

ABG SHIPYARD LIMITED

Board of Directors

Shri. Rishi Agarwal - *Chairman*
 Shri. Saket Agarwal - *Director*
 Shri. Ram Swaroop Nakra - *Managing Director*
 Major Arun Phatak - *Executive Director*
 Shri. Ashok R. Chitnis - *Director*
 Shri. Shahzaad Dalal - *Nominee Director*
 Shri. Nainesh Jaisingh - *Nominee Director*
 Shri. Ashwani Kumar - *Independent Director*
 (From 08.12.2009)

25th Annual General Meeting

Day : Thursday
 Date : 30th September, 2010
 Time : 12.00 Noon
 Venue : At the Registered Office of the Company
 Near Magdalla Port,
 Dumas Road, Surat - 395007.
 Gujarat - India

Auditors

M/s. Nisar & Kumar
 Chartered Accountants
 A-17, Everest Building,
 156, Tardeo Road, Mumbai - 400 034.

CONTENTS

	Page
Notice of AGM	2
Directors' Report	6
Report on Corporate Governance	11
Management Discussion & Analysis	25
Auditor's Report	27
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedules to Accounts	33
Balance Sheet Abstract and Company's General Business Profile	51
Statement pursuant to Section 212 of the Companies Act, 1956	52
Consolidated Financial Statements	53
Directors' Report and Auditor's Report of ABG Shipyard Singapore Pte. Ltd.	71
Financial Results of ABG Shipyard Singapore Pte. Ltd.	73

Bankers

ICICI Bank
 State Bank of India
 Bank of Baroda
 Bank of India
 IDBI Bank Ltd.
 Export-Import Bank of India
 Standard Chartered Bank
 Oriental Bank of Commerce
 Development Credit Bank
 Indian Overseas Bank
 Punjab National Bank
 Andhra Bank

Registered Office

Near Magdalla Port,
 Dumas Road, Surat - 395007.
 Tel.: 91-261-2725191
 Fax: 91-261-3048243

Corporate Office

4th/5th floor, Bhupati Chambers,
 13, Mathew Road,
 Mumbai-400 004.
 Tel.: 91-22-66563000
 Fax: 91-22-66223050
 Website: www.abgindia.com
 E-mail: shipyard@abgindia.com and
 seclegal@abgindia.com

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.
 Tel.: 91-22-25946970
 Fax: 91-22-25946969
 e-mail: rnt.helpdesk@linkintime.co.in

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of **ABG Shipyard Limited** will be held at the Registered Office of the Company Near Magdalla Port, Dumas Road, Surat-395 007 on **Thursday the 30th September, 2010 at 12.00 noon**, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2010 and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company for the year ended 31st March 2010.
3. To appoint a Director in place of Shri. Rishi Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Saket Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Nisar & Kumar, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company until conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business :

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri. Ashwani Kumar, who was appointed as an Additional Director of the Company by the Board of Directors of the Company and who holds office up to the date of the ensuing Annual General meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for office of director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in supersession of all earlier resolutions to the effect, consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) to the creation by the Board of Directors of such mortgages, charges and hypothecations, created / to be created by the Company in such form and manner as the Board of Directors may direct on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may direct of the Company in certain events in favour of Lender(s) / Agents(s) / Trustee(s) / Financial Institutions / Bank(s) and other investing agencies to secure Rupees / Foreign currency loans, bonds, securities (Comprising fully/partly Convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds) or other debt instruments of an equivalent aggregate value not exceeding Rs. 15,000 Crores (Rupees Fifteen Thousand Crores Only) together with interest thereon at the respective agreed rates, compounded rates, additional interest, liquidated damages, commitment charges, remuneration of Agent(s), Trustee(s), premia on pre-payment or on redemption, costs, charges, expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s) / Agent(s) / Trustee(s) / Financial Institutions / Banks / other investing agencies under the arrangements entered into/to be entered by the Company in respect of the said loans, bonds, securities or other instruments.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize the terms and conditions of the above mentioned loans, bonds, securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecations and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in supersession of all earlier resolutions to the effect, the consent of the Company under the provisions of section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company for borrowing, from time to time, any sum or sums of monies, on such terms and conditions as the Board may deem fit, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of monies so borrowed by the Board shall not at any time exceed the limit of Rs. 15,000 crores (Rupees Fifteen Thousand Crores) Only.”

By Order of the Board of Directors

**Ch. Rajashekhar Reddy
Company Secretary &
General Manager (Legal)**

Place: Mumbai
Date: 14th August, 2010

Explanatory statement pursuant to Section 173(2) of the companies act, 1956**Item No. 6**

Shri. Ashwani Kumar was appointed as Additional Director of the Company by the Board of Directors at their meetings held on 8th December 2009. According to the provisions of the Section 260 of Companies Act, 1956, read with the Articles of Association of the Company, Shri. Ashwani Kumar holds office of Director up to the date of the ensuing Annual General Meeting of the Company. A notice have been received from a member as required by Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Shri. Ashwani Kumar as a Director of the Company liable to retire by rotation.

Details regarding the person proposed to be appointed as Director and his brief resume has been given in the Annexure attached to the Notice.

The Board of Directors is of the view that the appointment of Shri. Ashwani Kumar with his skills in finance, management, taxation and industry would be of immense benefit to the Company and recommends his appointment for your approval.

None of the Directors except Shri. Ashwani Kumar is concerned or interested in the resolution.

Item No. 7 & 8

Section 293(1) (d) of the Companies Act, 1956, stipulates that Board of Directors of the Company cannot, except with the consent of the members in the General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, i.e. to say, reserves not set apart for any specific purpose. The shareholders at the Annual General Meeting of the company held on 30th September 2009, had accorded their consent to the Board of Directors for borrowing up to Rs. 12,000 crores (Rupees Twelve Thousand Crores Only).

Taking into consideration the requirements of the additional funds to meet the cost of Company's capital expenditure programme as also additional working capital requirements of the company, it is expected that the limit of Rs. 12,000 crores sanctioned by the shareholders is likely to be exceeded.

The consent of the shareholders is therefore sought in accordance with the provisions of Section 293 (1) (d) of the Act to enable the directors to borrow the moneys to the extent of Rs. 15,000 crores (Rupees Fifteen Thousand Crores Only). The resolution under item no.8 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the company may, if necessary, be secured by way of Charge/Mortgage/Hypothecation on the Company's assets in favour of the lenders. As the documents to be executed between the proposed lenders and the company may contain the power to take over the management of the company in certain events, it is necessary to pass a resolution under section 293(1) (a) of the Act, for creation of Charge/Mortgage/Hypothecation for an amount not exceeding the borrowing limit of Rs. 15,000 crores (Rupees Fifteen Thousand Crores only).

The proposed offers are in the interest of the company and your directors recommend the resolution at item no. 7 & 8 of the accompanying Notice for acceptance of the members.

None of the Directors of the Company are concerned or interested in the resolutions set out at the aforesaid items of the Notice.

Your Directors recommend passing of the resolution set out in the Notice.

By Order of the Board of Directors

Place: Mumbai
Date: 14th August, 2010

**Ch. Rajashekhar Reddy
Company Secretary &
General Manager (Legal)**

NOTES:

- 1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of the business set out in the accompanying notice and details under clause 49 of the Listing Agreement with the Stock Exchange(s) in respect of the directors proposed to be appointed/re-appointed at the Annual General Meeting is annexed hereto.

4. The Register of Members and Share transfer books of the Company will remain closed from 20th September, 2010 to 30th September, 2010 (both days inclusive) in connection with the final dividend being considered for approval in the Annual General Meeting.
5. The Members are requested to note that dividend will be payable, if declared, to those Members having shares in Dematerialised form whose names appear on the register of Members on 18th September, 2010 and to the Members having shares in physical form whose names appear on the register of Members on 30th September, 2010.
6. Members are requested to intimate all changes with respect to their bank details, nomination, power of attorney, change of address, change in name, etc. to their respective depository participant (DP).
7. Members are requested to bring their copy of Annual Report to the meeting.
8. Members/Proxies are requested to bring the attendance slip duly filled in.
9. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the meeting, so that information required is made available at the meeting.
10. As per Section 205C of the Companies Act, 1956, the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the fund) set up by the Government of India and no payments shall be made by the fund, in respect of any claims. Members who have not yet encashed their dividend warrants for the financial year ended March 31, 2006 and subsequent years are requested to make their claims directly to the Registrar and Share Transfer Agent, without any delay. It may be noted that the unclaimed dividends for the financial years 2005-06 to 2008-09 are due for transfer to the IE&P fund as per table:

Financial Year	Due Date for Transfer
2005-06	17th September, 2013
2006-07	26th October, 2014
2007-08	21st October, 2015
2008-09	29th October, 2016

11. All statutory registers including the register of directors' shareholding are open for inspection at the Registered Office of the Company on all working days, from the date hereof upto the conclusion of this meeting between 10.00 a.m. and 5.00 p.m.
12. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/ change in such Bank details.
13. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
14. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent:-
**M/s. Link Intime India Private Ltd.,
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai 400 078.**

ANNEXURE
Details of Directors seeking appointment/re-appointment in the 25th Annual General Meeting

Name of Director	Shri. Rishi Agarwal	Shri. Saket Agarwal	Shri. Ashwani Kumar
Date of Birth	03/09/1966	07/05/1964	15/08/1948
Date of Appointment / Re-appointment as Director	27/09/2007	27/09/2007	08/12/2009
Qualification	MBA (Finance) from Purdue University, USA.	Commerce Graduate	Post Graduate in Political Science from Allahabad University
Experience and Expertise in Specific functional area	Has over 24 years of rich experience in Shipbuilding, Ship Repairing and Shipping	Has rich experience in Marine business, port services, port development and transportation.	Joined Indian Revenue Service in November 1973, During the tenure, worked in various capacities and at various places like, Kolkata, Jaipur, Bhopal, Jodhpur, Mumbai and retired as Chief Commissioner of Income Tax from Chennai in the year August, 2008.
Directorships held in other companies	<ol style="list-style-type: none"> 1. ABG International Private Limited 2. ABG Cement Limited 3. ABG Engineering & Constructions Ltd. 4. ABG Energy Ltd. 5. ABG Energy Himachal Pradesh Ltd. 6. ABG Energy (Gujarat) Ltd. 7. ABG Shipyard (Singapore) Pte. Ltd. 8. ABG Infralogistics Ltd. 9. ABG Power Private Ltd. 10. ABG Cranes Private Ltd. 11. ABG Kolkata Container Terminals Private Ltd. 12. ABG Kandla Container Terminals Ltd. 13. ABG Projects & Services Limited (UK) 14. ABG Ports Private Ltd 	<ol style="list-style-type: none"> 1. ABG Infralogistics Limited 2. ABG Kolkata Container Terminal Private Limited 3. ABG Kandla Container Terminal Ltd 4. ABG Projects & Services Limited (UK) 5. ABG Cranes Private Limited 6. ABG Power Private Limited 7. ABG Ports Private Ltd. 8. ABG -LDA Bulk Handling Private Ltd. 9. ABG Haldia Bulk Terminals Private Ltd 10. ABG Coastal Private Ltd 11. ABG Container Handling Private Ltd. 12. ABG-LDA Marine Private Ltd. 13. Onaway Industries Ltd. 	<ol style="list-style-type: none"> 1. J.Kumar Infraprojects Limited 2. Western India Shipyard Limited
Committee positions held in other companies	NIL	NIL	NIL
No. of shares held in ABG Shipyard Ltd.	140625	140625	NIL

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have great pleasure in presenting this Twenty Fifth Annual Report on the business and operations of your Company with the Audited Statement of Accounts for the year ended 31st March 2010.

1. FINANCIAL PERFORMANCE

	(Rs. in crores)	
	2009-2010	2008-2009
Sales and Other Income	1,851.79	1,419.47
Profit before Interest, Depreciation & Tax	516.60	338.37
Less: Interest (Net)	150.61	73.95
Profit before Depreciation & Tax	365.99	264.42
Less: Depreciation	38.69	14.48
Profit before Tax	327.30	249.94
Less: Provisions for Taxation	98.38	78.84
Net Profit after Tax	228.92	171.10
Balance brought forward from previous year	323.49	249.30
Profit available for appropriations	552.41	420.40
Appropriations		
Transfer to Debenture Redemption Reserve	25.00	-
Transfer to General Reserve	120.00	85.00
Proposed Dividend – Equity shares	20.37	10.18
Corporate Dividend Tax	3.46	1.73
Balance carried to Balance Sheet	383.58	323.49

* Figures regrouped wherever necessary.

2. OPERATIONS

During the year under review, your Company has successfully delivered 14 vessels taking to the total up to 122 vessels delivered so far by the Company.

Your Company has posted a turnover of Rs. 1,851.79 crores, an increase of about 30.45% as compared to Rs. 1,419.47 Crores in the previous Financial Year. The Company recorded a net profit of Rs. 228.92 Crores as against Rs. 171.10 Crores in the corresponding previous financial year depicting a rise of 33.80%. Your Company could achieve a rise in overall profitability through a judicious mix of strategies and cost control measures.

Installation of the Ship transfer system at the Dahej unit was completed during the year. The installation of the Ship lift system is in the advanced stage of completion. Your Company has received all the necessary approvals for the construction of a 230 metre long jetty and construction of the same is in an advanced stage.

During the year under consideration, your Company had bagged a prestigious order for the construction of 3 cement carriers of 20,000 DWT each from M/s. Associated Bulk Carriers Pte Ltd, Singapore a joint venture company of M/s. Precious Shipping Public Company Limited.

3. DIVIDEND

Considering the profitability for the year under consideration and the future capital requirements of the Company, your Directors recommended a Dividend of Rs. 4/- per Equity Share of Rs. 10/- each (i.e. 40%) for the year ended 31st March 2010 and seek your approval for the same.

4. OUTLOOK

Shipping continues to remain unchallenged as the world's most efficient means of transportation. With a long coastline of about 7517 km, spread on the western and eastern shelves of the mainland, shipping forms an important natural resource for country's trade. Approximately 95% of the country's trade by volume and 70% by value is moved through maritime transport. In view of its importance, the Indian Government has recognised the need to promote the quality of the shipping and ocean resources, ports, harbours and the new technologies to be developed in this emerging scenario.

The Ministry of Shipping has finalised a National Maritime Development Programme (NMDP) to implement specific programmes/ schemes for the development of the port sector. The total investment involved for the projects identified under this programme for the period up to 2014-15 is Rs. 1,00,339 crores. Out of this, Rs. 55,804 crore is for the port sector and the balance is for shipping and inland water transport sectors.

NMDP has envisaged setting up of 2 international standard shipyards in India, one on the west coast and the other on the east coast. For this, Government has nominated, Ennore port and Mumbai Port Trust to function as nodal agencies. Expressions of interest received in this regard are being processed.

Further, the Government has established Indian Maritime University (IMU) in Chennai in the year 2008 with campuses at Chennai, Kolkata, Mumbai and Vishakhapatnam. It will promote advanced knowledge by providing institutional and research facilities in the emerging areas of marine science & technology, marine environment and other related fields.

Inland Waterways Authority of India is undertaking projects for making national waterways 1,2 and 3 (Ganga, Brahmaputra and West Coast canal) fully functional by providing navigational channel of 3m/2m/1.5m depth for about 330 days in a year, in various stretches, fixed and floating terminals at selected locations and aids for day and night navigation with DGPS connectivity.

The Dry Baltic Index (BDI) which opened the year 2009 with 773 has reached 3063 in December 2009, showing signs of global recovery. However, according to market analysts the shipping markets are expected to remain flat at these levels. The tanker segment of the shipping market remained subdued due to drastic fall in the demand for petroleum products in the western countries. The one reason attributed to the shipping market revival during 2009 is increased Chinese and Indian demand for Iron ore and coal on the dry side and in the tanker segment, increase in demand from USA and far East markets from Arabian Gulf region.

5. SUBSIDY

The Government of India had provided for a Shipbuilding Subsidy Scheme, for both export and domestic orders to all the Indian shipyards. The broad features of the scheme were as follows:

- 30% subsidy was payable for all export orders irrespective of size and type but limited to seagoing merchant vessels of and over 80 metres in length for domestic vessels.
- Prices to be determined by the global tender in case of domestic orders.
- In case of export orders obtained on price negotiation a "Price Reasonableness Certificate" to be obtained from DG Shipping.
- In case of Public Sector shipyards, subsidy is payable on stage payments received by the shipyard.
- In case of Private Sector shipyards, subsidy is payable after the delivery of the vessel.

This Scheme had expired on August 14, 2007. The Government has issued modified guidelines dated 25th March 2009 for liquidation of the liability for the payment of subsidy for ongoing eligible shipbuilding contracts entered by Central Public Sector shipyards up to 14th August 2007 and eligible shipbuilding contracts entered on 25th October 2002 and thereafter by Non-Central Public Sector shipyards and Private Sector shipyards up to 14th August 2007, to the shipyards who have applied to DG Shipping for Price Reasonableness Certificate on or before 14th August 2007. In order to give a boost to the ship building industry, the Government of India is considering reviving the subsidy scheme. Your Company has received an amount of Rs. 65.49 crores towards subsidy in the financial year 2009-10.

6. SUBSIDIARIES

Your Company has 2 subsidiaries i.e. Eleventh Land Developers Private Limited and ABG Shipyard Singapore Pte. Limited as at the end of financial year. Your Company has sought an exemption under Sec. 212 of the Companies Act, 1956 from the requirement of attaching the Balance Sheet, Profit & Loss Account, etc of its subsidiaries to its accounts. Vide its order dated 13th May, 2010, the Ministry of Corporate Affairs has exempted from the requirement of Sec. 212 of the Companies Act, 1956 for Eleventh Land Developers Private Limited.

The Balance Sheet, Profit and Loss Account etc. of ABG Shipyard Singapore Pte. Ltd. and the consolidated financial statement are forming part of this Annual Report.

Your Company undertakes that the annual accounts of the subsidiary Companies and the related detailed information will be made available to the members on request. Further, the annual accounts of the subsidiary Companies will also be kept at the registered office of the Company and of its subsidiary for inspection by any member.

7. SCHEME OF COMPROMISE AND ARRANGEMENT

The Hon'ble Bombay High Court at Goa, vide its order dated 15th January 2010 as amended, sanctioned the Scheme of Arrangement and Compromise between Western India Shipyard Limited (WISL) and its Secured Lenders & Shareholders with your Company as confirming party. As per the terms of the Scheme, the secured lenders who have opted for option-1 of the Scheme have to transfer the shares acquired by them on conversion of their loans into equity, to ABG Shipyard Limited. ICICI

Bank Limited has converted Rs. 35.51 crore loans into equity and accordingly, WISL has allotted 17,75,50,000 equity shares of Rs. 2/- each. Transfer of these shares to your Company is yet to take effect as the Listing & Trading permission is still pending from the Bombay Stock Exchange Limited.

WISL is a BSE listed company located at Goa port, which is on the west coast of India. It has a modern state-of-the-art floating dry dock that enables it to repair various types of vessels up to 60,000 DWT. The Western Shipyard acquisition will bring rig and ship repairing expertise to our existing business.

8. DIRECTORS

Shri. Ashwani Kumar has been appointed as additional director of the Company w.e.f. 8th December 2009. Mr. Ashwani Kumar is a retired Chief Income Tax Commissioner. He would hold the position as additional director up to the date of ensuing Annual General Meeting of the Company. Your Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Ashwani Kumar as Director of the Company. Considering the vast experience and skills in finance, management, taxation and industry, directors of your Company recommend his appointment for your approval.

In accordance with Section 255 & 256 of the Companies Act, 1956 read with Article 190 of the Articles of Association of the Company, Shri. Rishi Agarwal and Shri. Saket Agarwal are liable to retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

None of these directors is disqualified as per the provisions of Section 274 (1) (g) of the Companies Act, 1956, to be appointed/ re-appointed as directors of your Company.

Your Directors recommend the re-appointment of Shri. Rishi Agarwal and Shri. Saket Agarwal as directors. The details of the Directors being recommended for re-appointment are contained in the accompanying notice of the forthcoming Annual General Meeting.

9. AUDITORS

M/s. Nisar & Kumar, Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and have consented for their re-appointment.

Your Directors recommend their appointment as the Auditors of the Company for the current year and fix their remuneration.

10. DEPOSITS

The Company has not accepted deposits by way of invitation to the public and therefore, provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

11. CORPORATE GOVERNANCE

A detailed report on compliance of Corporate Governance and Management's Discussion and Analysis as stipulated in Clause 49 of the Listing Agreement is enclosed and forms part of this Report.

In line with the said provisions, the Company has obtained a Certificate from the Auditors of the Company, which is annexed and forms part of this Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- iii. the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

13. STATUTORY INFORMATION

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies

(Particulars of Employees) Rules, 1975 are required to be annexed to the Directors' Report. However, as per the provisions of Section 219 (1)(b)(iv) of the said Act, the annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company at its Corporate Office.

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure to this Report.

14. INDUSTRIAL RELATIONS

The Industrial relations at the manufacturing facilities of your Company have been cordial during the year. Your Directors wish to place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

15. APPRECIATION

The directors record their gratitude to the Company's employees at all levels for their dedication and commitment throughout the year. The directors would also like to record their thanks to the Company's shareholders, bankers, Financial institutions and business associates for their continued support and co-operation.

For and on behalf of the Board

Place: Mumbai
Date: 14th August, 2010

R.S. Nakra
Managing Director

Major Arun Phatak
Executive Director

Annexure - A to Directors' Report

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of energy:

(a) energy conservation measures taken:

- Energy Saver System introduced in more than 50 Welding Machines.
- 230 Nos Electronic Chock base 1 x 28 W tube light fitting installed for worker colony in place of 100 W lamp & -100 Nos 15 W CFL installed in place of 100 W lamp for Owner representative residence.
- Additional Capacitor bank installation to keep power factor "between 0.98 to 0.99".
- 1000 cfm computer with VFD drive installed in unit -2.
- The Highway light fitting in workshop bays are time controlled.
- Fluorescent light fitting 36 watts for the colony are with Electronics ballast.
- We have installed the separate lighting transformer for administration Block.
- We have installed two compressor, capacity 950 CFM , are controlled with VVFD.

