



# **BHARATI SHIPYARD LIMITED**

**38<sup>TH</sup> ANNUAL REPORT 2014-15**

## **BOARD OF DIRECTORS**

P.C.KAPOOR  
Managing Director

VIJAY KUMAR  
Managing Director

A.R.MURALIDHARAN  
Director

R.JAYASEELAN  
Director (Occupier)

SHAKTI SHARMA (w .e. f. 30<sup>th</sup> March 2015)  
Women Director

S.BALASUBRAMANIAN (w.e.f.14<sup>th</sup> August 2015)  
Director

V.CHANDRASEKARAN (Resigned w. e. f 4<sup>th</sup> August 2015)  
Director

V.GOPALAKRISHNAN  
President (Finance) & Company Secretary

## **AUDITORS**

DAMANIA & VARAIYA  
Chartered Accountants  
14/2, Mahalaxmi Ind. Estate,  
D.Shivner Road,  
Lower Parel,  
Mumbai-400013

## **REGISTRAR & SHARE TRANSFER AGENTS**

LINK INTIME (INDIA) PRIVATE LIMITED  
C-13, Panalal Silk Mills Compound,  
L.B.S Marg, Bhandup (W)  
Mumbai-400078

## **RESGISTERED OFFICE**

302,3<sup>RD</sup> Floor Wakefield House,  
Sprott Road, Ballard Estate,  
Mumbai-400 001

## **CORPORATE OFFICE**

Oberoi Chambers II,  
646, New Link Road,  
Andheri (W),  
Mumbai-400053

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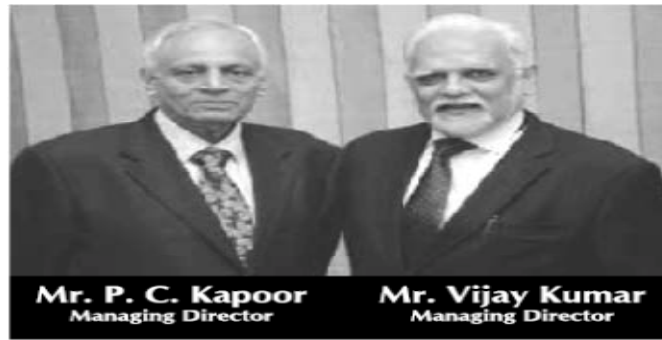
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## MANAGING DIRECTORS' MESSAGE



We thank each and every member of Bharati Shipyard Limited (Bharati family) for their continued support and belief in Bharati. As you all are aware, financially this has been a strenuous year for the Industries in India in general and the shipping and shipbuilding worldwide in particular. Bharati has been no exception inspite of making relentless efforts to fight against the odds arising due to the continuing global downturn in the shipping and shipbuilding industry and which is probably the worst slump ever.

Moreover, despite the sanction and approval by the CDR EG in the year 2013 and March, 2014, the Banks did not release the required working capital facilities. The Company was enjoying the working capital and term loan facilities from twenty five banks and institutions, out of which twelve banks led by SBI Group, have sold their debt to Edelweiss Asset Reconstruction Company Ltd. (EARC). Balance thirteen Banks and institutions are still with the Company.

All these factors have adversely affected the financial as well as the liquidity of Bharati. In order to cope up, Bharati has been making dual efforts viz; on the one hand we have been striving towards growth of revenue and on the other hand efforts are being made for reduction of outflow of funds through optimization of resources and restricting of its debts with the aid of its Lenders led by Edelweiss. Edelweiss is constantly working on the revival of the Company by talking to various strategic investors to tide over the present financial position of the company.

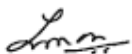
With elite expertise in the Ship Building Sector, Bharati has an edge over its peers but constant decrease in the global oil demand and prices, the demand for offshore vessels is not up to the expectation of the Company. Even then Bharati is the proud owner of two large shipyards located in Dabhol and Mangalore with state-of-the art infrastructure. Despite all the above financial problems, your Company with the dedicated efforts of the entire Bharati family has successfully delivered four vessels in the last year.

Bharati's hard earned goodwill, the commitment of its employees and the support from all of you will help us to face the future. The current liquidity crunch being faced by Bharati we believe is temporary, which we expect to overcome in the near future.

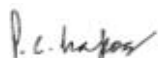
With the assurance and dedicated support of Edelweiss and the existing Banks, the Company is working but at a low capacity in the yards for want of working capital. We are hopeful and confident that we can turn around to our normal operations from January 2016. Once, again we reiterate that we are extremely thankful to our investors, customers, bankers, employees and the Bharati family for their continuous support throughout these very challenging times.

Thanking you,

Yours faithfully,



**Mr. Vijay Kumar**  
Managing Director



**Mr. P.C. Kapoor**  
Managing Director

## NOTICE

NOTICE is hereby given that the THIRTY EIGHTH Annual General Meeting of the Members of BHARATI SHIPYARD LIMITED will be held on Wednesday, the 30<sup>th</sup> day of September 2015 at 09.30 am at Mackinnon Mackenzie Building, 3<sup>rd</sup> Floor 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and Profit & Loss Account for the year ended as on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr.R.Jayaseelan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditor and to fix his remuneration and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following Resolution as in **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act,2013(the Act) and the Companies (Audit and Auditors) Rules,2014, M/s M. V. Damania Chartered Accountants,(FRN:102079W) (Now Damania & Varaiya - Chartered Accountants) be and is hereby appointed as the Statutory Auditors of the Company; to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually decided by the Board of Directors/Audit Committee of the Company and the Statutory Auditors"

### SPECIAL BUSINESS:

4. **To Issue Warrants to Edelweiss Finance & Investments Limited.**

To consider and if thought fit to pass with or without modifications the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 62, 42, other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and allotment of Securities) Rules, 2014 and such other Rules as may be applicable and amended from time to time and all other applicable laws (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and the Articles of Association of the Company, the listing agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (hereinafter referred to as **"the ICDR Regulations"**), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, Reserve Bank of India (RBI) and all other competent Authorities, Institutions or Bodies, if any, and to the extent necessary and such other consents, approvals, permissions, exemptions and/or sanctions as may be necessary under any legislation or rules and regulations for the time being in force and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by any of the competent authorities or bodies, such terms, conditions, stipulations, alterations, amendments or modifications which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, 26,47,313 (Twenty-six lakhs forty-seven thousand three hundred and thirteen only) Convertible Warrants, each Warrant carrying right to subscribe to One Equity Share of Rs. 10/- (Rupees Ten only) each at a price of Rs.22/- (Rupees Twenty Two only) each including premium of Rs.12/- (Rupees Twelve only) each, aggregating to Rs.5,82,40,886 /- (Rupees Five Crores Eighty Two Lacs Forty Thousand Eight Hundred and Eighty Six Only) determined in accordance with

and on the terms and conditions mentioned in the ICDR Regulations in relation to preferential allotment in the future date to the following investor (hereinafter called as “the proposed allottee”):

Sr. No.	Name of the proposed allottees	Category of the Proposed allottees	Maximum no. of Warrants proposed to be issued & allotted
1.	Edelweiss Finance & Investments Limited.	Non-Promoter	26,47,313

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Convertible Warrants as also the Equity Shares resulting from the exercise of the entitlement of the Warrant holder to subscribe to the Equity Shares, shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the applicable guidelines, notifications, rules and regulations;

**RESOLVED FURTHER THAT** the terms and conditions of the issue of 26, 47,313 Convertible Warrants shall be as under:

- (a) The Convertible Warrants shall be issued against payment by the proposed allottee(s) of Rs. 5.50/- (Rupees Five and Fifty paise only) per Convertible Warrant being 25% of the issue price of the Warrants in terms of the ICDR Regulations;
- (b) Each of the said Convertible Warrants shall carry right, entitling its registered owner to apply for, at its option and seek allotment of One Equity Share of the Face Value of Rs. 10/- (Rupee Ten only) each at a price of Rs.22 (Rupees Twenty Two only), including premium of Rs.12/- (Rupee Twelve only), being the price determined in accordance with the ICDR Regulations as in force, upon exchange / surrendering of the Convertible Warrant to the Company along with payment of Rs.5.50/- (Rupees Five and Fifty paise only) per Convertible Warrant being balance 75% of the issue price of the Equity Shares at any time within 18 months from the date of allotment of the Warrants;
- (c) The relevant date for the purpose of determining the issue price in relation to preferential issue of the Convertible Warrants as per the ICDR Regulations and the Equity Shares to be allotted on exchange / surrender of the aforesaid Warrants is 30<sup>th</sup> August 2015;
- (d) In case the Convertible Warrants holder does not apply for the Equity Shares of the Company against exchange / surrender of the said Convertible Warrants as aforesaid within the time fixed in this regard as described in (b) above, then the amount paid on each of the said Warrant shall be forfeited and all the rights attached to the said Convertible Warrants shall lapse automatically;
- (e) Upon exchange / surrender of each of the said Convertible Warrants, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the Convertible Warrants is entitled to apply;
- (f) The Equity Shares to be offered, issued and allotted as aforesaid upon exchange / surrender of the said Convertible Warrants upon exercise of the right by the holder of such Convertible Warrants shall be subject to the provisions of the Memorandum and the Articles of Association of the Company and on allotment, such Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects;
- (g) The Equity Shares to be allotted pursuant to the conversion of the Convertible Warrants, shall be locked in for a period of one year from the date of trading approval as per the ICDR Regulations;

**RESOLVED FURTHER THAT** to give effect to this resolution, the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred on it to any Committee or any Director or any other officer(s) of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee or any other person duly authorized in this regard by the Board / Committee, be and is hereby authorized to accept and make in the interest of the Company all such modifications and alterations to the terms and conditions concerning any aspect of the issue, increase or decrease in the aggregate value of the issue and do all such acts, deeds, matters and things as may be deemed necessary or expedient and settle any or all questions / matters arising with respect to the offer,

issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of Convertible Warrants/Equity Shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further steps as are required for the allotment and listing on one or more Stock Exchanges of the said Equity Shares, including Shares to be allotted on exchange / surrender of the Convertible Warrants, or such other steps that are incidental and ancillary in this regard and to do, make or accept such alteration, modifications or variations in the foregoing as may be considered desirable or expedient by the Board / Committee/ such authorized person(s) in the best interest of the Company and its Warrant-holders and shareholders.”

#### **5. Appointment of Ms. Shakti Sharma (DIN 06561116) as Independent Women Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149,152 and all other applicable provisions (if any)of the Companies Act, 2013,, read with Schedule IV thereto of the Companies Act, 2013 if any ,Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force ) and provisions of clause 49 of the Listing Agreement, Ms Shakti Sharma (DIN -06561116), who was appointed as an Additional Director( Woman Director) of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

#### **6.Appointment of Mr.S.Balasubramanian (DIN: 03114430), as Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149,152 and all other applicable provisions (if any)of the Companies Act, 2013,, read with Schedule IV thereto of the Companies Act, 2013 if any ,Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force ) and provisions of clause 49 of the Listing Agreement, Mr.S.Balasubramanian (DIN:03114430), who was appointed as an Additional Director of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

#### **7. Approval for Material Related Party Transactions.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of section 188 of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 requirements of the Circular bearing no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 issued by Securities and Exchange Board of India and the provisions of clause 49 of the Listing Agreement with Stock Exchanges, as maybe applicable from time to time, approval of the members be and is hereby granted to the Ship Building Contracts between the

Company and GOL Offshore Limited (as per the details mentioned in the explanatory statement), Pinky Shipyard Private Limited and Tebma Shipyard Limited, (Bothe Subsidiaries of Bharati Shipyard Limited ) exceeding the limits as maybe specified under Rule 15(3)(ii).

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized and empowered to do and undertake such acts, matters or things and to execute such agreements, deeds, addendums etc. altering / modifying the terms and conditions of the aforesaid contracts or any addendum(s)/alteration(s)/modification(s) thereto, approved by this resolution, cancellation of the said contracts, transfer of the contract to some other entity etc. as the Board of Directors may, in its absolute discretion, consider it expedient, prudent and necessary."

**By the Order of the Board of the Directors  
For BHARATI SHIPYARD LIMITED**

Sd/-  
**V.Gopalakrishnan**  
**(President (Finance) & Company Secretary)**

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2015

**Registered Office:**  
302, Wakefield House, Ballard Estate  
Mumbai-400 001

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must deposit the instrument appointing the proxy, duly stamped, completed, and signed at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Pursuant to provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from 23<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
4. Members are requested to intimate to the Company/ its Registrar, changes, if any, in their registered addresses, /e-mail ids at an early date and to quote folio numbers in all their correspondence.
5. Information pursuant to Clause 49 of the Listing Agreement for appointment of Director.

<b>Name of the Director</b>	Mr. R.Jayaseelan
<b>Age</b>	61 years
<b>Qualification</b>	B.Com
<b>Expertise in specific functional areas</b>	He is a Commerce graduate from Mumbai University. He has wide and varied experience in finance and banking. He worked with various government departments, his experience would be helpful to the Company in liaising with various authorities. He also possesses good experience of Management and administration of corporate.
<b>Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and</b>	Pinky Shipyard Private Limited*



section 8 companies)	
Committee Membership	Members Corporate Social Responsibility Committee (CSR)
Share Holding	Nil

Name of the Director	Ms. Shakti Sharma
Age	57 years
Qualification	Diploma, Applied Art and Advertising
Expertise in specific functional areas	She has acquired sufficient Corporate experience by dint of her hard work and association with Big Corporates like Tata Steel, Tata Tin Plate, etc. since last three decades.
Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and section 8 companies)	Eastern Synpacks Limited
Committee Membership	Members Corporate Social Responsibility Committee (CSR)
Share Holding	Nil

Name of the Director	Mr.S.Balasubramanian
Age	58 years
Qualification	B.Com,ICWA,MFM,CAIIB
Expertise in specific functional areas	In the field of Project Finance & Restructuring of business,consultancy and escort services.
Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and section 8 companies)	Nil
Committee Membership	Nil
Share Holding	Nil

\* Subsidiary of a Public Company.

6. Members to whom hard copy of the Annual Reports have been provided are requested to bring the copies of Annual Report at the time of attending Annual General Meeting. Please note that no copies of Annual Reports will be made available to the members at the time of meeting.
7. Members are requested to send their queries, if any, on the accounts, to the Compliance Officer at least 15 days before the Annual General Meeting to enable the Company to be ready with the replies at the AGM. Please note that no queries will be replied if received/raised after the above said time limits.
8. Members are requested to register their Email ID with Registrar & Transfer Agent (R&TA), M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
9. An Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013, for Items of Special Business at Sr. No. 3 to 5 of this Notice is annexed hereto.

#### 10. Unclaimed Dividend

Members are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting. Members are also requested to claim their unclaimed dividend for the year 2007-08 on wards else if remained unclaimed for 7 (seven) years, the same will be transferred to the credit of Investors' Education and Protection Fund under the provisions of Section 124 (5) of the Companies Act 2013 and the same cannot be reclaimed.

## 11. Green Initiative:

In support of the “Green Initiative “measure taken by the Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref. No. CIR/CFD/DIL/7/2011 dated November 05, 2011 issued by the Securities and Exchange Board of India (SEBI) and under the provisions of the Companies Act, 2013 and the Rules mad thereunder, Company has sent Annual Reports in Electronic Mode in to the shareholders who have registered their E-mail IDs. However, an option is available to the shareholders to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No. /Client Id & DP Id to the Company/R & T Agents.

## 12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27<sup>th</sup> September, 2015 (9:00 am) and ends on 29<sup>th</sup> September 2015 (5:00 pm).

