Less: amortisation / unwinding of prepaid deposits	1.52		1.52		1.50		1.52	
Less: current	1.52	4.55	1.52	6.08	1.54	7.63	1.50	9.28
Others		9.11		6.20		10.50		14.44
		<b>6,517.51</b>		<b>4,990.13</b>		<b>3,195.20</b>		<b>1,388.14</b>

1. Amounts due from Directors / Promoters / Promoter group company / relative of promoters / relatives of Directors / Subsidiary companies for the year ended 31st March, 2020 is Nil (31st March, 2019, 2018, 2017 is Nil.)

#### Other Current financial assets

##### Loans

(₹ in million)

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017

(Unsecured, considered good)								
Employee related		14.75		38.45		9.12		10.22
Others		6.32		4.42		-		-
		<b>21.07</b>		<b>42.87</b>		<b>9.12</b>		<b>10.22</b>

#### Others

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
Insurance claims receivable		50.97		60.58		50.97		-
Interest accrued on deposits and advances		1,626.99		1,893.50		1,048.67		1,471.38
Other receivables		103.08		258.89		5.71		5.29
		<b>1,781.04</b>		<b>2,212.97</b>		<b>1,105.35</b>		<b>1,476.67</b>

#### Other current assets

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
(Unsecured, considered good)								
Advances other than capital advances								
Advances paid to vendors		59,691.59		41,934.22		40,902.80		29,614.43
Travel advance to employees		2.50		1.18		3.37		4.63
Others		2.58		2.51		17.73		22.84
Prepaid expenses								
Prepaid deposits (MbPT)		1.52		1.52		1.54		1.50
Others		27.43		220.78		129.57		92.98
		<b>59,725.62</b>		<b>42,160.21</b>		<b>41,055.01</b>		<b>29,736.38</b>

Note:

1. The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

2. Amounts due from Directors / Promoters / Promoter group company / relative of promoters / relatives of Directors / Subsidiary companies for the year ended 31st March, 2020 is Nil (31st March, 2019, 2018, 2017 is Nil.)

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure XII**

**Restated Consolidated Statement of Deferred Tax Assets**

(₹ in million)

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
Deferred tax assets								
Provisions	4,818.16		6,853.90		6,511.52		5,853.93	
Others	-	4,818.16	77.93	6,931.83	80.02	6,591.54	369.07	6,223.00
Deferred tax liabilities								
Service tax	-		(145.67)		(145.70)		(144.27)	
Depreciation	(701.58)		(966.35)		(924.10)		(871.54)	
Others	-	(701.58)	-	(1,112.02)	-	(1,069.80)	(138.88)	(1,154.69)
<b>Deferred tax assets (net)</b>		<b>4,116.58</b>		<b>5,819.81</b>		<b>5,521.74</b>		<b>5,068.31</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

# MAZAGON DOCK SHIPBUILDERS LIMITED

## Annexure XIII

### Restated Consolidated Statement of Inventories

(₹ in million)

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
<b>Raw materials</b>								
Material in stores	1,240.41		1,524.46		1,679.06		1,716.41	
Less: Provision for obsolescence	9.36	1,231.05	11.06	1,513.40	8.08	1,670.98	8.94	1,707.47
<b>Stores and spares</b>								
Material in stores	212.66		205.08		174.46		187.78	
Less: Provision for obsolescence	9.71	202.95	10.68	194.40	11.10	163.36	7.25	180.53
<b>Equipment for specific projects</b>								
Material in stores/site	36,816.69		35,794.51		32,952.73		36,380.23	
Less: Provision for obsolescence	-		-		15.50		18.08	
	36,816.69		35,794.51		32,937.23		36,362.15	
Stock in transit	7,968.51		221.61		947.50		1,971.71	
Materials pending inspection	-	44,785.20	171.43	36,187.55	2,131.69	36,016.42	53.88	38,387.74
Scrap		7.72		7.68		8.93		10.82
		<b>46,226.92</b>		<b>37,903.03</b>		<b>37,859.69</b>		<b>40,286.56</b>

Note:

(i) Inventory costing ₹ Nil (2019: ₹ Nil, 2018: ₹ 6210.70 million, 2017: ₹ 6210.70 million) is held with Original Equipment Manufacturer (OEM) and inventory costing ₹ 16.00 million (2019: 238.30 million, 2018: 8.90 million, 2017 : Nil) is held with other vendors.

(ii) Inventory costing ₹ 57.60 million (2019: Rs. 57.60 million, 2018: 57.60 million, 2017: 57.60 million) is held at customer's store.

(iii) The Company has provided obsolescence provision on the average of three years percentage due to lockdown situation for FY 2019-20. The cumulative provision as on 31st March, 2020 is ₹ 19.07 million (2019: ₹ 21.74 million, 2018: ₹ 19.18 million, 2017: ₹ 16.19 million)

(iv) The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure XIV**
**Restated Consolidated Statement of Trade Receivables**
**Non current trade receivable**
**(₹ in million)**

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
(Unsecured, Considered good, unless otherwise stated)								
Deferred debts		195.22		196.95		198.38		199.59
Less: Amount receivable within 12 months		39.13		39.13		39.10		39.13
		<b>156.09</b>		<b>157.82</b>		<b>159.28</b>		<b>160.46</b>

**Current trade receivables**

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
(Unsecured, considered good unless otherwise stated)								
Debts outstanding over six months								
Considered good	14,084.42		13,580.97		10,122.26		7,499.23	
Considered doubtful	1,340.47		1,803.10		1,600.20		1,369.25	
Less: Loss allowance	15,424.89		15,384.07		11,722.46		8,868.48	
Towards B&D spares	1,340.47	14,084.42	1,803.10	13,580.97	1,600.20	10,122.26	1,369.25	7,499.23
Considered good	503.24		1,147.95		1,011.49		617.72	
Considered doubtful	322.64		75.80		75.80		322.64	
Less: Loss allowance	825.88		1,223.75		1,087.29		940.36	
	322.64	503.24	75.80	1,147.95	75.80	1,011.49	322.64	617.72
		<b>14,587.66</b>		<b>14,728.92</b>		<b>11,133.75</b>		<b>8,116.95</b>

**Breakup of Trade receivables**

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
Trade receivables considered good - secured		-		-		-		-
Trade receivables considered good - unsecured		14,587.66		14,728.92		11,133.75		8,116.95
Trade receivables considered doubtful - secured		-		-		-		-
Trade receivables considered doubtful - unsecured		1,663.11		1,878.90		1,676.00		1,691.89
Trade receivables which have significant increase in credit risk		-		-		-		-
Trade receivables - credit impaired		-		-		-		-
<b>Total</b>		16,250.77		16,607.82		12,809.75		9,808.84
Loss allowance		1,663.11		1,878.90		1,676.00		1,691.89
<b>Total trade receivables (current)</b>		<b>14,587.66</b>		<b>14,728.92</b>		<b>11,133.75</b>		<b>8,116.95</b>

Note:

1. The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

2. Amounts due from Directors/Promoters/Promoter Group Companies/Relatives of Promoters/Relatives of Directors/Subsidiary companies for the year ended 31st March, 2020 is Nil (31st March, 2019, 2018, 2017 is Nil.)

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure XV**
**Restated Consolidated Statement of Share Capital**

(₹ in million)

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		As at 31st March, 2017	
<b>Authorized share capital</b>								
32,37,20,000 (In FY 2018-19, FY 2017-18, FY 2016-17 3,23,72,000) equity shares of ₹ 10 each (₹ 10 each in FY 2017-18, ₹ 100 each in FY 2016-17).		3,237.20		3,237.20		3,237.20		3,237.20
		<b>3,237.20</b>		<b>3,237.20</b>		<b>3,237.20</b>		<b>3,237.20</b>

<b>Issued, subscribed and fully paid-up shares</b> 20,16,90,000 (In FY 2018-19 - 22,41,00,000, in FY 2017-18 22,41,00,000 in FY 2016-17-2,49,00,000) equity shares of ₹ 10 each (₹ 10 each in FY 2019-20, FY 2018-19, FY 2017-18, ₹ 100 each in FY 2016-17).		2,016.90		2,241.00		2,241.00		2,490.00
		<b>2,016.90</b>		<b>2,241.00</b>		<b>2,241.00</b>		<b>2,490.00</b>

All equity shares are held by the President of India and his nominees.



Particulars	31st March, 2020		31st March, 2019		31st March, 2018		As at 31st March, 2017	
Details of shareholding more than 5% shares in the Company	No. of Shares	Percentage holding	No. of Shares	Percentage holding	No. of Shares	Percentage holding	No. of Shares	Percentage holding
<b>Shareholder</b>								
President of India and his nominees	20,16,90,000	100%	22,41,00,000	100%	22,41,00,000	100%	2,49,00,000	100%

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

The Company has completed 10% Buyback of equity shares (No. Of Shares: 24.9 million of ₹10 each) for ₹2,534.86 million and ₹538.88 million tax thereon total amounting to ₹3,073.73 million in December 2017.

The Company has also completed 10% Buyback of equity shares (No. Of Shares: 22.41 million of ₹10 each) for ₹2,778.84 million and ₹558.20 million tax thereon total amounting to ₹3,337.04 million in March 2020.