(b) additional investments and proposals, if any, being implemented for reduction of consumption of energy;

- a. Auto cut off for welding machine.
- b. To instal 1000 cfm compressor with VFD in unit 1 for building derths.
- c. Replacement of 400 Watt HPSV / HPMV High Bay and Flood lights with LED lights of 150 watts under trial. If found successful The High Bay lights and Flood Lights will be replaced with LED type lights.
- d. Additional installation of Capacitor Panels to improve power factor to 0.99.

(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- 20% power saving on welding machine.
- 30% power saving on lighting for worker colony & owner representative residence.
- 10% Energy saving of total 200 KW lighting power requirement in colony.
- 6% Energy saving of total 100 KW lighting power requirement in admin Block.
- 8% Energy saving of total 264 Kw power required for compressors.
- 60 % Energy saving of total 175 KW power on replacement of HPSV/HPMV lights with LED lights.
- Achieved the power factor between 0.97- 0.975 in the plant and 0.99 in colony.

B. Technology absorption:

Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company

Research and Development has been carried out in the following areas.

- Installation of Auto blasting & paint line machine for blasting & painting of steel plates, angle section etc at ABG-II.
- Mig welding Process Streamlined at ABG-II for faster welding.

2. Benefits derived as a result of the above R&D

- The Auto blasting & painting facility has saved 30% of surface preparation of time for steel. The cost saving is Rs.1000 per Ton (Rs 60 lacs per year approx).
- Reduction in welding time.

3. Future plan of action

- Construction of loading and unloading jetty to transfer of blocks from unit 2 to unit 1.

4. Expenditure on R&D

A total of approx. Rs. 179.00 lacs was spent on both the Capital and Recurring R & D expenditure during the period under consideration on a total turnover of Rs. 1851.79 cr.

Technology absorption, adaptation and innovation

a) Efforts, in brief made towards technology absorption, adaptation and innovation.

- Assembling of smaller blocks to construct mega blocks before erection at building berth with new gantry cranes installed on building berths.

b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

- Reduction of duration for erection of blocks on building berths.

In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).

Technology Imported	NIL
Year of Import	NA
Has technology been fully absorbed?	NA
If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	NA

C Foreign Exchange Earnings and Outgo:

	2009-10	2008-09
Earnings	165.28	179.20
Outgo	1,347.23	1,354.83

Annexure - B to Directors' Report

REPORT ON CORPORATE GOVERNANCE

(In compliance with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE))

ABG is committed to uphold its core values of Customer Focus, Community, Performance, Leadership, Innovation and Quality. The Company believes that good corporate governance is vital to our success in business; create long term shareholder value as also an important component of our commitment to our shareholders, customers and employees. The Company through its Board of Directors, Senior Management and Employees, is committed to adhering to good corporate governance practices to effectively meet its Statutory, Financial and Social obligations.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company advocates transparency in all its business transactions and activities. Management and Employees of the Company stand committed to the core principles of transparency, honesty and integrity. Corporate Governance which forms the core of all business endeavors. As a company, which believes in implementing the corporate governance practice that go beyond just meeting of letter of law, ABG has not only adopted practices mandated in the clause 49 of the Listing Agreement, but also incorporated some of the non-mandatory recommendations.

2. BOARD OF DIRECTORS

(i) Size and Composition of the Board

The Board of Directors provides strategic direction and thrust to the maneuver of the Company.

As on 31st March, 2010, the total strength of the Board of Directors of the Company is eight Directors. The Board of Directors comprise eminent persons with considerable professional experience in varied fields who supervises the overall management of the Company. The Board is headed by Non-Executive Chairman, Mr. Rishi Agarwal. The day-to-day affairs of the Company are managed by Shri. R. S. Nakra, Managing Director, assisted by Major Arun Phatak, Executive Director, subject to the superintendence and control by the Board. Board comprises of 4 independent directors including Shri. Ashok R. Chitnis, Shri. Nainesh Jaisingh (nominated by Standard Chartered Private Equity Advisory (India) Private Limited), Shri. Shahzaad Dalal (nominated by IL & FS Investment Managers Limited) and Shri. Ashwani Kumar.

No Director is related to any other Director on the Board of the Company in terms of the definition of 'relative' given under Section 6 of the Companies Act, 1956, except Shri. Rishi Agarwal and Shri. Saket Agarwal, who are related to each other as brothers.

The size and composition of the Board therefore complies with requirements of Corporate Governance "Clause 49" of the Listing Agreement entered into with the Stock Exchanges, Articles of Association of the Company and applicable laws.

None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Public Companies as at 31st March, 2010.

The names and categories of the Directors on the Board, their attendance at Board Meeting during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies as on 31st March, 2010, are set out below.

Name	Category*	Attendance		Number of other Directorship and Committee membership / Chairmanship [#]		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri. Rishi Agarwal – Chairman	NI – NE	7	No	7	1	-
Shri. Saket Agarwal	NI – NE	0	No	3	1	-
Shri. Ram Swaroop Nakra - Managing Director	NI – E	8	No	1	1	-
Shri. Ashok R. Chitnis	I – NE	7	Yes	-	2	-
Shri. Nainesh Jaisingh	I – NE	7	Yes	1	2	1
Shri. Shahzaad Dalal	I – NE	0	No	14	7	3
Major Arun Phatak – Executive Director	NI – E	5	Yes	1	1	-
Shri Ashwani Kumar (Since 8 th December, 2009)	I – NE	2	No	1	1	-

*(NI-Non-Independent, I-Independent, NE-Non-Executive, E-Executive)

[#] Other Directorships does not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships / Membership of Board Committees include only Audit Committee and Shareholders / Investors Grievance Committee.

(ii) The Board Meetings

Eight Board Meetings were held during the financial year as against minimum requirement of four meetings. The gap between any two successive meetings was less than four months., the details of the meetings are as follows:

1.	May 07, 2009,
2.	June 6, 2009
3.	June 19, 2009
4.	June 22, 2009
5.	July 28, 2009
6.	October 31, 2009
7.	December 08, 2009
8.	January 29, 2010

The Agenda for the Board Meetings and its Committee Meetings is drafted by the Managing Director and the Company Secretary in consultation with the Chairman of the Board or the Committee as the case may be. Agenda along with all information, including statutory information, relevant to the matters to be discussed is always sent, well in advance, to the Directors. The Members of the Board can also suggest any Agenda item to the Chairman, which is taken as any other item after the circulated items. Detailed presentations are made at the Board Meetings by the Managing Director and Chief Financial Officer on various strategic and operational issues.

During the year, information as mentioned in Annexure 1A to clause 49 of the Listing Agreements has been placed before the Board for its consideration.

None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

Post meeting follow up mechanism:

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments for necessary actions.

(iii) Profile of Directors seeking appointment / re-appointment in the 25th Annual General Meeting:

Name of Director	Shri. Rishi Agarwal	Shri. Saket Agarwal	Shri. Ashwani Kumar
Date of Birth	03/09/1966	07/05/1964	15/08/1948
Date of Appointment / Re-appointment as Director	27/09/2007	27/09/2007	08/12/2009
Qualification	MBA (Finance) from Purdue University, USA.	Commerce Graduate	Post Graduate in Political Science from Allahabad University.
Experience and Expertise in Specific functional area	Has over 24 years of rich experience in Shipbuilding, Ship Repairing and Shipping	Has rich experience in Marine business, port services, port development and transportation.	Joined Indian Revenue Service in November 1973, During the tenure, worked in various capacities and at various places like, Kolkata, Jaipur, Bhopal, Jodhpur, Mumbai and retired as Chief Commissioner of Income Tax from Chennai in the year August, 2008.

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company.

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956

(i) Terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - ◆ Matters required to be included in Directors' Responsibility Statement in terms of Section 217(2AA) of the Companies Act, 1956.
 - ◆ Changes, if any, in accounting policies and practices and reasons for the same;
 - ◆ Major accounting entries involving estimates, based on exercise of judgment by management;
 - ◆ Qualifications in draft audit report;
 - ◆ Significant adjustments made in the financial statements arising out of audit findings;
 - ◆ the going concern assumption;
 - ◆ Compliance with accounting standards;
 - ◆ Compliance with stock exchanges and legal requirement concerning financial statements;
 - ◆ Disclosure of related party transactions, if any, as per accounting standard 18.
- Reviewing the company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up-thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults, if any, in payments to the debenture holders, shareholders, (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

(ii) Composition, name of members, meetings and attendance

The Audit Committee comprises of three Independent Directors and One Non-independent Executive Director viz. Shri. Nainesh Jaisingh-Chairman, Shri. Ajay Saraf-Member (upto 7th May 2009), Shri. Ashok Chitnis-Member, Shri. Ashwani Kumar-Member (since 8th December, 2009) and Major Arun Phatak-Member.

The Audit Committee invites such of the executives as it consider appropriate (particularly the heads of the Operations) representatives of the Statutory Auditors and Internal Auditors to be present at its meetings. The Audit Committee meetings are usually held at the Corporate Office of the Company. The Company Secretary acts as Secretary of the Audit Committee.

Five Audit Committee Meetings were held during the financial year ended March 31, 2010, as against minimum requirement of four meetings, the gap between any two successive meetings was less than four months. Details of the meetings are as follows:

1.	7 th May, 2009
2.	19 th June, 2009
3.	28 th July, 2009
4.	31 st October, 2009
5.	29 th January, 2010

The necessary quorum was present at all the meetings.

The composition of the Audit Committee and number of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Status	No. of Meeting Attended
Shri. Ajay Saraf (upto 7 th May 2009)	I – NE	-
Shri. Nainesh Jaisingh - Chairman	I – NE	5
Shri. Ashok R. Chitnis	I – NE	4
Major Arun Phatak (since 7 th May 2009)	NI - E	3
Shri Ashwini Kumar (since 8 th December 2009)	I - NE	1

(NI-Non-Independent, I-Independent, NE- Non-Executive, E-Executive)

4. NOMINATION-CUM-REMUNERATION COMMITTEE
(i) Composition, name of members, meetings and attendance

The Company has a Nomination-cum-Remuneration Committee, which comprise as follows:

Name of the Director	Status
Shri. Shahzaad Dalal – Chairman	I – NE
Shri. Ashok R. Chitnis	I – NE
Shri. R. S. Nakra	NI - E

The remuneration committee did not meet during the last financial year.

(ii) Terms of Reference

The Remuneration Committee has been constituted to recommend the overall remuneration structure of the Executive Directors, based on their performance and defined assessment criteria. The remuneration, if any, of Non-Executive Directors is decided by the Board of Directors.

(iii) Remuneration Policy

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members.

The Company pays Sitting Fee per meeting to its Independent Directors for attending meetings of the Board and other Committee Meetings.

(iv) Details of Remuneration for the year 2009-10

Name of Director	Sitting Fees	Salaries & Perquisites	Commission	Stock Option
Shri. Rishi Agarwal	----	----	----	----
Shri. Saket Agarwal	----	----	----	----
Shri. Ram Swaroop Nakra	----	Rs. 95,54,367/-	----	----
Shri. Nainesh Jaisingh	Rs.35,000/-	----	----	----
Shri. Shahzaad Dalal	----	----	----	----
Shri. Ashok Chitnis	Rs.30,000/-	----	----	----
Major Arun Phatak	----	Rs. 49,78,125/-	----	----
Shri. Ashwani Kumar	Rs.10,000/-	----	----	----

(v) Details of Shares of the Company held by the Directors as on 31st March 2010, are as below:

Name	No. of Shares	Percentage of Shareholding
Shri. Rishi Agarwal	1,40,625	0.28
Shri. Saket Agarwal	1,40,625	0.28
Shri. Shahzaad Dalal	16,170	0.03
Major Arun Phatak	983	0.00

5. COMPENSATION COMMITTEE

In order to attract and retain the best available talent and to reward its high performing employees, the Company decided to introduce an Employees Stock Option Scheme and constituted, on 23rd January 2007, a Compensation Committee with two Independent directors and one Non-independent Director as members. The Company Secretary acts as Secretary of the Committee.

Name	Status
Shri. Shahzaad Dalal - Chairman	I - NE
Shri. Nainesh Jaisingh - Member	I - NE
Shri. Rishi Agarwal - Member	NI - NE

6. SHARE TRANSFER AND INVESTORS GRIEVANCE & FINANCE COMMITTEE
(i) Composition and Attendance

The Composition of the Share Transfer and Investors Grievance & Finance Committee and the details of meetings attended by its members are given below:

Name of the Member	Status	No. of Meeting Attended
Shri. Shahzaad Dalal - Chairman	I – NE	-
Shri. Rishi Agarwal	NI – NE	3
Shri. Saket Agarwal	NI – NE	-
Shri. R. S. Nakra	NI - E	3

(NI-Non-Independent, I-Independent, NE-Non-Executive, E-Executive)

Three meetings of Share Transfer and Investors Grievance & Finance Committee were held during the last financial year as on:

1.	September 09, 2009
2.	November 30, 2009
3.	February 26, 2010

(ii) Terms of reference

The terms of reference of the Share Transfer and investors Grievance & Finance Committee cover the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Share Transfer and Investors Grievance & Finance Committee looks into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of shares or refund order / dividend / notices / annual reports, etc., and also issue of duplicate certificates and review all other matters connected with securities.

The Committee oversees the performance of the Registrar and Share Transfer Agent. The Committee is also authorized to take decisions in financial and banking matters.

As on 31st March 2010, no instruments of share transfer were pending.

(iii) Name, designation and address of the Compliance officer

Shri. Ch. Rajashekhar Reddy
 Company Secretary & General Manager (Legal)
 ABG Shipyard Limited
 4th Floor, Bhupati Chambers
 13, Mathew Road, Mumbai-400 004
 Tel: 022-66563000
 Fax: 022-66223050
 e-mail: rsreddy@abgindia.com

(iv) Details of Investors' complaints

Investors' complaints received directly or through SEBI and Stock Exchanges during 1st April, 2009 to 31st March, 2010 and the status of said complaints as on 31st March, 2010 are given below:

Received from	Received and Resolved Upto 31 st March 2010	Pending as at 31 st March 2010
Investors	17	Nil
Through SEBI	Nil	Nil
Through Stock Exchanges	Nil	Nil

7. GENERAL BODY MEETINGS
(i) Location and time of last three Annual General Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395 007, as per details below:

Details	Date & Time	Venue	Special Resolutions Passed
22 nd AGM 2006-07	27.09.2007 12.00 noon	Registered Office of the company at Near Magdalla Port, Dumas Road, Surat-395 007	1. Modification(s) of Articles of Association. 2. Issue of 58,89,175 equity shares to Qualified Institutional Buyers.
23 rd AGM 2007-08	22.09.2008 12.00 noon		1. Appointment of Shri. R.S. Nakra as Managing Director of the Company. 2. Appointment of Major Arun Phatak as Executive Director of the Company. 3. Issue of 100,00,000 equity shares to Qualified Institutional Buyers 4. Modification of Article 241 in the Articles of Association.
24 th AGM 2008-09	30.09.2009 12.00 noon		Nil

There were no Special Resolutions passed by the company through Postal ballot during the last year.

(ii) Extra-ordinary General Meetings held during last three years

The Extra-ordinary General Meetings of the Company during last three years were held at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395 007, as per details below:

Year	Date & Time	Special Resolutions Passed
2007-08	28.12.2007 12.00 noon	1. To approve ESOP Scheme, 2007. 2. Issue of 100,00,000 equity shares to Qualified Institutional Buyers. 3. Issue of 50,00,000 convertible preferential warrants to the Promoters.
2008-09	Nil	Nil
2009-10	07.07.2009 12.00 noon	1. Issue of Securities (not exceeding 2,00,00,000 Shares) by way of a Qualified Institutional Placement under chapter XIII – A of SEBI Guidelines and pursuant to Section 81 (1A) of the Companies Act, 1956.

8. DISCLOSURES AND OTHER INFORMATION:

- (i) **Materially Significant Related Party Transactions**-There are no transactions of material significant nature that have been entered into by the Company with the Promoters, Directors, their relatives and the Management and in any company in which they are interested, that may have potential conflict with the interest of the company.
- (ii) **Compliance**-The Company has complied with the requirements of the Listing Agreements with the Stock Exchanges as well as the Regulations and Guidelines prescribed by the Securities and Exchange Board of India. There were no penalties or strictures imposed on the Company by any statutory authorities for non compliance on any matter related to capital markets, during the last three years.
- (iii) **Code of Conduct**-The Board of Directors of the Company has laid down a Code of Conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company i.e. www.abgindia.com.

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 7 of Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

The declaration signed by Managing Director to this effect is as below:

<p>To, The Shareholders of ABG Shipyard Ltd.,</p> <p><u>Sub: Compliance with Code of Conduct.</u></p> <p>I hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct as adopted by the Board of Directors.</p> <p>Place: Mumbai Date: 14th August, 2010</p>	<p>For ABG Shipyard Limited</p> <p>R. S. Nakra Managing Director</p>
--	--

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

The Company has implemented the following Non-mandatory requirements recommended under Clause 49 of the Listing Agreements with the Stock Exchanges.

- a) Constitution of Remuneration Committee.
 - b) The Company's statements are free from any qualifications by the Auditors of the Company.
 - c) The Company has laid down a whistle blower policy.
- (iv) Prohibition of Insider Trading - The Company has framed its Insider Trading Regulation wherein rules for the preservation of price sensitive information, pre-clearance of trade, Monitoring and implementation are framed. This code is applicable to all Directors and to such employees of the company who are incidental to have access to unpublished price sensitive information (UPSI) relating to the company. Transaction for dealing in the prescribed time requires prior approval from the Company.

9. **SECRETARIAL AUDIT**

As a measure of good corporate governance practice, the Board of Director of the company appointed Mrs. Kala Agarwal, practicing Company Secretary, to carry out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The Secretarial audit confirms that the company has complied with all the applicable provisions of the Companies Act, 1956, Depository Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the regulations of the SEBI as applicable to the Company and also confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

10. **MEANS OF COMMUNICATION**

The quarterly, half yearly, annual financial Results of the company and Notices of Board Meetings and General Meetings are published normally in Economic Times (English & Gujarati), Financial Express, Gujarat Mitra and DNA. The quarterly results, half yearly results, annual results and Shareholding Pattern are also displayed on the Company's website at www.abgindia.com. Press releases made by the Company from time to time are also displayed on the Company's website.

The quarterly results, half yearly results, annual results and Shareholding Pattern are forwarded to Stock Exchanges from time to time, where the Company's shares are listed.

In addition to the above, the Company also regularly provides information to the stock exchanges as per the requirements of the Listing Agreement and updates the same on the Company's website periodically to include information on new developments and business opportunities of the Company.

The shareholders who wish to receive intimation, whenever new information is uploaded on www.abgindia.com are requested to send their e-mail ID to seclegal@abgindia.com.

Management Discussion & Analysis Report forms a part of Directors' Report to the Members.

11. **GENERAL SHAREHOLDERS INFORMATION**

(i) **Annual General Meeting:**

Day, Date and time	:	Thursday the 30th September, 2010, at 12.00 noon
Venue	:	At the Registered Office of the Company at: Near Magdalla Port, Dumas Road, Surat-395 007

(ii) **Financial Calendar**

Financial year 1st April to 31st March

I st Quarter Results	:	On or before 14 th of August
II nd Quarter Results	:	On or before 14 th of November
III rd Quarter Results	:	On or before 14 th of February
IV th Quarter Results	:	On or before 30 th of May

(iii) **Book Closure** : 20th September, 2010 to 30th September, 2010 (both days inclusive)

(iv) **Dividend Payment Date** : On or before 5th October, 2010

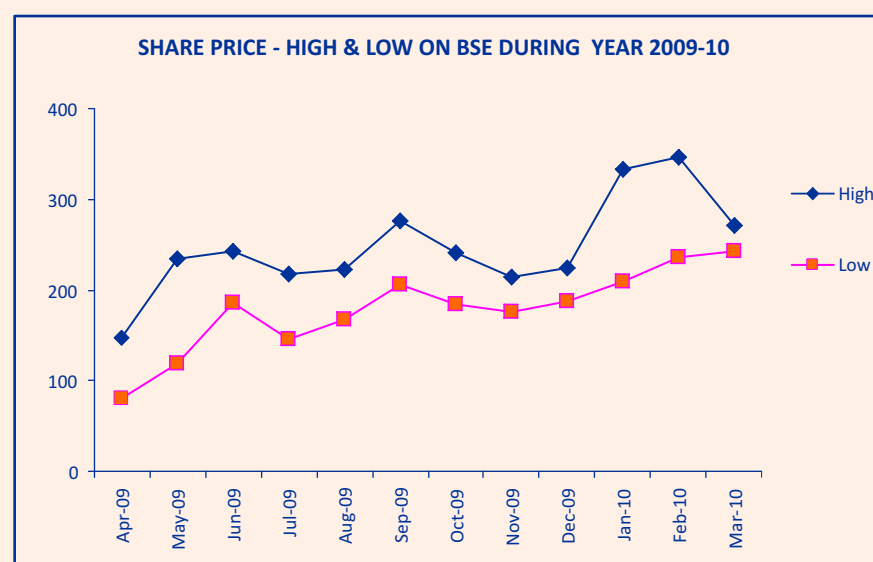
(v) Listing at Stock Exchanges

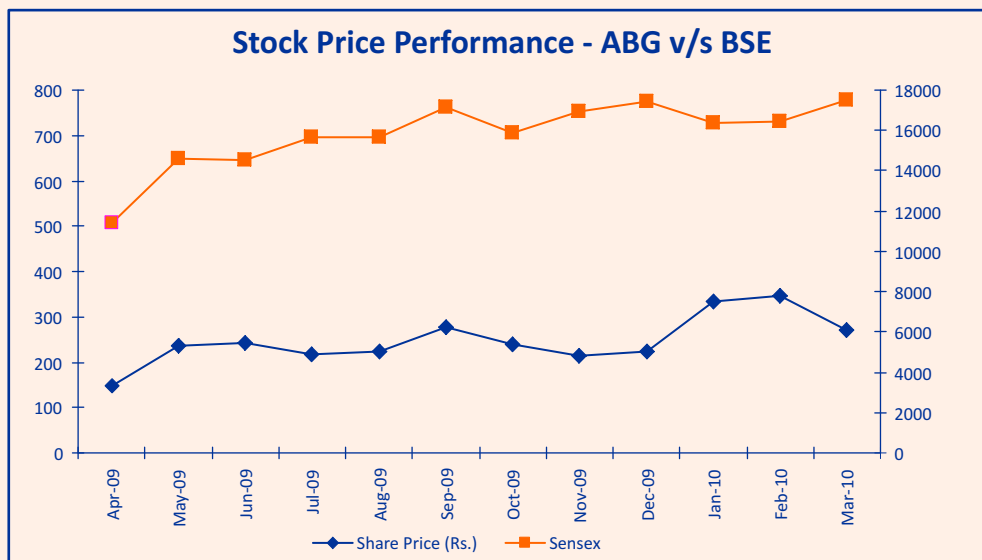
NAME & ADDRESS OF STOCK EXCHANGE	STOCK CODE	CODE ON SCREEN
The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Phone : 91-22-22721233	532682	ABGSHIP
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Phone : 91-22-26598236	ABGSHIP	ABGSHIP Series – EQ

The Company has paid annual listing fees to the above Stock Exchanges for the financial year 2010-11.