During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder - Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii) Select "EVEN" of "Bharati Shipyard Limited".

viii) Now you are ready for remote e-voting as Cast Vote page opens.

ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x) Upon confirmation, the message "Vote cast successfully" will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

Xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting.aqueelmulla@gmail.com](mailto:evoting.aqueelmulla@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

ii)

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN
*****	*****	*****

iii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September 2015

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail with the facility of remote e-voting or voting at the AGM through ballot paper.

Mr. Aqueel A.Mulla, Practicing Company Secretary (Membership No. FCS 2973 and Certificate of Practice No. 3237) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

**By the Order of the Board of the Directors  
For BHARATI SHIPYARD LIMITED**

Sd/-  
**V.Gopalakrishnan**  
**(President (Finance) & Company Secretary)**

**Place:** Mumbai

**Date:** 30<sup>th</sup> May, 2015

**Registered Office:**

302, Wakefield House, Ballard Estate  
Mumbai-400 001

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013, FOR THE ITEMS OF SPECIAL BUSINESS AT SR NO.4, 5, 6 AND 7 OF THE NOTICE.**

**FOR ITEM NO.4**

The Company is proposing to issue 26, 47,313 Convertible Warrants to M/s Edelweiss Finance & Investments Limited, with the holder of the Warrants having a right to subscribe one equity share of Rs 10/- (Rupees Ten Only) each in the share capital of the Company at an issue price of Rs 22/- (Rupees Twenty Two Only) each, including the premium of Rs.12/- (Rupees Twelve Only) per Equity Share.

In accordance with the provisions Section 62 and 42 of the Companies Act, 2013 read with Rules framed there under and also the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred as “**the ICDR Regulations**”), the issue and allotment of the Convertible Warrants and underlying Equity Shares and the terms and conditions thereof, require the approval of the Members, which is now being sought vide this Special Resolution.

The resolution as mentioned in Item No. 4 of the Notice is recommended for your approval by the Board of Directors.

None of the Directors, Managers, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested or concerned in the resolution except to the extent of their shareholding in the Company.

The following Disclosures are given as per the ICDR Regulations:

**1. Objects of the issue:**

The proceeds of Warrant issue will be utilized to meet the Working Capital Requirements of the Company.

**2. Shareholding pattern before and after the proposed offer :**

The following will be the shareholding pattern of the Company before and after the proposed preferential issue:

Sr.No.	Category	Pre-issue		Post Issue	
		No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
A	<b>Promoters' holding:</b>				
1	<b><u>Indian</u></b>				
	Individual	1,14,48,064	22.76	1,14,48,064	21.62
	Bodies Corporate	2,14,89,909	42.73	2,14,89,909	40.59
	<b>Sub Total</b>	<b>3,29,37,973</b>	<b>65.49</b>	<b>3,29,37,973</b>	<b>62.21</b>
2	Foreign Promoters	--	--	--	--
	<b>Sub Total (A)</b>	<b>3,29,37,973</b>	<b>65.49</b>	<b>3,29,37,973</b>	<b>62.21</b>
B	<b>Non-Promoters' holding</b>				
1	Institutional Investors	33,40,211	6.64	33,40,211	6.31
2	<b>Non-institution:</b>				
	Private Corporate Bodies	18,87,006	3.75	45,34,319	8.57
	Directors and Relatives	--	--	--	--
	Indian Public	1,12,77,298	22.42	1,12,77,298	21.30

Others (Including NRIs)	8,55,702	1.70	8,55,702	1.62
<b>Sub Total (B)</b>	1,73,60,217	34.51	2,00,07,530	37.79
<b>GRAND TOTAL</b>	5,02,98,190	100	5,29,45,503	100

**3. Pricing of the issue:**

Each warrant of the company shall be allotted at a price of Rs 22/- (Rupees Twenty Two Only). The said each warrant would be converted into One Equity Share of the Company at a value of Rs. 10/- (Rupees Ten only) per Share. The price of the Securities is calculated on the basis of the reference date, i.e. 30<sup>th</sup> August 2015 being 30 days before the date of Annual General Meeting. The method of arriving at the price is in accordance with the ICDR Regulations as in force on the date of this notice.

**4. Terms of payment:**

The warrants are being issued at a price of Rs 22/- (Rupees Twenty Two Only) per warrant. An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price (i.e. Rs.5.50/- per warrant) shall be payable upon subscription of the warrants and the balance to be paid at the time of allotment of Equity Shares.

**5. Proposed time limit:**

The Board of Directors of the Company expects that the entire preferential offer and allotment of the same shall be completed within the validity period of the resolution i.e. within 15 days from the date of passing of this resolution. As per the said SEBI Regulations, the warrant holders have the option to subscribe for One Equity Share of Rs. 10/- (Rupees Ten only) each at a price of Rs. Rs 22/- (Rupees Twenty Two Only) each including premium of Rs. 12/- (Rupees Twelve only) each upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the Warrants. The Warrants may be converted into Equity Shares of the Company in one or more tranches.

**6. Lock-in requirements:**

As per Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Equity Shares to be allotted pursuant to exercise of options attached to the Warrants issued on preferential basis to any person other than the promoter and promoter group shall be locked in for a period of one year from the date of the trading approval.

**7. Previous Preferential Issues:**

The Company has not allotted any Shares or other securities on Preferential basis to any person during last one year.

**Others terms of issue and conversion of Warrants:**

- a. The warrants per-se does not give to the holder(s) thereof any rights of the Equity Shareholders of the Company.
- b. 26,47,313 Warrants convertible into 26,47,313 Equity Shares of Rs.10/-each on 1:1 basis representing 5.00 % of the capital after conversion in one or more tranches and in any financial year the conversion of Warrants will not be more than 5% of the increased Share Capital (i.e.

such increased Share Capital after exercise of the conversion rights as per the terms of the issue of the Warrants) in order to comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- c. The Warrant holders, after exercising the conversion rights, shall be entitled to any future bonus/rights issue(s) of Equity Shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Shareholders of the Company for the time being.
- d. The Equity Shares to be issued pursuant to exercise of conversion rights of the said Warrants as above shall rank pari-passu in all respects with the then existing Equity Shares of the Company. The Warrants and Equity Shares shall be subject to the Memorandum and the Articles of Association of the Company.

**8. The identity of the proposed allottee and the percentage of post preferential issued capital that may be held by the proposed allottee:**

Sr. No.	Name of the proposed allottee	Category of the Proposed Allottee	Maximum no. of Warrants proposed to be issued & allotted	Percentage of Post conversion capital
1.	Edelweiss Finance and Investments Limited*	Non-Promoter	26,47,313	05.00

\* Edelweiss Finance and Investments Limited is a Wholly-Owned Subsidiary of Edelweiss Financial Services Limited (Listed on National Stock Exchange of India Limited and BSE Limited).

**FOR ITEM NO.5**

Ms Shakti Sharma was appointed as a Woman Director and as an Additional Director of the Company on 30<sup>th</sup> March 2015, to comply with the provisions of Section 149 of the Companies Act, 2013 and holds office for a period of 5 years. Pursuant to the provisions of Section 168 of the Companies Act, 2013, the Company has received a notice from a member (along with a deposit of Rs.1, 00,000/-) recommending her candidature to the office of director of the Company. The appointment of Ms Shakti Sharma will bring his expertise to the Board and the Company which will be an invaluable addition to the Management of the Company under the prevailing circumstances. Your directors recommend the resolution to the members and except Ms Shakti Sharma none of the directors of the Company is concerned or interested in it.

**FOR ITEM NO.6**

Mr.S.Balasubramanian was appointed as an Additional Director on the Board w.e.f.14<sup>th</sup> August 2015 as an Independent Director for a period of 5 years, subject to the provisions of 152 of the Companies Act 2013, read with conditions specified under Schedule IV of the Companies Act 2013.The Board Of Directors of the Company is of the opinion that Mr.S.Balasubramanian who is proposed to be appointed as the Independent Director fulfills the conditions specified under the Companies Act 2013. Pursuant to the provisions of Section 168 of the Companies Act, 2013, the Company has received a notice from a member (along with a deposit of Rs.1, 00,000/-) recommending his candidature to the office of director of the Company. The appointment of Mr. S.Balasubramanian will bring his expertise to the Board and the Company which will be an invaluable addition to the Management of the Company under the prevailing circumstances. Your

Directors recommend the Resolution to the Members of the Company and accept Mr. S.Balasubramanian none of them is concerned or interested in it.

**FOR ITEM NO.7**

This resolution is proposed to be passed, to comply with the requirements of section 188 of Companies Act 2013, Clause 49 of the Listing Agreement and Companies (Meetings of Board and its Powers) Rules, 2014. It is hereby clarified that this is a resolution, to facilitate the Company to enter into Shipbuilding contracts with GOL Offshore Limited, Pinky Shipyard Private Limited and Tebma Shipyard Limited as mentioned in the Resolution at Sr.No.7 of the Notice. None of the Directors are concerned or interested in this resolution except to the extent of their shareholding/Directorships in the entities as mentioned in the resolution.

Sr. No	Name of the Related Party	Particulars of the Contract(s) or Arrangement(s)	Nature of relationship with the Related Party	Nature ,Material terms, monetary value etc. of the contract/arrangement
1.	GOL Offshore Limited	Ship Building Contract(s) and addendum(s)/modification(s)/alteration(s) thereto.	GOL Offshore Limited a Public Limited Company in which the Directors of the Company (Mr.P.C.Kapoor and Mr. Vijay Kumar) are Directors and are also Directors in Natural Power Venture Private Limited and Dhanshree Properties Private Limited being promoters Shareholders of GOL Offshore Limited and Subsidiaries of Bharati Shipyard Limited.	<p>A. Ship Building Contract for the Vessel with Builders, Hull No.V-339: 1.Date of the Contract: March 12,2007 2.Value of the Contract: USD 80,110,000.</p> <p>B. Ship Building Contract for the Vessel with Builders, Hull No.V-419: 1.Date of the Contract: November 21,2011 2.Value of the Contract: USD 30,000,000.</p> <p>C. Ship Building Contract for the Vessel with Builders, Hull No.V-421: 1.Date of the Contract: November 21,2011 2.Value of the Contract: USD 66,000,000.</p>

**By the Order of the Board of the Directors  
For BHARATI SHIPYARD LIMITED**

Sd/-  
**V.Gopalakrishnan  
(President (Finance) & Company Secretary)**

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2015

**Registered Office:**  
302, Wakefield House, Ballard Estate  
Mumbai-400 001



## **DIRECTORS' REPORT**

**TO,  
THE MEMBERS OF BHARATI SHIPYARD LIMITED**

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you the 38<sup>th</sup> Annual Report on the working of the Company, together with the Audited Financial Statements of the Company for the year ended March 31, 2015.

### **1. FINANCIAL RESULTS:**

The working of your Company for the year under review resulted in **(Rs. in Lakhs)**

<b>Particulars</b>	<b>Financial Year</b>	
	<b>2014-15</b>	<b>2013-14</b>
<b>Total Income</b>	<b>4372.78</b>	<b>20,300.92</b>
Profit before Interest, Depreciation & Tax	(64961.21)	(46,459.96)
<b>Less : Finance Cost</b>	<b>29480.50</b>	<b>51,184.26</b>
<b>Less : Depreciation</b>	<b>6227.02</b>	<b>4,939.92</b>
Profit before Tax	(100668.83)	(1,02,584.14)
<b>Less : Tax</b>	<b>(14210.50)</b>	<b>(18,310.71)</b>
Profit / (Loss) after Tax	86458.24	(84,273.43)
Surplus brought forward	(81312.12)	2,961.32
<b>Amount available for appropriation</b>	<b>(167770.36)</b>	<b>(81,312.11)</b>
<b>APPROPRIATIONS (Section 134(3)(j))</b>	<b>--</b>	<b>--</b>
Transfer to Debenture Redemption Reserve	--	--
Transfer to General Reserve	(200.89)	--
Dividend including Dividend Tax	--	--
Shortfall in provision of Dividend and Dividend Tax for Last Year	--	--
Surplus carried forward	(167971.25)	(81,312.11)
<b>Total Appropriations</b>	<b>(167971.25)</b>	<b>(81,312.11)</b>

### **2. CAPITAL:**

During the year under review Authorized Share Capital of the Company is Rs. 9900.00 Lakhs consisting of 99,000,000 Equity Shares of face value of Rs. 10/- each.

### **3. DIVIDEND:**

In view of inadequate profits the directors do not recommend Dividend for the year under review. (Section 134(3) (k))

#### **4. OPERATING RESULTS AND PROFITS:**

During the year under review your Company has successfully delivered 4 vessels. During the year, turnover has reduced to Rs. 2,912.28 Lakhs in comparison to the previous year of Rs. 17,856.46 lakhs.. The Company has incurred net loss of Rs.86, 458.24 Lakhs as compared to Rs. 84,273.43 Lakhs in the previous year.

#### **5. FINANCE:**

As at the end of financial year, your Company has total Secured Long-term facilities of Rs.533705.25 Lakhs (Including Debentures and Term Loans). The Company has total Short term facilities of Rs.63667.43 Lakhs (including Secured Loans Short term borrowing of Rs.56554.89 lakhs and unsecured loans of Rs.7112.54 Lakhs).

#### **6. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE:**

During the year under report, the following companies are:

##### ➤ **SUBSIDIARIES**

- a) Advitiya Urja Private Ltd.
- b) Dhanshree Properties Private Ltd.
- c) Natural Power Ventures Private Ltd.
- d) Nirupam Energy Projects Private Ltd.
- e) Nishita Mercantile Private Ltd.
- f) Pinky Shipyard Private Ltd.
- g) Premila Mercantile Private Ltd.
- h) Vishudh Urja Private Ltd.
- i) Tebma Shipyard Limited

##### ➤ **JOINT VENTURE**

Bengal Shipyard Limited a Joint Venture with the Company and Apeejay Shipping Limited has reported a loss of Rs. 19.07 Lakhs for the year under consideration and accumulated loss of Rs.14.66 Lakhs up to 31.03.2015(As per unaudited Financial Statement). Further a Sum of Rs.3, 162.35 Lakhs remitted towards advances.

##### ➤ **ASSOCIATE**

Company holds 49.73% in Great offshore limited resulting to which it is classified as an Associate to the Company.

The financial of the subsidiaries, joint venture entities and associates of the Company have been considered in the consolidated Financial Statements of the Company and form part of this Annual report as required by the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and Rule 8(1) of the Companies (Accounts) Rules 2014.

However, the Company has availed general exemption, given by Central Government vide circular no 2/2011 dated February 08, 2011 from attaching the Annual Audited Accounts of the Subsidiary companies with its Annual Report. Accordingly the said documents have not been attached with the Balance sheet of the Company.

However, the Annual Accounts of the subsidiary companies and related detailed information will be made available to the members of the Company and its subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the Registered Office of the Company.

**7. DIRECTORS:**

- a) The Company, on the date of the report, has six directors. Out of these 3 are independent directors (including a woman director, one acting as occupier and two are Executive Directors. Pursuant to the provisions of section 149 of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.
- b) Ms Shakti Sharma (Woman Director) who was appointed as an Additional Director holds office up to the date of this AGM and the Company has received a Notice, recommending her candidature for appointment as the director of the Company.
- c) During the year under report, Mr. V. P. Kamath and Mr. R. P. Singh, Directors resigned from the Board and the Board has kept on record, its appreciation of their guidance to the Company.

**8. INFORMATION REGARDING SALARIES AND PARTICULARS OF EMPLOYEES**

That information to be disclosed in the Board's Report, of a Listed Company, in compliance with the Rule No.5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is given as an annexure to this Board Report.