The company had issued bonus shares in the ratio of 1:4 in the year 2016-17 amounting to ₹ 498 million.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure XVI**

**Restated Consolidated Statement of Provisions**

**Long-term provisions**

(₹ in million)

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>Employee benefits</b>				
Post retirement benefit schemes				
Medical	711.50	580.85	715.29	653.12
Gift card	54.17	61.70	7.88	7.32
Leave salary encashment	1,116.94	1,027.25	1,053.75	1,170.68
Welfare Expenses	-	39.95	34.54	37.75
<b>Other provisions</b>				
Provision for liquidated damages	10,241.48	10,241.47	10,241.47	10,241.48
Others	26.60	26.34	10.79	10.76
	<b>12,150.69</b>	<b>11,977.56</b>	<b>12,063.72</b>	<b>12,121.11</b>

**Short-term provisions**

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>Employee benefit</b>				
Post retirement benefit				
Medical	49.22	36.31	29.30	26.77
Gift card	8.60	7.96	0.90	2.17
Leave salary encashment	401.32	421.49	451.42	378.09
Gratuity	573.35	260.88	376.20	230.73
Welfare Expenses	-	9.67	15.20	13.44
<b>Other provisions</b>				
-	-	-	-	-
Guarantee repairs	192.50	202.76	285.53	122.53
Custom duty	42.59	42.59	42.60	42.59
Other	-	-	-	-
	<b>1,267.58</b>	<b>981.66</b>	<b>1,201.15</b>	<b>816.32</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XVII

#### Restated Consolidated Statement of Other Liabilities

##### Non current

##### Trade payables and other financial liabilities

(₹ in million)

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
<b>Trade payables</b>								
<b>Total outstanding dues of creditors other than MSME</b>								
Deferred payment liability to a foreign supplier		195.23		196.95		198.38		199.59
Less: Amount payable within 12 months		39.13		39.13		39.10		39.13
		<b>156.10</b>		<b>157.82</b>		<b>159.28</b>		<b>160.46</b>
<b>Others</b>								
Security and other deposits		11.63		10.24		6.80		1.41
Lease liability		348.45		345.03		365.87		384.11
		<b>360.08</b>		<b>355.27</b>		<b>372.67</b>		<b>385.52</b>

##### Other long-term liabilities

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
Funds received from customer for infrastructure projects	9,105.52		9,051.15		8,949.72		8,672.50	
Add: Received during the period	191.40		54.37		101.43		378.63	
Less: Transferred to fixed assets	7,235.23		7,235.23		7,235.23		7,235.23	

for capitalisation								
Less: Amortisation of deferred revenue	367.25	1,694.44	293.49	1,576.80	219.93	1,595.99	146.61	1,669.29
Deferred deposits		0.20		1.57		1.36		0.18
		<b>1,694.64</b>		<b>1,578.37</b>		<b>1,597.35</b>		<b>1,669.47</b>

#### Current

##### Trade payables and other financial liabilities

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>Trade payables</b>				
Other vendors	47,468.06	28,946.57	23,737.43	9,092.70
Deferred payment liability to a foreign supplier	39.13	39.13	39.10	39.13
	<b>47,507.19</b>	<b>28,985.70</b>	<b>23,776.53</b>	<b>9,131.83</b>
<b>Others financial liabilities</b>				
Retention money payable	81.17	66.83	49.41	60.62
Liquidated damages payable	251.35	408.99	169.01	888.60
Interest payable on advances received from customer	227.60	264.57	81.38	105.13
Employee related	755.55	1,059.29	2,203.28	640.36
Others	4.61	504.72	5.06	5.97
Security and other deposits	44.34	62.62	70.57	46.43
	<b>1,364.62</b>	<b>2,367.02</b>	<b>2,578.71</b>	<b>1,747.11</b>

##### Other current liabilities

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
-------------	------------------	------------------	------------------	------------------

Statutory dues		434.75		219.21		97.79		251.06
Deferred Deposits		1.52		1.39		1.00		-
		<b>436.27</b>		<b>220.60</b>		<b>98.79</b>		<b>251.06</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XVIII

#### Restated Consolidated Statement of Revenue

#### Revenue from operations

(₹ in million)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Contract revenue</b>				
Ship construction	44,223.94	39,526.22	43,682.18	34,774.05
<b>Sale of goods</b>				
Sale of base and depot spares	3,889.07	6,519.40	991.54	376.93
<b>Sale of services</b>				
Ship Repair	1,589.34	31.30	-	(1.93)
Sale of services (others)	8.90	-	-	-
<b>Other operating revenue</b>				
Miscellaneous sale	11.81	-	-	-
Sale of scrap and stores	53.44	62.64	29.89	38.96
	<b>49,776.50</b>	<b>46,139.56</b>	<b>44,703.61</b>	<b>35,190.82</b>

#### Contract Revenue Recognition with Respect to Projects / Vessels in WIP:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2017
The amount of contract revenue recognised as revenue for the period	44,223.94	39,909.47	43,682.18	34,774.05

Aggregate amount of cost incurred and recognised profits (less recognised losses, if any)	2,17,331.10	2,12,936.84	1,73,908.82	1,71,285.11
The amount of advances received (gross)	3,39,123.50	3,41,831.97	2,98,585.70	2,91,622.60
The amount of retentions by customers	6,367.99	3,462.30	5,204.40	4,893.40

Note

1. The company has adopted Ind AS 115 from 1st April, 2018 with full modified retrospective approach. However, adoption of Ind AS 115 has no effect on profitability and turnover of the company except from FY 2018-19 onwards, the Company as principal has recognised revenue for supply of base and depot spares at the time of satisfactory completion of delivery as against recognition of only service charges as revenue in previous years as agent. This has resulted in increase in total revenue by Rs. 6080.47 million, 917.17 million, 348.66 million in FY 2018-19, FY 2017-18, FY 2016-17 respectively and no effect on profitability for the mentioned years.
2. The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 115.
3. The company has delivered one ship in August, 2016. The total sales value of the ship is Rs. 24849.10 million of which amount Rs. 3205.40 million is recognised in the contract revenue for the year ended 31/03/2017. Balance amount pertains to accretion to Work in Progress inventory.
4. The company has delivered one submarine in September, 2017. The total sales value of the ship is Rs. 41381.20 million of which amount Rs. 1916.70 million is recognised in the contract revenue for the year ended 31/03/2018. Sales value of Rs. 157.60 million pertaining to Shipbuilding activity is included in Contract Revenue for the year ended 31st March, 2018. Balance amount pertains to accretion to Work in Progress inventory.
5. Sales value of Rs. 663.50 million pertaining to Submarine & Rs. 234.70 million pertaining to Shipbuilding activity is included in Contract Revenue for the year ended 31st March, 2019. Balance amount pertains to accretion to Work in Progress inventory.
6. The company has delivered one submarine in September, 2019. The total sales value of the ship is Rs. 41321.20 million of which amount of Rs. 1349.50 million is recognised in the contract revenue for the year ended 31/03/2020. Sales value of Rs. 97.80 million pertaining to Shipbuilding activity is included in Contract Revenue for the year ended 31st March, 2020. Balance amount pertains to accretion to Work in Progress inventory.

**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure XIX**
**Restated Consolidated Statement of Other Income**
**(₹ in million)**

Particulars	Nature (Recurring / Non-recurring)	Related / not related to business activity	For the year ended 31st March, 2020		For the year ended 31st March, 2019		For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>Interest from</b>										
Deposits with banks	Recurring	Related	5,368.08		5,511.77		4,891.18		6,403.49	
Less: Interest liability to customer on advances	Recurring	Related	227.60		264.57		81.38		105.13	
			5,140.48		5,247.20		4,809.80		6,298.36	
On income tax refund	Non - recurring	Not related	-		141.02		-		11.83	
Other interest	Recurring	Not related	137.32	5,277.80	23.32	5,411.54	17.30	4,827.10	18.60	6,328.79
<b>Other non-operating income</b>										
Liabilities / provisions no longer required written back	Non - recurring	Related		15.55		189.93		567.42		229.72
Provision for obsolete stock reversed	Recurring	Related		2.67		-		-		3.50
Changes in inventory of scrap	Recurring	Related		0.05		-		-		
Insurance claims	Non - recurring	Not related		-		10.77		-		1.58
<b>Liquidated damages recovered</b>										
Capital	Non - recurring	Related		42.96		7.32		18.47		5.24
Others	Non - recurring	Related		67.04		30.24		3.11		19.77

Unwinding of lease charges - Land	Recurring	Related		4.72		2.86		1.11		-
Unwinding of lease charges - Vehicles	Recurring	Related		12.68		0.15		-		-
Miscellaneous income / recoveries	Recurring	Related		37.68		139.87		41.96		39.99
Amortisation gain on deferred deposits of Vendors	Recurring	Related		1.43		1.32		0.69		0.16
Amortisation of deferred revenue (Customer funded assets)	Recurring	Related		73.75		73.73		73.30		25.41
Interest Income on deferred payment liability to foreign supplier	Recurring	Related		37.42		37.69		37.92		38.80
Interest Income on deferred deposit with MbPT	Recurring	Related		1.89		1.76		1.60		1.55
Foreign exchange variation (net)	Recurring	Related								
Income	Recurring	Related	2.39		-		-		-	
Less: Loss	Recurring	Related	(1.46)	0.93	-	-	-	-	-	-
				<b>5,576.57</b>		<b>5,907.18</b>		<b>5,572.68</b>		<b>7,557.81</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.