(vi) Market Price Data
A. Bombay Stock Exchange (BSE)

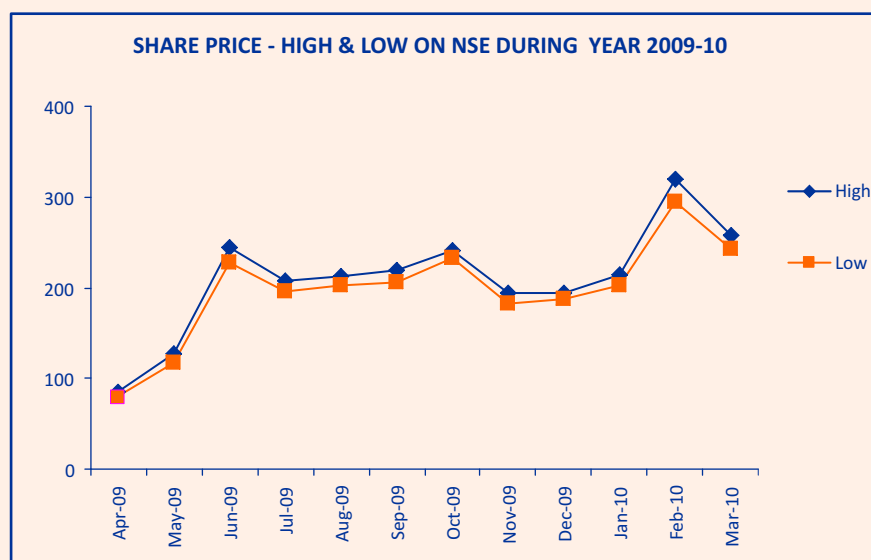
Month	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)	BSE (Sensex)
Apr 2009	147.00	80.40	114.80	9901514	1165621406	11403.25
May 2009	235.10	118.20	224.45	10887337	1791572700	14625.25
Jun 2009	241.90	185.50	198.95	2661844	580580771	14493.84
Jul 2009	217.95	146.05	209.00	2686526	504917477	15670.31
Aug 2009	223.00	168.05	213.30	3828745	746788441	15666.64
Sep 2009	276.80	206.20	238.25	5567331	1409100665	17126.84
Oct 2009	240.70	183.35	186.55	1751997	378227048	15896.28
Nov 2009	213.90	176.45	189.80	1163477	230054307	16926.22
Dec 2009	225.00	187.65	211.75	7914916	1657451854	17464.81
Jan 2010	333.00	209.00	298.90	14157040	3966073643	16357.96
Feb 2010	346.00	236.50	242.25	9847181	2879440146	16429.55
Mar 2010	271.40	242.10	250.00	4090593	1067609226	17527.77

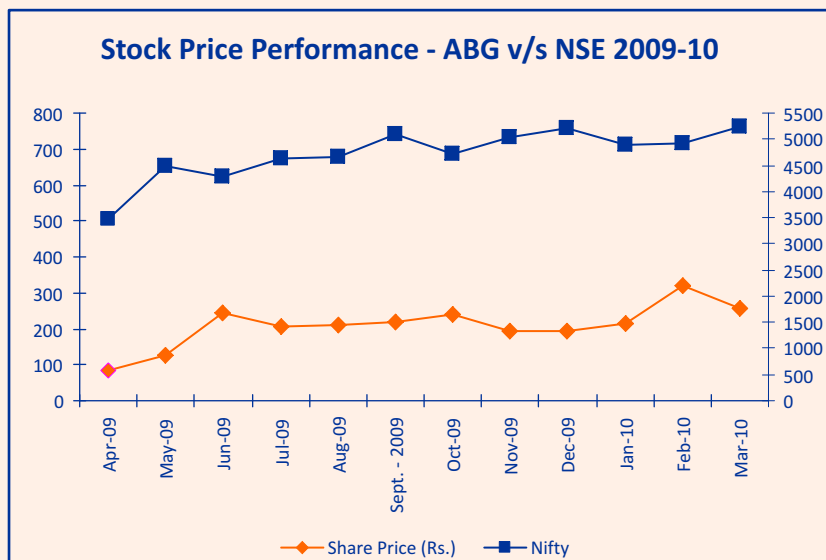




B. National Stock Exchange (NSE)

Month	High Price	Low Price	Close Price	Total Traded Quantity	Turnover (Rs. in Lacs)	NSE Nifty
Apr 2009	85.80	80.15	84.30	631506	530.2	3473.95
May 2009	126.70	117.00	122.15	405731	498.59	4485.95
Jun 2009	245.00	228.00	233.35	398172	935.71	4291.10
Jul 2009	207.35	195.00	202.55	109861	221.78	4636.45
Aug 2009	211.90	202.70	204.80	130536	269.47	4662.10
Sep 2009	219.00	206.40	210.65	284342	609.4	5083.95
Oct 2009	241.00	233.30	235.15	136117	321.85	4711.70
Nov 2009	194.40	182.00	183.40	180028	337.63	5032.70
Dec 2009	194.70	187.55	188.70	112156	212.95	5201.05
Jan 2010	214.50	202.10	211.55	140112	297.22	4882.05
Feb 2010	319.40	294.50	312.50	3003707	9370.5	4922.30
Mar 2010	257.00	242.10	255.05	1177183	2958.4	5249.10





(vii) Registrar and Share Transfer Agent

Shareholders correspondence should be addressed to the Registrar and Share Transfer Agents of the Company at the following Address:

Link Intime India Private Ltd.
 (formerly Intime Spectrum Registry Limited)
 C-13, Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup West
 Mumbai-400 078.
 Tele: 91-22- 25946970
 Fax : 91-22-25946969
 e-mail: mt.helpdesk@linkintime.co.in

(viii) Share Transfer System

99.99% of the Equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories without involvement of the company. As regards transfer of shares in physical form the transfer document can be lodged with the Registrar & Share Transfer Agent at address mentioned in above point no. (vii)

Transfer of Shares in physical form is normally processed by the Registrar and Share Transfer Agent and approved by Share Transfer and Investors Grievance & Finance Committee of the Board which meets at regular intervals.

(ix) Dematerialization of Shares

As of 31st March 2010, 50920738 equity shares representing 99.99% of the paid up equity capital of the company are in dematerialized form with the following depositories:

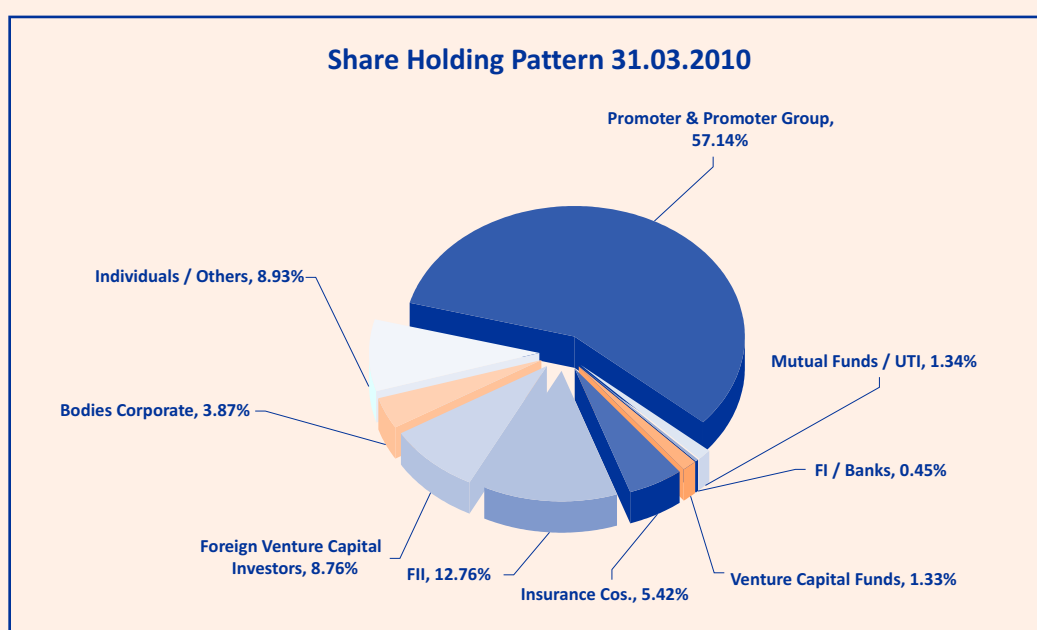
Description	ISIN No.	Depositories
Fully Paid	INE 067H01016	National Securities Depository Ltd (NSDL) Trade World, A Wing, 4 th floor, Kamala Mills Compound, Lower Parel, Mumbai 400013
Fully Paid	INE 067H01016	Central Depository Services (India) Ltd. (CDSL) Phiroze Jeejeebhoy Towers, 17 th Floor, Dalal Street, Fort, Mumbai 400 023.

During the year 2009-10 the Company has rematerialized 1060 equity shares on application for rematerialization by concerned shareholders.

The Company has paid annual custodian charges for both NSDL and CDSL for the financial year 2010-11.

(x) Distribution of shareholding as on 31.03.2010

Range – Shareholding of Nominal value (Rs.)	No. of Shareholders	% of Shareholdings	Number of Shares	% of Shares
1 – 5000	34229	95.8312	23298000	4.5753
5001 – 10000	788	2.2062	6242450	1.2259
10001 – 20000	352	0.9855	5227330	1.0265
20001 – 30000	106	0.2968	2749720	0.5400
30001 – 40000	60	0.1680	2169500	0.4260
40001 – 50000	41	0.1148	1914130	0.3759
50001 - 100000	71	0.1988	5245250	1.0301
100001 & above	71	0.1988	462371630	90.8003
Total	35178	100.00	509218010	100.00


(xi) Shareholding pattern as on 31.03.2010

Category of Shareholder		Number of shares	Percentage of shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	375000	0.74
(b)	Bodies Corporate	28721598	56.40
	Total Shareholding of Promoter and Promoter Group	29096598	57.14
(B)	Public shareholding		
B1	Institutions		
(a)	Mutual Funds/ UTI	686750	1.34
(b)	Financial Institutions / Banks	228825	0.45
(d)	Venture Capital Funds	675000	1.33
(e)	Insurance Companies	2758917	5.42
(f)	Foreign Institutional Investors	6498563	12.76
(g)	Foreign Venture Capital Investors	4458267	8.76
	Sub-Total (B)(1)	15306322	30.07

Category of Shareholder		Number of shares	Percentage of shareholding
B2	Non-institutions		
(a)	Bodies Corporate	1972100	3.87
(b)	Individuals		
i	Individual shareholders holding nominal share capital up to Rs 1 lakh	3624793	7.12
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	389634	0.77
(c)	Any Other (specify)		
(c-i)	Clearing Member	333142	0.65
(c-ii)	Trusts	2085	0.00
(c-iii)	NRI	197127	0.39
	Sub-Total (B)(2)	6518881	12.80
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	21825203	42.86
	TOTAL (A)+(B)	50921801	100.00

(xii) Shareholders with more than one percent holding as on 31.03.2010

Name of shareholder	No. of Shares	Percentage of Shareholding
ABG International Private Limited	28721598	56.40
Merlion India Fund III Limited	4458267	8.76
ICICI Prudential Life Insurance Company Ltd	2758917	5.42
Standard Chartered Private Equity (Mauritius) Limited	2754950	5.41
Credit Suisse (Singapore) Limited	1485938	2.92
Franklin Templeton Investment Funds	901542	1.77
IL and FS Trust Co Ltd A/C IL and FS Pvt Equity Trust - Leverage India Fund	675000	1.33
TOTAL	41633212	82.00

(xiii) Details of unclaimed shares as on financial year ended 31 March, 2010 issued pursuant to Initial Public Offer (IPO) are as follows (Pursuant to clause 5A of the Listing Agreement) -

Sr. No.	Particulars	Cases	No. of Shares
(A)	Aggregate Number of Shareholders and the outstanding Shares in the suspense account lying at the beginning of the year i.e. 1.4.2009	17	595
(B)	Number of Shareholders who approached for transfer of Shares from suspense account during 1.4.2009 to 31.3.2010	2	70
(C)	Number of Shareholders to whom Shares were transferred from suspense account during 1.4.2009 to 31.3.2010	2	70
(D)	Aggregate Number of Shareholders and the outstanding Shares in the suspense account at the end of the year i.e. 1.4.2009 to 31.3.2010	15	525

The Voting Rights on the above mentioned shares in column (D) shall remain frozen till the rightful owner claims the shares.

(xiv) Unclaimed / Unpaid Dividend

Pursuant to section 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, the amount remaining unclaimed/unpaid for a period of seven years from the date of transfer of dividend to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IE&PF) established by the Central Government. No claim shall lie against the Company or IE&PF, in respect of dividend amounts that have been transferred to IE&PF. Members who have not yet encashed their dividend warrant(s) for the financial year 2005-06 to 2008-09, are requested to make their claim without any delay to the Company's Registrar and Transfer Agents, Link Intime India Private Limited.

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred:

Period of the Dividend	Percentage of Dividend	Last date for making claim
2005-2006	12	17 th September, 2013
2006-2007	15	26 th October, 2014
2007-2008	20	21 th October, 2015
2008-2009	20	29 th October, 2016

(xv) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments

The Company has no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

(xvi) Shipyards' Location:

Shipyard	Shipyard
Near Magdalla Port Dumas Road Surat-395 007	Village Jageshwar Near Dahej, Tal-Vagra Dist.-Bharuch, Gujarat

(xvii) Address for Correspondence

4 th / 5 th Floor, Bhupati Chambers, 13, Mathew Road Mumbai-400 004. Tele: 91-22- 66563000 Fax: 91-22-66223050 E-mail: seclegal@abgindia.com
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For and on behalf of the Board

Place: Mumbai
Date: 14th August, 2010

R.S. Nakra
Managing Director

MANAGING DIRECTOR (M.D.) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION ISSUED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT.

To the Board of Directors,
ABG Shipyard Limited.

Sub: Managing Director (M.D.) and Chief Financial Officer (CFO) Certification

We have reviewed the financial statements, read with the cash flow statement of ABG Shipyard Limited for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that;

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading,
 - these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- We have indicated to the Auditors and the Audit Committee;
 - significant changes in the internal control over financial reporting during the year.
 - significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

R. S. Nakra
Managing Director

Dhananjay Datar
Chief Financial Officer

Date: 29th May 2010

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members
ABG Shipyard Limited

We have examined the compliance of Corporate Governance by ABG Shipyard Limited for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency with which the Management has conducted the affairs of the Company.

For Nisar & Kumar
Chartered Accountants
F. R. No. 107117W

Place: Mumbai
Date: 29th May, 2010

M. N. Ahmed
(Partner)
M. No. 18380

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY OVERVIEW.

The shipbuilding industry has its own distinctive feature as compared to other industries. It is unique in a way that it has to sell first and construct later, unlike the auto industry or others, where one manufactures first and sells later. Further shipyards get orders only if they are credible (deliver quality ships on time) and it can be credible only after successfully executing consistently under international competition. The deliverables of the sector involves long gestation periods and requires high cost finances over a long period.

The western countries have dominated the first three decades in the post second world war era. However, high labour costs in the yards of Europe and USA, one of the major determinants in this cost competitive industry, has led to a gradual shift of the center of shipbuilding to the Asian nations over the last two decades. Today shipbuilding has become an attractive industry for developing nations. Japan used shipbuilding in the 1950s and 1960s to rebuild its industrial structure, Korea made shipbuilding a strategic industry in the 1970s and China is now in the process to repeat these models with large state-supported investments in this industry. The shift in shipbuilding activities, from Europe to Asia, has opened up huge opportunities for Indian yards, and both public and private ship-builders are capitalizing on them.

The global economic recession and the decline in sea-borne trade led to over-capacity of ships globally ultimately affecting the performance of the shipbuilding industry during the year 2009. The global shipbuilding order book declined from 367.2 mn GT as on December 31, 2008 to 303.5 mn GT as on December 31, 2009 primarily led by the slow growth of new-build orders aggregating 18.2 mn GT during 2009 as against 90.7 mn GT during 2008. The vessel deliveries however continued to grow at a steady pace with 75.7 mn GT of vessels delivered during 2009 compared to 64.2 mn GT of deliveries during 2008.

The Indian shipbuilders account for 1.44% of the global orderbook with 2.2 mn CGT of vessels on order as on December 31, 2009. The Indian shipbuilders specialise in the construction of offshore vessels. However, the expansion of shipyards to the extent of constructing bigger vessels such as dry bulk carriers has enabled the Indian shipbuilders to attract new-build orders in the said vessel segment. Importantly, the Indian yards reported no major instance of order cancellation during 2009 (except for one private sector shipyard) as compared to their peers in S. Korea and China, primarily owing to no speculative orders being placed with the Indian yards and majority of the orders being received from repetitive clients.

2. OPPORTUNITIES AND THREATS

With global shipping industry pitching for an unprecedented demand for new shipbuilding, a window of opportunity which was not available earlier, has been created for the Indian shipbuilding industry. The Indian shipbuilding industry had always been dogged by low capacity, poor productivity and lack of modernisation. Thanks to the gradual shift of shipbuilding from Europe to Asia, today contrary to expectations the Indian Shipbuilding order books indicates a healthy trend with a strong future outlook. This has been possible on account of the shipbuilding boom and both foreign/Indian Shipping Companies are coming forward to place new building orders on Indian Yards.

The Indian shipbuilding industry is on a high growth trajectory and is expected to grow at a compounded growth of 30%. Though India has not yet become a significant player in the global shipbuilding business, it has gained a strong foothold in the niche offshore segment. India's share in the world market has gone from an insignificant low of 0.1% in the beginning of 10th Plan to 1.3% in 2006. Hence from an inward looking industry dependent on government orders, the Indian shipbuilding industry is emerging as internationally competitive export led industry.

Nevertheless, the industry is still in its nascent stage and dependent on government support for subsidy. The industry is expected to become self sufficient in about 10 years time. It is clear from the above that India can grow in the shipbuilding sector in a healthy manner if shipbuilding is recognized as a strategic industry and if it can enjoy simple taxation policies with a fully empowered regulating body for quick decision-making. The previous subsidy scheme had expired on 14th August 2007 and the industry has made a representation for the extension of the same which is under the consideration of the Government.

The shipbuilding industry is now witnessing a growth phase after a gap of almost 25 years. This is an opportunity for India to revive its shipping industry and bring it at par with the rest of the world. It is essential for India to put together strategies, which could lead to optimal and effective contribution towards the global shipbuilding industry. Infact the time is just ripe for India to carve a niche in this sector. However in order to achieve this objective, it would be imperative to address concern areas which could be detrimental to the future progress of the sector.

3. RISKS AND CONCERNS

It is a well-known fact that 90 per cent of India's trade by volume and 70 per cent by value is moved by sea. However, while setting priorities for development of industry and infrastructure, shipping has received step-motherly treatment. Due to lack of governmental support, multiplicity of taxes, high cost of financing, high input cost of materials, rigid labour laws and unfriendly regulations, India has lost the competitive edge in shipbuilding in the international market. Shipbuilding nations around the world have been enjoying subsidy as high as 40 per cent from their respective governments on new building cost. This made Indian shipyards uncompetitive in the global market.

Indian yards lack the capability to build large and modern ships. While the government has provided subsidies to shipyards but it has to ensure that the benefits reach the private players as well. Lack of ship design and limited investment in R&D are also major concerns and the Indian players need to work hard to meet the international players in ship automation and technology. Further, providing adequate support for the development of ancillary industries and training facilities to develop skilled labour will enhance and improve the efficiency, delivery time, price and quality, which in turn, will enhance the competitiveness of the shipbuilding sector.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control system supported by an Enterprise Resource Planning (ERP) platform i.e. SAP for its main business processes. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps have been taken to improve the same.

5. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, your Company has successfully delivered 14 vessels taking to the total up to 122 vessels delivered so far by the Company.

Your Company has posted a turnover of Rs. 1,851.79 crores, an increase of about 30.45% as compared to Rs. 1,419.47 Crores in the previous Financial Year. The Company recorded a net profit of Rs. 228.92 Crores as against Rs. 171.10 Crores in the corresponding previous financial year depicting a rise of 33.80%. Your Company could achieve a rise in overall profitability through a judicious mix of strategies and cost control measures.

6. HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS.

In a buoyant talent market, the Company continues to attract and retain talent of the highest quality.

The industrial relations during the year were cordial and harmonious in the Company.