**9. CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION AND ANALYSIS:**

Corporate Governance Report and Management Discussion and Analysis Report forms an integral part of this Report and are set out as separate Annexure to this Report. That pursuant to provisions of Section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Secretarial Audit Report in Form MR 3, for the year under report, from the Independent Practicing Company Secretary, for carrying out the Secretarial Audit of the Company's Compliance of Corporate Governance Conditions as stipulated under the provisions of the Companies Act, 2013, Rules framed there under and Amended Clause 49 of the Listing Agreement, is annexed to this Board Report.

**10. DISCLOSURES ABOUT CSR POLICY:**

Pursuant to provisions of Section 134(3)(o) the relevant information has been disclosed in and as per Annexure to the Companies (Corporate Social Responsibility Policy) Rules 2014, a copy whereof is annexed hereto in compliance of the Rule 9 of the Companies (Accounts) Rules 2014.

**11. AUDITORS:**

M/s. M.V. Damania & Co., Chartered Accountants, the existing auditors hold office as Statutory Auditor till the ensuing Annual General Meeting as per the provisions of Companies Act, 2013. M V Damania & Co, Chartered Accountants has given consent for the appointment and also issued certificate to the effect that their appointment, if made, will be in accordance with the conditions prescribed under rule 4 of the Companies (Audit and Auditors) Rules, 2014. The Directors have recommended to the Members, their appointment at the ensuing 38<sup>th</sup> Annual General Meeting. It is also informed by the Auditors, vide their letter dated 15<sup>th</sup> May 2015, that the name of their firm has been changed from M/s M.V.Damania & Co. to M/s Damania & Varaiya-Chartered Accountants.

## **12. CORPORATE DEBT RESTRUCTURING SCHEME**

The Bharati Shipyard Limited (“company”) has approached Corporate Debt Restructuring (CDR) cell through State Bank of India (SBI) Lead Banker of the consortium for the restructuring of its debts under CDR scheme in December 2011.

- Flash Report filed with CDR -EG on 16<sup>th</sup> December 2011
- The restructuring proposal has been sanctioned by CDR-EG with Cut of Date (COD) as 01-10-2011
- Letter of Approval (LOA) has been issued by CDR cell on 25<sup>th</sup> June, 2012 which is as above enclosed.
- Various Security Documents were executed under CDR Scheme.
- As per approved Scheme under CDR, Many Banks have not released the facilities, though Promoters have infused funds towards promoter’s contribution as required in the CDR package Due to various technical and operational reasons the scheme could not go through and package could not be implemented. The Banks have entered into new proposal to revive the Company and opted for Stand by Letter of Credit (SBLC) and Advance payment Guarantee (APG) scheme , under which 10 Banks has given Sanction, which was also not released to the Company upto March 2014, because of which the Company Account has become Non Performing Account (NPA) in some of the Banks by June 2014, out of 23 Banks ,11 Banks have sold and assign their 60% of total debts / loans to Edelweiss Assets Reconstruction Company Limited (EARC) Mumbai. Currently we have 13 Banks / Financials Institutes Including EARC in our Debt.
- Presently we have exited on 20<sup>th</sup> August, 2014 from CDR System on account of failure of approved package. Day to day the financials management of the Company is being managed under the guidance of EARC.

## **13. FIXED DEPOSITS:**

Pursuant to provisions of sub-rule 5(v) of Rule (8) the Companies (Accounts) Rules 2014, during the year under report, the Company, has not accepted nor renewed any deposits from public.

## **14. EXTRACTS OF ANNUAL RETURN:**

Pursuant to provisions of Section 134(3)(a) read with provisions of Section 92(3) of the Companies Act,2013, and in compliance of the requirements of Rule 12(1) of the Companies ( management and Administration ) Rules 2014, Extracts of Annual Return in FORM MGT 9 are attached with this Report of the Board of Directors of the Company.

## **15. Details of Board Meetings :**

Pursuant to provisions of Section 134(3)(b) of the Companies Act,2013, the relevant details are given in the Report on Corporate Governance forming part of this Board Report.

## **16. DIRECTORS’ RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, in relation to financial statements for the year 2014-15, the Board of Directors reports that:

- In the preparation of the annual accounts, the applicable accounting standards read with requirements as set out under Schedule III to the Companies Act,2013, have been followed along with proper explanation relating to material departures;
- Accounting policies have been selected and applied consistently and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of the loss of the Company for the year ended March 31, 2015;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.
- That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

**17. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

Pursuant to provisions of Section 134(3)(d) read with Section 149(7) of the Companies Act,2013, the Independent Directors have given declarations that they meet the criterion as set out under the provisions of Section 149(6) of the Companies Act,2013.

**18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The information required to be given under the provisions of Section 134(3)(e) read with provisions of Section 178 (1) of the Companies Act,2013, is given as an annexure to this Board Report

**19. AUDIT REPORT:**

The Auditors have qualified their report (Standalone and Consolidated) on the annual accounts of the Company for the year ended March 31, 2015 at Point No's (a) to (j) of their Report.

That these qualifications are self explanatory and do not need further comments from the Board of Directors of the Company, under the provisions of Section 134(3) (f) of the Companies Act, 2013.

**20. LOANS AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT,2013:**

That pursuant to the provisions of Section 134(3) (g) read with Section 186 of the Companies Act, 2013, no Loans, Guarantees or Investments have been made by the Company during the year under report.

**21. RELATED PARTY TRANSACTIONS:**

Pursuant to provisions of Section 134(3) (h) of the Companies Act, 2013, details as required to be given as per Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 have been given in Notes to the Accounts.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. as required to be given under the provisions of Section 134(3)(m) of the Companies Act,2013, read with Rule 8(3) (A), 3(B) and 3(C) of the Companies (Accounts) Rules 2014 have been given in Annexure - A.

Foreign Exchange Earnings & Outgo: The Information on foreign exchange earnings and outgo is also disclosed in Annexure - A.

**23. RISK MANAGEMENT POLICY:**

Pursuant to provisions of Section 134(3)(n) of the Companies Act,2013 and provisions of Clause 49 of the Listing Agreement, the Board has developed and implemented a Risk Management Policy for the Company.

**24. ANNUAL EVALUATION OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:**

The Board is formally evaluating performance of Directors and Board, Committees and individual directors, pursuant to the provisions of Section 134(3)(p) of the Companies Act,2013.

**25. ISSUE OF EMPLOYEE STOCK OPTIONS:**

During the year under report, the Company has not issued any options to the employees and hence there is no disclosure required to be made pursuant to Rule No.12 (9) of the Companies (Share Capital & Debentures) Rules 2014.

**26. REGISTRATION WITH BIFR:**

The Company's Reference No3(B-4)/BC/2015,was heard by BIFR on 13/07/2015 and the Company has been registered with BIFR as a Sick Industrial Company under the provisions of Sick Industrial Companies (Special Provisions) Act 1985 under Case No 06/2015.

**27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year under review, there were no cases filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**28. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of section 125 of Companies Act 2013, the necessary amount has been transferred to the credit of fund.

**29. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Company has Appointed Mrs. Rekha Ambawat, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as MR-3, which forms a part of the Annual Report.

### **30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

Certain creditors of the Company had filed Winding up petitions before the Honorable High Court Mumbai. The Company signed consent terms with these creditors and is making the payments accordingly. There are no other significant material orders passed by the regulators/Courts which would impact the going concern status of the Company and its future operations.

### **31. ESTABLISHMENT OF VIGIL MECHANISM**

The Company has a Vigil Mechanism in place. Any employee having any complaint is free to approach the Chairman of Audit Committee with his/her grievances. During the year under report no such complaints have been received.

### **32. WIND POWER PROJECT**

As reported in the last year's Directors Report the noncore Assets of this division have been transferred to M/s Ghatge Patil Industries Limited, during the year under report as a part of CDR scheme.

### **33. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate Internal control System and procedures in place and they are effectively working. However with a view to have more better controls, the Company continuously reviews and updates these controls and procedures.

### **34. ACKNOWLEDGEMENT:**

Your Directors place on record their sincere appreciation for the continued support from shareholders, customers, suppliers, banks & financial institutions and other business associates. A particular note of thanks to all employees of your Company, without whose contribution, your Company could not have achieved the year's performance.

Your Directors are thankful to the shareholders for their faith and continued support in the endeavors of the Company.

**For and on behalf of the Board**

**Date:** 30<sup>th</sup> May, 2015

**Place:** Mumbai

(Managing Director)

**Addendum to the Directors' Report:**

1. Mr.V.Chandrasekaran who was appointed as Director in the last Annual General Meeting has expressed his inability to continue as Director due to personal reasons and submitted his resignation on 4<sup>th</sup> August 2015.The Board of Directors at its meeting held on 14<sup>th</sup> August 2015 has accepted his resignation and placed on record sincere and heartfelt thanks for the excellent guidance and active participation in the working of the Company during his tenure.

2. The Board of Directors, at the same meeting has appointed Mr.S.Balasubramanian as an Additional Director, being an Independent Director on the Board of the Company. Pursuant to the provisions of section 134 of the Companies Act 2013, the members are hereby informed about this appointment, pursuant to the provisions of section 152 of the Companies Act 2013, read with Schedule IV and Directors (Appointment and Qualification) Rules, 2014, this disclosure in the form of addendum is annexed to this report.

**For and on behalf of the Board**

**Date:** 30<sup>th</sup> May, 2015

**Place:** Mumbai

(Managing Director)



## ANNEXURE TO REPORT OF BOARD OF DIRECTORS

The Information in compliance with Rule No.5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is disclosed hereunder.

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

**Ans:** 12.5

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any in the financial year.

**Ans:** No such increase during the year.

3. The percentage increase in the median remuneration of employees in the financial year.

**Ans:** No such increase during the year.

4. The number of permanent employees on the rolls of the Company.

**Ans:** 1292

5. The explanation on the relationship between average increase in remuneration and Company performance.

**Ans:** In view of the absence of increase in the remuneration, no explanation is required to be given.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

**Ans:** The remuneration of Managing Directors has been reduced during the year, due to bad financial position of the Company.

7. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over/ decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies.

**Ans:** P E Ratio = Previous Year Rs. (189.15)

P E Ratio = Current Year Rs. (171.89)

Market Capitalization as on 31/3/14= Rs 123, 13, 18,100/-

Market Capitalization as on 31/3/15= Rs 114, 68, 15,877/-

The Market Capitalization has gone down due to falling markets and bad performance of the Company.

There is no increase in remuneration during the year under report, hence comparison is not possible.

The Company came out with its First public issue in the year 2008 @ a price of Rs. 66/- per share. There is about 65% fall in price of share when compared with IPO Price.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional; circumstances for increase in the managerial remuneration. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

**Ans:** In view of the reply against point No.VI, no comparison is possible.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

**Ans:** In view of the reply against point No.VI, no comparison is possible.

10. The key parameters for any variable component of remuneration availed by the directors.

**Ans:** No such component in the remuneration of Managing Directors.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

**Ans:** 0.52

12. Affirmation that the remuneration is as per the remuneration policy of the Company.

**Ans:** It is affirmed that the remuneration is as per the Remuneration Policy of the Company. That there are no disclosures required to be made, pursuant to provisions of Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**For and on behalf of the Board**

**Date:** 30<sup>th</sup> May, 2015

**Place:** Mumbai

(Managing Director)

## ANNEXURE 'A'

### A. Conservation of Energy:

- I. We have under taken up gradation of Electrical systems to improve Power Factor to 0.99 resulting into reduction in consumption of electricity.
- II. We have extended energy saving systems for welding sets to additional machines.
- III. We have installed Solar panels for the water heating at the accommodation at yards.

### B. Technology Absorption:

- I. On the construction side we have introduced line production system that avoids unnecessary transportation time and hastens the productivity. To support this system we have introduced Computer Numeric Control machines for profile cutting of plates and pipes and Nobolder automatic welding machines.
- II. We are now engaged in building a Mobile Offshore Drilling Unit capable of operating in 350 feet of water. This Rig can be elevated to a height of 418Feet and has an advanced electric rack and pinion system of jack up as well as derrick skidding system. It has a cantilever cover of 70 feet beyond the transom and drill floor movement of 30 feet side to side.
- III. Also, we have introduced Self Propelled Moduler Transport System by which we can transport large structures weighing as much as 2500 tonnes. We have also introduced, in our yards, the pneumatically controlled Skidding System by which we can skid and load out structures as heavy as 7000 tonnes.

### C. Foreign Exchange Spent And Earned:

Particulars	Rs. in Lakhs	
	F.Y.2014-15	F.Y.2013-14
<b>a) Value of Direct Import calculated on CIF Basis:</b>		
i. Raw Materials (incl Components, spare parts)	447.08	16,307.00
iii. Capital Goods		-
<b>b) Earning in Foreign Exchange on account of export of Goods:(FOB Value)</b>		
<b>c) Expenditure in Foreign Currency:</b>		
ii. Design and Consultancy	1.15	23.89
iv. Legal & Professional fees	-	206.96
v. Interest	1112.61	587.42
vi. Others		559.71

## ANNEXURE 'B' - CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

### 1. Company's philosophy on code of Governance

**BHARATI SHIPYARD LIMITED** believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of laws and in particular those stipulated in the Listing Agreement with the Stock Exchanges. Its objective and that of its management and employees is to operate in a way so as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy in general. It encourages wide participation from all stakeholders.

### 2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 2013 and clause 49 of the listing agreement. The strength of the Board as on 31st March, 2015 is 6 Directors comprising of 2 Promoter Directors, 1 Executive Director and 3 Independent Non Executive Directors, which includes a Woman Director.

#### a) Board Procedure:

During the year under report the Board met 6 times on the following dates:

July 09 2014, September 05, 2014, December 05 2014, February 19 2015, February 26 2015, and March 30 2015. The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board meetings and the same were dealt with appropriately.

All the Directors who are on various committees are within the permissible limits of the listing agreement. The Directors have intimated from time to time about their membership in the various committees in other Companies. The composition of Board of Directors, number of Board Meetings held and attended by the Directors, number of chairmanship / membership in other Board Committees are given in following table:

None of Directors have pecuniary or business relationship with the Company except to the extent as disclosed in Notes to accounts. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

Name of Director	Category	No. of Board Meeting Attended	Attendance of last AGM	No. of Directorship in other Companies*	No. of Chairmanship/ Membership in other Board Committee	
					Chairman	Member
Mr. P. C. Kapoor DIN:00786682	Executive- Managing Director	5	Yes	14	-	-
Mr. Vijay Kumar DIN :00726561	Executive- Managing Director	5	Yes	15	-	1
Mr. V. Chandrashekharan DIN :01262266	Independent Non Executive Director	4	N.A.	-	-	-
Mr. A. R. Muralidharan DIN :00337753	Independent Non Executive Director	4	Yes	1	-	-

Ms. Shakti Sharma DIN :06561116	Additional Non-Executive Director	-	N.A.	1	-	-
Mr. R.Jayaseelan DIN 06780185	Non-Executive Director	2	Yes	1	-	-

\* Excludes Directorships in private companies, Associations, Section 25 Companies, Foreign Companies and Alternate directorships but including Additional directorships.

# In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

Shri V. P. Kamath ceased to be the Director w.e.f. September 01, 2014, upon resignation.

Shri R. P. Singh was appointed as Additional Director w.e.f June 01, 2013 and ceased to be director w.e.f. July 09, 2014, upon resignation.