**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure XX**
**Restated Consolidated Statement of Cost of raw material consumed**
**(₹ in million)**

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>Opening stock</b>				
Raw materials, stores and spares	1,729.54	1,853.51	1,904.20	1,230.60
Equipment for specific projects	35,794.51	32,952.74	36,380.20	39,167.30
Stock-in-transit and materials pending inspection	393.04	3,079.19	2,025.60	2,185.50
<b>Add: Purchases</b>	33,540.17	25,843.65	24,697.83	19,363.10
<b>Less: Closing stock</b>	71,457.26	63,729.09	65,007.83	61,946.50
Raw materials, stores and spares	1,453.07	1,729.54	1,853.52	1,904.19
Equipment for specific projects	36,816.69	35,794.51	32,952.73	36,380.23
Stock-in-transit and materials pending inspection	7,968.51	393.04	3,079.19	2,025.59
<b>Less: Reduction in Value-included in Other Expenses</b>	25,218.99	25,812.00	27,122.39	21,636.49
Less: Provision for obsolete stock	(2.67)	2.55	3.00	6.11
Less: Stores and spares consumption included in repairs and maintenance	-	0.05	0.20	1.32
Less: Stores and spares consumption included in other expenses	189.94	238.19	190.26	228.31
	<b>25,031.72</b>	<b>25,571.21</b>	<b>26,928.93</b>	<b>21,400.75</b>

**Note:**

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED****Annexure XXI****Notes to Restated Consolidated Statements of Employee Benefit Expense****(₹ in million)**

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Salaries, wages, allowances and bonus	6,009.00	5,155.04	7,033.93	5,444.15
Pension	192.75	193.86	157.52	117.00
Contribution to provident fund	429.58	487.61	417.26	406.63
Contribution to employees state insurance scheme	3.65	38.09	62.37	18.63
Workmen and staff welfare expenses	770.60	459.02	585.92	651.85
Gratuity	121.25	235.46	259.34	151.04
Encashment of privilege leave	402.51	325.58	340.66	499.07
	<b>7,929.34</b>	<b>6,894.66</b>	<b>8,857.00</b>	<b>7,288.37</b>

Note:

1. The total employee benefit expenses incurred amounting to Rs. 99.27 million towards employee benefits for the lockdown period are disclosed as exceptional item in the statement of Profit and loss for FY 2019-20 (FY 2018-19 - Nil, FY 2017-18 - Nil, FY 2016-17 - Nil).
2. The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED****Annexure XXII****Restated Consolidated Statements of Finance Cost****(₹ in million)**

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Interest cost on deferred deposits of vendors	1.44	1.20	0.60	0.15
Interest cost on deferred payment liability to foreign supplier	37.42	37.69	37.92	38.80
Interest cost on lease	50.36	49.75	52.29	54.18
Others	3.42	2.12	-	-
	<b>92.64</b>	<b>90.76</b>	<b>90.81</b>	<b>93.13</b>

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure XXIII**

**Restated Consolidated Statements of Other Expenses**

**Other expenses - projects related**

**(₹ in million)**

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Technician fees and other expenses	319.59	252.84	155.84	343.89
Service tax expenses	-	-	131.49	249.42
Technical know-how expenses (net of reversals)	-	-	(9.83)	9.84
Advising team fees and other expenses	145.37	173.30	381.72	210.03
Facility hire	70.43	148.21	74.70	69.04
Rent	-	8.36	6.98	6.69
Insurance	-	-	-	1.02
Bank charges and guarantee commission	32.79		23.47	27.78
Travelling expenses	12.53	7.22	15.82	32.01
Sea Trial, launching and commissioning expenses	24.31	3.06	2.76	73.41
Legal, professional and consultant fees	499.90	86.22	191.96	106.82
Training expenses	-	104.33	463.68	258.39
Miscellaneous expenses	32.12	26.65	73.47	28.79
	<b>1,137.04</b>	<b>810.19</b>	<b>1,512.06</b>	<b>1,417.13</b>

**Other expenses**

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Repairs and maintenance:				
Buildings	23.81	187.13	26.71	71.29
Plant and machinery	39.62	191.48	196.43	168.70
Steam launches and boats, motor cars, lorries, etc.	103.72	100.81	83.38	132.86
Dredging				-

Less: Work done internally and other expenditure which has been included in other heads of expenses	(8.29)	(239.93)	(249.47)	(241.78)
	158.86	239.49	57.05	131.07
Facility hire	64.08	59.92	74.25	72.93
Water expenses	16.44	23.49	18.21	26.39
Rent	1.03	0.22	4.07	11.80
Insurance	64.94	37.91	38.38	39.83
Rates and taxes	66.72	85.67	75.27	63.34
Bank charges and guarantee commission	1.94	0.60	1.53	2.36
Printing and stationery	6.51	7.56	10.33	6.36
Travelling expenses	71.65	60.99	59.56	76.60
Business promotion expenses	86.14	55.70	87.47	76.88
Sea trial, launching and commissioning expenses	2.98	0.52	1.50	17.61
Corporate membership expenses	1.48	3.21	2.32	1.85
Changes in inventory of scrap	-	1.26	1.88	-
Foreign exchange variation (net)				
Loss	-	1.49	4.25	20.87
Less: Profit	-	(0.83)	(2.40)	(19.82)
Miscellaneous expenses	59.18	423.21	106.30	213.05
Donation	12.00	-	-	-
Audit fees	0.94	0.83	0.75	1.15
Vehicle hire charges	7.95	3.42	3.34	3.27
Legal, professional and consultant fees	11.46	40.83	24.43	44.17
Books and periodicals	7.14	6.64	8.31	1.20
Postage, telegrams and phones	14.44	11.31	15.90	16.14
Training expenses	15.24	14.29	24.91	20.59
CISF and security board expenses	340.17	272.51	233.86	257.61
Directors fees and expenses	1.08	0.95	0.82	0.92
Provision for obsolete stock	-	2.55	3.00	13.65
Consumption of stores and spares etc.	189.94	238.19	190.26	228.31

Other interest	3.43	4.47	4.43	55.20
Amortisation / unwinding of prepaid deposits (MbPT)	1.54	1.52	1.52	1.52
Corporate social responsibility expenses	156.26	234.69	242.60	136.53
Sale / scrapping of fixed assets (net)				
Loss	21.17	3.75	4.64	-
Less: Profit	(0.87)	(1.96)	(2.72)	-
	<b>1,383.84</b>	<b>1,834.40</b>	<b>1,296.02</b>	<b>1,523.88</b>

(i) Foreign Exchange gain / loss on raw materials and project specific equipment's has been considered in Cost of Material Consumed.

(ii) Expenditure on Research and Development and allied expenses aggregating to ₹917.70 million (2019: ₹854.00 million, 2018: ₹751.10 million, 2017: ₹770.90 million) is reflected under respective heads in the above notes.

#### Provisions

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Doubtful debts / receivable	246.85	388.94	29.12	582.23
Guarantee repairs	-	-	163.00	10.00
Others	139.61	-	0.09	-
	<b>386.46</b>	<b>388.94</b>	<b>192.21</b>	<b>592.23</b>

#### Mazagon Dock Shipbuilders Limited

##### Annexure XXIII A

#### Restated Consolidated Statement of Exceptional items

(₹ in million)

Sr. No.	Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
1	Employee Benefits	99.27	-	-	-
2	Depreciation	23.90	-	-	-
	Total	123.17	-	-	-

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

#### MAZAGON DOCK SHIPBUILDERS LIMITED

##### Annexure XXIV

#### Restated Consolidated Statement of Related Party Transactions

**i) Key Managerial Personnel**

**₹ in million**

Particulars				Remuneration*			
				31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
RAdm R K Shrawat (Upto 31.12.2016)	Chairman and Managing Director			-	-	-	11.40
AVSM (Retd)							
Cmde. Rakesh Anand (Upto 30.11.2019)	Chairman and Managing Director			10.70	5.90	5.69	5.24
(Retd)							
Vice Admiral Narayan Prasad (Retd) (From 30.12.2019)	Chairman and Managing Director			1.10	-	-	-
Capt Rajiv Lath (Retd) (Upto 31.10.2019)	Director (Submarine & Heavy Engineering)			8.90	5.40	5.49	5.11
Cdr Jasbir Singh** (From 01.11.2019)	Director (Submarine & Heavy Engineering)			1.80	-	-	-
Shri Sanjiv Sharma (Upto 31.10.2019)	Director (Finance)			9.30	5.70	4.10	4.07
Shri Sanjeev Singhal (From 08.01.2020)	Director (Finance)			0.90	-	-	-
Cmde T V Thomas (Retd) (From 02.11.2017)	Director (Corporate Planning & Personnel)			7.10	4.80	2.36	-
Cdr P R Raghunath (Retd) (Upto 27.02.2017)	Director (Ship Building)			-	-	-	6.33
RAdm A K Saxena (From 21.03.2018)	Director (Ship Building)			6.70	4.70	0.10	-

\* As per Statement of Profit and Loss Account.

\*\* Excluding payment of ₹ 0.8 million related to earlier capacity.

Besides the remuneration indicated above, the Chairman and Managing Director and four Functional Directors are allowed to use Company's Car for private purposes upto 1000 kms per month, for which charges were collected at the rates prescribed by Government of India.