7. CAUTIONARY STATEMENT.

Statements in the Management Discussion and Analysis describing the Company's expectations or predictions may be forward looking within the meaning of applicable securities laws, regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include input availability and prices, government policies and regulations, economic developments within the country and other factors such as natural calamities and industrial relations.

Auditor's Report to the Members of ABG SHIPYARD LIMITED

1. We have audited the attached Balance Sheet of ABG SHIPYARD LIMITED, as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Attention is drawn to Note no. 25 of Schedule 20 whereby the Company has applied the principles of Accounting Standard 30 issued by The Institute of Chartered Accountants of India.
5. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. Attention is drawn to point No. 4 above whereby the Company has not adopted AS 30 fully but applied the principles of hedging as per AS 30 where there are firm commitments payable and receivable.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i) In the case of the Balance Sheet ,of the state of affairs of the Company as at 31st March 2010;
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash flow Statement, of the Cash flows for the year ended on that date.

For Nisar & Kumar
Chartered Accountants
F. R. No. 107117W

M. N. Ahmed
(Partner)
M. No. 18380

Place: Mumbai
Date: 29th May, 2010

Annexure to Auditor's Report

(Referred in paragraph 3 of our report of even date to the members of ABG Shipyard Limited on the financial statements for the year ended 31st March 2010.)

As required by the Companies (Auditor's Report) Order, 2003(as amended) ("The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, on the matters specified in paragraphs 4 and 5 of the said Order, we further report that:

- i.)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
 - (b) The fixed assets have been physically verified in a phased manner by the management during the year as per the program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed between book records and physical inventory;
 - (c) During the year, the Company has not disposed off any substantial part of fixed assets, which would affect the going concern of the Company.
- ii.)
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
 - (c) On the basis of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii.)
 - (a) During the year under audit the Company has granted unsecured loan to its wholly owned subsidiary which is also a party covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance aggregates to Rs. 369 crores.
 - (b) According to the information and explanations given to us, there is no stipulation of period of payment or rate of interest. In our opinion the terms of loan given are not, prima facie, prejudicial to the interest of the company.
 - (c) As there is no contemplation of repayment period of principal amount or interest, clause 4 (iii) (c) and (d) of the Order is not commented on.
 - (d) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii) (f) and (g) of the Order are not applicable to the Company.
- iv.) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v.)
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) The price at which such contract or arrangement is entered is reasonable compared to prevailing market price.
- vi.) The Company has not accepted any deposit from the public during the year.
- vii.) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii.) As informed to us, the maintenance of cost records have not been prescribed by the Central Government under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956.
- ix.)
 - (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it.
 - (b) According to the records of the Company, there are no dues in respect of disputed liability in respect of Provident Fund,

Income-tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Cess and other statutory dues which have not been deposited on account of dispute.

- x.) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi.) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- xii.) Based on our examination of documents and records, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii.) The Company is not a chitfund/ nidhi/ mutual benefit fund/ society, to which the provisions of special statute relating to chitfund are applicable. Accordingly, paragraph 4 (xiii) of the Order is not applicable to the Company.
- xiv.) The Company is not engaged in dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv.) According to the information and explanations given to us, the Company has given guarantee of Rs. 1005.44 crores for credit facilities taken by body corporates from banks and financial institutions, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- xvi.) In our opinion and according to the information and explanations given to us, on the overall basis, term loans have been applied for the purposes for which they were obtained.
- xvii.) According to the information and explanations given to us and based on our examination of the books of account of the Company, short term funds to the extent of approximately Rs. 190 crores have been used for long term purposes.
- xviii.) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of paragraph 4(xviii) of the Order are not applicable to the Company.
- xix.) According to the information and explanations given to us and on the basis of records made available, we report that adequate security has been created in respect of debentures issued in the immediately preceding year. No debentures have been issued in the reporting period.
- xx.) The Company has not raised any money by public issue during the year. Accordingly, paragraph 4(xx) of the Order is not applicable.
- xxi.) Based upon the information and explanations given by the management and audit procedures performed, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Nisar & Kumar
Chartered Accountants
F. R. No. 107117W

M. N. Ahmed
(Partner)
M. No. 18380

Place: Mumbai
Date: 29th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
I. SOURCES OF FUNDS			
1. Share Holders' Funds			
a. Share Capital	1	50.92	50.92
b. Share Warrants	2	-	31.87
c. Reserves & Surplus	3	1,071.08	835.64
		<u>1,122.00</u>	<u>918.43</u>
2. Loan Funds			
a. Secured Loans	4	2,237.44	1,425.84
b. Unsecured Loans	5	660.00	342.15
		<u>2,897.44</u>	<u>1,767.99</u>
3. Deferred Tax Liability (net)		315.83	222.00
		<u>4,335.27</u>	<u>2,908.42</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	6	737.74	598.68
Less : Accumulated Depreciation		137.96	86.98
Net Block		<u>599.78</u>	<u>511.70</u>
b. Capital Work in Progress		1,375.44	1,006.35
		<u>1,975.22</u>	<u>1,518.05</u>
2. Investments	7	240.76	12.68
3. Current Assets, Loans & Advances			
a. Inventories	8	1,066.07	1,203.90
b. Sundry Debtors	9	70.40	39.46
c. Cash & Bank Balances	10	27.86	47.84
d. Loans & Advances	11	1,998.14	1,379.85
		<u>3,162.47</u>	<u>2,671.05</u>
4. Current Liabilities & Provisions			
a. Current Liabilities	12	974.71	1,263.26
b. Provisions		68.47	30.10
		<u>1,043.18</u>	<u>1,293.36</u>
Net Current Assets		2,119.29	1,377.69
		<u>4,335.27</u>	<u>2,908.42</u>
Significant Accounting Policies & Notes to Accounts	20		

As per our report of even date

For NISAR & KUMAR

Chartered Accountants

F. R. No. 107117W

M. N. Ahmed

Partner

M. No 18380

Mumbai

Dated : 29th May 2010

For and on behalf of the Board
R.S.Nakra

Managing Director

Major Arun Phatak

Executive Director

Dhananjay Datar

Chief Financial Officer

Ch. Rajashekhar Reddy

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
INCOME			
Revenue from Operations	13	1,807.67	1,412.22
Other Income	14	44.12	7.25
		<u>1,851.79</u>	<u>1,419.47</u>
EXPENDITURE			
Consumption of Raw Materials & Components		1,162.08	1,053.87
Manufacturing Expenses	15	149.40	100.35
Personnel Expenses	16	48.10	29.43
General, Administration and Selling Expenses	17	121.39	105.96
Interest (net)	18	150.61	73.95
(Increase)/Decrease in Work In Progress	19	(145.78)	(208.51)
		<u>1,485.80</u>	<u>1,155.05</u>
Profit before Depreciation		365.99	264.42
Depreciation & Amortisation			
Total Depreciation & Amortisation for the year		40.21	16.10
Less : Withdrawn from revaluation reserve		1.52	1.62
		<u>38.69</u>	<u>14.48</u>
Profit before Tax		327.30	249.94
Less: Provision for Taxation			
Current Tax		55.62	28.50
Fringe Benefit Tax		-	0.70
Deferred Tax		93.83	54.47
Income tax adjustments of earlier years		(3.02)	1.67
MAT Credit Entitlement		(48.05)	(6.50)
		<u>98.38</u>	<u>78.84</u>
Profit after Tax		228.92	171.10
Balance brought forward from earlier years		323.49	249.30
Amount Available for Appropriation		552.41	420.40
Less: Transferred to Debenture Redemption Reserve		25.00	-
Less: Transferred to General Reserve		120.00	85.00
Less : Proposed Dividend		20.37	10.18
Less : Tax on Dividend		3.46	1.73
		<u>383.58</u>	<u>323.49</u>
Balance carried to Balance Sheet		383.58	323.49
Earning per share of face value of Rs.10 /- each (in Rupees) (Basic and Diluted, Refer Note No. 19 of Notes to Accounts)		44.96	33.60

Significant Accounting Policies & Notes to Accounts

20

As per our report of even date

For NISAR & KUMAR

 Chartered Accountants
 F. R. No. 107117W

M. N. Ahmed

 Partner
 M. No 18380

 Mumbai
 Dated : 29th May 2010

For and on behalf of the Board
R.S.Nakra
 Managing Director

Major Arun Phatak
 Executive Director

Dhananjay Datar
 Chief Financial Officer

Ch. Rajashekhar Reddy
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
A. Cash Flow From Operating Activities :		
Net Profit (Loss) before extraordinary items & taxation	327.30	249.94
Adjustments for :		
Depreciation	38.69	14.48
Interest (net)	150.61	73.95
Effect of exchange rate change	(2.86)	(40.20)
Loss / (Profit) on Sale of Assets (net)	2.90	0.04
Profit on Sale of Investments	(29.25)	-
Operating Profit before Working Capital changes	487.39	298.21
Adjustments for :		
Inventories	(1,268.08)	(1,663.93)
Trade Receivables	(34.17)	(31.23)
Trade Advances	(283.26)	(220.77)
Trade Payables	(191.43)	501.51
Stage Payments from Customers (net)	1,405.91	867.79
Cash generated from Operations	116.36	(248.42)
Direct Taxes Paid	(32.86)	(23.17)
Cash Generated From Operating activities	83.50	(271.59)
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(520.61)	(922.51)
Sale of Fixed assets	1.65	0.25
Investment in Subsidiary	(0.03)	(0.01)
Purchase of Investments	(403.00)	(6.85)
Sale of Investments	204.21	-
Cash Used In Investing Activities	(717.78)	(929.12)
C. Cash Flow From Financing Activities:		
Dividends paid	(10.13)	(10.17)
Tax on Distributed Profits	(1.73)	(1.73)
Proceeds from Long Term Borrowings	664.14	606.11
Proceeds from Short Term Borrowings	856.86	675.23
Repayments of Long Term Borrowings	(135.04)	-
Repayments of Short Term Borrowings	(237.77)	(69.35)
Repayment of loans/ deposits given (net)	(373.44)	36.94
Interest paid (net)	(146.66)	(73.85)
Cash Used in / from Financing Activities	616.23	1,163.18
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(18.05)	(37.53)
Opening Balance of Cash & Cash Equivalents	47.84	86.77
Closing Balance of Cash & Cash Equivalents	29.79	49.24
Effect of Exchange rate changes	(1.93)	(1.40)
Closing Balance of Cash & Cash Equivalents as restated	27.86	47.84

Notes :

- Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India .
- Figures for previous year where ever necessary have been regrouped to conform to those of current year.

As per our report of even date

For NISAR & KUMAR

Chartered Accountants

F. R. No. 107117W

M. N. Ahmed

Partner

M. No 18380

Mumbai

Dated : 29th May 2010

For and on behalf of the Board
R.S.Nakra

Managing Director

Dhananjay Datar

Chief Financial Officer

Major Arun Phatak

Executive Director

Ch. Rajashekhar Reddy

Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
<u>Authorised Capital</u>		
10,00,00,000 (P.Y. 10,00,00,000) Equity Shares of Rs.10/- each	<u>100.00</u>	<u>100.00</u>
<u>Issued, Subscribed and Paid up</u>		
5,09,21,801 (P.Y. 5,09,21,801) Equity Shares of Rs.10/- each, fully paid up.	50.92	50.92
Out of the above :		
a) 2,47,00,000 (P.Y. 2,47,00,000) Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares out of Share Premium and General Reserve.		
b) 60,00,000 (P.Y. 60,00,000) Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares out of Revaluation Reserve in 1994-95.		
c) 2,87,21,598 (P.Y. 2,87,21,598) Equity Shares of Rs.10/- each are held by the holding company ABG International Pvt. Ltd.		
	<u>50.92</u>	<u>50.92</u>
<u>SCHEDULE - 2 : SHARE WARRANTS</u>		
Equity Shares Warrants (held by holding company ABG International Pvt. Ltd.)	31.87	31.87
Less: Forfeited during the year	<u>31.87</u>	-
[Refer Note 3 of Notes to Accounts]	<u>-</u>	<u>31.87</u>
<u>SCHEDULE - 3 : RESERVES AND SURPLUS</u>		
(i) Share Premium Account	235.00	235.00
(ii) Warrant Forfeiture Account	31.87	-
(iii) General Reserves		
As per last Balance Sheet	229.32	149.79
Add: Transfer from Profit & Loss a/c	120.00	85.00
Less : Withdrawal due to restatement of forex gain	-	5.47
	<u>349.32</u>	<u>229.32</u>
(iv) Revaluation Reserve		
As per last Balance Sheet	47.83	49.45
Less : Withdrawn for Depreciation for the year	<u>1.52</u>	<u>1.62</u>
	46.31	47.83
(v) Balance in Profit and Loss Account	383.58	323.49
(vi) Debenture Redemption Reserve	25.00	-
	<u>1,071.08</u>	<u>835.64</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 4 : SECURED LOANS</u>		
a. 12.3% Non Convertible Redeemable Debentures (NCD)	100.00	100.00
b. <u>Term Loans - from Banks</u>		
(i) In Foreign Currency	144.03	166.23
(ii) In Rupees	1,109.83	666.19
(iii) Interest Accrued & Due	2.28	1.59
c. <u>Working Capital Loans</u>		
(i) Export Packing Credit	330.88	340.56
(ii) Cash Credit	308.19	140.68
(iii) Short Term Loans from Banks	150.00	10.00
(iv) Interest Accrued & Due	1.75	0.24
d. <u>Other Loans</u>		
(i) Term Loans from Financial Institution	90.00	-
(ii) Hire Purchase Finance	0.48	0.35
[(Net of unmatured HP charges Rs. 0.04 crores (Previous year Rs. 0.03 crores))]	2,237.44	1,425.84
1. The above loans are secured by :		
a. Non Convertible Debentures by First pari passu charge on the company's immovable & movable fixed assets of Dahej plant .	100.00	100.00
b. Term Loan with interest, by first pari-passu charge on the company's immovable & movable fixed assets of Dahej plant .	884.14	619.01
c. Term Loan of 172 crores, by company's assets both immovable and movable , excluding fixed assets of Dahej plant.	172.00	215.00
d. Term Loan with interest of IFCI Rs. 90 crores, by pledge of certain investments held by the company.	90.00	-
e. Term Loan with Interest of Andhra Bank by immovable property of third party	200.00	-
f. Export Packing Credit and Cash Credit by company's assets both immovable and movable, excluding fixed assets of Dahej plant .	640.82	481.48
g. Other short term loans from banks by residual charge on current assets of the company	150.00	10.00
h. Hire Purchase Finance, by hypothecation of the individual assets financed.	0.48	0.35
2. 1000 NCD's of Rs. 100000 each, have been allotted on 16.12.2008 to a public financial institution, redeemable in three equal instalments as under :		
	Date of redemption	Amount (In crores)
	15.12.2011	Rs.33.33
	15.12.2012	Rs.33.33
	15.12.2013	Rs.33.34
3. Of the due amount, repayable within one year are as follows :		
Term loans from banks	269.33	
Short term loans	151.56	
Packing credit / cash credit	641.30	
Hire Purchase Finance	0.48	

SCHEDULE - 5 : UNSECURED LOANS

Short Term Loans from Banks	645.00	277.00
From Others	15.00	65.00
Interest Accrued & Due	-	0.15
	660.00	342.15

SCHEDULES FORMING PART OF THE ACCOUNTS
SCHEDULE 6

Rs. in Crores

PARTICULARS	GROSS BLOCK At cost / Valuation				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2010	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
TANGIBLE ASSETS										
LAND										
FREE HOLD LAND	65.22	6.63	-	71.85	-	-	-	-	71.85	65.22
LEASE HOLD LAND	6.49	-	-	6.49	0.14	0.07	-	0.21	6.28	6.35
BUILDING										
FACTORY BUILDING	247.31	65.97	0.12	313.16	18.39	23.46	0.09	41.76	271.40	228.92
OTHER BUILDING	45.31	31.92	-	77.23	3.59	2.12	-	5.71	71.52	41.72
PLANT AND MACHINERY	208.28	37.03	2.07	243.24	53.57	23.71	0.71	76.57	166.67	154.71
FURNITURE & FIXTURES	2.27	1.03	-	3.30	1.21	0.35	-	1.56	1.74	1.06
VEHICLES	9.85	3.05	0.11	12.79	4.39	1.80	0.09	6.10	6.69	5.46
COMPUTERS	3.60	0.80	0.04	4.36	2.44	0.67	0.01	3.10	1.26	1.16
BOATS	0.93	-	0.93	-	0.59	0.03	0.62	-	-	0.34
INTANGIBLE ASSETS										
SOFTWARE	9.42	0.12	4.22	5.32	2.66	1.72	1.43	2.95	2.37	6.76
TOTAL	598.68	146.55	7.49	737.74	86.98	53.93	2.95	137.96	599.78	511.70
Previous year	257.63	342.61	1.56	598.68	58.50	28.76	0.28	86.98	511.70	
CWIP (Including Capital Advances)	1,006.35	448.95	79.86	1,375.44					1,375.44	1,006.35

Notes:-

- Certain part of the land is yet to be registered in the name of the Company.
- Gross Block includes assets acquired on hire purchase - Vehicles Rs. 1.52 crores- (P. Y Rs. 1.19 crores)
- Depreciation & Amortisation for the year Rs. In Crores

Total Depreciation & Amortisation for the year	53.93
Less: Transferred to Preoperative Expenses-C W I P	13.72
	40.21
Less: Withdrawn from revaluation reserve during the year.	1.52
Depreciation for the year debited to Profit & Loss account.	38.69

As at	As at
31.03.2010	31.03.2009
Rs. in Crores	Rs. in Crores

SCHEDULE - 7 : INVESTMENTS
Long Term , Non Trade - At cost
Quoted
In Shares

4423719 (P.Y. 250000) Equity Shares in Great Offshore Ltd. of Rs. 10/- each fully paid up	233.90	6.85
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In Units of Mutual Fund

906503 (P.Y. Nil) Units of Principal Monthly Income Fund of Rs. 10/- each [Aggregate market value of quoted investments Rs. 181.98 crores (P.Y. 6.27 crores)]	1.00	-
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Unquoted
In subsidiary :

10000 (P.Y. 9999) Equity Shares in Eleventh Land Developers Pvt. Ltd. of Rs. 10/- each fully paid up	0.01	0.01
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10000 (P.Y. Nil) Shares in ABG Shipyard Singapore Pte. Ltd. of SGD 1/- each fully paid up	0.03	-
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In Partnership Firm

Capital in partnership firm Vipul Shipyard	5.82	5.82
	240.76	12.68

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 8 : INVENTORIES</u>		
(As taken, valued & certified by management)		
Raw Material and Components	778.30	817.65
Work in Progress		
On Percentage completion basis (Contract costs & recognised profit)	4,354.28	
Less: Progress Money from Customers [Refer Note 18 of Notes to Accounts]	<u>4,066.51</u>	386.25
	<u><u>1,066.07</u></u>	<u><u>1,203.90</u></u>
<u>SCHEDULE - 9 : SUNDRY DEBTORS</u>		
(Unsecured, Considered good)		
Due for more than six months	33.91	8.81
Others	<u>36.49</u>	<u>30.65</u>
	<u><u>70.40</u></u>	<u><u>39.46</u></u>
<u>SCHEDULE -10 : CASH AND BANK BALANCES</u>		
Cash in hand	0.08	0.17
Balance with Scheduled Banks:		
i) In Current Accounts	20.19	32.53
ii) In Fixed Deposits	7.53	14.91
iii) In Margin Deposit Accounts	-	0.16
Balance with Other Banks:		
i) In Current Accounts with ABN Amro Bank , Singapore [Maximum Balance during the period Rs. 0.07 crores (Previous year Rs. 79.92 crores)]	0.06	0.07
	<u><u>27.86</u></u>	<u><u>47.84</u></u>
<u>SCHEDULE - 11 : LOANS AND ADVANCES</u>		
(Unsecured, Considered good)		
i) Current Account in Partnership Firm	22.35	17.31
ii) Due from Subsidiary	377.65	26.45
iii) Advances recoverable in cash or kind or for value to be received	1,351.81	1,157.98
iv) Deposits with Government Authorities/ Departments	8.58	8.06
v) Other Deposits	162.70	143.05
vi) MAT Credit Entitlement	<u>75.05</u>	<u>27.00</u>
	<u><u>1,998.14</u></u>	<u><u>1,379.85</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE -12 : CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities:</u>		
i) Sundry Creditors for goods & expenses (Out of above due to SME's- Rs. 0.54 crores (P.Y. Nil) [Refer Note 8 of Notes to Accounts]	966.96	1,257.16
ii) Advance from other customers	0.20	2.61
iii) Other Liabilities	5.41	2.28
iv) Interest Accrued but not due	1.95	1.08
v) Investor Education & Protection Fund to be credited ,when due [Refer Note 5 of Notes to Accounts]	0.19	0.13
	<u>974.71</u>	<u>1,263.26</u>
<u>Provisions For :</u>		
i) Income Tax (Net of taxes paid)	36.33	12.09
ii) Proposed Dividend	20.37	10.18
iii) Tax on Proposed Dividend	3.46	1.73
iv) Fringe Benefit Tax (net)	-	(0.09)
v) Leave Encashment /Gratuity	6.91	5.29
vi) Contingencies [Refer Note 2(b) of Notes to Accounts]	1.40	0.90
	<u>68.47</u>	<u>30.10</u>
	<u>1,043.18</u>	<u>1,293.36</u>
	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
<u>SCHEDULE - 13 : REVENUE FROM OPERATIONS</u>		
Ship Building	1,624.98	1,348.06
Subsidy	182.32	62.85
Windmill Towers	-	0.45
Ship Repair	0.37	0.86
	<u>1,807.67</u>	<u>1,412.22</u>
<u>SCHEDULE - 14 : OTHER INCOME</u>		
Profit on Sale of Investments	29.25	-
Insurance Claims	5.19	0.36
Tax & Duty Refund	1.38	3.95
Profit/(Loss) from Partnership Firm [Refer Note 20 of Notes to Accounts]	(0.24)	0.12
Dividend Received	0.66	-
Miscellaneous Receipts	5.75	1.98
Sundry balances written back	2.13	0.84
	<u>44.12</u>	<u>7.25</u>
<u>SCHEDULE - 15 : MANUFACTURING EXPENSES</u>		
Consumption of stores	35.46	30.09
Contractors Charges	80.72	49.82
Power and Water	7.53	4.04
Repairs & Maintenance		
- Plant & Machinery	14.31	5.81
- Buildings	0.07	0.34
Other Manufacturing Expenses	5.07	2.69
Inspection and Survey Expenses	6.24	7.56
	<u>149.40</u>	<u>100.35</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
<u>SCHEDULE - 16 : PERSONNEL EXPENSES</u>		
Salaries, Wages and other benefits	36.25	22.59
Contribution to Provident Fund	2.64	1.97
Staff Welfare Expenses	8.05	3.70
Remuneration to Directors	1.16	1.17
	<u>48.10</u>	<u>29.43</u>
<u>SCHEDULE - 17 : GENERAL, ADMINISTRATION & SELLING EXPENSES</u>		
Office Expenses	5.45	2.34
Rent, Rates & Taxes	5.64	2.08
Insurance	9.40	7.34
Printing & Stationery	0.34	0.19
Postage, Telephone & Telex	1.92	0.68
Travelling & Conveyance	8.69	5.32
Professional Charges	16.20	2.49
Payment to Auditors	0.50	0.43
Donations & Charities	3.02	2.21
Prior Years Expenses/(Income) - Net	-	(0.05)
Hire Purchase Charges	0.05	0.08
Repairs & Maintenance - Others	1.42	1.28
Guarantee Commission	29.65	24.43
Selling & Distribution	34.37	13.85
Other Finance charges	0.88	42.28
Loss on Sale of Assets (Net)	2.90	0.04
Other Expenses	0.96	0.97
	<u>121.39</u>	<u>105.96</u>
<u>SCHEDULE - 18 : INTEREST (NET)</u>		
Interest on Fixed Loans	155.97	60.43
Interest - Others	62.72	19.88
	<u>218.69</u>	<u>80.31</u>
<u>Less : Interest Received/Recovered</u>	<u>68.08</u>	<u>6.36</u>
[TDS Rs. 4.81 crores (P.Y. Rs. 1.24 crores)]	<u>150.61</u>	<u>73.95</u>
<u>SCHEDULE - 19 : (INCREASE) / DECREASE IN WORK IN PROGRESS</u>		
(Included in work in progress on percentage completion basis)		
Opening Work In Progress	384.85	176.34
Closing Work In Progress	530.63	384.85
	<u>(145.78)</u>	<u>(208.51)</u>

SCHEDULE-20: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010.**I. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

The financial statements are prepared under the Historical Cost Conventions on the basis of Going Concern and as per applicable Indian Accounting Standards notified u/s 211 (3C) of The Companies Act, 1956.