Ms Shakti Sharma has been appointed as an Additional Director of the Company w e f 30/03/2015 to comply the requirement of appointment of a Woman Director on Board.

Mr.Jayaseelan retires by rotation and being eligible offers himself for re-appointment.

**b) Directors seeking Appointment at the Forthcoming Annual General Meeting (pursuant to Clause 49 IV (G)(i) of the Listing Agreement):**

Ms Shakti Sharma was appointed as an Additional Director of the Company w.e.f. 30<sup>th</sup> March 2015 and holds office till the date of this AGM. Being eligible, she has offered herself for the appointment as Director.

**c) Code of conduct for Directors and Senior Management:**

The Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Managing Directors.

**3. Committees of the Board:**

**a) Audit Committee**

The Company has an Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory Auditor and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 1 Managing Director and 2 Non Executive Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per Companies Act and Listing Agreement with the Stock Exchanges. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before recommending the same to the Board for its approval.

The Committee met 4 times during the year under report on 09<sup>th</sup> May, 2014, 05 September 2014, 19<sup>th</sup> February, 2015, 26<sup>th</sup> February 2015.

**Composition of Audit Committee and details of the meeting attended:**

Sr. No.	Name of the Audit Committee Member	Category	Designation of the Committee	No. of Meetings Held	No. of Meeting attended
1.	Mr. P C Kapoor	Executive-Non-Independent	Member	4	4
2.	Mr A R Muralidharan	Non Executive-Independent	Chairman	4	3
3.	Mr V. Chandrashekharan	Non Executive-Independent	Member	4	3

Shri V. P. Kamath ceased to be the Director w.e.f. September 01, 2014, upon resignation.

Shri R. P. Singh was appointed as Additional Director w.e.f June 01, 2013 and ceased to be director w.e.f. July 09, 2014, upon resignation.

**The terms of reference of the Audit Committee include:**

- To review financial statements and pre-publication announcements before submission to the Board.
- To discuss and review report of the external auditors and ensure the compliance of the internal control system.
- To apprise the Board on the impact of accounting policies, accounting standards and applicable laws and regulations.
- To hold discussions with statutory auditors on the scope and content of the audit.
- To review related party transactions:
- Appointment of statutory auditor and fixing their remuneration.

**b) Nomination and Remuneration and Stake Holders Committee:**

The powers of Remuneration Committee are exercised by the Board. The remuneration of the Executive Directors is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and/or commission (variable component) to its Executive Directors.

The remuneration by way of commission and sitting fees to the Non-Executive Directors is also decided by the Board of Directors. The Non-Executive Directors are paid sitting fees for attending meetings of the Board or its Committees. The Company also reimburses travelling and accommodation expenses to out-station Directors for attending Board / Committee meetings.

**Details of remuneration, sitting fees, etc. paid to Directors are given in following table**

Name of Director	Status Independent / Non Independent	Remuneration Paid to Directors				
		Salary (Rs)	Commission (Rs)	Contribution to PF (Rs)	Total (Rs)	Sitting Fees (Rs)
Mr. P. C. Kapoor	Executive - Managing Director	24,00,000	-	-	24,00,000	-
Mr. Vijay Kumar	Executive - Managing Director	24,00,000	-	-	24,00,000	-
Mr. V. Chandrashekharan	Non Executive-Independent	-	-	-	-	1,40,000

Mr. A R Muralidharan	Non Executive-Independent	-	-	-	-	1,40,000
Mr. R Jayaseelan	Non Executive-Independent	6,00,000	-	-	6,00,000	-

**c) Investors' / Shareholders Grievance Committee:**

- i. As stated herein above the powers to approve share transfers have been exercised by the Managing Directors. The Managing Directors and Compliance Officer in co-ordination with the Registrars are attending to all the grievances of investors.
- ii. During the year under review the complaints were received from the shareholders were replied / resolved to the satisfaction of the shareholders. There are no complaints / queries pending for reply as on March 31, 2015.

**4. General Body Meetings:**

The details of the Annual General Meeting held during the last 3 years are as under:

Financial Year	Date of AGM	Time	Venue	Special Resolution(s)
2011-2012 (35 <sup>th</sup> AGM)	26.09.2012	11:30 a.m.	"Rangaswar Hall", Y. B. Chavan Pratishthan, Gen J. Bhosle Marg, Nariman Point, Mumbai-400 021	No special resolution passed
2012-2013 (36 <sup>th</sup> AGM)	24.09.2013	11:30 a.m.	"Rangaswar Hall", Y. B. Chavan Pratishthan, Gen J. Bhosle Marg, Nariman Point, Mumbai-400 021	Special Resolution passed for reappointment of Mr P C Kapoor and Mr Vijay Kumar as Managing Directors, u/s 198,269,309,310 of Companies Act, 1956, with other terms and conditions of reappointment.
2013-2014 (37 <sup>th</sup> AGM)	30.09.2014	11:30a.m.	M C Ghia Hall, K. Dubash Marg, Mumbai-400 001	No Special Resolution passed.

**Resolution passed through postal ballot**

No Resolution was passed through Postal ballot during financial year 2014-15.

**Disclosures:**

**a) Disclosure regarding materially significant related party transactions during the year :**

There were no other related party transactions of material nature with the Promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the Company at large.

**b) Disclosure of non-compliance by the Company:**

There were stances of Non-compliance of Clause 35 and Clause 41 of the Listing Agreement during the past three years and a penalty of Rs. 68,23,400 /- has been imposed on the Company by BSE and NSE.

**c) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has a Whistle Blower Mechanism in place. The Company has granted access to any personnel to approach the Audit Committee on any issues.

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:**

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

The Board affirms that no person has been denied access to the Management during the year. The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

**5. Means of Communication:**

- a) Half-yearly report sent to each Household of shareholders: **No.**
- b) Quarterly Results: **These are published in one English daily newspaper Free Press Journal circulating in the country & one Marathi newspaper Navshakti published from Mumbai.**
- c) Any Web site, where displayed: **www.bharatishipyard.com.**
- d) Whether it also displays official news releases and presentations made to Institutional Investors/Analysts: **No.**
- e) Whether Management Discussion and Analysis is a part of annual report: **Yes.**

**6. General Shareholder Information:**

**a) Annual General Meeting:**

Day, Date and Time	:	Wednesday, 30 <sup>th</sup> September, 2015 at 09.30 A.M
Venue	:	Mackinnon Mackenzie Building, 3 <sup>rd</sup> Floor, 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001

**b) Financial Calendar for 2015- 16 (Tentative)**

<b>Financial Year</b>	<b>: April 1, 2015 to March 31, 2016</b>
<b>Results for the quarter ending June 30, 2015</b>	<b>: Before 15th of August-2015</b>
<b>Results for quarter ending September 30, 2015</b>	<b>: Before 15th of November-2015</b>
<b>Results for quarter ending December 31, 2015</b>	<b>: Before 15th of February -2016</b>
<b>Results for year ending March 31, 2016</b>	<b>: Before 30th of May-2016</b>
<b>Annual General Meeting</b>	<b>: Before 30<sup>th</sup> September, 2016</b>

**c) Date of Book Closure**

Book Closure dates are from September 23<sup>rd</sup>, 2015 to September 30<sup>th</sup>, 2015. (Both days inclusive)

**d) Dividend Payment date:** Not applicable



e) Details of Stock Exchange :

Listing on Stock Exchanges	:	<b>The Bombay Stock Exchange Ltd. (BSE)</b> , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001. <b>National Stock Exchange of India Ltd. (NSE)</b> , Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.
ISIN No.	:	INE 673G01013
Stock Code / Symbol		BSE : 532609 NSE : BHARTISHIP

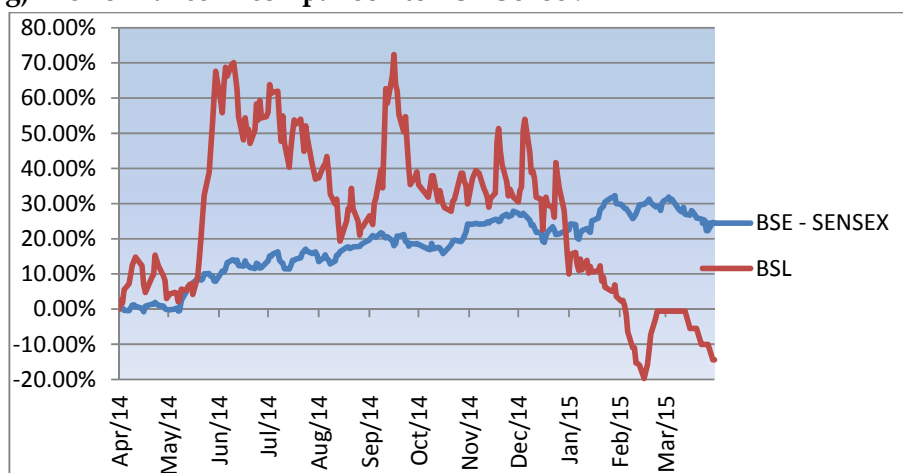
f) Market Price Data :

The monthly high and low quotations and volume of shares traded at the NSE /BSE during the financial year, 2014-2015 are given below:

Month & Year	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-14	29.00.	27.45	6753	29.35	27.15	28,077
May-14	42.85	42.85	8402	44.45	43.00	1,93,830
Jun-14	41.60	40.15	7080	41.80	40.60	15,195
Jul-14	36.90	35.30	2420	37.50	35.60	8,866
Aug-14	34.00	32.10	7190	32.85	32.10	8,709
Sep-14	37.35	36.10	10076	*-	-	-
Oct-14	36.65	35.50	12543	-	-	-
Nov-14	36.25	34.75	15924	-	-	-
Dec-14	30.60	30.60	10782	-	-	-
Jan-15	28.45	27.50	14591	-	-	-
Feb-15	27.35	25.10	41183	-	-	-
Mar-15	23.00	22.60	13563	-	-	-

\*Figures are not available as the trading in scripts is suspended by BSE & NSE due to non- payment of penalty from 25<sup>th</sup> February 2015. But trading in the script is taking place on every Monday of the week in both the stock exchanges.

g) Performance in comparison to BSE Sensex



**h) Registrar and Transfer Agents:**

Link Intime India Private Ltd

**Address:**

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W),

Mumbai-400 078

Telephone no: 022-25963838/5946970

Fax: 022-25946969 Email : mumbai@linkintime.co.in

**i) Share Transfer System:**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and affected within 10 days from the date of receipt. Shares under objection are returned to sender in two weeks.

In case of shares held in the dematerialized form are electronically traded by Depository Participants and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for transfer are required to be dematerialised first before their transfer.

**j) Distribution of Shareholding**

**Share Holding Pattern as on 31st March, 2015 is given below:**

Category		No. of Shares Held	Percentage of Shareholding
1	Promoters		
	Indian Promoters	3,29,37,973	65.48
	Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	Sub-Total - (i)	3,29,37,973	65.48
B	Non-Promoters Holding		
3	Institutional Investors		
	a Mutual Funds and UTI	-	-
	b Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	33,24,026	6.60
	c Foreign Institutional Investors	8,185	0.02
	Sub-Total - (ii)	33,32,211	6.62
4	Others (1) Trusts (2) Qualified Foreign Investors	9,113	0.02
	a Private Corporate Bodies	18,87,006	3.75
	b Indian Public	1,12,78,050	22.42
	c NRIs / OCBs	6,99,310	1.33
	d Any other (Clearing Members, Trusts)	1,55,279	0.31
	Sub-Total - (iii)	1,73,60,969	34.51
	Grand Total ( i + ii + iii )	5,02,98,942	100

Distribution of Share holding as on 31st March, 2015 is given below:

Nominal Value of Share Holding	No. of Shareholders	% of the total Shareholders	Share Amount Rs.	PERCENTAGE OF TOTAL
1 To 5000	31,391	88.0138	37095420.00	7.3750
5001 To 10000	2,252	6.3141	1806380.00	3.5922
10001 To 20000	1058	2.9664	16123740.00	4.2271
20001 To 30000	373	1.0458	9569530	1.9025
30001 To 40000	147	0.4122	5190600	1.0320
40001 To 50000	130	0.3645	6105290	1.2138
50001 To 100000	178	0.4991	12960320	2.5767
100001 to Above	137	0.3841	397876140	79.1023
<b>TOTAL</b>	<b>35666</b>	<b>100.0000</b>	<b>502989420</b>	<b>100.000</b>

**k) Dematerialization of Equity Shares :**

As on 31st March 2015, 50298190, equity shares representing 99.99% shares are held in dematerialized form and the balance 752 equity shares representing 0.01% shares are in physical form.

**l) Outstanding GDRs/ADRs/Warrants or any other Convertible instruments:**

No GDRs/ADRs/Warrants or any other Convertible instruments were outstanding as on 31.03.2015.

**m) Plants Location (Manufacturing Units) :**

- Bhoir Sand Compound, Ghodbunder, Dist: Thane.
- Mirya Bunder, Dist: Ratnagiri.
- Usgaon (Dabhol), Dist: Ratnagiri.
- Zorinto Sancoale, Goa.
- Kudroli Bengare, Tal: Mangalore Dist: Dakshina Kannada.
- Timberpond, Howrah, Kolkatta.

**n) Address for Correspondence by Shareholders / Investors:**

**Company's Registered Office**

Bharati Shipyard Limited,  
302, Wakefield House, Sprott Road,  
Ballard Estate, Mumbai - 400 001

**Registrar & Share Transfer Agent**

Link Intime India Private Ltd.,  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

**7. Compliance of non-mandatory requirements as set out in Annexure 3 to Clause 49 of the Listing Agreement:**

- a) **Chairman of the Board:** The Managing Directors are acting as Chairman of the meeting hence the requirement pertaining to reimbursement of expenses to a non-executive Chairman does not arise. No specific tenure has been specified for the Independent Directors. However, Independent Directors are not liable to retire by rotation and seek re-appointment by the members.
- b) **Remuneration Committee:** The powers of Remuneration Committee are exercised by a Committee of the Board.
- c) **Shareholders' rights:** As the Company's half yearly financial results are published in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

- d) **Audit Qualification:** There are audit qualifications /observations in the Report of Auditors of the Company for the year under report.
- e) **Training to Board Members:** No training has been provided to the Board Members as on date of this report. The Directors interact with management in a very free and open manner on information that may be required by them for orientation with the business of the Company.
- f) **Mechanism for evaluating Non-executive Board Members:** The Company is working on the mechanism and the same will be adopted in due course.
- g) **Whistle Blower Policy:** The Company has adopted the code of conduct for Directors and Senior Management. The Board has considered and deliberated on the whistle blower policy of the Company. The same will be implemented shortly.

**8. Compliance:**

A certificate has been obtained from the practicing Company Secretary regarding compliance of corporate governance and attached to this report.

**For and on behalf of Board**

May, 30<sup>th</sup> 2015

Mumbai

P C Kapoor

**Managing Director**

Vijay Kumar

**Managing Director**

## **1. Industry Structure, Development and Product Wise Performance**

The Shipbuilding is a vast and complex industry comprising of various diversified segments, the major ones being offshore including Rigs, cargo vessels, containers, cruise liners, defense, passenger vessels etc. Recently, a new segment has evolved due to growing environmental regulations, being the LNG propelled vessels which basically use the unconventional source of LNG as a fuel. The important segments are outlined herein below:

### ***i. Offshore Segment***

The demand for offshore vessels is positively correlated with the quantum of Offshore E&P activities. Lately, significant oil discoveries on land are becoming less common. Therefore, global exploration trend is trending towards offshore oil fields and away from onshore fields. In India itself, the shipbuilding and repair market is poised to pick up momentum with the increasing penetration of Indian shipbuilding companies in the offshore vessels (OSVs) segment. Indian companies have established strong credentials in the building and repair of OSV, resulting in a spike in orders for such vessels from the Indian industry. The limited capacities related to OSVs in leading shipbuilding nations such as Japan and South Korea are resulting in diversion of orders to India, driving up the fortunes of the Indian shipbuilding and repair market.