**ii) Other Related Parties**

Apart from transaction reported above, the company has transactions with other government related entities which includes but not limited to the following;

**a) Ministry of Defence**

**₹ in million**

Particulars	Year ended	Revenue from related party	Amounts receivable /(payable) by related parties
Ministry of Defence	31st March, 2020	49,702.35	16,250.77
	31st March, 2019	46,045.62	16,607.82
	31st March, 2018	44,673.72	12,809.75
	31st March, 2017	35,150.98	9,808.84

b) Transaction with Goa Shipyard Limited (Associate company) which includes rent, sales & amount receivable are not significant in nature.

c) The transactions are conducted in the ordinary course of the company business.

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.



**MAZAGON DOCK SHIPBUILDERS LIMITED**
**Annexure XXV**
**Restated Consolidated Statement of Contingent liabilities and capital commitments**
**A Contingent liabilities and commitments:**
**(₹ in million)**

Sr. No.	Particulars	As at			
		31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>1</b>					
	a) Estimated amount of contracts remaining to be executed on capital account.	135.51	784.70	605.90	575.40
	b) Estimated amount of liquidated damages on contracts under execution.	11,004.50	11,004.50	971.80	-
	c) Position of non-fund based limits utilized for:				
	(i) Letters of credit	10,259.39	7,689.90	8,928.27	8,766.40
	(ii) Guarantees and counter guarantees	72.55	188.30	84.28	72.60
	d) Indemnity Bonds issued by the Company to customers for various contracts.	4,27,136.98	5,07,663.30	5,06,041.02	4,83,387.50
	e) Bonus to eligible employees as per Payment of Bonus Act for the year 2014-15.	46.70	46.70	46.70	46.70

**2 Claims against the Company pending under litigation not acknowledged as debts in respect of claims made by:**

Sr. No.	Particulars	As at			
		31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
i)	Suppliers and sub-contractors	83.01	49.80	60.20	139.00
ii)	Others	238.40	583.20	429.68	348.70
iii)	Interest on (i) and (ii) above	35.20	1,294.80	1,245.73	1,295.70
		<b>356.61</b>	<b>1,927.80</b>	<b>1,735.61</b>	<b>1,783.40</b>

**3 Amounts paid / payable by Company and reimbursable by Customers in the matters under dispute pending at various Assessment / Appellate Authorities relating to:**

	Particulars	As at
--	-------------	-------

Sr. No.		31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
i)	Sales Tax *	11,541.56	11,515.00	11,523.09	11,228.70
ii)	Excise Duty				
	a) On Vendors	19.70	19.00	18.38	17.70
	b) On MDL	2.90	2.90	2.77	2.70
		<b>22.60</b>	<b>21.90</b>	<b>21.15</b>	<b>20.40</b>
		<b>11,564.16</b>	<b>11,536.90</b>	<b>11,544.24</b>	<b>11,249.10</b>

\*Against the above claim, part payments of ₹ 68.10 million (In 2019: 67.56 million, 2018: ₹ 61.40 million, 2017: ₹ 58.40 million) have been made under protest.

The Excise authorities have passed an order dated 31.05.2013 resulting in demand for ₹ 19.70 million inclusive of interest and penalty (In 2019: ₹ 19.24 million, 2018: ₹ 19.24 million, 2017: ₹ 18.83 million) in respect of BBLRP Project Job Work carried out at Nhava Yard, for the removals during the period March 2007-March 2008. The Company has filed an appeal at CESTAT against the order of the Commissioner. The final hearing is in progress.

**4** Appeals against disputed tax demands pending before Adjudicating / Appellate Authorities not provided for in matters relating to:

Sr. No.	Particulars	As at			
		31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
i)	Excise Duty	1.50	1.50	1.50	1.50
ii)	Service Tax* (including interest and penalties)	423.60	706.70	697.20	687.70
iii)	Income Tax	-	-	514.82	441.80
		<b>425.10</b>	<b>708.20</b>	<b>1,213.52</b>	<b>1,131.00</b>

\* Includes ₹ 292.80 million (In 2019: ₹ 292.80 million, 2018: ₹ 292.70 million, 2017: ₹ 292.70 million) towards Show Cause Notices issued by the Service Tax Department for the years from 2005-06 to 2013-14.

**5** Appeals pending against disputed demands pending before Adjudicating / Appellate authorities

Particulars	As at			
	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Custom Duty	0.80	0.80	2.80	2.80

**B** Letters seeking confirmation of balances in the accounts of vendor balances are sent to vendors on yearly basis. On the basis of replies received from certain vendors, adjustments wherever necessary have been made in the accounts.

- C** For Financial Year 2016-17, 2017-18, 2018-19 and 2019-20: Balances due to / from Indian Navy included in current assets / current liabilities are subject to reconciliation and confirmation. Consequent adjustments thereof, if any, will be given effect to in the books of account in the year of completion of the reconciliation process.

**D Normal Operating Cycle**

1. The classification of current and non-current balances of assets and liabilities are made in accordance with the normal operating cycle defined as follows -

The Normal Operating Cycle in respect of different business activities is defined as under-  
a) In case of ship / submarine building and ship/submarine repair and refit activities, normal operating cycle is considered as the time period from the effective date of the Contract/LOI to the date of expiry of guarantee period.

b) In case of other business activities, normal operating cycle will be the time period from the effective date of the contract/order to the date of expiry of guarantee period.

Note:

The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

**MAZAGON DOCK SHIPBUILDERS LIMITED**

**Annexure XXVI**

**Statement Dividend paid**

Particulars	2019-20	2018-19	2017-18	2016-17
<i>Number of equity shares outstanding</i>	20,16,90,000	22,41,00,000	22,41,00,000	2,49,00,000
<i><u>Dividend paid (₹ in million)</u></i>	-	-	-	
<i><b>Final</b></i>	558.20	-	654.10	992.00
Tax on above dividend	114.77	-	133.16	201.90
Rate of Dividend (%)	27.68%	NA	29.19%	39.84%
Dividend per equity share (₹)	2.77	-	2.92	39.84
<i><b>Interim</b></i>	1,613.40	1,000.00	1,800.00	1,000.00
Tax on above dividend	331.62	205.55	366.44	203.60
Rate of Dividend (%)	79.99%	44.62%	80.32%	40.16%
Dividend per equity share (₹)	8.00	4.46	8.03	40.16

Note:

1. The above statement should be read with the Notes to the Restated Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Consolidated Financial Statements - Annexure VII and Restated Consolidated Statement of Other Annexure XXVIII.

2. Shareholders in Annual General Meeting held on 22nd September, 2017 have approved split of equity shares from face value of ₹ 100 to ₹ 10 per share. Accordingly, number of shares have increased 24.90 million to 249.00 million. The Company has completed 10% Buyback of equity shares (No. Of Shares: 24.9 million of ₹10 each) for ₹2,534.86 million and ₹538.88 million tax thereon total amounting to ₹3,073.73 million in December 2017.

The Company has also completed 10% Buyback of equity shares (No. Of Shares: 22.41 million of ₹10 each) for ₹2,778.84 million and ₹558.20 million tax thereon total amounting to ₹3,337.04 million in March 2020.

3. The Board has recommended the final dividend for FY 2019-20 of ₹ 461.70 million. This proposed dividend is subject to the approval of shareholders in ensuing Annual General Meeting.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XXVII

#### Restated Consolidated Statement of Accounting Ratios

Sl. No.	Particulars		For the year ended 31st March ,2020	For the year ended 31st March ,2019	For the year ended 31st March ,2018	For the year ended 31st March ,2017
A	<b>Earning Per Share (EPS) - Basic and Diluted</b>	A				
	Restated Net Profit / (Loss) as per Profit and loss for calculation of basic EPS (Rupees in million)		4,770.59	5,324.74	4,961.73	5,982.58
	<b>Net Profit / (Loss) for calculation of basic EPS (₹ in million)</b>		<b>4,770.59</b>	<b>5,324.74</b>	<b>4,961.73</b>	<b>5,982.58</b>
	Weighted average number of equity shares outstanding	B	<b>22,41,00,000</b>	<b>22,41,00,000</b>	<b>2,49,00,000</b>	<b>2,49,00,000</b>
	Bonus shares issued in FY 2016-17, restated for all periods		-	-	-	-
	Weighted average number of equity shares after considering Share Split (during year ended 31st March 2018) from FV ₹ 100 to FV ₹ 10 for calculating basic EPS		<b>22,41,00,000</b>	<b>22,41,00,000</b>	<b>24,90,00,000</b>	<b>24,90,00,000</b>
	Buyback of shares	B	2,24,10,000		2,49,00,000	
	Weighted average number of equity shares after considering Buy back for calculating basic EPS		22,33,63,233	22,41,00,000	24,07,00,000	24,90,00,000
	<b>EPS (in ₹) - Basic</b>	<b>A/B</b>	<b>21.36</b>	<b>23.75</b>	<b>20.61</b>	<b>24.03</b>

	EPS (in ₹) - Diluted	<b>C</b>	<b>21.36</b>	<b>23.75</b>	<b>20.61</b>	<b>24.03</b>
<b>B</b>	<b>Return on net worth</b> Restated Profit / (Loss) after Tax (₹ In million) Restated Net Worth for Equity Shareholders (₹ in million) <b>Return on Network (%)</b>	<b>D</b> <b>E</b> <b>D/E*100</b>	4,770.59 30,691.31 <b>15.54%</b>	5,324.74 32,169.19 <b>16.55%</b>	4,961.73 28,340.51 <b>17.51%</b>	5,982.58 29,901.49 <b>20.01%</b>
<b>C</b>	<b>Net Asset Value Per Equity Share</b> Net worth at the end of the periods (₹ in million) Number of equity shares outstanding at the end of the periods <b>Net Asset Value Per Share (₹)</b>	<b>F</b> <b>G/H</b> <b>F/G</b>	30,691.31 20,16,90,000 <b>152.17</b>	32,169.19 22,41,00,000 <b>143.55</b>	28,340.51 22,41,00,000 <b>126.46</b>	29,901.49 24,90,00,000 <b>120.09</b>
<b>D</b>	<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>8,256.27</b>	<b>8,515.17</b>	<b>7,119.72</b>	<b>8,815.24</b>

**Note:**

The above ratios have been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.