2. Revenue

Revenue is recognized in accounts in accordance with Accounting Standard - 7 'Accounting for Construction Contracts' issued by Institute of Chartered Accountants of India. The method of recognition is on percentage completion basis. Revenue is recognized under Percentage Completion Method on the basis of proportionate contract costs incurred for work performed up to the reporting date bears to the estimated total contract costs.

Revenue from ship repair is recognized on the basis of job completion.

3. Fixed Assets**Tangible Assets:**

Fixed Assets are recorded at Cost. Cost is purchase cost and in the case of Freehold Land, includes development cost incurred, together with all incidental costs of acquisition, borrowing costs and other related internal costs and is netted of for Cenvat and Value Added Tax.

Profit/Loss on disposal of fixed assets is recognised in the Profit and Loss Account.

Intangible Assets:

Intangible assets are recognized and accounted at cost in accordance with Accounting Standard-26 'Intangible Assets' issued by Institute of Chartered Accountants of India.

4. Capital Work In Progress

All expenditure, including advances given relating to development of land, buildings, dry docks and plant & machinery etc. are accumulated and shown as capital work-in-progress till the completion of such activities.

5. Borrowing costs

Borrowing Costs attributable to the acquisition and construction of the Qualifying Assets, which takes substantial period of time to get ready for its intended use, are capitalized as part of the cost of respective assets up to the date when such asset is ready for its intended use. Other Borrowing costs are charged to the Profit and Loss account.

6. Depreciation and Amortisation

- a) Freehold land is not depreciated. Leasehold land is amortised equally over the period of lease.
- b) Dry Docks (included in Plant & Machinery) and Dry Docks Civil Works included in Factory Building) and Jetty are depreciated on Straight Line Method in accordance with Accounting Standard - 6 'Depreciation Accounting' of the Institute of Chartered Accountants of India at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- c) Other assets are depreciated on Written down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- d) Depreciation on additions / deletions to Fixed Assets made during the year is provided on pro-rata basis from or up to date of such additions / deletions as the case may be.
- e) Depreciation on amounts added on revaluation is recouped from Revaluation Reserve.
- f) Intangible assets are stated at cost less accumulated amortisation.
- g) Software is amortised over a period of five years.

7. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

8. Employees' Benefits

Provident Fund: Provident Fund contributions are made as per a defined contribution scheme and contribution of company is charged to Profit and Loss account of the year when become due. The company has no other obligation other than to contribute and deposit the contribution to respective authorities.

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Long term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of long term benefits are charged to the Profit and Loss account.

9. Valuation of Inventory

Inventories of spares, consumables, components are valued at lower of cost and net realizable value. Cost represents purchase cost and other incidental costs, if any. Cost of inventories is computed on weighted average / FIFO basis.

10. Work in Progress and Cost Allocation

Each construction contract is considered as a cost center and all costs directly identifiable to the Contract are charged on actual basis. Indirect miscellaneous costs are also allocated to the various contracts using appropriate overhead recovery method. Contract work-in-progress is valued at cost, including therein profit or loss arrived at in accordance of Accounting Standard -7, 'Accounting for Construction Contracts'.

11. Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary assets and liabilities are translated at the year end using closing rate if remain unsettled at the year end. Non monetary foreign currency items are carried at cost.

The resulting gain or loss on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss account.

The Company has w.e.f. 07th December,2006 chosen to apply notification issued by Companies (Accounting Standard) Amendment Rules 2009 GSR 225 (E) dated 31.03.2009 as regards monetary long term assets and liabilities. Consequently, the resulting gain or loss on account of exchange difference on settlement or on translation is so far as they relate to depreciable assets is added or deducted from the cost of the asset.

12. Derivative Accounting

During the year ended 31st March, 2008, The Institute of Chartered Accountants of India has issued an announcement on 'Accounting for Derivatives' inter alia requiring provision for losses on all derivative contracts outstanding at the balance sheet date by marking them to market keeping in view the principle of prudence, other than for forward contracts to which Accounting Standard (AS) 11- 'The Effect of Change in Foreign Exchange Rates' is applicable. The Company has entered into Forward Contracts to hedge a firm commitment or a highly probable forecast transaction to which AS-11 is not applicable and hence, the Company has applied aforesaid announcement. Premium paid on forward contracts is recognized in the year of entering of contract.

13. Government Subsidy

Government subsidy related to shipbuilding contracts are recognized on compliance with the relevant conditions and is recognized in the Profit and Loss account and presented under 'Revenue from Operations'.

14. Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments / receipts are recognized as an expense / income in the Profit and Loss Account on a straight-line basis over the lease term.

15. Provisions for Current and Deferred Tax

Provision for Current Tax is made on the basis of taxable income under the provision of the Income Tax Act, 1961.

Deferred Tax resulting from "timing differences" between Book and Taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

In accordance with the guidance note issued by The Institute of Chartered Accountants of India, the Company recognises MAT Credit as an asset only to the extent, the probability exists that the Company will become liable to pay normal Income Tax during the specified period as per provision of the Income Tax Act' 1961.

16. Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of Notes to Accounts. Contingent Assets are not recognized/ disclosed.

17. Investments

Long Term investments are stated at cost. Cost includes incidental expenses of acquisition. Decline in value of investment other than of temporary nature is recognised in Profit & Loss account.

II. NOTES TO THE ACCOUNTS

1. Contracts remaining to be executed on capital account and not provided for, are estimated at Rs. 239.37 crores (P.Y - Rs. 231.45 crores).

2. (a) Contingent liability not provided for :

Rs.in crores

Particulars	31st March 2010	31st March 2009
In respect of Performance/ Delivery Guarantees given by banks to the buyers	77.79	97.37
Corporate guarantees to banks in respect of facilities granted to Group Companies	993.81	-
Other bank guarantees to Government Authorities	11.18	6.30
Claims against the company not acknowledged as debts	0.34	0.36

- (b) Contingencies provided for in accordance with AS 29 issued by the Institute of Chartered Accountants of India: Rs. 0.51 crores (P. Y . 0.30 crores)

Rs in crores

Carrying amount as on 01.04.2009.	0.90
Provision during the year.	0.51
Amounts incurred and charged against the provision.	(0.01)
Unused amount reversed during the year.	-
Closing Balance	1.40

The contingencies provided are in respect of estimated warranties on sold hulls.

3. In terms of the approval of the shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on 15th January, 2008 has allotted 40,00,000 warrants on preferential basis to the Holding Company entitling it to apply for equivalent number of fully paid up equity shares of Rs. 10/- each of the Company, at a price of Rs. 796.66 per equity share and received 10% on allotment. As per the terms of issue, the warrant holder had a right to apply for conversion into equity shares within 18 months from the date of allotment of the warrants on payment of the balance consideration. The aforesaid warrants have lapsed and amount of 10% i.e. Rs.31.87 crores paid by the holding company is forfeited and transferred to Warrant Forfeiture Account.
4. In the opinion of the management, Current Assets, Loans and Advances have value in realisation in the ordinary course of business at least equal to the amount at which they are stated.
5. Following amount, when due shall be deposited to the 'Investors' Education and Protection Fund':

Rs. in crores

Particulars	31st March 2010	31st March 2009
Share Application Money	0.11	0.11
Unpaid Dividends	0.08	0.02

6. On the basis of the report of Chartered Engineers and Government approved Valuers, the Company had revalued the Freehold Land, Factory Building, Other Building and Dry Docks on 30th June, 1994 and again on 30th June 2002 and consequently an amount of Rs.10.90 crores and Rs. 59.99 crores respectively being the differences between the amount of fair market value of the same and depreciated value as per books as on those dates, have been added to the value of Fixed Assets and corresponding credit shown as Revaluation Reserve.

Consequent to the revaluation there is an additional depreciation of Rs. 1.52 crores (Previous year Rs. 1.62 crores), which has been withdrawn from Revaluation Reserves and credited to Profit and Loss account.

7. The company has chosen to avail the option under AS-11 notification issued by Companies (Accounting Standard) Amendment Rules 2009 GSR 225 (E) dated 31.03.2009 issued by Ministry of Corporate Affairs.

The company has exercised the option with respect to long term monetary liabilities viz Foreign currency term loan availed by it. The company has no other long term monetary Assets / Liabilities.

Due to the exercise of aforesaid option, the impact on Profit & Loss Account for the year is (loss) Rs. 17.65 crores.(P.Y. gain Rs.22.38 crores) which has been credited/capitalized to CWIP.

8. Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED”)

The Company has amounts due to suppliers under MSMED as at 31st March, 2010 (P.Y. Nil). The disclosure pursuant to the said Act is as under:-

Rs. in crores

Particulars	31st March, 2010
Principal amount due to suppliers under MSMED	0.54
Interest accrued and due to suppliers under MSMED on the above amount unpaid.	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-
Interest paid to suppliers under the MSMED	-
Interest due and payable to suppliers under MSMED towards payment already made.	-

Note: The information relates to such vendors identified as micro, small and medium enterprises on the basis of information available with the Company.

9. Exchange fluctuation- included in the Profit and Loss account -loss Rs. 10.60 crores and gain of Rs. 2.25 crores (P.Y. Loss Rs. 36.19 crores) out of which Rs. 10.60 crores is loss related to material included in consumption .(P.Y. 32.72 crores).

Forward cover gain included in Profit and Loss account Rs. 23.77 crores. (P.Y Loss Rs. 3.04 crores).

10. Information in respect of Capacities, Production, Stock and Turnover:

Rs. In crores

Particulars	31st March 2010	31st March 2009
i) Licensed capacity	Not Applicable	Not Applicable
ii) Installed capacity	Not Ascertainable	Not Ascertainable
iii) Production		
- Ships & Barges (Nos.)	13	6
- Wind Mill Towers (Nos.)	-	1
iv) Sales -		
- Ships & Barges (Nos.)	13	6
- Wind Mill Towers (Nos.)	-	1
- Ships & Barges	486.63	304.53
- Wind Mill Towers	-	0.45
- Ship Repairs	0.37	0.86
v) Opening stock of material		
- Steel	454.37	133.69
- Other components	185.63	44.10
- Goods in Transit	177.65	177.02
vi) Closing stock of material		
- Steel	684.48	454.37
- Other components	56.83	185.63
- Goods in Transit	36.98	177.65

11. Steel and components such as Engines, Anchors etc. required in ship building comprise of a large number of dissimilar items which are impracticable to aggregate and accordingly quantitative information in respect thereof has not been furnished.
12. i) Value of goods imported on C.I.F. basis :

Rs. in crores

Particulars	31st March 2010	31st March 2009
a) Capital Goods	232.46	49.77
b) Raw Materials Steel	374.01	311.39
c) Components & Others	647.89	941.59

ii) Consumption of Steel and Components during the year:

Particulars	31st March 2010		31st March 2009	
	Rs in crores	%	Rs in crores	%
Raw Materials (Steel) :				
a) Imported	0.88	0.07	32.47	2.99
b) Indigenous	141.33	11.71	96.97	8.95
Components & Spare Parts :				
a) Imported	686.40	56.87	872.02	80.45
b) Indigenous	378.28	31.35	82.50	7.61

iii) Earnings/Expenditure of foreign exchange (on accrual basis):

Rs. in crores

Particulars	31st March 2010	31st March 2009
Earnings:		
Export Sales on FOB basis	165.28	179.20
Expenditure:		
Legal & Professional Fee	4.72	1.20
Advertisement and Business Promotion	33.22	12.23
Interest & Other Charges	54.05	38.52
Travelling and Other Matters	0.89	0.13

iv) Remittance of dividend in foreign currency:

The company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non resident shareholders. The particular of dividend declared and paid to non resident shareholders during the year are as under

Particulars	31st March 2010	31st March 2009
Non Resident Shareholders (Nos.)	682	635
Equity Shares held (Nos.)	9569505	10289979
Dividend paid relating to previous year (Rs. in crores)	1.91	2.06

13. Managerial Remuneration :

Rs. in crores

Particulars	31st March 2010	31st March 2009
Salary	0.79	0.84
Benefits and Allowances	0.62	0.55
Contribution to Provident and other funds	0.05	0.09
Sitting Fees	0.01	0.01
TOTAL	1.47	1.49

Notes:

- The employee wise breakup of liability on account of retirement schemes based on actuarial valuation is not ascertainable. The amounts relatable to the Directors' therefore, disclosed in the year of payment.
- Sitting fee to non executive director Rs 0.01 crore (P.Y Rs. 0.01 crore) included in office expenses.

14. Auditors' Remuneration (Including Service Tax, wherever applicable):

Rs. in crores

Particulars	31st March 2010	31st March 2009
Audit Fees	0.33	0.22
Tax Audit Fee	0.06	0.04
Certification and other Professional Services	0.11	0.17

15. Disclosure in respect of Operating Leases (Assets taken on lease):

- (a) The company has taken commercial / residential premises under cancelable operating leases. The lease agreements are usually renewable by mutual consent on mutually agreeable terms.
- (b) The expenses in respect of operating leases are accounted in General, Administration & Selling Expenses under Schedule -17.

16. The disclosures required under Revised Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006, are given below:
Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Rs. in crores

Particulars	31st March 2010	31st March 2009
Employer's Contribution to Provident Fund	2.07	1.57
Employer's Contribution to Pension Scheme	0.57	0.40

Defined Benefit Plan

The employees' gratuity fund scheme managed by SBI Life Insurance is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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. The obligation for leave encashment is recognized in same manner as gratuity.

Rs. in crores

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at the beginning of the year	3.23	2.51	2.96	2.51
Current Service Cost	0.64	0.45	0.18	1.21
Interest Cost	0.26	0.20	0.19	0.20
Actuarial (gain) / loss	0.08	0.17	0.56	(0.85)
Benefits paid	(0.13)	(0.11)	(0.14)	(0.11)
Defined Benefit obligation at the year end	4.08	3.22	3.75	2.96
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	0.89	1.00		
Expected return on plan assets	0.07	0.08		
Actuarial gain/(loss)	0.08	(0.08)		
Employer contribution	-	-		
Benefits Paid	(0.13)	(0.11)		
Fair value of plan assets at the year end	0.91	0.89		
c. Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at Year End	0.91	0.89		
Present value of obligation as at Year End	4.08	3.23	3.75	2.96
Amount recognised in Balance Sheet	3.17	2.34	3.75	2.96
d. Expenses recognised during the year				
Current Service Cost	0.64	0.45	0.18	1.21
Interest Cost	0.26	0.20	0.19	0.20
Expected return on plan assets	(0.07)	(0.08)		
Actuarial (gain) / loss	* (0.00)	0.25	0.56	(0.85)
Net Cost	0.83	0.82	0.93	0.56
e. Investment Details	% invested			
	As at 31st March 2010	As at 31st March 2009		
SBI Group Gratuity (Cash Accumulation) Policy	100	100		

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009
f. Actuarial Assumptions				
Mortality Table (L.I.C)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	8%	8%	6%	6%
Rate of escalation in salary (per annum)	6%	6%	6%	6%

* Amount less than 0.01 crore.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary relied upon by auditors.

17. The Deferred tax liability comprises the following:

Rs. in crores

Particulars	31st March 2010	31st March 2009
a. Deferred Tax Liabilities		
On account of timing difference of depreciation	5.96	4.16
On account of profit on Projects under construction	325.65	221.22
b. Deferred Tax Assets		
On account of gratuity liability	1.08	0.32
On account of Leave encashment liability	1.27	1.00
On account of expenses allowable on delivery of ships	13.43	2.06
Deferred Tax Liabilities (Net)	315.83	222.00

18. Disclosure in accordance with 'AS -7 Accounting for Construction Contracts' issued by the Institute of chartered Accountants of India:

Rs. in crores

Particulars	31st March 2010	31st March 2009
a. Contract revenue recognized as revenue in the period	1574.22	1288.54
b. Contract cost incurred and recognized profits	3823.64	2662.60
c. Advances received from above customers	2653.21	1088.59
d. Gross amount due from customers for contract work	1419.01	1612.56
e. Gross amount due to customers for contract work	248.58	39.16

The Gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognised profit (less recognised losses) exceeds progress billing.

The Gross amount due to customers reflects the net amount for all contracts in progress where progress billing exceeds cost incurred plus recognised profits (less recognised losses)

19. Calculation of Earning Per Share (EPS):

Particulars	31st March 2010	31st March 2009
Net Profit as per Profit and loss Account (Rs. In Crores)	228.92	171.10
Weighted Average number of Equity shares of Rs. 10/- each fully paid up	5,09,21,801	5,09,21,801
Earning Per Share (Basic and Diluted) (Rs.)	44.96	33.60

20. Investment - Partnership Firm

During the year, the company's share in the partnership firm, Vipul Shipyard, was restructured. Details of Partners, capital and shares in the firm are as under:

Rs.in crores

Details of Investment in partnership firm Vipul Shipyard , Surat	31st March 2010
Capital Account	5.82
Current Account	22.49
Total Capital of Vipul Shipyard	5.84
Partners details	Share in the profits/ losses
ABG Shipyard Ltd.	1.00%
ABG International Pvt. Ltd and Second Land Developers Pvt. Ltd	98.00%
Dinesh Parshuram Amin	0.25%
Parshuram Maganbhai Amin	0.25%
Kusumben Vishnubhai Amin	0.50%

21. Details of Capital work in progress:

Rs in crores

Particulars	31st March 2010	31st March 2009
A. Ship and Rig Yard		
Land , Building and Site development	236.52	270.58
Plant & Machinery :		
Main Plant & Machinery	473.92	118.96
Cranes	41.46	35.13
Jetty	21.26	5.50
Others	2.22	1.53
Advances to vendors & Goods in Transit	305.49	365.01
Sub Total	844.35	526.13
Preoperative expenses (Pending Allocation) :		
Rent	3.89	3.53
Travelling & Conveyance	8.87	9.70
Finance Charges	218.96	168.76
Personnel Expenses	18.34	22.75
Communication Expenses	0.48	0.70
Professional & Technical Fees	11.08	7.63
Depreciation	30.48	16.76
Other Site Expenses	9.76	14.54
Sub Total	301.86	244.37
Total	1,382.73	1,041.08
B. Ships	72.58	159.62
Total	1,455.31	1,200.70
Less: Capitalised during the year	79.87	194.35
Grand Total	1,375.44	1,006.35

During the year, Rs. 79.87 crores pertaining to completed assets ready to be put to use has been capitalized along with proportionate expenditure. The capitalization of proportionate expenditure is based on technical evaluation of the project by an independent valuer.

- 22.** The company primarily operates in one business segment only i.e. manufacturing which is the only reportable segment. There is no other segment which satisfies the threshold limit as per Accounting Standard -17 'Segment Reporting', issued by Institute of Chartered Accountants of India.

Secondary segment (Geographical Segments):

Rs.in crores

Segments	Domestic		Overseas		Total	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009	31st March 2010	31st March 2009
Revenue [as per AS 7 (revised)]	534.53	777.96	1,273.14	634.26	1,807.67	1,412.22

23. Information on Foreign Currency Exposure:

- (a) Outstanding forward exchange contracts/ options entered by the company for the purpose of hedging its foreign currency exposures are as under:

Rs. in crores

Currency	Cross Currency	Buy		Sell	
		31st March 2010	31st March 2009	31st March 2010	31st March 2009
EURO	USD	2.83	9.11	-	-
GBP	USD	-	*	0.00	-
JPY	USD	3.82	83.62	-	-
NOK	USD	0.16	6.94	-	-
SEK	USD	-	2.96	-	-
SGD	USD	-	0.11	-	-

*Amount less than 0.01 crore

No instruments are acquired for speculation purpose.