### **Company's Strategy**

The Company has always been one of the leading private sector shipbuilding Company in India catering mainly to offshore segment. It has always strived towards a diversified client base globally. It has taken up the challenge of being one of the first few to construct the high end complex vessels types like MSVs and PSVs. Its passion for the business and the consistent focus on quality improvisation has been one of its USPs and has attracted repeated orders.

### ***ii. Rigs***

Of the existing jack-up rigs, more than half are over 20 years old. In the past two years, more than twenty rigs have been scrapped which are as many as were scrapped/converted in the past one and a half decade. Higher E&P activity, scrapping of old rigs and comparatively lower supply is expected to drive the demand for jack-up rigs. The scrapping of old units will happen because they are too expensive to reactivate, too expensive to maintain, or simply too old and out-dated to be employed by the oil companies.

### **Company's Strategy**

There are only 9 Rig manufacturers in the world which have the technical know-how and potential of manufacturing such types of rigs. The Company is the 10th in the World and the **1st in India**. On the other hand, the global demand of the rigs is gradually rising on account of replacement needs of a majority of existing rigs which are crossing the age of 20 years. The Company's next step would be to foray into the drill ship market.

### ***iii. LNG-Propelled Vessels***

The concept of using LNG as a fuel for ships has been gaining popularity not only in Europe but also in Asia and USA. The focus is being shifted to unconventional sources of energy like LNG which are yet to be explored fully and which are emitting less of the sulphur oxide, a pollutant said to cause acid rain. LNG propelled vessels are especially required throughout the "Emission Control Areas" (ECAs) in North-West Europe. Under rules from the International Maritime Organization, these emissions are

required to be reduced to 0.5 percent by 2020 globally from 4.5 percent presently. In particular compared to conventional heavy fuel oil, LNG offers close to 100 per cent reduction of emissions in sulphur and particulate matter, an 80-85 per cent reduction of nitrogen oxides (NOx) and 20-25 per cent less CO2 emissions.

### **Company's Strategy**

Bharati Shipyard has already made a foray into this market and is one of the **world's first ship manufacturers** to do so. It has entered into a contract for construction and sale of 2 LNG propelled vessels to a Company based in Norway. Norway has taken the lead developing "LNG as fuel" concept for shipping. It has already taken a leading position in the use of LNG as a fuel, such as on ferries and supply ships.

#### *iv. Defense*

The Indian Navy's share of the total defense expenditure is on the rise and has reached a significant budgeted 20% in FY 15. With the Ministry of Defense's emphasis on indigenization, Public sector shipyards are facing severe capacity constraints, enabling private shipyards an opportunity to participate in the defense segment via JVs.

### **Company's Strategy:**

The Company intends to make the most out of this opportunity. The capital requirements of the Navy are too large to be catered alone by the public sector shipyards. The focus is shifting towards actively involving even the private shipyards which have the necessary manpower and state of the art infrastructure in place and more importantly, the desire to explore the untapped sector of Defense

## **2. Outlook**

Global shipbuilding industry has been going through a downturn since 2009. The downturn has been more severe in the commercial shipbuilding industry where fixed asset investments and growth in global trade drives demand.

Strength in selective segments such as LNG and offshore should, however, continue to support order flows. Sustained recovery may take little longer.

The Bharati Shipyard Limited ("company") has approached Corporate Debt Restructuring (CDR) cell through State Bank of India (SBI) Lead Banker of the consortium for the restructuring of its debts under CDR scheme in December 2011.

As per approved Scheme under CDR, Many Banks have not released the facilities, though Promoters have infused funds towards promoter's contribution as required in the CDR package Due to various technical and operational reasons the scheme could not go through and package could not be implemented. The Banks have entered into new proposal to revive the Company and opted for Stand by Letter of Credit (SBLC) and Advance payment Guarantee (APG) scheme , under which 10 Banks has given Sanction, which was also not released to the Company upto March 2014, because of which the Company Account has become Non Performing Account (NPA) in some of the Banks by June 2014, out of 23 Banks ,11 Banks have sold and assign their 60% of total debts / loans to Edelweiss Assets Reconstruction Company Limited (EARC) Mumbai. Currently we have 13 Banks / Financials Institutes Including EARC in our Debt.

Presently we have exited on 20<sup>th</sup> August, 2014 from CDR System on account of failure of approved package. Day to day the financials management of the Company is being managed under the guidance of EARC.

### **3. Opportunities**

The global downturn in the Shipping and Shipbuilding industry and the recession in Europe has made all the Shipyards relook and improvise the business strategies and operational methods making them more cost effective and innovative. They are exploring the market for untapped client base as well as resources. The positive results of such actions will be an add-on incentive once the market has revived.

#### **Government Initiatives and Policies:**

The Government has set a target of 5% for the nation's share in the international market from the present 1%. It has been supportive about the concept of strengthening the shipping and shipbuilding industry and there are discussions of a Comprehensive policy for the industry, which would extend beyond the existing concept of New Subsidy Scheme. The Shipyards of the country possess the calibre. Such kind of support will have far reaching benefits. Besides, with certain regulations being outlined by the International Maritime Organization and other such organizations with regards to anti-pollution norms and other features of the vessels being regulated, there is a demand or rather need for technologically advanced vessels meeting the stipulated standards.

### **4. Risks and concerns**

#### **i. Risk related to the Ship Building Industry:**

As a ship building company having a global customer base, we are subject to the industry's business cycles, the timing, duration and volatility of which are difficult to predict. The ship building industry has historically been cyclical. Our revenues from vessel construction depend upon the level of capital expenditures by Exploration and Production (E&P) players. These capital expenditures depend upon a range of competitive and market factors, including:

- the current and anticipated market demand for oil;
- production costs;
- changes in vessel inventory levels;
- general economic conditions; and
- access to capital.

Reductions or delays in capital expenditure by our customers in the E&P sector could have a material adverse effect on our business, financial condition and results of operations.

#### **ii. Subsidy Support:**

The Government of India had come up with subsidy scheme for Indian Shipbuilding Industry for all orders received before August 2007 subject to certain conditions. Subsidies are provided as relief from all taxes paid by the Indian shipbuilders as they face a cost disadvantage vis- a- vis other shipbuilding nations. Now as above scheme has already reached its sunset point all Indian Shipbuilding players are poised against highly competitive Global Market. If a new subsidy is not introduced, it will be very difficult for Indian Shipbuilding Industry to survive in Global Shipbuilding Market. The introduction of new subsidy scheme is under active consideration of Government of India.

#### **iii. Input Prices:**

The Indian shipbuilders are at a disadvantage to their competitors when it comes to the prices of the inputs like steel, etc.

#### **iv. Vulnerability due to certain concentrations:**

The Company relies on outside vendors to supply the components and subassemblies used for vessel construction, each of which is obtained from a sole supplier or a limited number of suppliers. This

involves several risks, including a potential inability to obtain an adequate supply of required components and reduced control over pricing and timely delivery of these equipments and components.

**v. Foreign Exchange Risk:**

The Company has been export oriented since long and the contracts entered into by the Company with its Customers are also in foreign currencies. Similarly, a significant costs and expenses of the Company are in foreign currency. Fluctuations in exchange rates may affect company's earnings and outgo.

**Under-developed ancillary industries:**

The shipbuilding sector in China and South Korea has received government fiscal and policy support, enabling them to develop scale as well as a cluster of ancillaries. These advantages of scale are not available to Indian shipbuilding industry, which imports most of its input materials and is therefore unable to leverage advantages offered by bulk purchases and Just in Time supplies. As a result there are significant cost disadvantages on account of import dependence.

**vi. Stagnant orders inflows:**

Due to global economic downturn the shipbuilding industry as whole has been affected by lesser number of incremental orders. This could also affect the growth prospects of the company. However, Indian shipbuilding has an edge because of increase in Defense orders.

**5. Internal control systems and their adequacy**

The company has designed its internal control system specially and specifically to ensure reasonable assurance so as to provide reliable financial and operational information. The Internal Control System ensures the safeguarding of the assets from unauthorized use or losses, applicable statues, corporate policies, and also ensuring that the transactions are executed with proper authorization. The company takes special care to place adequate internal control procedures commensurate with its nature of operations and size.

**6. Financial Overview**

**i. Turnover**

During the year, turnover has reduced to Rs. 2,912.28 Lakhs in comparison to the previous year of Rs. 17,856.46 lakhs. The decrease in the top line is attributable to inadequate working capital to support the essential level of operation.

**ii. Subsidy**

Till the previous fiscal year, the Company has booked the entire subsidy income that it is eligible to receive. Hence, during the year under consideration, the company has booked NIL subsidy income.

**iii. Expenditure**

**a. Raw Material Consumed**

The Raw Material consumed has decreased from Rs 16,599.16Lakhs to Rs.4,237.01 Lakhs in line with the decrease in turnover. Raw Material cost has increased due to change in the types of vessels under construction during the year.

**b. Manufacturing and Other Expenses**

The Manufacturing and Other expenses have reduced from Rs. 11,482.66 Lakhs at the end of previous year to Rs.7, 078.37 Lakhs at the end of current year. The manufacturing and other expenses mainly consists of Design & Consultancy Fees, Equipment Hire Charges,



Launching/Survey/Testing Charges, Clearing & Forwarding Expense, Transportation Charges, and Commission & Brokerage etc.

**c. Employee Cost**

Employee Cost has reduced to Rs.4323.12 Lakhs in the current year in comparison to Rs. 9,551.76 Lakhs during the last year. This decrease is mainly due to decrease in turnover and slow down on level of activity at various yards due to financial crisis.

**d. Bank & Finance Charges**

Bank & Finance Charges have decreased to Rs.29, 480.50 Lakhs in the current year, from Rs.51, 184.26Lakhs in previous year. The Bank and Finance Charges comprise of interest on various term loans, Working Capital Facilities, Bank Guarantee Charges and L/C Charges as well as financial impact of foreign currency transactions & translation.

**e. Depreciation**

Depreciation has increased from Rs. 4,939.92 Lakhs in last year to Rs.6, 227.02 Lakhs in current year. Pursuant to Companies Act, 2013, becoming effective 1st April, 2014, the company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Part C of Schedule II of Act, 2013. As a result, the charge of depreciation for the year is higher by Rs. 1574.74 lakhs.

**iv. EBIDTA**

The EBIDTA stands at a negative Rs. 11,766.38 Lakhs compared to Rs. 18,918.74 Lakhs in previous year.

**v. Profits/losses**

The net loss for the year is Rs.86, 458.24 Lakhs as compared to Rs. 84,273.43 Lakhs in the previous year. PAT has dipped on a y-o-y basis due to reduction in level of operation during the current period.

**vi. Long Term and Short Term Borrowings:**

Total Long Term and Short Term Borrowings have increased by Rs. 64,101.73Lakhs mainly due to additional facilities availed in the form of conversion of Non Fund Based facilities into Fund Based facilities and conversion of Interest payable into a Funded Interest Term Loan facility pursuant to the Corporate Debt Restructuring.

**vii. Fixed Assets and Capital Work in Progress**

Total Net Fixed Assets and Capital work in Progress have decreased from Rs.1, 14,999.62 Lakhs to 108,396.96 Lakhs due to lower Greenfield capex.

**viii. Long Term Loans & Advances**

Long Term Loans & advances have decreased from Rs. 1, 03732.92 Lakhs as on 31st March 2013 to Rs. 103,849.76 Lakhs for the year under consideration. For the year under report, these comprise of advances given to subsidiaries/associates, advances given for subcontracts and advances given to suppliers.

**ix. Inventories**

As on 31st March 2015, the company has inventories of Rs.3, 67,161.58 Lakhs in comparison to Rs. 4, and 24,186.9 Lakhs as on 31st March, 2014. The decrease in inventory is mainly due to the decrease in Net Work in Progress. Based on the valuation report of an Independent Chartered Engineer, company has written off excess value of Work in Progress ("WIP") as on 31st March 2015 amounting to Rs. 54,177 lakhs . The reduction in value of WIP is mainly on account of Price variation, Provision for Liquidation damages and redoing/ replacement cost and other factors.

**x. Trade Receivables**

Trade receivables of the Company have increased by Rs. 2,883.34 Lakhs (from Rs. 75, 640.65 Lakhs to Rs.78, and 523.99 Lakhs) during the year mainly due to receipt of subsidy from the Government of India (Ministry of Shipping).

**7. Material developments in Human Resources / Industrial Relations front, including number of people employed**

The Company has laid down HR Policies for its employees. The association between the management and employees is very convivial. The Company believes in Good health, safety and welfare of its employees. The Company has been implementing various HR initiatives to enhance the effectiveness of its employees.

**CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/supply and price conditions in domestic and overseas markets in which the Company operates, changes in the Government regulations , tax laws and other statutes and incidental factors.

**ANNEXURE - 'D'-Form No. MGT-9****EXTRACT OF ANNUAL RETURN as on the financial year ended on 31<sup>ST</sup> March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 2(1) of the Companies (Management and Administration) Rules, 2014]

**1. REGISTRATION AND OTHER DETAILS:**

1.	CIN:-	L61100MH1976PLC019092
2.	Registration Date	22/06/1976
3.	Name of the Company	BHARATI SHIPYARD LIMITED
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	302, 3 <sup>rd</sup> Floor, Wakefield House, Sprott Road Ballard Estate, Mumbai-400001
6.	Whether listed company Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Pvt Ltd, C-13, pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai-40078

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr.No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Manufacturing of Ships, Non Propelled Vessels, Cranes, Rigs, off shore structures, ship repairing and related activities	3511	100%
2.	Windmill	4010	

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

-

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1.	Advitiya Urja Pvt. Ltd.	U40104MH2008PTC183572	Subsidiary Company	100	2(87)(i)
2.	Dhanshree Properties Pvt. Ltd.	U45200MH2007PTC169252	Subsidiary Company	100	2(87)(i)