Formula:

Basic Earnings per share (Rupees)  $\frac{\text{Profit/Loss after tax (as restated) attributable to Owners}}{\text{Weighted average number of equity shares}}$

Diluted Earnings per share (Rupees)  $\frac{\text{Profit/Loss after tax (as restated after adjustments for diluted)}}{\text{Weighted average number of equity shares}}$

Return on net worth (%)  $\frac{\text{Profit/Loss after tax (as restated)}}{\text{Net worth at the end of the years}} \times 100$

Net Asset Value per equity share (Rupees)  $\frac{\text{Net worth at the end of the periods (as restated)}}{\text{Total number of equity shares outstanding at end of the periods}}$

Earnings before interest, taxes, depreciation and amortization (Rupees) = Profit before tax + Finance cost + depreciation and amortization expenses.

i) The figures disclosed above are based on the Restated Consolidated Summary Statements of Assets and Liabilities of the Company.

ii) The above statement should be read with the notes to Restated Consolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

iii) Net worth for ratios mentioned represents sum of Paid-up share capital, surplus/Other equity (general surplus, capital surplus, capital redemption surplus and retained earnings).

iv) Earnings per share calculations are in accordance with Ind AS 33 - Earnings per share, notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Ind AS 33, in case of bonus share, the number of shares outstanding before the event is adjusted for the proportionate change in the number of

equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous periods have been considered accordingly.

v) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number .

vi) During the year ended March 31, 2017, the company issued Bonus shares in the ratio of 1:4 to the existing shareholders by way of capitalization of capital redemption reserve which has been approved at the Annual General Meeting of the company held on September 28,2016.

vii) The Company has completed 10% Buyback of equity shares (No. of Shares: 24.90 million of ₹ 10 each) for ₹ 2534.86 million and ₹ 538.88 million tax thereon total amounting to ₹ 3,073.73 million in December 2017.

The Company has further completed 10% Buyback of equity shares (No. Of Shares: 22.41 million of ₹10 each) for ₹2,778.84 million and ₹558.20 million tax thereon total amounting to ₹3,337.04 million in March 2020.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XXVIII

#### 1 Employee Benefits

##### 1.1 Various benefits provided to employees are classified as under:-

(₹ in million)

(I) Defined Contribution Plans	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
(a) Provident Fund				
(b) State Defined Contribution Plans				
(i) Employers' Contribution to Employees' State Insurance				
(ii) Employers' Contribution to Employees' Pension Scheme, 1995.				
(iii) Employers' Contribution to Employees' Deposit Linked Insurance Scheme.				
During the year, the Company has recognized the following amounts in the Profit and Loss Account:-				
1. Employers' Contribution to Provident Fund	420.84	474.20	413.50	392.10
2. Employers' Contribution to Employees' State Insurance	3.65	38.09	62.30	18.60
3. Employers' Contribution to EPS (Employees' Pension Scheme)	192.70	193.90	157.50	117.00
4. Employers' Contribution to Employees' Deposit Linked Insurance Scheme	8.75	13.40	3.70	14.50

Retirement benefits in the form of Provident Fund and Pension are defined contribution schemes and the contribution is charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

#### (II) Defined Benefit Plans

<b>Contribution to Gratuity Fund (Funded Scheme)</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Actuarial valuation was performed by an insurer in respect of the aforesaid Defined Benefit Plans based on the following assumptions:-				
1 Discount Rate (per annum)	6.50%	7.50%	7.25%	7.25%
2 Rate of increase in compensation levels	7.00%	7.00%	7.50%	7.50%

Gratuity liability is a defined benefit obligation and is provided for, on the basis of an actuarial valuation on projected net credit method made at the end of each financial year. The Gratuity Fund is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy by an insurer. The investment return earned on the policy comprises interest declared by an insurer having regard to its investment earnings. It is known that insurer's overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government Bonds. Historically too, the returns declared by an insurer on such policies have been higher than Government Bond yields.

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Opening Balance	2,778.50	2,599.90	2,105.80	2,246.90
Add : Credit from Company	46.00	500.00	662.71	21.40
Less : Amount paid towards claims	(642.90)	(503.50)	(324.39)	(333.90)
Add : Interest credited	181.07	182.10	155.75	171.40
Closing Balance	2,362.67	2,778.50	2,599.86	2,105.80
Present value of past service benefit	2,786.41	2,871.60	2,807.16	2,236.60

The actuarial liability excludes the fixed term employees, for which separate provision exists.

## 1.2 Actuarial valuation of liability towards Gratuity

### Defined Benefit Plans Gratuity - as per actuarial valuation

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of gratuity liability, Projected Unit Credit Method is used.

	<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
i)	<b>Assumptions</b>				
	a) Discount Rate	6.50%	7.50%	7.50%	7.25%
	b) Salary Escalation	7.00%	7.00%	7.00%	7.50%

	c) Actual Rate of Return = Estimated Rate of Return as ARD falls on 31st March	6.50%	7.36%	8.20%	8.19%
	d) Expected average remaining working lives of employees (years)	14	14	14	14
ii)	<b>Table showing changes in present value of obligations</b>				
	Present value of obligations as at beginning of year	2,871.60	2,807.20	2,236.60	2,275.00
	Add: Transfer of canteen liability	38.03	-	-	-
		2,909.63	2,807.20	2,236.60	2,275.00
	Interest cost	177.34	210.50	162.16	170.60
	Current service cost	140.93	134.90	128.41	111.40
	Benefits paid	(642.90)	(503.50)	(324.39)	(333.90)
	Actuarial (gain) / loss on obligations	201.41	222.40	604.38	13.50
	Present value of obligations as at end of year	2,786.41	2,871.60	2,807.16	2,236.60
iii)	<b>Table showing changes in the fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	2,778.50	2,599.90	2,105.80	2,246.90
	Expected return on plan assets	181.07	182.10	155.75	171.40
	Contributions	46.00	500.00	662.71	21.40
	Benefits paid	(642.90)	(503.50)	(324.39)	(333.90)
	Actuarial (gain) / loss on plan assets	-	-	-	-
	Fair value of plan assets at the end of year	2,362.67	2,778.50	2,599.86	2,105.80
iv)	<b>Table showing fair value of plan assets</b>				
	Fair value of plan assets at beginning of year	2,778.50	2,599.90	2,105.80	2,246.90
	Actual return on plan assets	181.07	182.10	155.75	171.40
	Contributions	46.00	500.00	662.71	21.40
	Benefits paid	(642.90)	(503.50)	(324.39)	(333.90)
	Fair value of plan assets at the end of year	2,362.67	2,778.50	2,599.86	2,105.80
	Funded status	(423.74)	(93.10)	(207.29)	(130.80)
	Excess of Actual over estimated return on plan assets	-	-	-	-
v)	<b>Actuarial gain / loss recognized</b>				
	Actuarial (gain) / loss for the year - obligation	228.73	222.40	604.38	13.50
	Actuarial (gain) / loss for the year - plan assets	-	-	-	-



	Total (gain) / loss for the year	228.73	222.40	604.38	13.50
	Actuarial (gain) / loss recognised in the year	228.73	222.40	604.38	13.50
	Un-recognised actuarial (gains) / losses at the end of year	-	-	-	-
vi)	<b>The amounts to be recognized in the balance sheet</b>				
	Present value of obligations as at the end of year	2,786.41	2,871.60	2,807.16	2,236.60
	Fair value of plan assets as at the end of the year	2,362.67	2,778.50	2,599.86	2,105.80
	Funded status	(423.74)	(93.10)	(207.29)	(130.80)
	Net Asset / (Liability) recognized in balance sheet	(423.74)	(93.10)	(207.29)	(130.80)
vii)	<b>Expenses recognized in statement of Profit and Loss</b>				
	Current service cost	140.93	134.90	128.41	111.40
	Interest cost	6.98	7.78	9.49	170.60
	Expected return on plan assets	(181.07)	(182.10)	(155.75)	(171.40)
	Expenses recognized in statement of profit and loss	147.92	142.68	137.89	110.60
viii)	<b>Expenses recognized in Other Comprehensive Income</b>				
	Actuarial (gain) / loss recognised in the year	228.73	222.40	604.38	13.50
ix)	<b>Current/Non-current Liability</b>				
	Current Liability	874.52	934.40	830.50	574.60
	Non-current Liability	1,911.93	1,937.20	1,949.37	1,662.00
	Present Value of the Defined Gratuity Benefit Obligation	2,786.44	2,871.60	2,779.87	2,236.60

**Sensitivity of Gratuity Benefit Liability to key Assumptions**

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

**Impact on Defined Benefit Obligation**

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
	Increase	Increase	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b>								

if Discount rate is decreased to 6.00% (2019: 7.00%, 2018: 7.00%, 2017:6.75%)	63.83		57.00		55.37		46.70	
	2.29%		1.99%		1.97%		2.09%	
if Discount rate is increased to 7.00% (2019: 8.00%, 2018: 8.00%, 2017: 7.75%)		59.72		53.80		105.23		44.30
		2.14%		1.87%		3.75%		1.98%
<b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b>								
if Discount rate is increased to 7.50% (2019: 7.50%, 2018: 7.50%, 2017: 8.00%)	38.50		38.50		42.11		17.40	
	1.38%		1.34%		1.50%		0.78%	
if Discount rate is decreased to 6.50% (2019: 6.50%, 2018: 6.50%, 2017: 7.00 %)		36.30		36.70		93.17		16.50
		1.30%		1.28%		3.32%		0.74%

### 1.3 Actuarial valuation of liability towards Leave Encashment

#### Defined Benefit Plan Leave Encashment as per Actuarial Valuation

The Ind AS-19 stipulates that the rate used to discount post-employment benefit obligation (both funded & non-funded) shall be determined by reference to market yields at the end of reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligation.