- (b) Foreign Currency exposure that is not hedged by derivative instruments is as under:

Rs. in crores

Currency	Buy	
	31st March 2010	31st March 2009
AUD	0.07	0.44
EURO	0.35	-
USD	8.82	9.62
NOK	10.33	0.33
SEK	1.51	-
JPY	5.19	-
CAD	*0.00	-
AED	*0.00	-
SGD	*0.23	0.08

*Amount less than 0.01 crore

24. Related Parties Disclosure as per Accounting Standard (AS) 18:
A. LIST OF RELATED PARTIES:

Holding Company	ABG International Private Limited
Subsidiary / Controlling Stake	Eleventh Land Developers Private Limited ABG Shipyard Singapore Pte Ltd Vipul Shipyard (Partnership Firm) Abhishek Mercantile Private Limited (upto 20 th March, 2010)
Fellow Subsidiary Companies	ABG Cement Limited PFS Shipping (India) Limited ABG Foods Private Limited ABG Acquafarm Private Limited ABG Engineering & Construction Limited Tirupati Landmark Private Limited (Formerly B. F. Engineering Pvt. Ltd.) Waste Re Energy Private Limited ABG Energy Limited

Companies over which Directors / relatives are able to exercise Significant Influence	ABG Infralogistics Limited ABG Power Private Limited ABG Cranes Private Limited PFS Shipping (Singapore) Pte. Ltd. (Along with its SPV's) Agbros Leasing & Finance Private Limited Jarrow Finance & Trading Private Limited ABG Motors Limited ABG Energy (Gujarat) Limited Aries Management Services Private Limited
Key Management Personnel	Shri. Rishi Agarwal Shri. Ram Swaroop Nakra Shri. Major Arun Phatak

B. TRANSACTIONS WITH RELATED PARTIES:

Rs. in Crores

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Income:						
PFS Shipping (Singapore) Pte Ltd. 0.00 (66.87)				0.00 (66.87)		0.00 (66.87)
PFS Shipping (India) Ltd. 133.81 (0.97)			133.81 (0.97)			133.81 (0.97)
ABG Cement Ltd. 0.65 (0.00)			0.65 (0.00)			0.65 (0.00)
Interest received / recovered:						
PFS Shipping (Singapore) Pte Ltd. 20.45 (0.00)				20.45 (0.00)		20.45 (0.00)
Elevanth Land Developers Pvt. Ltd, 10.12 (0.00)		10.12 (0.00)				10.12 (0.00)
Expenses :						
Jarrow Finance and Trading Pvt. Ltd. 0.08 (0.08)		0.24	0.11	16.42	1.43	18.20
ABG Power Pvt. Ltd. 0.22 (0.22)		(0.00)	(0.08)	(0.41)	(4.03)	(4.52)
Agbros Leasing & Finance Pvt. Ltd.0.01 (0.01)						
Tirupati Landmark Pvt. Ltd. 0.08 (0.08)						
ABG Cranes Pvt. Ltd. 0.02 (0.11)						
ABG Infralogistics Ltd. 15.84 (0.00)						
Aries Management Services Pvt. Ltd. 0.25 (0.00)						
Waste re energy Pvt. Ltd. 0.03 (0.00)						
Shri. Rishi Agarwal 0.00 (2.61)						
Shri. R. S. Nakra 0.93 (0.93)						
Shri. Major Arun Phatak 0.50 (0.47)						
Share of Loss						
Vipul Shipyard 0.24 (0.00)						
Investments						
In WOS Company						
ABG Shipyard Singapore Pte Ltd. 0.03 (0.00)		0.03 (0.00)				0.03 (0.00)
Purchase of shares						
ABG International Pvt. Ltd 0.00 (0.01)	0.00 (0.01)					0.00 (0.01)

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Sale of Shares						
ABG International Pvt. Ltd 0.01 (0.00)	0.01 (0.00)					0.01 (0.00)
Finance						
Advances Given / Repaid	0.46	681.97	126.52	0.94		809.89
ABG International Pvt Ltd 0.46 (5.36)	(5.36)	(35.99)	(11.63)	(0.28)		(53.26)
Elevanth Land Developers Pvt Ltd 307.42 (31.53)						
ABG Engineering & Construction Ltd 0.00 (0.02)						
ABG Cement Ltd 9.05 (0.16)						
ABG Infralogistics Ltd 0.27 (0.28)						
Vipul Shipyard 5.55 (4.46)						
PFS Shipping (India) Ltd 102.81 (0.00)						
Aries Management Services Pvt. Ltd 0.66 (0.00)						
ABG Power Pvt Ltd 0.01 (0.00)						
ABG Shipyard Singapore Pte Ltd 369.00 (0.00)						
Jarrow Finance and Trading Pvt Ltd *0.00 (0.00)						
Tirupati Landmark Pvt.Ltd 0.83 (0.00)						
Waste re energy Pvt Ltd 13.83 (0.00)						
Advances Taken / Refunded						
ABG International Pvt Ltd 3.58 (48.00)	3.58 (48.00)	333.60 (5.54)	167.56 (1.02)	0.25 (0.28)		504.99 (54.84)
PFS Shipping (India) Ltd 108.88 (0.02)						
ABG Engineering & Construction Ltd 35.00(0.50)						
ABG Infralogistics Ltd 0.25 (0.28)						
Vipul Shipyard 0.27 (0.47)						
Eleventh Land Developers Pvt Ltd 333.33 (5.07)						
ABG Cement Ltd 9.05 (0.00)						
Tirupati Landmark Pvt.Ltd 0.83 (11.46)						
Waste re energy Pvt.Ltd 13.80 (0.00)						
ABG Power Pvt Ltd *0.00 (0.00)						
Stage Payment Received						
PFS Shipping (Singapore) Pte Ltd 173.92 (213.49)			171.07 (0.00)	173.92 (213.49)		344.99 (213.49)
PFS Shipping (India) Ltd 171.07 (0.00)						
Outstanding Balances as on 31st March 2010						
Loans and Advances Receivables		400.00 (43.76)	0.16 (6.21)	22.44 (0.51)		422.60 (50.48)
Loans and Advances Payables	4.10 (0.99)		35.00 (0.00)			39.10 (0.99)
Accommodation Deposits			5.00 (5.00)	32.00 (5.00)		37.00 (10.00)
Payables			37.29 (0.36)	521.99 (394.44)	0.00 (0.07)	559.28 (394.87)
Receivables				0.00 (30.29)		0.00 (30.29)
Guarantees Taken	118.61					118.61
ABG International Pvt. Ltd. 118.61 (60.00)	(60.00)					(60.00)

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Guarantees Given						
PFS Shipping (India) Ltd 130.00 (0.00)			950.44			950.44
PFS Shipping (Singapore) Pte. Ltd. 820.44 (0.00)			(0.00)			(0.00)

Notes :

1. Related Parties have been identified by the management and relied upon by the auditors.
2. Previous years figures are shown in brackets.

* Amount less than 0.01 crores

25. The Company has firm commitments in foreign exchange as regards both its payables and receivables. The company has applied the principle of Hedge Accounting contained in Accounting Standard 30 for its net firm commitment in receivable and payables in foreign exchange. In view of the same, Mark to Market difference as on 31st March 2010 of Rs. 20.08 Crores (P. Y 81.00 Crores) on payables does not have any material impact on the financial statement, as the receivables are higher than the payables.

26. Details of investments purchased and /or sold during the year:

Name of the Investment Non Trade	Face Value	No. of Shares	Rs. in crores	No. of Shares	Rs. in crores
		Purchased		Sold	
Equity Shares in Great Offshore Ltd.	Rs. 10/-	7942719 (250000)	401.99 (6.85)	3769000	204.20
Equity Shares in ABG Shipyard Singapore Pte. Ltd.	SGD 1/-	10000	0.03	-	-
Equity Shares in Abhishek Mercantile Pvt. Ltd.	Rs. 10/-	9900	0.01	9900	0.01
Units of Principal Monthly Income Fund	Rs. 10/-	906503	1.00	-	-
Equity Shares in Eleventh Land Developers Pvt. Ltd.	Rs. 10/-	1 (9999)	*0.00 (0.01)	-	-

* Amount less than 0.01 crore

27. The figures for the previous year have been arranged/rearranged/regrouped wherever considered necessary.

As per our Report of even date

For **NISAR & KUMAR**
Chartered Accountants
F.R.No.107117W

For and on behalf of Board

M. N. Ahmed
Partner
M. No 18380

R.S.Nakra
Managing Director

Major Arun Phatak
Executive Director

Mumbai
Dated: 29th May 2010

Dhananjay Datar
Chief Financial Officer

Ch. Rajashekhar Reddy
Company Secretary

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet abstract and the Company's General Business Profile.

I. Registration No.	7730
State Code	04
Balance Sheet date	31st March, 2010
CIN	L61200GJ1985PLC007730

Rs. (in crores)

II. Capital raised during the year	
Public issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement (Convertible Warrants)	Nil

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	4,335.27
Total Assets	4,335.27

Source of Funds

Paid up Capital	50.92
Reserves & Surplus	1,071.08
Secured Loans	2,237.44
Unsecured Loans	660.00

Application of Funds

Net Fixed Assets	1,975.22
Investments	240.76
Net Current Assets	2,119.29
Miscellaneous Expenditure	-
Deferred Tax Liability (Net)	(315.83)

IV. Performance of the Company

Turnover	1,851.79
Total Expenditure	1,524.49
Profit (Loss) before Tax	327.30
Profit (Loss) after Tax	228.92
Earning per share (Rs.)	44.96

V. Generic Names of principal products, services of the Company

Item Code No.	Product Description
1. 89040000	Tugs and Pusher Crafts
2. 89019001	Bulk Carriers
3. 89059009	Floating Cranes
4. 84283100	Jack-up Drilling Rigs

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company

S.N.	Particulars / Name of subsidiary	Eleventh Land Developers Private Limited	ABG Shipyard Singapore Pte. Ltd.
1	The financial year of the subsidiary ended on	31st March, 2010	31st March, 2010
2	Date from which it became subsidiary company	20th October, 2008	08th February,2010
3	Number of shares in the subsidiary company held by ABG Shipyard Ltd. as on 31st March 2010	10000/- of the face value of Rs 10/- each fully paid up	10000/- of the face value of Singapore Dollar 1/- each fully paid up
4	Extent of holding by ABG Shipyard Ltd.	100%	100%
5	The net aggregate amount of subsidiary company's profit /(loss) so far as it concerns to member of holding company		
5.1	Not dealt with the holding company 's accounts :	Rs. in crores	
5.1.1.	For the financial year ended 31st March 2010	(Rs. 10.79)	(Rs. 48,059/-)
5.1.2.	For the previous years since they became subsidiary	Rs. 0.05	NA
5.2	Dealt with the holding company 's accounts :		
5.2.1	For the financial year ended 31st March 2010	NIL	NIL
5.2.2.	For the previous years since they became subsidiary	NA	NA
6	Change in interest of ABG Shipyard Ltd. in the subsidiary between the end of financial year of subsidiary company and end of ABG Shipyard Ltd.	NA	NA
7	Material change between the end of financial year of subsidiary and end of ABG Shipyard Ltd. in respect of the following :		
	Fixed Assets	NIL	NIL
	Investments	NIL	NIL
	Money lent by the subsidiary company	NIL	NIL
	Money borrowed by the subsidiary company (other than current liabilities)	NIL	NIL

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary company.

Name of the Subsidiary	:	Eleventh Land Developers Private Ltd.
		Rs. in crores
a. Capital	:	0.01
b. Reserves	:	Nil
c. Total Assets	:	9.66
d. Total Liabilities	:	9.66
e. Details of Investments	:	0.08
		(1,741 Equity Shares of Great Offshore Limited of Rs.10/- each, fully paid up)
f. Turnover	:	4.77
g. Profit before Taxation	:	(10.79)
h. Provision for Taxation	:	Nil
i. Profit after Taxation	:	(10.79)
j. Proposed Dividend	:	Nil

Auditor's Report to the Board of Directors of ABG Shipyard Limited on the Consolidated Financial Statements of ABG Shipyard Limited.

1. We have audited the attached Consolidated Balance Sheet of ABG Shipyard Limited and its Subsidiaries (together the Group) as at 31st March, 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with requirements of Accounting Standard 21, "Consolidated Financial Statements", as notified under the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Nisar & Kumar
Chartered Accountants
F. R. No. 107117W

M. N. Ahmed
(Partner)
M. No. 18380

Place: Mumbai
Date: 29th May, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
I. SOURCES OF FUNDS			
1. Share Holders' Funds			
a. Share Capital	1	50.92	50.92
b. Share Warrants	2	-	31.87
c. Reserves & Surplus	3	1,060.34	835.70
		<u>1,111.26</u>	<u>918.49</u>
2. Minority Interest		-	0.02
3. Loan Funds			
a. Secured Loans	4	2,237.44	1,428.72
b. Unsecured Loans	5	660.00	342.15
		<u>2,897.44</u>	<u>1,770.87</u>
4. Deferred Tax Liability (net)		315.83	222.00
		<u>4,324.53</u>	<u>2,911.38</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	6	737.74	605.26
Less : Accumulated Depreciation		137.96	87.70
Net Block		<u>599.78</u>	<u>517.56</u>
b. Capital Work in Progress		1,375.44	1,007.60
		<u>1,975.22</u>	<u>1,525.16</u>
2. Investments	7	609.31	23.54
3. Current Assets, Loans & Advances			
a. Inventories	8	1,066.07	1,223.64
b. Sundry Debtors	9	72.04	41.77
c. Cash & Bank Balances	10	28.38	50.56
d. Loans & Advances	11	1,620.74	1,347.29
		<u>2,787.23</u>	<u>2,663.26</u>
4. Current Liabilities & Provisions			
a. Current Liabilities	12	978.76	1,270.93
b. Provisions		68.47	29.65
		<u>1,047.23</u>	<u>1,300.58</u>
Net Current Assets		<u>1,740.00</u>	<u>1,362.68</u>
		<u>4,324.53</u>	<u>2,911.38</u>

Significant Accounting Policies & Consolidated Notes to Accounts 20

As per our report of even date
For NISAR & KUMAR
 Chartered Accountants
 F. R. No. 107117W

M. N. Ahmed
 Partner
 M. No 18380

Mumbai
 Dated : 29th May 2010

For and on behalf of the Board

R.S.Nakra
 Managing Director

Major Arun Phatak
 Executive Director

Dhananjay Datar
 Chief Financial Officer

Ch. Rajashekhar Reddy
 Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
INCOME			
Revenue from Operations	13	1,812.44	1,413.00
Other Income	14	44.12	7.31
		<u>1,856.56</u>	<u>1,420.31</u>
EXPENDITURE			
Consumption of Raw Materials & Components		1,162.08	1,064.50
Manufacturing Expenses	15	149.40	102.50
Personnel Expenses	16	48.10	29.58
General, Administration and Selling Expenses	17	126.17	106.26
Interest (net)	18	161.40	74.24
(Increase)/Decrease in Work In Progress	19	(145.78)	(221.38)
		<u>1,501.37</u>	<u>1,155.70</u>
Profit before Depreciation		355.19	264.61
Depreciation & Amortisation			
Total Depreciation & Amortisation for the year		40.21	16.19
Less : Withdrawn from revaluation reserve		1.52	1.62
		<u>38.69</u>	<u>14.57</u>
Profit before Tax		316.50	250.04
Less: Provision for Taxation			
Current Tax		55.62	28.53
Fringe Benefit Tax		-	0.70
Deferred Tax		93.83	54.47
Income tax adjustments of earlier years		(3.02)	1.68
MAT Credit Entitlement		(48.05)	(6.50)
		<u>98.38</u>	<u>78.88</u>
Profit after Tax		218.12	171.16
Balance brought forward from earlier years		323.55	249.30
Amount Available for Appropriation		541.67	420.46
Less: Transferred to Debenture Redemption Reserve		25.00	-
Less: Transferred to General Reserves		120.00	85.00
Less : Proposed Dividend		20.37	10.18
Less : Tax on Dividend		3.46	1.73
Less: Share of Loss of Minority Partners/Shareholders		-	-*
*Amount less than 0.01 crores in previous year			
Balance carried to Balance Sheet		<u>372.84</u>	<u>323.55</u>
Earning per share in Rupees of face value of Rs.10 /- each (Basic and Diluted, Refer Note No. 11 of Notes to Accounts)		42.84	33.61

Significant Accounting Policies & Consolidated Notes to Accounts

20

As per our report of even date

For NISAR & KUMAR

Chartered Accountants

F. R. No. 107117W

M. N. Ahmed

Partner

M. No 18380

Mumbai

Dated : 29th May 2010

For and on behalf of the Board
R.S.Nakra

Managing Director

Major Arun Phatak

Executive Director

Dhananjay Datar

Chief Financial Officer

Ch. Rajashekhar Reddy

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
A. Cash Flow From Operating Activities :		
Net Profit (Loss) before extraordinary items & taxation	316.50	250.04
Adjustments for :		
Depreciation	38.69	14.57
Interest (net)	160.73	74.24
Effect of exchange rate change	(2.86)	(40.15)
Loss / (Profit) on Sale of Assets (net)	2.90	0.06
Profit on Sale of Investments	(32.71)	(0.03)
Operating Profit before working capital changes	483.25	298.73
Adjustments for :		
Inventories	(1,268.08)	(1,680.59)
Trade Receivables	(34.17)	(32.90)
Trade Advances	77.69	(199.46)
Trade Payables	(189.18)	506.08
Stage Payments from Customers (net)	1,405.91	877.98
Cash generated from Operations	475.42	(230.16)
Direct Taxes Paid	(32.86)	(23.45)
Cash Generated From Operating activities	442.56	(253.61)
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(520.61)	(923.87)
Sale of Fixed assets	1.65	0.25
Purchase of Investments	(771.58)	(30.18)
Sale of Investments	224.34	6.67
Cash Used In Investing Activities	(1,066.20)	(947.13)
C. Cash Flow From Financing Activities:		
Proceeds from Long Term Borrowings	664.14	606.11
Proceeds from Short Term Borrowings	856.86	675.80
Repayments of Long Term Borrowings	(135.04)	-
Repayments of Short Term Borrowings	(237.77)	(69.38)
Repayment of loans/ deposits given (net)	(373.44)	36.94
Payments to Minority Partners	-	(0.02)
Dividends paid	(10.13)	(10.17)
Tax on distributed profits	(1.73)	(1.73)
Interest paid (net)	(156.78)	(74.13)
Cash Used in / from Financing Activities	606.11	1,163.42
D. Effect of Exchange difference on translation of Foreign Currency	-*	-
*Amount less than 0.01 crores		
Net (decrease) / Increase in cash and cash equivalents (A + B + C + D)	(17.53)	(37.32)
Opening Balance of Cash & Cash Equivalents	50.56	89.28
Less: Adjustment (Refer Note 14 of Notes to Consolidated Accounts)	(2.72)	-
Closing Balance of Cash & Cash Equivalents	30.31	51.96
Effect of Exchange rate changes	(1.93)	(1.40)
Closing Balance of Cash & Cash Equivalents as restated	28.38	50.56

Notes :

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India .
- Figures for previous year where ever necessary have been regrouped to conform to those of current year.