3	Natural Power Ventures Pvt. Ltd.	U40105MH2008PTC183570	Subsidiary Company	100	2(87)(i)
4	Nirupam Energy Projects Pvt. Ltd.	U40108MH2007PTC176682	Subsidiary Company	100	2(87)(i)
5	Nishita Mercantile Pvt. Ltd.	U51900MH2008PTC187444	Subsidiary Company	100	2(87)(i)
6	Pinky Shipyard Pvt. Ltd.	U35111GA1991PTC001139	Subsidiary Company	51	2(87)(i)
7	Premila Mercantile Pvt. Ltd.	U51900MH2008PTC186264	Subsidiary Company	100	2(87)(i)
8	Vishudh Urja Pvt. Ltd.	U40104MH2008PTC183571	Subsidiary Company	100	2(87)(i)
9	Tebma Shipyard Limited	L27209TN1984PLC010994	Subsidiary Company	53.79	2(87)(i)
10	GOL Offshore Limited	L11200MH2005PLC154793	Associate Company	49.73	2(6)
11	Bengal Shipyard Limited	U3111WB2007PLC116261	Joint Venture	45.01	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoter</b>									
(1) India									
g) Individual/HUF	11448064	00	11448064	22.75	11448064	00	11448064	22.75	00
h) Central Govt									
i) State Govt(s)									
j) Bodies Corp.	21489909	00	21489909	42.71	21489909	00	21489909	42.71	00
k) Banks/FI									
i) Any Other...									
<b>Sub Total (A)(1):-</b>	<b>32937973</b>	<b>00</b>	<b>32937973</b>	<b>65.46</b>	<b>32937973</b>	<b>00</b>	<b>32937973</b>	<b>65.46</b>	<b>00</b>
(2) Foreign									
a) NRIs-Individuals	540965	00	540965	1.08	605385	00	605385	1.20	.12

b)Other-Individuals	68062	00	68062	0.14	93925	00	93925	0.18	.04
c) Bodies Corp	00	00	00	00	00	00	00	00	00
d) Banks/FI	3325026	00	3325026	6.61	3324026	00	3324026	6.60	.01
e) Any Other FII...	8185	00	8185	0.12	8185	00	8185	0.12	
<b>Sub Total (A)(2):-</b>	<b>3942238</b>	<b>00</b>	<b>3942238</b>	<b>7.95</b>	<b>4031521</b>	<b>00</b>	<b>4031521</b>	<b>8.10</b>	
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>36969494</b>	<b>00</b>	<b>36969494</b>	<b>73.41</b>	<b>36969494</b>	<b>00</b>	<b>36969494</b>	<b>73.56</b>	
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a)Mutual Funds									
b)Banks/FI									
c)Central Govt									
d)State Govts									
e)Venture Capital Funds									
f)Insurance Companies									
g)FIIs	8000	00	8000	0.01	8000	00	8000	0.01	0
h)Foreign Venture Capital Funds									
i)Others(Specific)trust	3613	00	3613	0.002	1113	00	1113	0.002	0
Sub-Total (B)(1):-	11613	00	11613	0.01	9113	00	9113	0.01	0
<b>2.Non-Institutions</b>									
a)Bodies Corp	2035896	00	2035896	4.05	1887006	00	1887006	3.73	(.32)
i)Indian									
ii)Overseas									
b)Individuals									
i)Individual shareholders holding nominal share capital upto Rs.1 lakh	9409732	00	9409732	18.70	9314995	00	9314995	18.50	(.20)

ii)Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1736003	00	1736003	3.40	1963055	00	1963055	3.90	..50
c)Others(specify)	233672	00	233672	0.43	155279	00	155279	0.30	(.13
Sub-Total (B)(2):-	13320335	00	13320335	26.58	13320335	00	13320335	26.44	
Total Public Shareholding (B)=(B)(1)+(B)(2)	13329448	00	13329448	26.59	13329448	00	13329448	26.49	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	50298942	00	50298942	100.00	50298942	00	50298942	100.0	

**(ii) Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Vijay Kumar	5724556	11.38		5724556	11.38		
2	P C Kapoor	5723508	11.38		5723508	11.38		
3	Bharati Infratech P L	00	00		16097360	5.72		
4	Bharati Shipping P L	00	00		2878731	4.35		
5	Bharati Maritime P L	00	00		2185878	0.65		
6	Harsha P L	00	00		327940			
	Total	11448064			32937973			

**(iii) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	21489909	10.72	21489909	10.72
	Date wise Increase /	0	0	0	0

	Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :				
	At the End of the year	21489909	10.72	21489909	10.72

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

SR. NO.	NAME OF SHAREHOLDER	As at 31-03-2015		As at 31-03-2014	
		TOTAL HOLDING	PERCENTAGE	TOTAL HOLDING	PERCENTAGE
1	LIFE INSURANCE CORPORATION OF INDIA	1307042	2.5985	2633216	5.23
2	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	675328	1.3426	675328	1.75
3	UNITED INDIA INSURANCE CO. LTD.	383104	0.7617	383104	0.76
4	MADHU KAPOOR	337342	0.6707	337342	0.67
5	LIC OF INDIA MARKET PLUS GROWTH FUND	321586	0.6393	321586	0.83
6	KOTAK MAHINDRA INVESTMENTS LTD.	263294	0.5235	235233	0.46
7	ASHRAF GEETA KUMAR	189435	0.3766	189435	0.37
8	LIC OF INDIA PROFIT PLUS GROWTH FUND	185633	0.3691	185633	0.48
9	GENERAL INSURANCE CORPORATION OF INDIA	157706	0.3135	157706	0.31
10	THE ORIENTAL INSURANCE CO. LTD.	150000	0.2982	150000	0.29

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr.No	Directors	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr P C Kapoor	5723508	11.38	5723508	11.38
2	Mr Vijay Kumar	5724556	11.38	5724556	11.38

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	397,158.16	40.15	0	397,148.13
iii) Interest accrued but not due	24,941.97	0	0	24,941.97
	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>422100.13</b>	<b>40.15</b>	<b>0</b>	<b>422140.10</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	128,423.73	305.15		128,728.88
• Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	496,548.69	345.30	0	496893.99
iii) Interest accrued but not due	53,975.19	0	0	53,975.19
<b>Total (i+ii+iii)</b>	<b>550,523.88</b>	<b>345.30</b>	<b>00</b>	<b>550,869.18</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sr.no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		MD	---	---	----	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	48,00,000/-				48,00,000/-
2.	Stock Option	00	00	00	00	00
3.	Sweat Equity	00	00	00	00	00
4.	Commission - as % of profit - others, specify	00	00	00	00	00
5.	Others, please specify	00	00	00	00	00
	Total (A)	48,00,000/-				48,00,000/-
	Ceiling as per the Act					



B. Remuneration to other directors:

SI.no.	Particulars of Remuneration	Name of Directors		Total Amount
		V Chandrasekaran	R Muralidharan	
	3. Independent Directors	I	I	
	• Fee for attending board committee meetings	1.40	1.40	2.80
	• Commission	--	--	--
	• Others, please specify	--	--	--
	Total (1)	1.40	1.40	2.80
	4. Other Non-Executive Directors	--	--	--
	• Fee for attending board committee meetings	--	--	--
	• Commission	--	--	--
	• Others, please specify	--	--	--
	Total (2)	--	--	--
	Total (B) = (1+2)	1.40	1.40	2.80
	Total Managerial Remuneration	1.40	1.40	2.80

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr.no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	President(Finance) & Company Secretary	CFO	Total
1.	Gross salary	45,84,000/-	19,89,600/-	--	65,73,600/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-			-
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961				
	(C) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit				
	- others, specify...				
5.	Others, please specify	--	--	--	--
	Total	45,84,000/-	19,89,600/-		65,73,600/-
		-			-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	No.	No.	No.	No.	No.
Punishment					

Compounding					
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors,  
**BHARATI SHIPYARD LIMITED**

We hereby certify that for the financial year ending 31<sup>st</sup> March, 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. 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 violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during the year;
  - b. There have been no significant changes in accounting policies during the year.
  - c. There have been no instances of significant fraud of which we are 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.

**FOR BHARATI SHIPYARD LIMITED**

**FOR BHARATI SHIPYARD LIMITED**

(P.C. Kapoor)  
**Managing Director**

(Vijay Kumar)  
**Managing Director**

**Date:** 30th May, 2015

**Place:** Mumbai.

**CORPORATE GOVERNANCE CERTIFICATE UNDER CLAUSE 49 OF LISTING AGREEMENT**

**TO  
THE MEMBERS OF  
BHARATI SHIPYARD LIMITED**

We have examined the compliance of conditions of Corporate Governance by Bharati Shipyard Limited (“the Company”) for the year ended on March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the relevant stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned the Listing Agreement.

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

**FOR N.AMBAWAT & ASSOCIATES  
COMPANY SECRETARIES**

**REKHA N.AMBAVAT  
PROPRIETOR  
C.P.NO:3217**

**PLACE: MUMBAI  
DATE: 30.05.2015**

**SECRETARIAL AUDIT REPORT (MR-3)**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

M/s. Bharati Shipyard Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bharati Shipyard Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that, the company has, during the financial year commencing from 1st April, 2014 and ended 31st March, 2015, has delayed in filing quarterly results and shareholding patterns for 3 quarters June, 2014, September, 2014 and March 2014 under clause 41 and 35 of the listing agreement and complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records (as informed to us, Company has maintained Statutory Register but no records were produced for inspection) maintained by M/s. Bharati Shipyard Limited ("The Company") for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI);
- v. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulation, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the Company during the audit period)
- (ii) The Listing Agreements entered into by the company with the Stock Exchanges in India which we found that the company has contravened the provisions of clauses 41 and 35 of the listing agreement. Accordingly the BSE and NSE has levied rupees 70 lacs penalty for the non compliance and subsequently the company's shares have been suspended from the trading since 25/02/2015. That the non-compliance was rectified by the Company later on but the amount of fine is still unpaid.
- (iii) To the best of our understanding, we are of the view that during the period under review, the company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above.

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. Maharashtra Stamp Act, 1958;
- b. Sick Industrial Companies (Special provisions) Act, 1985 ;
- c. Factories Act, 1948;
- d. Industrial Development & Regulation Act, 1951;
- e. Minimum Wages Act, 1948;
- f. The Air (Prevention & Control of Pollution) Act, 1981;
- g. The Water (Prevention & Control of Pollution) Act, 1974;

The Company is engaged in the business activities of off-shore vessels, structures also been in manufacturing of various products of defense forces including Indian Navy, Indian Cost Guard. The name of the Company should therefore reflect the object of the Company, hence company has obtained approval from Registrar of Companies, Maharashtra, Mumbai to change the name of the Company, (subject to approval from members) from "Bharati Shipyard Limited" to "Bharati Defense And Infrastructure Limited" and has obtained Industrial License from the Government of India, Ministry of Commerce & Industry, New Delhi on 19<sup>th</sup> January, 2015 vide Letter No. DIL: 2(2015).

The Company is in default of repayment of loans, and interest including invocation of some of the Bank guarantees and in some cases recovery proceedings / winding up petitions has been initiated, we understand from the Company that they have taken enough steps to defend the same.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review have duly complied with.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as Annexure - I and forms integral part of this report.

**FOR N. AMBAWAT & ASSOCIATES  
COMPANY SECRETARIES**

**REKHA N. AMBAWAT**

**PLACE: MUMBAI**

**PROPRIETOR**

**DATE: 30.05.2015**

**C.P. NO.: 3217**

**THIS REPORT IS TO BE READ WITH OUR LETTER OF EVEN DATE WHICH IS ANNEXED AS APPENDIX A AND FORMS AN INTERGRAL PART OF THIS REPORT.**

**APPENDIX A**

**(TO THE SECRETARIAL AUDIT REPORT OF BHARATI SHIPYARD LIMITED FOR YEAR  
ENDED MARCH 31, 2015)**

To,  
The Members,  
M/s. Bharati Shipyard Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**FOR N. AMBAWAT & ASSOCIATES  
COMPANY SECRETARIES**

**REKHA N. AMBAWAT**

**PLACE: MUMBAI  
PROPRIETOR  
DATE: 30.05.2015**

**C.P. NO.: 3217**



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Bharati Shipyard Limited**

#### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of **Bharati Shipyards Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Financial Statements.

### **Basis for Qualified Opinion**

- a) The Company has as on 31<sup>st</sup> March 2015, recognized deferred tax asset (net) of Rs. 29,998 Lakhs in the financial Statement on its carried forward Accumulated Losses (including unabsorbed depreciation), interest expenses (including Funded Interest Term Loan (FITL)), Disallowance of Expenses, Gratuity and Leave Encashment. The principles of Accounting Standard- 22 notified in this regard clearly states that deferred tax assets should be recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In our opinion, considering the huge accumulated losses and the present scenario of the Company's business, there is no certainty that the company would have sufficient future taxable income to justify the creation of Deferred Tax Asset. Had the Deferred tax asset not been created, the net the loss for the year ended 31<sup>st</sup> March 2015 would have been higher by Rs. 29,998 Lakhs and the accumulated losses as at that date would have been higher by the same amount. Refer Note No. 31 forming part of the Financial Statements.
- b) The company has issued refund bank guarantees to customers against various advance stage payments received by the Company. Several of these customers had invoked the Bank Guarantees and the Banks have made payment aggregating to Rs. 96,632.71 Lakhs on account of refund bank guarantee invoked by the customers, along with Interest of Rs. 30,245.42 Lakhs and foreign exchange variation of Rs. 32,843.42 Lakhs upto 31<sup>st</sup> March 2015 and has charged further interest of Rs. 9,027 lakhs on such invoked refund bank guarantee payments upto 31<sup>st</sup> March 2015. The Company is of the opinion that payments under the refund bank guarantee are made by banks without following due process of law. The Company has also filed a suit before the Hon'ble City civil court, Mumbai against the lending banks for payment of such invoked refund bank guarantees and the same is pending for disposal. Hence the Company has not made any provision in its Financial Statements for the year ended 31<sup>st</sup> March 2015 in respect of any of the above payments made by the banks. In view of the pending litigation and the uncertainty of outcome of such pending litigation, we are unable to quantify its possible effect that may arise upon settlement of such litigation on the Financial Statement for the year ended 31<sup>st</sup> March 2015. Refer Note No. 32 forming part of the Financial Statements.

- c) The Company had recognized for subsidy under Ship Building Subsidy Scheme in earlier years, of which subsidy of Rs.64,792.77 Lakhs is outstanding as on 31<sup>st</sup> March 2015. The receipt of aforesaid Subsidy is dependent upon completion of vessels and compliance with other terms and conditions of the Shipbuilding Subsidy Scheme of the Government of India. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with AS-29, Provisions, Contingent liabilities and Contingent assets. In view of the uncertainty involved with respect to generation of future cash flow as required for completion of vessels, we are unable to comment on the recoverability or otherwise of the aforementioned Subsidy receivable amounting to Rs. 64,792.77 Lakhs. Therefore, the possible impact of the same on the Financial Statement for the year ended 31st March 2015 cannot be ascertained. Refer Note No. 33 forming part of the Financial Statements.
- d) The Company had been referred to CDR Cell on 16<sup>th</sup> December, 2011, and the financing arrangements under the scheme have been partly implemented. The said CDR scheme has been subsequently revoked by CDR EG being monitoring institutions vide its letter dated 21st August 2014. Some of the lenders including Lead Bankers have transferred their right, title, securities and interest in financial assistances to Edelweiss Asset Reconstruction Company Limited (EARC). EARC is also proposing to come up with various stage wise restructuring plans for debts including reference made to BIFR on 10th April, 2015 to curtail the financial burden of the business cash flows in addition to business operation and management. We draw attention to Note no. 30 of the Financial Statement which indicates that the Company has continuously been incurring substantial losses since past few years and Company has also incurred a net loss of Rs 86,458.24 Lakhs for the year ended 31st March 2015. As of this date, the Company's total liabilities exceed its total assets by Rs 106,878.36 Lakhs and its net worth has been fully eroded.

The appropriateness of the going concern basis is interalia dependent upon company's successful financial restructuring including raising requisite finance for its revival and consequent generation of future cash flow to meet its obligations. In our opinion, these conditions along with other matters indicate the existence of material uncertainty that may cast doubt about the Company's ability to continue as going concern.

- e) The Company had given loans and advances of Rs. 91,048.18 Lakhs to its subsidiaries, which in turn holds investment in GOL Offshore Ltd (GOL). As per the Audited Financial Result of GOL as on 31st March 2015, there are continuing defaults in repayment of loans including invocation of some of the corporate guarantees and in some cases recovery proceedings have been initiated. In the opinion of the management, Investment in GOL being strategic and long term in nature and the diminution in the value of investment is temporary and the loans and advances given are recoverable and no provisioning is required against the same. We are unable to comment on the recoverability of the Loans and Advances and ascertain its possible impact, if any, on

the Financial Statements for the year ended 31st March 2015. Refer Note No. 34 (a) forming part of the Financial Statements.