In the computation of leave encashment benefit liability, Projected Unit Credit Method is used.

i) Assumptions	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Discount rate	6.50%	7.50%	7.50%	7.25%
Rate of increase in compensation levels	7.00%	7.00%	7.00%	7.50%
Expected average remaining working lives of employees (years)	14	14.00	14.00	14.00
ii) <b>Table showing changes in present value of obligations</b>				
Present value of obligation as at the beginning of the year	1,403.90	1,393.70	1,469.90	1,238.90
Add : Liability Transfer from Canteen Employees	9.93	-	-	-
	1,413.83	1,393.70	1,469.90	1,238.90
Acquisition adjustment	-	-	-	-
Interest cost	105.29	104.50	106.57	92.90

iii)	Current service cost	82.55	10.20	88.40	157.20
	Curtailment cost / (credit)	-	-	-	-
	Settlement cost / (credit)	-	-	-	-
	Benefits paid	(225.08)	(279.00)	(166.69)	(133.30)
	Actuarial (gain) / loss on obligations	125.79	174.40	(104.57)	114.20
	Present value of obligation as at the end of the year	1,502.38	1,403.90	1,393.65	1,469.90
	<b>Table showing changes in the fair value of plan assets</b>				
	Fair value of plan assets at the beginning of the year	1,401.20	-	-	-
	Acquisition adjustments	-	-	-	-
	Expected return on plan assets	101.00	1	-	-
iv)	Contributions	223.40	1,400	-	-
	Benefits paid	(225.08)	-	-	-
	Actuarial gain / (loss) on plan assets	-	-	-	-
	Fair value of plan assets at the end of the year	1,500.52	1,401	-	-
	<b>Tables showing fair value of plan assets</b>				
	Fair value of plan asset at the beginning of the year	1,401.20	-	-	-
	Acquisition adjustments	-	-	-	-
	Actual return on plan assets	101.00	-	-	-
	Contributions / (withdrawals)	223.40	-	-	-
	Benefits paid	(225.08)	1,401	-	-
v)	Fair value of plan asset at the end of the year	1,500.52	-	-	-
	Funded status	1.86	(27.00)	(1,393.65)	(1,469.90)
	Excess of actual over estimated return on plan assets		-	-	-
	<b>Actuarial gain / loss recognized</b>				
	Actuarial (gain) / loss for the year - obligation	125.79	174.40	(104.57)	114.20
	Actuarial (gain) / loss for the year - plan assets	-	-	-	-
	Total (gain) / loss for the year	125.79	174.40	(104.57)	114.20
	Actuarial (gain) / loss recognised in the year	125.79	174.40	(104.57)	114.20

	Un-recognised actuarial (gains) / losses at the end of year	-	-	-	-
<b>vi)</b>	<b>The amounts to be recognized in the balance sheet</b>				
	Present value of obligation as at the end of the year	1,502.38	1,403.90	1,393.65	1,469.90
	Fair value of plan assets as at end of the year	1,500.52	1,401.20	-	-
	Funded status	(1.86)	(2.70)	(1,393.65)	(1,469.90)
	Unrecognized actuarial (gains) / losses	-	-	-	-
<b>vii)</b>	<b>Net asset / (liability) recognized in balance sheet</b>	(1.86)	(2.70)	(1,393.65)	(1,469.90)
	<b>Expenses recognized in statement of profit and loss</b>				
	Current service cost	82.55	10.20	88.40	157.20
	Interest cost	105.29	104.50	106.57	92.90
	Expected return on plan assets	-	-	-	-
	Curtailment cost / (credit)	-	-	-	-
	Settlement cost / (credit)	-	-	-	-
	Actuarial (gain) / loss recognised in the year	125.79	174.40	(104.57)	114.20
	Expenses recognized in the statement of profit and loss	313.63	289.10	90.40	364.30
<b>viii)</b>	<b>Current/Non-current Liability</b>				
	Current Liability	385.43	376.60	339.92	299.20
	Non-current Liability	1,116.94	1,027.30	1,053.73	1,170.70
	Present Value of the Defined Leave Encashment Benefit Obligation	1,502.36	1,403.90	1,393.65	1,469.90

#### Sensitivity of Leave Encashment Benefit Liability to key Assumptions

Key assumptions for determination of the Defined Benefit Obligation are Discount Rate (i.e Interest Rate) and Salary Growth rate

#### Impact on Defined Benefit Obligation

Particulars	31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease

<b>Discount Rate varied by 0.5% (other assumptions remaining unchanged)</b> if Discount rate is decreased to 6.00% (2019: 7.00%, 2018: 7.00%, 2017: 6.75%) if Discount rate is increased to 7.00% (2019: 8.00%, 2018: 8.00%, 2017: 7.75%) <b>Salary Growth Rate varied by 0.5% (other assumptions remaining unchanged)</b> if Discount rate is increased to 7.50% (2019: 7.50%, 2018: 7.50%, 2017: 8.00%) if Discount rate is decreased to 6.50% (2019: 6.50%, 2018: 6.50%, 2017: 7.00%)	52.37		41.10		40.27		43.50	
	3.49%		2.93%		2.89%		2.96%	
		48.43		38.30		37.57		40.60
		3.22%		2.73%		2.70%		2.76%
	51.87		41.10		40.27		43.20	
	3.45%		2.93%		2.89%		2.94%	
		48.43		38.62		37.91		40.70
		3.22%		2.75%		2.72%		2.77%

2	<b>Provisions made, utilised, written back</b>				<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
a)	<b>Provision for Custom Duty Demand:</b>							
	Opening Balance				42.60	42.60	42.60	42.60
	Additions				-	-	-	-
	Utilised/Adjusted				-	-	-	-
	Closing Balance				<b>42.60</b>	<b>42.60</b>	<b>42.60</b>	<b>42.60</b>
b)	<b>Provision for Liquidated Damages:</b>							

	Opening Balance	10,241.48	10,241.48	10,241.48	10,241.48
	Additions	-	-	-	-
	Utilised/Adjusted	-	-	-	-
	Closing Balance	<b>10,241.48</b>	<b>10,241.48</b>	<b>10,241.48</b>	<b>10,241.48</b>
c)	<b>Provision for Guarantee Repairs:</b>				
	Opening Balance	205.80	285.60	122.60	4.20
	Additions	-	-	283.00	120.00
	Utilised/Adjusted	10.30	79.80	120.00	116.20
	Closing Balance	<b>195.50</b>	<b>205.80</b>	<b>285.60</b>	<b>8.00</b>
d)	<b>Other Provisions:</b>				
	Opening Balance	10.76	10.76	10.76	22.83
	Additions	-	-	-	-
	Utilised/Adjusted	-	-	-	12.07
	Closing Balance	<b>10.76</b>	<b>10.76</b>	<b>10.76</b>	<b>10.76</b>

As per provisions of Ind AS 115, the Liquidated Damages (LD) amount is required to be recognised as reduction from the revenue. Accordingly, amount of liquidated damages is recognised as reduction from revenue of respective projects for FY 2019-20 as against recognition as provision till FY 2018-19. Consequently, financial statements for FY 2018-19 & FY 2017-18 have been restated. During FY 2016-17 to FY 2018-19, total provision (Net of Write Back) in financial statements is ₹ 1008.00 million which is adjusted in opening balance of reserve /Income as the case may be. The reduction in revenue on account of restatement for FY 2019-20, FY 2018-19 and FY 2017-18 are ₹ 335.90 million, ₹ 352.00 million and ₹ 176.20 million respectively.