As per our report of even date

For NISAR & KUMAR

Chartered Accountants

F. R. No. 107117W

M. N. Ahmed

Partner

M. No 18380

Mumbai

Dated : 29th May 2010

For and on behalf of the Board
R.S.Nakra

Managing Director

Major Arun Phatak

Executive Director

Dhananjay Datar

Chief Financial Officer

Ch. Rajashekhar Reddy

Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
<u>Authorised Capital</u>		
10,00,00,000 (P.Y. 10,00,00,000) Equity Shares of Rs.10/- each	<u>100.00</u>	<u>100.00</u>
<u>Issued, Subscribed and Paid up</u>		
5,09,21,801 (P.Y. 5,09,21,801) Equity Shares of Rs.10/- each, fully paid up.	50.92	50.92
Out of the above :		
a) 2,47,00,000 (P.Y. 2,47,00,000) Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares out of Share Premium and General Reserve.		
b) 60,00,000 (P.Y. 60,00,000) Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares out of Revaluation Reserve in 1994-95.		
c) 2,87,21,598 (P.Y.2,87,21,598) Equity Shares of Rs.10/- each are held by the holding company ABG International Pvt. Ltd.		
	<u>50.92</u>	<u>50.92</u>
<u>SCHEDULE - 2 : SHARE WARRANTS</u>		
Equity Shares Warrants (held by holding company ABG International Pvt. Ltd.)	31.87	31.87
Less: Forfeited during the year	31.87	-
[Refer Note 4 of Notes to Consolidated Accounts]	<u>-</u>	<u>31.87</u>
<u>SCHEDULE - 3 : RESERVES AND SURPLUS</u>		
(i) Share Premium Account	235.00	235.00
(ii) Warrant Forfeiture Account	31.87	-
(iii) General Reserves		
As per last Balance Sheet	229.32	149.79
Add: Transfer from Profit & Loss a/c	120.00	85.00
Less : Withdrawal due to restatement of forex gain	-	5.47
	<u>349.32</u>	<u>229.32</u>
(iv) Revaluation Reserve		
As per last Balance Sheet	47.83	49.45
Less : Withdrawn for Depreciation for the year	1.52	1.62
	<u>46.31</u>	<u>47.83</u>
(v) Balance in Profit and Loss Account	372.84	323.55
(vi) Debenture Redemption Reserve	25.00	-
(vii) Foreign Currency Translation Reserve	*	-
*Amount less than 0.01 crore		
	<u>1,060.34</u>	<u>835.70</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 4 : SECURED LOANS</u>		
a. 12.3% Non Convertible Redeemable Debentures (NCD)	100.00	100.00
b. <u>Term Loans - from Banks</u>		
(i) In Foreign Currency	144.03	166.23
(ii) In Rupees	1,109.83	666.19
(iii) Interest Accrued & Due	2.28	1.59
c. <u>Working Capital Loans</u>		
(i) Export Packing Credit	330.88	340.56
(ii) Cash Credit	308.19	143.55
(iii) Short Term Loans from Banks	150.00	10.01
(iv) Interest Accrued & Due	1.75	0.24
d. <u>Other Loans</u>		
(i) Term Loan from Financial Institution	90.00	-
(ii) Hire Purchase Finance	0.48	0.35
[(Net of unmatured HP charges Rs.0.04 crores. (P.Y Rs. 0.03 crores)]		
	2,237.44	1,428.72
1. The above loans are secured by :		
a. Non Convertible Debentures by First pari passu charge on the the company's immovable & movable fixed assets of Dahej plant .	100.00	100.00
b. Term Loan with interest , by first pari-passu charge on the company's immovable & movable fixed assets of Dahej plant .	884.14	619.01
c. Term loan of 172 crores, company's assets both immovable and movable, excluding fixed assets of Dahej plant .	172.00	215.00
d. Term Loan with interest of IFCI Rs 90 crores by pledge of certain investments held by the company.	90.00	-
e. Term Loan with Interest of Andhra bank by immovable property of third party	200.00	-
f. Export Packing Credit and Cash Credit, by company's assets both immovable and movable, excluding fixed assets of Dahej plant .	640.82	484.35
g. Other short term loans from banks by residual charge on current assets of the company/firm.	150.00	10.01
h. Hire Purchase Finance, by hypothecation of the individual assets financed.	0.48	0.35
2. 1000 NCD's of Rs. 100000 each , have been allotted on 16.12.2008 to a public financial institution, redeemable in three equal instalments as under :		
Date of redemption	Amount (in crores)	
15.12.2011	Rs.33.33	
15.12.2012	Rs.33.33	
15.12.2013	Rs.33.34	
3. Of the due amount, repayable within one year are as follows :		
Term loans from banks	269.33	
Short term loans	151.56	
Packing credit / cash credit	641.30	
Hire Purchase Finance	0.48	

SCHEDULE - 5 : UNSECURED LOANS

Short Term Loans From Banks	645.00	277.00
From Others	15.00	65.00
Interest Accrued & Due	-	0.15
	660.00	342.15

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS
SCHEDULE 6

PARTICULARS	GROSS BLOCK At cost / Valuation				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITION DURING THE YEAR	DELETIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31.03.2010	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	DELETIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
TANGIBLE ASSETS										
LAND										
FREE HOLD LAND	70.55	6.63	5.33	71.85	-	-	-	-	71.85	70.55
LEASE HOLD LAND	6.49	-	-	6.49	0.14	0.07	-	0.21	6.28	6.35
BUILDING										
FACTORY BUILDING	247.46	65.97	0.27	313.16	18.46	23.46	0.16	41.76	271.40	229.00
OTHER BUILDING	45.31	31.92	-	77.23	3.59	2.12	-	5.71	71.52	41.72
PLANT AND MACHINERY	209.33	37.03	3.12	243.24	54.14	23.71	1.28	76.57	167.67	155.19
FURNITURE & FIXTURES	2.27	1.03	-	3.30	1.23	0.35	0.02	1.56	1.74	1.04
VEHICLES	9.86	3.05	0.12	12.79	4.41	1.80	0.11	6.10	6.69	5.45
COMPUTERS	3.64	0.80	0.08	4.36	2.48	0.67	0.05	3.10	1.26	1.16
BOATS	0.93	-	0.93	-	0.59	0.03	0.62	-	-	0.34
INTANGIBLE ASSETS										
SOFTWARE	9.42	0.12	4.22	5.32	2.66	1.72	1.43	2.95	2.37	6.76
TOTAL	605.26	146.55	14.07	737.74	87.70	53.93	3.67	137.96	599.78	517.56
Previous year	264.13	342.74	1.61	605.26	59.14	28.85	0.29	87.70	517.56	
CWIP (Including Capital Advances)	1,007.60	448.95	81.11	1,375.44					1,377.54	1,007.60

Notes:-

- Certain part of the land is yet to be registered in the name of the Company.
- Gross Block includes assets acquired on hire purchase - Vehicles Rs. 1.52 crores- (P. Y Rs. 1.19 crores)
- Depreciation & Amortisation for the year Rs. In Crores

Total Depreciation & Amortisation for the year	53.93
Less: Transferred to Preoperative Expenses-C W I P	13.72
	40.21
Less: Withdrawn from revaluation reserve during the year.	1.52
Depreciation for the year debited to Profit & Loss account.	38.69

Year ended	Year ended
31.03.2010	31.03.2009
Rs. in Crores	Rs. in Crores

SCHEDULE - 7 : INVESTMENTS
Long Term , Non Trade - At cost
Quoted
In Shares

4425460 (P.Y 789502) Equity Shares in Great Offshore Ltd. of Rs. 10/- each fully paid up.	233.98	23.54
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In Mutual Funds

906503 (P Y Nil) Units of Principal Monthly Income Fund of Rs. 10/- each per unit. [Aggregate market value of quoted investments Rs.182.05 crores.(P. Y. 19.79 crores)]	1.00	-
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Unquoted
In Mutual Funds

8,09,500 Units in Emerging Markets Diversified Fund of USD 100.00 per unit.	368.51	-
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In Partnership Firm

Capital in partnership firm Vipul Shipyard	5.82	-
	603.31	23.54

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE - 8 : INVENTORIES</u>		
(As taken, valued & certified by management)		
Raw Material and Components	778.30	826.74
Work in Progress		
On Percentage completion basis (Contract costs & recognised profit)	4,354.28	
Less: Progress Money from Customers	4,066.51	396.90
	<u>1,066.07</u>	<u>1,223.64</u>
<u>SCHEDULE - 9 : SUNDRY DEBTORS</u>		
(Unsecured, Considered good)		
Due for more than six months	35.55	9.36
Others	36.49	32.41
	<u>72.04</u>	<u>41.77</u>
<u>SCHEDULE -10 : CASH AND BANK BALANCES</u>		
Cash in hand	0.08	0.17
Balance with Scheduled Banks:		
i) In Current Accounts	20.19	32.54
ii) In Fixed Deposits	7.53	17.20
iii) In Margin Deposit Accounts	-	0.58
Balance with Other Banks:		
i) In Current Accounts with ABN Amro Bank , Singapore (Maximum Balance during the period Rs. 0.07 crores (P.Y.Rs 79.92 crores))	0.06	0.07
ii) In Current Account with Standard Chartered Bank,London [Maximum Balance during the year Rs. 368.48 crores]	0.49	-
iii) In Current Account with United Overseas Bank,Singapore) [Maximum Balance during the year Rs. 0.03 crores]	0.03	-
	<u>28.38</u>	<u>50.56</u>
<u>SCHEDULE - 11 : LOANS AND ADVANCES</u>		
(Unsecured, Considered good)		
i) Current Account in Partnership Firm	22.35	-
ii) Advances recoverable in cash or kind or for value to be received	1,352.06	1,168.72
iii) Deposits with Government Authorities/ Departments	8.58	8.06
iv) Other Deposits	162.70	143.51
v) MAT Credit Entitlement	75.05	27.00
	<u>1,620.74</u>	<u>1,347.29</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2010 Rs. in Crores	As at 31.03.2009 Rs. in Crores
<u>SCHEDULE -12 : CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities:</u>		
(i) Sundry Creditors for goods & expenses : (Out of above due to SME's- Rs. 0.54 crores- (P.Y.Nil)	970.00	1,264.73
(ii) Advance from other customers	0.20	2.61
(iii) Other Liabilities	6.42	2.38
(iv) Interest Accrued and not due	1.95	1.08
(v) Investor Education & Protection Fund to be credited ,when due	0.19	0.13
	<u>978.76</u>	<u>1,270.93</u>
<u>Provisions For :</u>		
(i) Income Tax (Net of taxes paid)	36.33	11.64
(ii) Proposed Dividend	20.37	10.18
(iii) Tax on Proposed Dividend	3.46	1.73
(iv) Fringe Benefit Tax (net)	-	(0.09)
(v) Leave Encashment /Gratuity	6.91	5.29
(vi) Contingencies	1.40	0.90
[Refer Note 3(b) of Notes to Consolidated Accounts]	<u>68.47</u>	<u>29.65</u>
	<u>1,047.23</u>	<u>1,300.58</u>
<u>SCHEDULE - 13 : REVENUE FROM OPERATIONS</u>		
Ship Building	1,624.98	1,348.06
Subsidy	182.32	62.85
Windmill Towers	-	0.45
Ship Repair	0.37	1.64
Profit on Sale of Shares (Net)	3.46	-
Dividend	0.14	-
Interest	1.17	-
	<u>1,812.44</u>	<u>1,413.00</u>
<u>SCHEDULE - 14 : OTHER INCOME</u>		
Insurance Claims	5.19	0.35
Tax & Duty Refund	1.38	3.95
Profit/(Loss) from Partnership Firm	(0.24)	-
Dividend	0.66	-
Miscellaneous Receipts	5.75	2.14
Sundry balances written back	2.13	0.84
Profit on Sale of Investments	29.25	0.03
	<u>44.12</u>	<u>7.31</u>
<u>SCHEDULE - 15 : MANUFACTURING EXPENSES</u>		
Consumption of stores	35.46	30.09
Contractors Charges	80.72	51.10
Power and Water	7.53	4.61
Repairs & Maintenance		
- Plant & Machinery	14.31	5.85
- Buildings	0.07	0.34
Other Manufacturing Expenses	5.07	2.82
Inspection and Survey Expenses	6.24	7.69
	<u>149.40</u>	<u>102.50</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year ended 31.03.2010 Rs. in Crores	Year ended 31.03.2009 Rs. in Crores
<u>SCHEDULE - 16 : PERSONNEL EXPENSES</u>		
Salaries, Wages and other benefits	36.25	23.18
Contribution to Provident Fund	2.64	1.99
Staff Welfare Expenses	8.05	3.24
Remuneration to Directors	1.16	1.17
	<u>48.10</u>	<u>29.58</u>
<u>SCHEDULE - 17 : GENERAL , ADMINISTRATION & SELLING EXPENSES</u>		
Office Expenses	5.45	2.35
Rent, Rates & Taxes	5.64	2.23
Insurance	9.40	7.39
Printing & Stationery	0.34	0.19
Postage, Telephone & Telex	1.92	0.68
Travelling & Conveyance	8.69	5.32
Professional Charges	17.32	2.49
Payment to Auditors	0.50	0.45
Donations & Charities	3.02	2.21
Prior Years Expenses/(Income) - Net	-	(0.05)
Hire Purchase Charges	0.05	0.08
Repair & Maintenance - Others	1.42	1.28
Guarantee Commission	29.65	24.43
Selling & Distribution	34.37	13.85
Other Finance charges	4.54	42.33
Loss on Sale of Assets (Net)	2.90	0.06
Other Expenses	0.96	0.97
	<u>126.17</u>	<u>106.26</u>
<u>SCHEDULE - 18 : INTEREST (NET)</u>		
Interest on Fixed Loans	155.97	60.43
Interest - Others	63.39	20.40
	<u>219.36</u>	<u>80.83</u>
Less : Interest Received/Recovered	57.96	6.59
[TDS Rs. 4.81 crores (P.Y. Rs.1.24 crores)]	<u>161.40</u>	<u>74.24</u>
<u>SCHEDULE - 19 : (INCREASE) / DECREASE IN WORK IN PROGRESS</u>		
(Included in work in progress on percentage completion basis)		
Opening Work In Progress	384.85	194.71
Closing Work In Progress	530.63	416.09
	<u>(145.78)</u>	<u>(221.38)</u>

SCHEDULE-20: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS
I. SIGNIFICANT ACCOUNTING POLICIES
1. Basis of Consolidation

The consolidated financial statements of ABG Shipyard Ltd. ("The Company"), its wholly owned subsidiaries Eleventh Land Developers Pvt. Ltd. and ABG Shipyard Singapore Pte. Ltd. together referred to as "The Group" have been prepared on the following basis:

1. The consolidated financial statements are prepared under the Historical Cost Conventions on the basis of Going Concern and as per applicable Indian Accounting Standards notified u/s 211 (3C) of The Companies Act, 1956.
2. In accordance with Accounting Standard 21 (AS) 'Consolidated Financial Statements', the statements of ABG Shipyard Limited, Eleventh Land Developers Pvt. Ltd. and ABG Shipyard Singapore Pte. Ltd. have been combined line by line by adding items of Balance Sheet and Profit and Loss Account. The effect of inter Group transactions, balances and unrealised profits have been eliminated.
3. Enterprise(s) where control is temporary are not considered for consolidation as per AS 21.
4. The difference between the cost of investment in the subsidiary over the net asset value at the time of acquisition of shares has been recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
5. Minority Interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders/partners at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to dates of investments.
6. Details of Subsidiaries

Name of the Subsidiary	Country of Incorporation	Date since Subsidiary	Type of Entity	Percentage of Ownership Interest
1. Eleventh Land Developers Private Limited	India	20.10.2008	Company	100%
2. ABG Shipyard Singapore Pte. Ltd.	Singapore	08.02.2010	Company	100%

2. Other Significant Accounting Policies
1. Revenue

Revenue is recognized in accounts in accordance with Accounting Standard-7 'Accounting for Construction Contracts' issued by Institute of Chartered Accountants of India. The method of recognition is on percentage completion basis. Revenue is recognized under Percentage Completion Method on the basis of the proportion that contract costs incurred for work performed up to the reporting date bears to the estimated total contract costs

2. Fixed Assets
Tangible Assets:

Fixed Assets are recorded at Cost. Cost is the purchase cost and in case of Freehold Land, includes development cost incurred, together with all incidental costs of acquisition, borrowing costs and other related internal costs and is netted off for Cenvat and Value Added Tax.

Profit/Loss on disposal of fixed assets is recognised in the Profit and Loss Account.

Intangible Assets:

Intangible assets are recognized at cost in accordance with Accounting Standard-26 'Intangible Assets' issued by Institute of Chartered Accountants of India.

3. Capital Work In Progress

All expenditure, including advances given relating to development of land, buildings, dry docks, plant & machinery, etc. are accumulated and shown as capital work-in-progress till the completion of such activities.

4. Borrowing Costs

Borrowing Costs attributable to the acquisition and construction of Qualifying Assets, which take substantial period of time to get ready for their intended use, are capitalized as part of the cost of respective assets up to the date when such assets are ready for their intended use. Other Borrowing costs are charged to the Profit and Loss Account.

5. Depreciation and Amortisation

- a) Freehold land is not depreciated. Leasehold land is amortised equally over the period of lease.
- b) Dry Docks (included in Plant & Machinery) and Dry Docks Civil Works (included in Factory Building) and Jetty are depreciated on Straight Line Method in accordance with Accounting Standard - 6 'Depreciation Accounting' of the Institute of Chartered Accountants of India at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- c) Other assets are depreciated on Written Down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

- d) Depreciation on additions / deletions to Fixed Assets made during the year is provided on pro-rata basis from or up to date of such additions / deletions as the case may be.
- e) Depreciation on amounts added on revaluation is recouped from Revaluation Reserve
- f) Intangible assets are stated at cost less accumulated amortisation.
- g) Software is amortised over a period of five years

6. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. The Group assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the Profit and Loss Account. The impairment loss recognized in prior accounting period is reversed if there is a change in the estimate of recoverable amount.

7. Employee Benefits

Provident Fund: Provident fund contributions are made as per a defined contribution scheme and the contribution of the company is charged to Profit and Loss Account of the year when become due. The Group has no other obligation other than to contribute and deposit the contribution to respective authorities.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Long term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of long term benefits are charged to the Profit and Loss Account.

8. Valuation of Inventory

Inventories of spares, consumables, components are valued at lower of cost and net realizable value. Cost represents purchase cost and other incidental costs, if any. Cost of inventories is computed on weighted average/FIFO basis.

9. Work in Progress and Cost Allocation

Each construction contract is considered as a cost center and all costs directly identifiable to a Contract are charged on actual basis. Indirect miscellaneous costs are also allocated to the various contracts using appropriate overhead recovery method. Contract work-in-progress is valued at cost, including therein profit or loss wherever recognised arrived at in accordance of Accounting Standard -7, 'Accounting for Construction Contracts'.

10. Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary assets and liabilities are translated at the year end closing rate if remain unsettled at the year end. Non monetary foreign currency items are carried at cost.

The resulting gain or loss on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss account.

The Company has w.e.f. 7th December, 2006 chosen to apply notification issued by Companies (Accounting Standard) Amendment Rules 2009 GSR 225 (E) dated 31.03.2009 as regards monetary long term assets and liabilities. Consequently, the resulting gain or loss on account of exchange difference on settlement or on translation in so far as they relate to depreciable assets is added to or deducted from the cost of the asset.

11. Derivative Accounting

During the year ended 31st March, 2008, The Institute of Chartered Accountants of India had issued an announcement on 'Accounting for Derivatives' inter alia requiring provision for losses on all derivative contracts outstanding at the balance sheet date by marking them to market keeping in view the principle of prudence, other than for forward contracts to which Accounting Standard (AS) 11- 'The Effect of Change in Foreign Exchange Rates' is applicable. The Company has entered into Forward Contracts to hedge a firm commitment or a highly probable forecast transaction to which AS-11 is not applicable and hence, the Company has applied aforesaid announcement. Premium paid on forward contracts is recognized in the year of entering of contract.

12. Government Subsidy

Government subsidy on shipbuilding contracts is recognized on compliance with the relevant conditions and is recognized in the Profit and Loss Account and presented under 'Revenue from Operations'.

13. Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as Operating leases. Operating lease payments / receipts are recognized as an expense / income in the Profit and Loss Account on a straight-line basis over the lease term.

14. Provisions for Current and Deferred Tax

Provision for Current Tax is made on the basis of taxable income under the provision of the Income Tax Act, 1961.

Deferred Tax resulting from "timing differences" between Book and Taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

In accordance with the guidance note issued by The Institute of Chartered Accountants of India, the Company recognises MAT Credit as an asset only to the extent, the probability exists that the Company will become liable to pay normal Income Tax during the specified period as per provision of the Income Tax Act, 1961.

15. Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities if material are disclosed by way of Notes to Accounts. Contingent Assets are not recognized / disclosed.

16. Investments

Long Term investments are stated at cost. Cost includes incidental expenses of acquisition. Decline in value of investment other than of temporary nature is recognised in the Profit & Loss account.

II. NOTES TO THE CONSOLIDATED ACCOUNTS

1. Contracts remaining to be executed on capital account and not provided for are estimated at Rs. 239.37 crores (P.Y - Rs. 231.45 crores).
2. Revenue from operations includes income from investment operation of subsidiary company viz. Profit on sale of share, dividend etc.
3. (a) Contingent liability not provided for :

Rs in crores

Particulars	31st March 2010	31st March 2009
In respect of Performance/ Delivery Guarantees given by banks to the buyers	77.79	97.37
Corporate guarantees to banks in respect of facilities granted to Group companies	993.81	-
Other bank guarantees to Government Authorities	11.18	6.30
Claims against the company not acknowledged as debts	0.34	0.36

- (b) Contingencies provided for in accordance with AS 29 issued by the Institute of Chartered Accountants of India: Rs. 0.51 crores- (P. Y . 0.30 crores)

Carrying amount as on 01.04.2009.	0.90
Provision during the year.	0.51
Amounts incurred and charged against the provision.	(0.01)
Unused amount reversed during the year.	-
Closing Balance	1.40

The contingencies provided are in respect of estimated warranties on sold hulls.

4. In terms of the approval of the shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on 15th January, 2008 has allotted 40,00,000 warrants on preferential basis to the Holding Company entitling it to apply for equivalent number of fully paid up equity shares of Rs. 10/- each of the Company, at a price of Rs. 796.66 per equity share and received 10% on allotment. As per the terms of issue, the warrant holder had a right to apply for conversion into equity shares within 18 months from the date of allotment of the warrants on payment of the balance consideration. The aforesaid warrants have lapsed and amount of 10% i.e. Rs. 31.87crores paid by the holding company is forfeited and transferred to Warrant Forfeiture Account.
5. In the opinion of the management, Current Assets, Loans and Advances have value in realisation in the ordinary course of business at least equal to the amount at which they are stated.
6. On the basis of the report of Chartered Engineers and Government approved Valuers, the Company had revalued the Freehold Land, Factory Building, Other Building and Dry Docks on 30th June, 1994 and again on 30th June 2002 and consequently an amount of Rs.10.90 crores and Rs. 59.99 crores respectively being the differences between the amount of fair market value of the same and depreciated value as per books as on those dates, have been added to the value of Fixed Assets and corresponding credit shown as Revaluation Reserve.

Consequent to the revaluation there is an additional depreciation of Rs. 1.52 crores (Previous year Rs. 1.62 crores), which has been withdrawn from Revaluation Reserves and credited to Profit and Loss account.

7. The company has chosen to avail the option under AS-11 notification issued by Companies (Accounting Standard) Amendment Rules 2009 GSR 225 (E) dated 31.03.2009 issued by Ministry of Corporate Affairs.

The company has exercised the option with respect to long term monetary liabilities viz Foreign currency term loan availed by it. The company has no other long term monetary Assets / Liabilities.

Due to exercise of aforesaid option, the impact on Profit & Loss Account for year is loss Rs. 17.65 crores/- (P.Y. gain Rs.22.38 crores) which has been credited/capitalised to CWIP.