- f) The Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary for investment in Tebma Shipyard Limited (TSL). TSL has been incurring cash losses and its net worth has substantially eroded and its cash flows are under stress. In the opinion of the management, the investment is strategic and long term in nature and the diminution in value of Investment is temporary and the loans and advances given are recoverable and no provisioning is required against the same. We are unable to comment on the recoverability of the Loans and Advances and ascertain its possible impact, if any, on the Financial Statements for the year ended 31st March 2015. Refer Note No.34 (b) forming part of the Financial Statements.
- g) The Company had made investment and given loans and advances amounting to Rs. 3,184.86 Lakhs in/to Bengal Shipyard Limited (Bengal). Bengal is yet to start its business operations due to pending approvals and problems associated with acquisition of land from Govt of West Bengal. In the opinion of the management, the investment is strategic and long term in nature and the diminution in value of Investment is temporary and the loans and advances given are recoverable and no provisioning is required against the same. We are unable to comment on the recoverability of the Loans and Advances and diminution in the value of the investments and ascertain its possible impact, if any, on the Financial Statement for the year ended 31st March 2015. Refer Note No. 34 (c) forming part of the Financial Statements.
- h) Confirmation / bank statements from some banks and Edelweiss Asset Reconstruction Company Limited (EARC) with respect to secured loans outstanding as on 31<sup>st</sup> March 2015 were not made available for verification. Hence the possible effect due to pending reconciliation with the books of accounts, if any, on Financial Statements for the year ended 31<sup>st</sup> March 2015 remains unascertained. Refer Note No. 35 forming part of the Financial Statements.
- i) Company has not provided for interest on secured loans including bank guarantee and other debt facility if any (funded as well as non funded) assigned to Edelweiss Asset Reconstruction Company Limited (EARC) and loans for which company has received any recall notice, from the date of assignment and / or receipt of recall notice from banks and NPA loan accounts for which it has not received call notice or any statement from lenders. In absence of relevant details and information with respect to computation of un-provided interest liability, we are unable to quantify its possible effect on the Financial Statement for the year ended 31st March 2015. Refer Note No. 35 forming part of the Financial Statements.
- j) In absence of relevant documents / confirmations from banks, we are unable to comment on current status of Margin deposit with banks and Bank Guarantee as disclosed in contingent liability. Refer Note No. 36 forming part of the Financial Statements.

- k) Due to pending reconciliation and confirmation of Trade Receivables, Loan and Advances, Trade Payables and Other Liabilities, we are unable to comment upon its possible effect on the Financial Statement for the year ended 31st March 2015. Refer Note No. 38 forming part of the Financial Statements.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects **of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the following matter in the notes to the Financial Statements:

- i) Based on the valuation report of an Independent Chartered Engineer company has written off excess value of Work in Progress ("WIP") as on 31<sup>st</sup> March 2015 amounting to Rs. 54,177.02 Lakhs and charged excess value of WIP to statement of profit and loss as "Exception items". Refer Note No. 39 (a) forming part of the Financial Statements.
- ii) The Company is in the process of obtaining legal opinion with respect to disclosure and accounting treatment of unappropriated amount lying in share application money post expiry of last appointed date for exercise of option for conversion of share warrants and upon revocation of CDR scheme. Refer Note No. 29.1 forming part of the Financial Statements.
- iii) Internal control system in relation to timely and proper recording of the revenue and expenses transaction needs to be strengthened. Refer Note No. 37 forming part of the Financial Statements.

Our opinion is not qualified in respect of the above matters.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India (Ministry of Corporate Affairs) in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and except for the matter described in the Basis for Qualified Opinion and Emphasis of matters paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. Except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Company has no branch offices whose accounts are audited by branch auditors, hence requirement of clause c of section 143(3) of the act is not applicable.
  - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - e. Except for the effects/possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - g. Based on the legal opinion obtained by the management on disqualification of directors and written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - h. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note No. 28 forming part of the Financial Statements on Contingent Liabilities;
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There is a delay of 19 days in transferring amount of Rs. 0.61 Lakhs as required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Damania and Varaiya.**

Firm's Registration Number: 102079W  
Chartered Accountants

**CA. Bharat Jain**

Partner

Membership No.100583

Place: Mumbai

Date: 30<sup>th</sup> May 2015.

## **Annexure to the Auditors' Report**

### **Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

i

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- b. According to information and explanation given to us, physical verification of a major portion of fixed assets including capital work in progress was conducted by an independent valuation agency as at the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.

ii

- a. As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management and the physical verification of the vessels under construction was conducted by an independent valuation agency as at the year end.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory and vessels under construction, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventories and vessels under construction and the discrepancies noticed on such physical verification between physical stock and the book records have been properly dealt with in the books of account.

iii

- a. As per the records of the company, it has granted interest free unsecured loans to parties covered in the register maintained Under Section 189 of the Companies Act, 2013.
- b. According to the information and explanation given to us, there is no stipulation as to the repayment of the above loans and the same are repayable on demand.
- c. As there is no stipulation as to the repayment of the loans given, question of any overdue amount exceeding Rs. One lakh does not arise.



- iv In our opinion and according to the information and explanations given to us, an internal control system is required to be strengthened to make it commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- v According to the information and explanations given to us, the Company has not accepted any deposit from public as governed by provisions of section 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, hence provision of clause (v) of the order is not applicable.
- vi On the basis of records produced before us, we are of the opinion that prima facie, the cost records prescribed by the Central Government of India under section 148(1) of the Companies Act 2013 have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii
  - a. According to the records of the company, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Duty of customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed statutory dues as referred to above as at 31st March, 2015 for a period more than six months from the date they become payable except as detailed in Annexure I to this report.
  - b. According to the records of the company and information and explanation given to us, the dues in respect of Income tax, Service tax, Duty of Excise and Duty of Custom that have not been deposited on account of pending disputes with appropriate authorities are as detailed in Annexure II to this report.
  - c. According to the information and explanation given to us, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been so transferred. However there is a delay of 19 days in transferring amount of Rs. 0.61 Lakhs.
- viii The accumulated losses of the Company at the end of the financial year exceed fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.

- ix According to the information and explanation given to us, the Company has defaulted in repayment of dues to a financial institution, banks and debenture holders as detailed in Annexure III to this report.
- x According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from Banks or Financial Institutions; hence provision of clause (x) of the order is not applicable.
- xi According to the information and explanation given to us, the company has not obtained any term loans; hence provision of clause (xi) of the order is not applicable.
- xii Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For Damania and Varaiya.**

Firm's Registration Number: 102079W

Chartered Accountants

**CA. Bharat Jain**

Partner

Membership No.100583

Place: Mumbai

Date: 30<sup>th</sup> May 2015.

## Annexure I to CARO Report

Details of Undisputed Statutory Dues outstanding for a period more than six months from the date they become due for payment.

Name of the Statute	Nature of the Dues	Financial Year to which matters Pertains	Amount (Rs. in Lakhs)
The Income Tax Act, 1961	Income Tax	2008-2009	928.07
The Income Tax Act, 1961	TDS	2011-2012	2.69
The Income Tax Act, 1961	TDS	2012-2013	5.56
The Income Tax Act, 1961	TDS	2013-2014	300.49
The Income Tax Act, 1961	TDS	2014-2015	50.99
The Income Tax Act, 1961	TCS	2014-2015	2.35
The Wealth Tax Act, 1957	Wealth Tax	2003-2004	0.15
The EPF and MP Act, 1952	Provident Fund	2013-2014	232.84
The EPF and MP Act, 1952	Provident Fund	2014-2015	92.79
Professional Tax Act, 1975	Professional Tax	2013-2014	0.30
Professional Tax Act, 1975	Professional Tax	2014-2015	9.36
The Customs Act, 1962	Custom Duty	2009-2010	115.01
The Customs Act, 1962	Custom Duty	2010-2011	91.86
The Goa Value Added Tax Act, 2005	VAT	2014-2015	1.78
The West Bengal Value Added Tax Act, 2003	VAT	2014-2015	22.54
Central Sales Tax Act, 1956	CST	2014-2015	0.07

## Annexure II to CARO Report

Details of statutory dues that have not been deposited on account of pending disputes with appropriate authorities..

Name of the Statute	Nature of the dues	Financial Year to which the matter Pertains	Amount (Rs in Lakhs)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2003-2004	0.15	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2005-2006	0.04	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2007-2008	668.19	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2008-2009	496.47	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2009-2010	451.12	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2010-2011	373.98	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2011-2012	2.27	Appeal pending before CIT(A)
The Finance Act, 2004 and Service Tax Rules	Service Tax	2008-2009 to 2012-2013	2558.04	Dy. Commissioner
The Customs Act, 1962	Custom Duty	2008-2009	81.84	Director General of Central Excise Intelligence
The Customs Act, 1962	Custom Duty	2011-2012	4978.56	Commissioner of Customs
The Central Excise Act, 1944	Excise Duty	2011-2012	1354.04	Commissioner of Central Excise (LTU)

## Annexure III to CARO Report

### Details of default in repayment of dues to financial institution, banks and debenture holders:

(1) The company has made continuous default in repayment of its banks loans, Compulsory Convertible Debentures and interest due thereon from date of revocation of CDR scheme i.e. 21<sup>st</sup> August, 2014 till the balance sheet date. Upon revocation of CDR scheme, in absence of requisite information from EARC and other banks covered under CDR scheme with respect to terms of repayment, the information in respect of amount and period of delays for default in repayment of Loan and interest cannot be ascertained and hence said information were not furnished in this report.

(2) Details of default in repayment of Loans including interest and other dues, other than those referred above as follows:

(Rs. In Lakhs)

Particulars	No of Months	Amount
Banks	1 – 12 Months	4,366.77
	12-24 Months	11,263.91
Financial Institution	1 – 12 Months	888.45
	12-24 Months	4,528.77
Debentures	1 – 12 Months	4,021.50
	12-27 Months	4,372.20

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Rs. in Lakhs)

Particulars	Note No	As at 31 March,2015	As at 31 March,2014
<b>A. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	5,029.89	5,029.89
(b) Reserves and Surplus	4	(111,908.24)	(25,249.12)
(c) Money received against share warrants		-	4,194.31
<b>(2) Compulsory Convertible Debentures</b>		-	20,303.00
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	345.30	288,233.37
(c) Other Long term liabilities	6	244.88	-
(d) Long term provisions	7	280.95	255.76
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	63,667.43	128,294.60
(b) Trade payables	9	19,469.67	20,733.66
(c) Other current liabilities	10	748,222.18	322,254.44
(d) Short-term provisions	11	2,388.04	4,313.44
<b>TOTAL</b>		<b>727,740.10</b>	<b>768,363.36</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		84,927.90	90,959.58
(ii) Intangible assets		12.89	22.25
(iii) Capital work-in-progress		23,456.17	24,017.80
(b) Non-current investments	13	174.76	174.76
(c) Deferred tax assets (net)	14	29,998.00	16,280.81
(d) Long term loans and advances	15	103,849.76	103,732.92
<b>(2) Current assets</b>			
(a) Current investments	16	0.12	0.12
(b) Inventories	17	367,161.58	424,186.90
(c) Trade receivables	18	78,524.00	75,640.65
(d) Cash and bank balances	19	22,750.20	9,955.82
(e) Short-term loans and advances	20	16,884.71	18,363.46
(f) Other current assets	21	-	5,028.29
<b>TOTAL</b>		<b>727,740.10</b>	<b>768,363.36</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached hereto

**For M/s. Damania & Varaiya Co**

Firm Reg. No. 102079W

Chartered Accountants

**CA. Bharat Jain**

[Partner]

Membership No. 100583

**For and on behalf of the Board****P. C. Kapoor**

[Managing Director]

**Vijay Kumar**

[Managing Director]

**V.Gopalakrishnan**

President Finance and Company Secretary

Place: Mumbai

Date: 30th May, 2015

Place: Mumbai

Date: 30th May, 2015

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015</b>			
(Rs. in Lakhs)			
<b>Particulars</b>	<b>Note No</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
<b><u>INCOME</u></b>			
(a) Revenue from operations	22	3,872.12	19,968.57
(b) Other Income	23	500.65	1,586.09
<b>Total Revenue</b>		<b>4,372.78</b>	<b>21,554.66</b>
<b><u>EXPENSES:</u></b>			
(a) Cost of materials consumed	24	4,237.01	16,599.16
(b) Changes in work-in-progress		-	1,253.74
(c) Employee benefit expense	25	4,323.12	9,551.76
(d) Financial costs	26	29,480.50	51,184.26
(e) Depreciation and amortization expense	12	6,227.02	4,939.92
(f) Other expenses	27	7,078.37	11,482.66
<b>Total Expenses</b>		<b>51,346.03</b>	<b>95,011.49</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(46,973.25)</b>	<b>(73,456.83)</b>
<b>Less: Exceptional Items</b>	39	-	-
(i) Profit on sale of windmill operation		(481.54)	-
(ii) Loss on valuation of Work In Progress		54,177.02	-
(ii) Loss on impairment of Capital Work In Progress		-	29,127.30
<b>Profit / (Loss) before tax</b>		<b>(100,668.73)</b>	<b>(102,584.13)</b>
<b>Less: Tax expense</b>			
(a) Current tax		-	-
(b) Previous year tax		(493.31)	2,524.11
(c) Deferred tax		(13,717.19)	(20,834.82)
<b>Profit/(Loss) for the year</b>		<b>(86,458.24)</b>	<b>(84,273.43)</b>
<b>Earning per equity share:</b>			
(1) Basic (Face value Rs 10/- per share)		(171.89)	(189.15)
(2) Diluted (Face value Rs 10/- per share)		(171.89)	(189.15)

See accompanying notes forming part of the financial statements

As per our report of even date attached hereto

**For M/s. Damania & Varaiya Co**

*Firm Reg. No. 102079W*

Chartered Accountants

**CA. Bharat Jain**

[Partner]

Membership No. 100583

Place: Mumbai

Date: 30th May, 2015

**For and on behalf of the Board**

**P. C. Kapoor**

[Managing Director]

**Vijay Kumar**

[Managing Director]

**V.Gopalakrishnan**

**President Finance and Company Secretary**

Place: Mumbai

Date: 30th May, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Rs. in Lakhs)

Particulars		Year Ended March 31, 2015		Year Ended March 31, 2014	
<b>A. Cash flow from Operating Activities:</b>					
<b>Net Profit / (Loss) before taxation</b>			<b>(100,668.73)</b>		<b>(102,584.14)</b>
<b>Non-cash adjustment</b>					
Depreciation/amortisation	6,227.02			4,939.92	
Loss / (Profit) on Sale of Fixed Assets	(14.19)			-	
Prior Period Depreciation Reversal	-			(476.19)	
Unrealised foreign exchange loss	210.69			1,629.92	
<b>Exceptional Items</b>					
Loss on Impairment of Capital Work in Progress	-			29,127.30	
Loss on Valuation of Work in Progress	54,177.02			-	
Profit on sale of Windmill Operation	(481.54)			-	
Interest expense (Finance Cost)	29,480.50			51,184.26	
Interest income	(435.17)			(878.46)	
Dividend income	(0.03)		89,164.30	(0.03)	85,526.73
<b>Operating (Loss) before working capital changes</b>			<b>(11,504.43)</b>		<b>(17,057.42)</b>
<b>Adjustments for working capital changes</b>					
Payables	3,957.97			4,284.88	
Receivables	(12,971.14)			9,418.29	
Inventories	2,848.29		(6,164.87)	11,161.93	24,865.10
<b>Cash generated from / (used in) operations</b>			<b>(17,669.30)</b>		<b>7,807.68</b>
Direct taxes paid (net of refunds)			(1,438.23)		(529.10)
<b>Net cash flow from / (used in) operating activities (A)</b>			<b>(19,107.54)</b>		<b>7,278.58</b>
<b>B. Cash flow from Investing Activities:</b>					
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances		(76.76)		42.20	
Sale of Windmill (Discontinued Operation)		5,509.83		-	
Sale of other fixed assets		265.71		-	
Interest received		435.17		878.46	
Dividends received		0.03		0.03	
<b>Net cash flow from/(used in) investing activities (B)</b>			<b>6,133.98</b>		<b>920.69</b>
<b>C. Cash flow from Financing Activities</b>					
Share Capital		-		8,165.77	
Proceeds / (Repayment) from borrowings		14,765.50		14,078.81	
Interest paid (Finance Cost)		(447.28)		(28,058.71)	
<b>Net cash flow from/(used in) in financing activities (C)</b>			<b>14,318.22</b>		<b>(5,814.14)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>			<b>1,344.67</b>		<b>2,385.13</b>
Cash and cash equivalents at the beginning of the year			4,556.05		2,170.92
Cash and cash equivalents at the end of the year			5,900.72		4,556.05
<b>Components of cash and cash equivalents</b>					
<b>Cash on hand</b>		1.53		11.69	
<b>Balances with banks</b>					
In current accounts	5,899.19			4,544.36	
<b>Total cash and cash equivalents</b>			<b>5,900.72</b>		<b>4,556.05</b>

In terms of our Report attached  
For **Damania & Varaiya**  
Firm Regn no. 102079W  
Chartered Accountants

**CA. Bharat Jain**  
[Partner]  
Membership no. 100583

Place: Mumbai  
Date: May 30, 2015.