- 3 Details of dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on available information with the Company are as under:

Particulars	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Principal amount due and remaining unpaid	9.13	16.05	14.70	8.90
Interest due on above and the unpaid interest	0.39	6.94	1.20	0.80
Interest paid	-	-	-	-
Payment made beyond the appointed day during the year	101.23	231.00	131.80	87.70
Interest accrued and remaining unpaid on above	4.99	10.30	3.50	3.40

- 4 Miscellaneous Expenses include:

<b>Remuneration to the Statutory Auditors</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
i) Audit fees	0.92	0.80	0.80	1.00
ii) Out of pocket expenses	-	-	-	-
iii) Tax audit fees	0.13	0.10	0.10	0.10
	<b>1.05</b>	<b>0.90</b>	<b>0.90</b>	<b>1.10</b>

- 5** The Company has entered into Joint Venture with Reliance Defence and Engineering Limited and formed a Joint Venture company "Mazagon Dock Pipavav Defence Pvt. Ltd." incorporated in Mumbai, India during FY 2012-13. The Company's share in equity share capital of joint venture is 50%. Though company has subscribed 1,00,000 equity shares of ₹ 10 each, the same has not been paid. During FY 2017-18 both JV partners have passed resolution in their respective Board to wind up the Joint Venture. The company has filed application with the Registrar of Company, Mumbai for striking off a Joint Venture company Mazagon Dock Pipavav Defence Pvt. Ltd on 24th November 2018 the same is approved by MCA vide issueing notice under Form No.7 dated 04.12.2019. Accordingly, Joint Venture company Mazagon Dock Pipavav Defence Pvt. Ltd is dissolved.

**6 Russian (USSR) deferred State Credit**

An intergovernmental agreement between Russian Federation and Government of India was reached for reconstructing of Russian Deferred State Credit in Rouble in connection with procurement of equipment for certain ships built and delivered by the company to India Navy in earlier years. The deferred payment liability (non-interest bearing) of ₹ 962.80 million, payable over 45 years from 1992-93, in equal annual installments of ₹ 21.4 million was converted from Rouble to units of Special Drawings Rights (SDR) and stated in Rupees. The amount payable within a year of ₹ 39.10 million (2019 - ₹ 39.10 million) includes yearly accrued instalment of ₹ 21.40 million (2019 - ₹ 21.40 million) and ₹ 17.70 million (2019 - ₹ 17.70 million) towards exchange variation fluctuation. The balance loan amount has been reinstated at the present rate of SDR as on 31st March, 2020. These payments are reimbursable by Indian Navy. Accordingly, ₹ 665.20 million (amortised costs of ₹ 195.20 million) held at foreign supplier deferred credit as on 31st March 2020.

- 7** Pursuant to notification S.O. 2437(E) dated 4th September, 2015, following information on the exemption granted under section 129 of the Companies Act, 2013 has not been disclosed in the financial statements.

- i) Goods purchased under broad heads
- ii) Value of import on CIF basis
- iii) Expenditure on foreign currency
- iv) Total value of imported raw material
- v) Earning in foreign currency

**8 Business Segment Reporting**

- a) The Company is engaged in the production of defence equipment and was exempted from 'Segment Reporting' vide notification S.O. 802(E) dtd. 23rd February, 2018 by amending notification no G.S.R. 463(E) dated 5th June, 2015. In view of the above, no disclosure is made separately by the Company on operating segments under Ind AS 108.

b) For management purposes, the Company is organized into two major segments – Shipbuilding (New Construction and ship Repairs) and Submarine.

c) There are no geographical segments within the business segments.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XXVIII

#### 9 Fair Value Measurement

##### Financial Instruments by Category

(₹ in million)

Particulars	31st March, 2020			31st March, 2019			31st March, 2018			31st March, 2017		
	FV PL	FVO CI	Amortised Cost	FV PL	FVO CI	Amortised Cost	FV PL	FVO CI	Amortised Cost	FV PL	FVO CI	Amortised Cost
<b>Financial Assets</b>												
Security Deposits			36.10			34.30	-	-	32.49	-	-	30.87
Russian Deferred Debit			195.40			197.00	-	-	198.40	-	-	199.59
<b>Financial Liabilities</b>												
Russian Deferred Credit			195.40			197.00	-	-	198.40	-	-	199.59
Security Deposits			11.60			10.20	-	-	7.80	-	-	1.41

##### Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

##### Fair Value Hierarchy



This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of input used in determining fair value, the company has classified the financial instruments in three levels prescribed under the Ind AS.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

#### Financial assets and liabilities measured at amortised cost

(₹ in million)

Particulars	Fair value Hierarchy	As at							
		31st March, 2020		31st March, 2019		31st March, 2018		31st March, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>									
Security deposits	Level 3	45.10	36.10	37.60	34.30	37.60	32.49	37.60	30.87
Russian Deferred Debit	Level 3	665.20	195.40	704.33	197.00	743.50	198.40	782.60	199.59
<b>Financial liabilities</b>									
Russian Deferred Credit	Level 3	665.20	195.40	704.33	197.00	743.50	198.40	782.60	199.59
Security Deposits	Level 3	13.60	11.60	14.90	10.20	10.10	7.80	1.60	1.41

## 10 Financial risk management

### a) Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities ( primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade Receivables and contract asset

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying no credit terms. Outstanding customer receivables are regularly monitored. Trade receivables are primarily from Navy (being department of Govt. of India), hence the credit risk is considered low. Further the Company receives advance against orders which also mitigates the credit risk.

## ii) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Management in accordance with the company's investment policy. Investment of surplus funds are made only in accordance with the Department of Public Enterprises(DPE) guidelines on investment of surplus funds, with the approved banks and within credit limits assigned to each bank. The limits applicable to single bank and public / private sectors as per the DPE guidelines minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to repay the principal and interest.

## b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, if any.

## c) Market Risk

### i) Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk since it imports components from foreign vendors. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). In most of the Contracts, the gains / losses from forex exchange fluctuations are passed on / borne by the customer of the Company. Therefore, the foreign exchange risk and sensitivity of the Company is Nil.

### ii) Foreign Currency Risk Exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:

(₹ in million)							
Particulars	CAD	EUR	GBP	NOK	SEK	SGD	USD
<b>Financial Liabilities</b>							
31st March, 2020	-	1525.60	9.80	0.80	0.10	0.00	3064.70
31st March, 2019	0.20	1,296.40	1.70	0.40	0.10	-	786.30
31st March, 2018	-	566.05	8.98	7.27	0.14	-	1,509.98
31st March, 2017	0.14	909.39	2.58	0.85	416.55	-	9.69

## Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in million)

Particulars		Impact on Profit Before Tax			
		31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
<b>CAD Sensitivity*</b>					
	INR/CAD increases by 5%	-	-	(0.01)	0.01
	INR/CAD decreases by 5%	-	-	0.01	(0.01)
<b>EUR Sensitivity*</b>					
	INR/EUR increases by 5%	76.28	64.82	28.30	45.47
	INR/EUR decreases by 5%	(76.28)	(64.82)	(28.30)	(45.47)
<b>GBP Sensitivity*</b>					
	INR/GBP increases by 5%	0.04	0.09	0.45	0.13
	INR/GBP decreases by 5%	(0.04)	(0.09)	(0.45)	(0.13)
<b>NOK Sensitivity*</b>					
	INR/NOK increases by 5%	0.04	0.00	0.36	0.04
	INR/NOK decreases by 5%	(0.04)	(0.00)	(0.36)	(0.04)
<b>SEK Sensitivity*</b>					
	INR/SEK increases by 5%	0.01	0.01	0.01	20.83
	INR/SEK decreases by 5%	(0.01)	(0.01)	(0.01)	(20.83)
<b>SGD Sensitivity*</b>					
	INR/SGD increases by 5%	-	-	-	-
	INR/SGD decreases by 5%	-	-	-	-
<b>USD Sensitivity*</b>					
	INR/USD increases by 5%	153.24	39.32	75.50	0.48
	INR/USD decreases by 5%	(153.24)	(39.32)	(75.50)	(0.48)
	* Holding all other variables constant				

#### Equity price risk

At the reporting date, the equity shares of MDL are not listed on any stock exchange and the entire equity share capital is held by Government of India. Therefore, MDL's equity shares are not susceptible to market price risk arising from uncertainties about future values of the investment securities.

## 11 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are to

- maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursued of business growth
- safeguard the company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XXVIII

## 12 Expenditure on Corporate Social Responsibilities (CSR) Activities

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR activities	Amount Spent			
		2019-20	2018-19	2017-18	2016-17
Clause (i)	Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.	37.21	83.70	99.50	60.60
Clause (ii)	Promoting education, including special education and employment enhancing vocational skills among the children, women, elderly and the differently abled.	82.43	112.10	118.72	56.50
Clause (iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	-	3.40	-	-
Clause (vi)	measures for the benefit of armed forces veterans, war widows and their dependents	-	0.50	-	-
Clause (vii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;	0.49	3.00	-	5.00
Clause (ix)	contributions or funds provided to technology incubators located within	20.00	4.00	-	-

	academic institutions which are approved by the Central Government;				
Clause (x)	Rural development projects;	9.05	17.80	14.51	10.10
	<b>Total</b>	<b>149.18</b>	<b>224.50</b>	<b>232.73</b>	<b>132.40</b>

Particulars	2019-20	2018-19	2017-18	2016-17
Amount required to be spent by the Company during the year	151.90	161.30	167.40	152.00
Amount spent during the year (incl. Administration Expenses)	156.26	234.69	242.60	136.53

## MAZAGON DOCK SHIPBUILDERS LIMITED

### Annexure XXVIII

#### 14 Specified Bank Notes

(₹ in million)

In accordance with MCA notification no. G.S.R. 308 ( E) dt. 30th March, 2017, every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016. The denomination wise SBNs and other notes as per the notification are given below -

SI No.	SBN Denominations	Specified Bank Notes	Other Denominations	Total
1	Closing cash in hand as on 08.11.2016	0.07	0.00	0.07
2	Permitted receipts	0.43	2.66	3.09
3	Permitted payments	-	-	-
4	Amount deposited in Banks	0.50	2.58	3.08
5	Closing cash in hand as on 30.12.2016	-	0.07	0.07

#### 15 Earnings per share (EPS)

Computation of Profit/Loss for Earnings Per Share	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
Profit attributable to equity shareholders of the company used in calculating basic and diluted earnings per share (₹ million)	4770.59	5324.74	4961.73	5982.58
Weighted average number of equity shares used as the denominator in calculating basic & diluted earnings per share	22,33,63,233	22,41,00,000	24,07,00,000	24,90,00,000
Earnings per share Basic & Diluted (in ₹)	21.36	23.75	20.61	25.08

(Share having nominal value of ₹ 10 each)				
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During FY 2017-18 the Face Value of equity shares has been split from ₹ 100 to ₹ 10. As per Ind AS 33, weighted average number of total equity shares for FY 2016-17 has been adjusted for share split.