8. Disclosure in respect of Operating Leases (Assets taken on lease):
- (a) The company has taken commercial / residential premises under cancelable operating leases. The lease agreements are usually renewable by mutual consent on mutually agreeable terms.
- (b) The expenses in respect of operating leases are accounted in General, Administration & Selling Expenses under Schedule - 17.
9. The Deferred tax liability comprises the following:

Rs.in crores

PARTICULARS	31st March 2010	31st March 2009
a. Deferred Tax Liabilities		
On account of timing difference of depreciation	5.96	4.16
On account of profit on Projects under construction	325.65	221.22
b. Deferred Tax Assets		
On account of gratuity liability	1.08	0.32
On account of Leave encashment liability	1.27	1.00
On account of expenses allowable on delivery of ships	13.43	2.06
Deferred Tax Liabilities (Net)	315.83	222.00

10. Disclosure in accordance with Accounting Standard -7 'Accounting for Construction Contracts' issued by the Institute of Chartered Accountants of India:

Rs in crores

PARTICULARS	31st March 2010	31st March 2009
a. Contract revenue recognized as revenue in the period	1,574.22	1,288.54
b. Contract cost incurred and recognized profits	3,823.64	2,662.00
c. Advances received from above customers	2,653.21	1,088.59
d. Gross amount due from customers for contract work	1,419.01	1,612.56
e. Gross amount due to customers for contract work	248.58	39.16

The Gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognised profit (less recognised losses) exceeds progress billing.

The Gross amount due to customers reflects the net amount for all contracts in progress where progress billing exceeds cost incurred plus recognised profits (less recognised losses).

11. Calculation of Earning Per Share (EPS):

Particulars	31st March 2010	31st March 2009
Net Profit as per Profit and loss Account (Rs. In Crores)	218.12	171.15
Weighted Average number of Equity shares of Rs. 10/- each fully paid up	5,09,21,801	5,09,21,801
Earning Per Share (Basic and Diluted) (Rs.)	42.84	33.61

12. The disclosures required under Revised Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Rs. in crores

Particulars	31st March 2010	31st March 2009
Employer's Contribution to Provident Fund	2.07	1.57
Employer's Contribution to Pension Scheme	0.57	0.40

Defined Benefit Plan

The employees' gratuity fund scheme managed by SBI Life Insurance is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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. The obligation for leave encashment is recognized in same manner as gratuity.

Rs. in crores

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at the beginning of the year	3.23	2.51	2.96	2.51
Current Service Cost	0.64	0.45	0.18	1.21
Interest Cost	0.26	0.20	0.19	0.20
Actuarial (gain) / loss	0.08	0.17	0.56	(0.85)
Benefits paid	(0.13)	(0.11)	(0.14)	(0.11)
Defined Benefit obligation at the year end	4.08	3.22	3.75	2.96
b. Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	0.89	1.00		
Expected return on plan assets	0.07	0.08		
Actuarial gain/(loss)	0.08	(0.08)		
Employer contribution	-	-		
Benefits Paid	(0.13)	(0.11)		
Fair value of plan assets at the year end	0.91	0.89		
c. Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at Year End	0.91	0.89		
Present value of obligation as at Year End	4.08	3.23	3.75	2.96
Amount recognised in Balance Sheet	3.17	2.34	3.75	2.96
d. Expenses recognised during the year				
Current Service Cost	0.64	0.45	0.18	1.21
Interest Cost	0.26	0.20	0.19	0.20
Expected return on plan assets	(0.07)	(0.08)		
Actuarial (gain) / loss	* (0.00)	0.25	0.56	(0.85)
Net Cost	0.83	0.82	0.93	0.56
e. Investment Details	% invested			
	As at 31st March 2010	As at 31st March 2009		
SBI Group Gratuity (Cash Accumulation) Policy	100	100		
f. Actuarial Assumptions				
Mortality Table (L.I.C)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	8%	8%	6%	6%
Rate of escalation in salary (per annum)	6%	6%	6%	6%

*Amount less than 0.01 crore

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary and relied upon by auditors.

13. The Group primarily operates in one business segment only i.e. Manufacturing which is the only reportable segment. There is no other segment which satisfies the threshold limit as per Accounting Standard -17, 'Segment Reporting' issued by Institute of Chartered Accountants of India.

Secondary segment (Geographical Segments) as at 31st March 2010:

Rs in crores

Segments	Domestic		Overseas		Total	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009	31st March 2010	31st March 2009
Revenue [as per AS 7 (revised)]	539.30	778.74	1,273.14	634.26	1,812.44	1,413.00

14. During the year, the partnership firm Vipul Shipyard was restructured and on the basis of current status, the company has considered its control as temporary and therefore financials of such firm have been excluded from being consolidated in current year and necessary adjustments has been done wherever considered necessary.

15. Related Parties Disclosure as per Accounting Standard (AS) 18:

A. LIST OF RELATED PARTIES:

Holding Company	ABG International Private Limited
Subsidiary / Controlling Stake	Vipul Shipyard (Partnership firm) Abhishek Mercantile Private Limited (upto 20 th March, 2010)
Fellow Subsidiary Companies	ABG Cement Limited PFS Shipping (India) Limited ABG Foods Private Limited ABG Acquafarm Private Limited ABG Engineering & Construction Limited Tirupati Landmark Private Limited (Formerly B.F. Engineering Pvt. Ltd.) Waste Re Energy Private Limited ABG Energy Limited
Companies over which Directors / relatives are able to exercise Significant Influence	ABG Infralogistics Limited ABG Power Private Limited ABG Cranes Private Limited PFS Shipping (Singapore) Pte. Ltd., (Along with its SPV's) Agbros Leasing & Finance Private Limited Jarrow Finance & Trading Private Limited ABG Motors Limited ABG Energy (Gujarat) Limited Aries Management Services Private Limited
Key Management Personnel	Shri. Rishi Agarwal Shri. Ram Swaroop Nakra Shri. Major Arun Phatak

B. TRANSACTIONS WITH RELATED PARTIES:

Rs. In crores

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Income:						
PFS Shipping (Singapore) Pte Ltd. 0.00 (66.87)				0.00 (66.87)		0.00 (66.87)
PFS Shipping (India) Ltd. 133.81 (0.97)			133.81 (0.97)			133.81 (0.97)
ABG Cement Ltd. 0.65 (0.00)			0.65 (0.00)			0.65 (0.00)
Interest received / recovered:						
PFS Shipping (Singapore) Pte Ltd. 20.45 (0.00)				20.45 (0.00)		20.45 (0.00)

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Expenses :						
Jarrow Finance and Trading Pvt. Ltd. 0.08 (0.08)		0.24	0.11	16.42	1.43	18.20
ABG Power Pvt. Ltd. 0.22 (0.22)		(0.00)	(0.08)	(0.41)	(4.03)	(4.52)
Agbros Leasing & Finance Pvt. Ltd.0.01 (0.01)						
Tirupati Landmark Pvt. Ltd. 0.08 (0.08)						
ABG Cranes Pvt. Ltd. 0.02 (0.11)						
ABG Infralogistics Ltd. 15.84 (0.00)						
Aries Management Services Pvt. Ltd. 0.25 (0.00)						
Waste re energy Pvt. Ltd. 0.03 (0.00)						
Shri. Rishi Agarwal 0.00 (2.61)						
Shri. R. S. Nakra 0.93 (0.93)						
Shri. Major Arun Phatak 0.50 (0.47)						
Share of Loss						
Vipul Shipyard 0.24 (0.00)						
Investments						
Purchase of shares	0.00					0.00
ABG International Pvt. Ltd 0.00 (1.81)	(1.81)					(1.81)
Sale of Shares						
ABG International Pvt. Ltd 0.01 (0.00)	0.01					0.01
	(0.00)					(0.00)
Finance						
Advances Given / Repaid	0.46	5.55	126.52	0.94		133.47
ABG International Pvt Ltd 0.46 (5.36)	(5.36)	(4.46)	(11.63)	(0.28)		(21.73)
ABG Engineering & Construction Ltd 0.00 (0.02)						
ABG Cement Ltd 9.05 (0.16)						
ABG Infralogistics Ltd 0.27 (0.28)						
Vipul Shipyard 5.55 (4.46)						
PFS Shipping (India) Ltd 102.81 (0.00)						
Aries Management Services Pvt. Ltd 0.66 (0.00)						
ABG Power Pvt Ltd 0.01 (0.00)						
Jarrow Finance and Trading Pvt Ltd *0.00 (0.00)						
Tirupati Landmark Pvt.Ltd 0.83 (0.00)						
Waste re energy Pvt Ltd 13.83 (0.00)						
Advances Taken / Refunded						
ABG International Pvt Ltd 3.58 (48.00)	3.58	0.27	167.56	0.25		171.66
PFS Shipping (India) Ltd 108.88 (0.02)	(48.00)	(0.47)	(1.02)	(0.28)		(49.77)
ABG Engineering & Construction Ltd 35.00(0.50)						
ABG Infralogistics Ltd 0.25 (0.28)						
Vipul Shipyard 0.27 (0.47)						
ABG Cement Ltd 9.05 (0.00)						
Tirupati Landmark Pvt.Ltd 0.83 (11.46)						
Waste re energy Pvt.Ltd 13.80 (0.00)						
ABG Power Pvt Ltd *0.00 (0.00)						
Stage Payment Received						
PFS Shipping (Singapore) Pte Ltd 173.92 (213.49)			171.07	173.92		344.99
PFS Shipping (India) Ltd 171.07 (0.00)			(0.00)	(213.49)		(213.49)

Particulars	Holding Company	Subsidiary / Controlling Stake	Fellow Subsidiaries	Co. over which Directors / relatives are able to exercise significant influence	Key Management Personnel	Total
31st March 2010						
Outstanding Balances as on 31st March 2010						
Loans and Advances Receivables		22.35 (17.30)	0.16 (6.21)	22.44 (0.51)		44.95 (24.02)
Loans and Advances Payables	4.10 (0.99)		35.00 (0.00)			39.10 (0.99)
Accommodation Deposits			5.00 (5.00)	32.00 (5.00)		37.00 (10.00)
Payables			37.29 (0.36)	521.99 (394.44)	0.00 (0.07)	559.28 (394.87)
Receivables				0.00 (30.29)		0.00 (30.29)
Guarantees Taken	118.61					118.61
ABG International Pvt. Ltd. 118.61 (60.00)	(60.00)					(60.00)
Guarantees Given						
PFS Shipping (India) Ltd 130.00 (0.00)			950.44			950.44
PFS Shipping (Singapore) Pte. Ltd. 820.44 (0.00)			(0.00)			(0.00)

Notes:

1. Related Parties have been identified by the management and relied upon by the auditors.
2. Previous years figures are shown in brackets.

* Amount less than 0.01 crores

16. The Company has firm commitments in foreign exchange as regards both its payables and receivables. The company has applied the principle of Hedge Accounting contained in Accounting Standard 30 for its net firm commitment in receivable and payables in foreign exchange. In view of the same, Mark to Market difference as on 31st March 2010 of Rs. 20.08 crores (P. Y 81.00 crores) on payables does not have any material impact on the financial statement, as the receivables are higher than the payables.
17. The figures for the previous year have been arranged/rearrange/regrouped wherever considered necessary.

As per our Report of even date

For **NISAR & KUMAR**
Chartered Accountants
F. R. No. 107117W

For and on behalf of Board

M. N. Ahmed
Partner
M. No 18380

R.S.Nakra
Managing Director

Major Arun Phatak
Executive Director

Mumbai
Dated: 29th May 2010

Dhananjay Datar
Chief Financial Officer

Ch. Rajashekhar Reddy
Company Secretary

DIRECTOR'S REPORT

Your directors take pleasure in presenting their first annual report.

Review of Business:

The company is looking out for investment opportunities in global shipyards.

Directors:

The following are the directors of the company during the year under review:-

Ms. Vandana Bhounsle
Mr. Rishi Agarwal
Mr. Dhananjay Datar

None of the directors has any beneficial interest in the shares of the company.

Auditors:

The directors have appointed M/s. Nisar & Kumar, Chartered Accountants as first auditors of the company, who shall hold office till Annual General Meeting. The Auditors have expressed their willingness for reappointment.

Dhananjay Datar
Director

Mumbai
Dated: 29th May 2010

Vandana Bhounsle
Director

Singapore
Dated: 29th May 2010

Auditor's Report to the members of ABG Shipyard Singapore Pte. Limited

1. We have audited the attached Balance Sheet of ABG Shipyard Singapore Pte. Limited, a Company incorporated in Singapore, as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For Nisar & Kumar
Chartered Accountants
F. R. No. 107117W

M. N. Ahmed
(Partner)
M. No. 18380

Place: Mumbai
Date: 29th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31.03.2010 Amt. in USD	As at 31.03.2010 Rs.in '000
I. SOURCES OF FUNDS		
<u>Share Holder'S Funds</u>		
Authorised Capital		
10,000 Shares of SGD 1 each	7,150	325.90
Issued , Subscribed and Paid up		
10,000 Shares of SGD 1 each fully paid up. (Out of the above 10,000 Shares of SGD 1 each are held by holding company ABG Shipyard Limited)	7,150	325.90
Reserves & Surplus		
Foreign Currency Translation Reserve	-	0.00*
* Amount less than 0.01 thousand		
<u>Loan Funds</u>		
Unsecured Loan from holding company	80,956,512	3,689,997.83
	80,963,662	3,690,323.73
II. APPLICATION OF FUNDS		
<u>Investments - Unquoted</u>		
<u>In Units of Mutual Fund</u>		
8,08,500 Units in Emerging Markets Diversified Fund of Face Value USD 100 per unit.	80,850,000	3,685,143.00
<u>Current Assets, Loans & Advances</u>		
<u>Cash & Bank Balance</u>		
Cash in hand	-	-
Balance with Banks :		
i) In Current Account with Standard Chartered Bank, London [Maximum Balance during the year USD 8,09,57,581 - Rs. 36,84,771 thousand]	107,581	4,903.53
ii) In Current Account with United Overseas Bank, Singapore [Maximum Balance during the year USD 7,150 - Rs. 325 thousand]	7,111	324.11
	114,691	5,227.64
<u>Current Liabilities & Provisions</u>		
Sundry Creditors for expenses	1,015	46.26
Other Liabilities	1,069	48.71
	2,084	94.97
Net Current Assets	112,608	5,132.67
Debit Balance In Profit & Loss Account	1,054	48.06
	80,963,662	3,690,323.73

Significant Accounting Policies & Notes to Accounts - Schedule 1
As per our report of even date

For NISAR & KUMAR
Chartered Accountants
F. R. No. 107117W

For and on behalf of the Board

M. N. Ahmed
Partner
M.No. : 18380

Dhananjay Datar
Director

Vandana Bhounsle
Director

Mumbai
Dated :29th May 2010

Mumbai
Dated :29th May 2010

Singapore
Dated :29th May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	31.03.2010 Amt. in USD	31.03.2010 Rs.in '000
INCOME	-	-
EXPENDITURE	-	-
Audit Fees	1,000	45.58
Bank Charges	54	2.48
	<u>1,054</u>	<u>48.06</u>
Loss before Tax	1,054	48.06
Less : Provision for Taxation	-	-
Loss After Tax	1,054	48.06
Balance Carried To Balance Sheet	<u>1,054</u>	<u>48.06</u>
Earnings per share of face value of SGD 1 each) (Basic, Refer Note No.3 of Notes to Accounts)	(0.11)	(4.81)

Significant Accounting Policies & Notes to Accounts - Schedule 1
As per our report of even date

For NISAR & KUMAR
Chartered Accountants
F. R. No. 107117W

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M. N. Ahmed
Partner
M.No. : 18380

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Mumbai
Dated :29th May 2010

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31.03.2010 Amt. in USD	31.03.2010 Rs.in '000
A. Cash Flow From Operating Activities :		
Net Loss before extraordinary items & taxation	(1,054)	(48.06)
Adjustments to net profit	-	-
Operating Profit before working capital changes	(1,054)	(48.06)
<u>Adjustments for :</u>		
Trade Payables	2,084	94.97
Cash generated from Operations	1,029	46.91
Direct Taxes Paid	-	-
Cash Generated From Operating activities	1,029	46.91
B. Cash Flow From Investing Activities:		
Purchase of Investments	(80,850,000)	(3,685,143.00)
Cash Used In Investing Activities	(80,850,000)	(3,685,143.00)
C. Cash Flow From Financing Activities:		
Proceeds from issue of share capital	7,150	325.90
Proceeds from Short Term Borrowings	80,956,512	3,689,997.83
Cash Used in / from Financing Activities	80,963,662	3,690,323.73
D. Effect of Exchange difference on translation of Foreign Currency	-	0.00*
* Amount less than 0.01 thousand		
Net (decrease) / Increase in cash and cash equivalents (A + B + C + D)	114,691	5,227.64
Opening Balance of Cash & Cash Equivalents	-	-
Closing Balance of Cash & Cash Equivalents	114,691	5,227.64

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India .
- As this is the first year of operations, hence previous year figures are not given.

As per our report of even date

For NISAR & KUMAR
Chartered Accountants
F. R. No. 107117W

For and on behalf of the Board

M. N. Ahmed
Partner
M.No. : 18380

Dhananjay Datar
Director

Vandana Bhounsle
Director

Mumbai
Dated :29th May 2010

Mumbai
Dated :29th May 2010

Singapore
Dated :29th May 2010

SCHEDULE 1 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS
I. SIGNIFICANT ACCOUNTING POLICIES
1 Basis of Accounting :

These financial statements are prepared in United States Dollar (USD) under historical cost convention and on accrual basis of accounting in conformity with Generally Accepted Accounting Practices in India.

2 Revenue :

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Dividend from investments is accounted when the right to receive dividend is established. Interest income is accounted on accrual basis.

3 Investments :

Long Term Investments have been accounted at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are stated at the lower of cost and net realizable value.

4 Foreign Currency Translation :

Transactions in foreign currency are accounted at the exchange rate prevailing on the transaction date. Monetary items in foreign currency are translated at the closing exchange rate. Gains / losses on conversion / translation / settlement are recognised in the Profit and Loss Account.

II. NOTES TO ACCOUNTS
1 Contingent Liabilities - Nil.

2 The company is incorporated in Singapore and it's transactions are majorly in USD. Hence, the Company's reporting currency is USD. Accordingly the figures in USD for the period ended 31st March, 2010 have been translated at 1USD = Rs. 45.58/-

3 Calculation of Earning / (Loss) Per Share:

Particulars	31st March 2010	
	USD	Rupees
Net Profit / (Loss) as per Profit and loss Account (Rs. In '000)	(1,054)	(48.06)
Number of shares	10,000	10,000
Earnings Per Share (Rs.)	(0.11)	(4.81)

4 Related Parties Disclosure as per Accounting Standard (AS) 18:
A. LIST OF RELATED PARTIES:

Holding Company	ABG Shipyard Limited
Ultimate Holding Company	ABG International Private Limited
Fellow Subsidiaries	ABG Cement Limited PFS Shipping (India) Limited ABG Foods Private Limited ABG Acquafarm Private Limited ABG Engineering & Construction Limited Tirupati Landmark Private Limited (Formerly B.F. Engineering Pvt.Ltd.) Waste Re Energy Private Limited Eleventh Land Developers Private Limited ABG Energy Limited Abhishek Mercantile Private Limited (upto 20 th March, 2010) Vipul Shipyard (Partnership Firm)
Companies over which Directors / relatives are able to exercise Significant Influence	ABG Infralogistics Limited ABG Power Private Limited ABG Cranes Private Limited PFS Shipping (Singapore) Pte. Ltd. (Along with its SPV's) Agbros Leasing & Finance Private Limited Jarrow Finance & Trading Private Limited ABG Motors Limited ABG Energy (Gujarat) Limited Aries Management Services Private Limited

B. TRANSACTIONS WITH HOLDING COMPANY:

Particulars	Amt. in USD	Rs.in '000
Finance		
Equity Contribution	7,150	325.90
Loan	80,956,512	3,689,997.83
Outstanding Balances as on 31st March 2010		
Loans and Advances Payables	80,956,512	3,689,997.83

Notes : 1. Related Parties have been identified by the management and relied upon by the auditors.

- 5 The company has been incorporated on 8th February 2010 in Singapore. As this is the first year of the company, hence previous year figures are not given.

For NISAR & KUMAR
Chartered Accountants
F. R. No. 107117W

For and on behalf of the Board

M. N. Ahmed
Partner
M.No. : 18380
Mumbai
Dated :29th May 2010

Dhananjay Datar
Director
Mumbai
Dated :29th May 2010

Vandana Bhounsle
Director
Singapore
Dated :29th May 2010

ABG SHIPYARD LIMITED

Regd. Office: Near Magdalla Port, Dumas Road, Surat-395007
 Corporate Office: 4th/5th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai - 400004

PROXY FORM

I/We _____
 S/o/W/o/D/o _____
 of _____ in the district of _____ being a member/members of the above named Company
 hereby appoint Mr./Ms. _____ of _____ or failing him/her
 Mr./Ms. _____ of _____ in the district of _____
 as my/our proxy to vote for me/us on my behalf at the Annual General meeting of the Company to be held on 30th September, 2010 at
 the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395007 at 12.00 noon and at any adjournment
 thereof.

Signed this _____ day of _____ 2010

Signature _____

L.F. No./Client ID No. _____

DP ID No.: _____

No. of Share(s) held _____

Affix Re. 1 Revenue Stamp

Notes:

1. A Member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need to be a member of the Company.
3. The proxy form duly completed should be deposited at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395007 or Corporate Office of the Company at 4th/5th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai-400004 at least 48 hours before the meeting.
4. In order to save time, members are requested to come to venue with the duly filled-in attendance slip.

ABG SHIPYARD LIMITED

Regd. Office: Near Magdalla Port, Dumas Road, Surat-395007
 Corporate Office: 4th/5th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai - 400004

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting to be held on 30th September, 2010 at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395007 at 12.00 noon.

L.F. No./Client ID No. _____

DP ID No.: _____

Full name of the Shareholder _____
 (In Block Letters)

Father's/Husband's Name _____

No. of Equity shares held _____

Signature of the Shareholder or Proxy attending _____