- 16 Ministry of Finance announced amendment in the form of reduced tax rate vide Taxation Laws (Amendment) Ordinance 2019 by inserting a new section 115BAA in the Income Tax Act, 1961. The amendments would be applicable from the FY 2019-20. As per the new section, the domestic Company may exercise the option of payment of tax at reduced rate of 25.17% (including surcharge and cess) subject to the condition that the company will not avail certain deductions/exemptions. The company has opted for the reduced rate of income tax. This has resulted in one time effect on Profit for the year by ₹1607.30 million due to reduction in deferred tax assets.
- 17 The delays in the completion of the projects due to pandemic situation will be taken up with the customer for revising the delivery schedule. The total expenses incurred amounting to Rs. 99.27 million towards employee benefits and Rs. 23.90 million towards depreciation for the lockdown period from 22nd to 31st March 2020 are disclosed as exceptional item in the statement of Profit and loss for FY 2019-20. The Company doesn't foresee any change in the orders under execution due pandemic.
- 18 As on 31st March, 2020, Inventory held on behalf of Navy is ₹ 407.39 million (2019 - 407.39 million, 2018 - ₹ 409.60 million, 2017 - ₹ 910.30 million).
- 19 MDL maintains independent PF Trust for employees. In FY 2019-20, MDSL employee PF trust has recognised capital loss of Rs.139.35 millions against the investment made in previous years. As per the terms & condition provided under employee PF scheme 1952, employer shall be liable to bear the loss of the trust. Consequently, provision of Rs. 139.35 millions is recognised in accounts of FY 2019-20.
- 20 As per contract with customer for ships, Material Overheads (MOH) on variable cost components shall be charged to the vessel. However, payment will be made as per supplementary contract which is yet to be signed. Pending signing of the supplementary contract, the Company has recognised MOH of ₹ 458.10 million (2019 - ₹ 250.40 million, 2018 - ₹ 208.80 million, 2017-Nil) and profit there on of ₹ 34.40 million (2019 - ₹ 18.90 million, 2018 - ₹ 15.70 million 2017-Nil) in the Statement of Profit and Loss.
- 21 Lease agreements have not been executed in the cases of Certain Land at Mumbai taken from Mumbai Port Trust (MbPT) Mumbai. However, MDL continues to occupy the land and is paying rent according to the terms and conditions of the contract. The lease period is assumed to be 29 years from the date of expiry of the leases.
- 22 Associate company M/s Goa Shipyard Ltd has implemented Ind AS 116 "Leases" from 01.04.2019. The lease liabilities are measured at present value of the remaining lease payments. The associate company has adjusted cumulative effect to retained earnings of 1st April 2019 in its standalone financials statements. The effect of adjustment in consolidated financials are (₹ 0.60) million, (₹ 0.59) million and (₹ 0.42) million in FY 2016-17, FY 2017-18 and FY 2018-19, net of taxes, which is not material.
- 23 **Adoption of Ind AS 115**  
**Revenue Recognition:** The company has adopted Ind AS 115 from 1st April, 2018 with full modified retrospective approach. However, adoption of Ind AS 115 has no effect on profitability and turnover of the company except from FY 2018-19 onwards, the Company as principal has recognised revenue for supply of base and depot spares at the time of satisfactory completion of delivery as against recognition of only service charges as revenue in previous years as agent. This has resulted in increase in total revenue by Rs. 6080.47 million, 917.17 million, 348.66 million in FY 2018-19, FY 2017-18, FY 2016-17 respectively and no effect on profitability for each of the above mentioned years.

**MAZAGON DOCK SHIPBUILDERS LIMITED**  
**Annexure XXVIII**

**24 Additional Notes to the Consolidated Financial Statements**

**a Interest In Associate**

Name of the Company	Country of Incorporation	% of Ownership as at 31st March, 2020	% of Ownership as at 31st March, 2019	% of Ownership as at 31st March, 2018	% of Ownership as at 31st March, 2017
Goa Shipyard Limited	India	47.21%	47.21%	47.21%	47.21%

**b Disclosure of Additional Information Pertaining to the Parent Company and Associate**

(₹ in million)

Name of the Company	Share in Profit/(Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated share of Profit/(Loss)	Amount ₹ in million	As % of Consolidated other comprehensive income	Amount ₹ in million	As % of Consolidated total comprehensive income	Amount ₹ in million
<b>For year ended 31st March, 2020</b>						
Mazagon Dock Shipbuilders Ltd	80.43	3,836.90	89.84	(171.18)	80.04	3,665.72
Goa Shipyard Limited	19.57	933.69	10.16	(19.35)	19.96	914.34
Total	100.00	4,770.59	100.00	(190.53)	100.00	4,580.06
<b>For year ended 31st March, 2019</b>						
Mazagon Dock Shipbuilders Ltd	88.34	4,703.84	79.77	(154.74)	88.66	4,549.10
Goa Shipyard Limited	11.66	620.90	20.23	(39.24)	11.34	581.66
Total	100.00	5,324.74	100.00	(193.98)	100.00	5,130.76
<b>For year ended 31st March, 2018</b>						
Mazagon Dock Shipbuilders Ltd	79.32	3,935.73	97.93	(391.92)	77.69	3,543.81
Goa Shipyard Limited	20.68	1,026.00	2.07	(8.30)	22.31	1,017.70
Total	100.00	4,961.73	100.00	(400.22)	100.00	4,561.51
<b>For year ended 31st March, 2017</b>						
Mazagon Dock Shipbuilders Ltd	90.74	5,428.31	168.84	(8.80)	90.67	5,419.51
Goa Shipyard Limited	9.26	554.27	(68.84)	3.59	9.33	557.86
Total	100.00	5,982.58	100.00	(5.21)	100.00	5,977.37

- 25 In the preparation of these Financial Statements, figures for the previous year have been regrouped/reclassified, wherever considered necessary to conform to current year presentation.
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As per our report of even date

For and on behalf of the Board of  
Directors

**JCR & Co**

Chartered Accountants

Firm Registration No. 105270W

**VAdm Narayan Prasad, IN  
(Retd)**

Chairman and Managing Director

**Mitesh Chheda**

Partner

Membership No. 160688

**Sanjeev Singhal**

Director (Finance)

Date - 27th August, 2020

Place - Mumbai

**Vijayalakshmi Kamal Kumar**

Company Secretary



## OTHER FINANCIAL INFORMATION

The standalone financial statements of our Company as at and for the year ended March 31, 2020, March 31, 2019, March 31, 2018 and March 31, 2017 and the reports thereon dated July 15, 2020, June 17, 2019, July 16, 2018 and August 23, 2017, respectively (“**Standalone Financial Statements**”) are available at <https://mazagondock.in/financials.aspx>. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Standalone Financial Statements do not constitute, (i) a part of this Addendum; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLMs or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Narayan Prasad  
**Chairman and Managing Director**

**Place:** Mumbai

**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Anil K. Saxena  
**Director (Shipbuilding)**

**Place:** Mumbai  
**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Jasbir Singh  
**Director (Submarine & Heavy Engineering)**

**Place:** Mumbai

**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Sanjeev Singhal  
**Director (Finance) and Chief Financial Officer**

**Place:** Mumbai

**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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T.V. Thomas

**Director (Corporate Planning and Personnel)**

**Place:** Mumbai

**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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VL Kantha Rao  
**Nominee Director**

**Place:** New Delhi  
**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Devi Prasad Pande  
**Independent Director (Part Time Non-Official)**

**Place:** New Delhi

**Date:** August 27, 2020



## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Kamaiah Bandi  
**Independent Director (Part Time Non-Official)**

**Place:** Hyderabad

**Date:** August 27, 2020

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines and regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director of our Company**

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Mailareshwar J. Jeevannavar  
**Independent Director (Part Time Non-Official)**

**Place:** Hubli

**Date:** August 27, 2020

## DECLARATION

On behalf of the Selling Shareholder, I certify that the statements and undertakings made in this Addendum to the Draft Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares offered pursuant to the Offer for Sale are true and correct.

**Signed on behalf of the Selling Shareholder**

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Name: Sharda Prasad  
Designation: Deputy Secretary (NS)  
On behalf of the President of India,  
Acting through the Ministry of Defence,  
Government of India

**Place:** New Delhi

**Date:** August 27, 2020