**For and on behalf of the Board**

**P. C. Kapoor**  
[Managing Director]

**Vijay Kumar**  
[Managing Director]

**V.Gopalakrishnan**  
**President Finance and Company Secretary**

Place: Mumbai  
Date: May 30, 2015.



**1 Corporate Information:**

Bharati Shipyard Limited is a listed public company incorporated on 22nd June, 1976. The company is primarily engaged in manufacturing of Ships, Non Propelled Vessels, Cranes, Rigs, off shore structures, ship repairing and related activities.

**2 Significant Accounting Policies****a. Basis of Preparation of financial statements:**

The financial statements are prepared under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts, on accrual basis of accounting, in accordance with the generally accepted accounting principles in India (Indian GAAP), on a going concern basis and in line with Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 which continues to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013.

The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lakhs.

**b Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future, the results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialised. Any changes in such estimates are recognized prospectively.

**Change in Accounting Estimates:-**

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 came into effect from April 1, 2014 which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from April 1, 2014, the Company has modified the useful lives of its tangible assets in line with the requirements of Schedule II of the Companies Act, 2013.

In respect of assets where the remaining useful life is Nil, the carrying amount as on 1<sup>st</sup> April, 2014 as determined by the management has been adjusted against the balances of retained earnings.

**c. Fixed Assets****i. Tangible Assets:**

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any and includes amounts added on revaluation if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the tangible assets to its present location and condition.

**ii. Intangible Assets:**

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the asset to its working condition for the intended use.

**iii. Assets held for Sale:**

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under the head Other Current Assets.

**d. Capital Work-in-progress:**

Capital work-in-progress includes the cost of tangible assets that are not yet ready for their intended use at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**e. Depreciation and Amortisation:**

- i. Depreciation on Tangible Assets has been provided on Straight – Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- ii. Depreciation on additions /deletions is calculated on pro-rata basis from /to the date of such additions / deletions.
- iii Leasehold land – Cost of leasehold land is amortised over lease period

**f. Impairment of Assets:**

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**g. Investments:**

Long-term investments are stated at cost less provision for other than temporary diminution in value. Current investments are stated at the lower of cost and fair value, determined by category of Investments.

**h. Inventories:**

- i. Inventories of Raw Material and Other Components, Stores and Spares have been valued at lower of cost determined on FIFO basis or net realisable value. Cost of Inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
- ii. Work in progress is valued at amount of work done as percentage of contract value duly certified by Chartered Engineer.

**i Employee Benefits****i. Short term benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, performance incentives, compensated absences etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service.

**ii. Post employment benefits****Defined contribution plans:**

The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

In addition, employees of the company are also covered under employees' State Insurance Scheme Act, 1948.

The Company's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The company has no further obligation under these plans beyond its monthly contributions.

**Defined benefit plans:**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets deducted.

The present value of any obligation under such defined benefit plan is determined based on actuarial valuation using the Project Unit Completion 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 is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when determined.

**iii. Compensated Absences:**

The company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation, carried out at the balance sheet date.

**j Revenue Recognition:**

- i. Revenue is recognised in accordance with 'AS-7 Accounting for Construction Contracts' notified by the Companies (Accounting Standards) Rules 2006 which continues to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013 on percentage completion basis by applying percentage of work completed to the total contract value duly certified.
- ii. Revenue from ship repair activity is recognised on the basis of job completion.
- iii. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- v. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**k Government Subsidy:**

Government Subsidy is recognised in the Statement of Profit and Loss in accordance with the related scheme and in the period in which it is accrued. The scheme drawn up in this regard by the Ministry of Shipping, India specifies that the subsidy due on vessels constructed by Private Shipyards such as the Company itself would be payable only upon completion and delivery of eligible vessels as defined by the scheme. However, since the Company follows accrual concept of accounting, the subsidy recognised in Statement of Profit and Loss also comprises of vessels under construction.

**l. 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 capitalised 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 Statement of Profit and Loss.

**m. Provision for Taxation**

i. Tax expense comprises of current tax and deferred tax.

**ii. Current Tax:**

Provision for current income-tax is made on the basis of estimated taxable income for the year, using the applicable tax rates and where the income is assessed by the tax authorities on the basis of such assessed income.

**iii. Deferred Tax:**

Deferred Tax during the year for timing difference is accounted using tax rates that have been enacted; the net difference arising there on is debited / credited to statement of profit and loss. In case of net difference giving rise to deferred tax assets, the same is recognised on the assumption that the company would be earning profits in the future.

iv. Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes the MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay the normal income tax during the specified period i.e., period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes the MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

□

**n. Foreign Currency transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Gains or Losses upon settlement of transaction during the year is recognized in the statement of profit and loss.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Gains or losses arising as a result of the above are recognized in the statement of profit and loss.

**o. Provision Contingent Liabilities and Contingent Assets:**

- i. The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- ii. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.
- iii. Where there is a possible or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
- iv. Contingent assets are neither recognised nor disclosed in the financial statements.

**p. Operating Leases:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in the Statement of Profit and Loss in accordance with respective lease agreements.

**q. Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) attributable to the shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**r. Segment Reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on cost.

Segment revenue, Segment expenses, Segment assets and Segment liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

**s. Cash Flow statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in values.

## 3 Share Capital

(Rs. in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Authorised Capital:</b> 9,90,00,000 (31 March 2014 : 9,90,00,000) Equity Shares of Rs. 10/- each	9,900.00	9,900.00
<b>Issued, Subscribed and Paid up Capital:</b> 5,02,98,942 (31 March 2014 : 5,02,98,942) equity shares of Rs.10/- each fully paid up	5,029.89	5,029.89
<b>Total</b>	<b>5,029.89</b>	<b>5,029.89</b>

## 3.1 Additional Information

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
Shares outstanding at the beginning of the year	50,298,942	5,029.89	38,452,340	3,845.23
Add: Shares Issued during the year	-	-	11,846,602	1,184.66
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,298,942	5,029.89	50,298,942	5,029.89

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

b) Shareholders holding more than 5% shares in the Company (Equity Shares of Rs. 10 each)

Name of Shareholder	As at 31 March, 2015		As at 31 March, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Vijay Kumar	5,724,556	11.38%	5,724,556	11.38%
Mr. P. C. Kapoor	5,723,508	11.38%	5,723,508	11.38%
Bharati Infratech Projects Private Limited	16,097,360	32.00%	16,097,360	32.00%
Bharati Shipping and Dredging Company Private Limited	2,878,731	5.72%	2,878,731	5.72%
Life Insurance Corporation of India	2,633,216	5.24%	2,633,216	5.24%

During the period of five years immediately preceding the date as at the balance sheet date there are no shares issued without payment being received in cash, issued as bonus shares and shares bought back by the Company.

## 4 RESERVE AND SURPLUS

(Rs. in Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>a. Securities Premium</b>		
As per Last Balance Sheet	47,597.84	39,409.47
Add : On conversion of shares warrants into equity share	-	8,188.37
<b>Closing Balance</b>	<b>47,597.84</b>	<b>47,597.84</b>
<b>b. Debenture Redemption Reserve</b>		
As per Last Balance Sheet	1,250.00	1,250.00
<b>c. Revaluation Reserve</b>		
As per Last Balance Sheet	204.63	266.69
Less: Transferred to Statement of Profit and Loss	-	62.06
<b>Closing Balance</b>	<b>204.63</b>	<b>204.63</b>
<b>d. General Reserve</b>		
As per Last Balance Sheet	7,010.53	7,010.53
<b>e. Surplus</b>		
As per Last Balance Sheet	(81,312.11)	2,961.32
Add : Profit / (Loss) for the year	(86,458.24)	(84,273.43)
Less : Adjustment to carrying value of assets as per Schedule II	200.89	-
<b>Closing Balance</b>	<b>(167,971.23)</b>	<b>(81,312.11)</b>
<b>Total</b>	<b>(111,908.24)</b>	<b>(25,249.12)</b>

## 5 LONG-TERM BORROWINGS

(Rs. in Lakhs)

Particulars	As at		As at	
	31 March, 2015		31 March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
a) Debentures (Refer Note - 5.1)	-	9,000.00	2,000.00	7,000.00
b) Term Loan				
i. From Banks (Refer Note - 5.2)	-	189,894.04	277,775.88	98,471.83
ii. From Others (Refer Note - 5.3) #	-	277,519.23	8,417.34	3,493.11
<b>Unsecured</b>				
Loans and advances from related parties (Refer Note 5.4)	345.30	-	40.15	-
<b>Total</b>	<b>345.30</b>	<b>476,413.27</b>	<b>288,233.37</b>	<b>108,964.94</b>

# Term loan from others represent Bank loans which have been takeover by Edelweiss Asset Reconstruction Cell (EARC) and Sicom Limited.

## Security and other terms relating to repayments and maturity:

Particulars	Rate of Interest	Security	Terms of Repayment
<b>5.1 Debentures</b>			
<b>Secured, Redeemable, Non-Convertible Debentures:</b>			
<b>a. Life Insurance Corporation of India</b> (700 (P.Y. 700) Debentures of Rs. 10,00,000/- each)	12.45%	Secured by first pari passu charge on fixed assets movable and immovable assets including Land and Buildings both present and future.	Repayable in 2 years in 8 equal quarterly installments commencing from June 2013 to June 2015, as per the CDR Scheme.
<b>b. General Insurance Corporation of India</b> (200 (P.Y. 200) Debentures of Rs. 10,00,000/- each)	11.00%	Secured by first pari passu charge on certain fixed assets of the company.	Repayable in 5 structured yearly installments commencing from June 2013 till June 2018, as per the CDR Scheme.

## 5.2 Term Loan from Bank (Other than DBS term Loan) and Term Loan taken over by EARC ;

The Company has taken loans from the Consortium Banks with State Bank of India (SBI) as lead bankers. These loans were restructured under the Corporate Debt Restructuring Scheme (CDR Scheme) approved on 25th June 2012. As part of CDR Scheme, the Company had allotted 26,926,175 Compulsory Convertible Debentures (CCD) carrying coupon rate of 1% p.a to the 18 secured lenders. The company, during the tenure of CDR scheme has not adhered to the repayment and other terms of CDR scheme and accordingly the CDR scheme was revoked by the Lenders as on 21st August, 2014. The company is in continuous default in repayment of its Banks loans, CCD, debentures, interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date.

Upon revocation of CDR Scheme, out of 23 bank Lenders, 11 bank Lenders have assigned their outstanding loans including interest and other dues along with respective rights and securities to Edelweiss Assets Reconstruction Company Limited (EARC). Further 6 lenders have sent recall notice for recovery of outstanding dues from the Company and balance 5 lenders have classified the said outstanding loans including interest and other dues as Non Performing Assets (NPA). Considering the continuing default in repayment of these loans and revocation of CDR Scheme by the Lenders, all the outstanding loans have become payable on demand and accordingly have been classified as "Current Maturities of long term loan" under the head "Current Liabilities".

Upon referral to CDR Scheme, the Company has executed the Indenture of Mortgage deed dated 28th June, 2013 for mortgage of securities in favour of SBICAP Trustee Company Limited in its capacity as "Security Trustee" for the benefit of all secured parties of the Scheme. Details of securities offered to security trustee for outstanding loan, CCD including interest and other dues are as follows:

1. All Movable and Immovable assets of all the locations of the Company ;
2. Residential flats of Managing Directors ;
3. All the Shares of the Company held by the Promoters of the Company ;
4. 24% of unencumbered shares of GOL Offshore Limited held by the promoter / Group Company ;
5. Shares and Corporate Guarantees of Subsidiary Companies : Dhanashree Properties Pvt Ltd, Natural Power Ventures Pvt Ltd and Nirupam Energy Projects Pvt Ltd .

Energy Project etc.

6. Shares of Bharati Infratech Pvt Ltd, Bharati Maritime Services Pvt Ltd and Harsha Infrastructure Pvt Ltd held in Bharati Shipyards Ltd ;

7. Personal Guarantees of the Promoters and ;

8. Corporate Guarantees of Pinky Shipyards Pvt Ltd, Bharati Infratech Pvt Ltd, Bharati Maritime Services Pvt Ltd, Harsha Infrastructure Pvt Ltd and Bharati Shipping &amp; Dredging Co. Pvt Ltd.

**Term Loan from DBS Bank Limited :**

Particulars	Rate of Interest	Security	Terms of Repayment
DBS Bank	LIBOR plus 200 basis points	Pari Passu charge on fixed assets at the Dabhol yard.	Repayment in 4 equal half yearly installments each commencing from quarter ending March 2013.

**5.3 SICOM Limited :**

Particulars	Rate of Interest	Security	Terms of Repayment
SICOM Limited	11.75%	Secured by Subservient charge on all the movable and current assets, both present and future, of the company in a form and manner acceptable to SICOM. Irrevocable Personal Guarantee of Promoter Directors.	Repayable in single installment at the end of 3 years from the date of disbursement.

**5.4** Unsecured Loan and advances from Related Parties are repayable over the period of 2 to 3 years.

**5.5 Disclosure of default in repayment of Bank Loans, Financial Institution, Debentures , interest and other dues:**

(a) The company is in continuous default in repayment of its Bank loans, CCD , interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date. Upon revocation of CDR scheme, in absence of requisite information from EARC and other banks covered under CDR scheme with respect to terms of repayment, the specific information in respect of period of delays of default in repayment of Loan and interest cannot be ascertained and hence said information is not given.

(b) **Details of default in repayment of Loans including interest and other dues, other than above are as follows:**

(Rs. in Lakhs)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Amount	Period in Months	Amount	Period in Months
<b><u>DBS Bank Loan</u></b>				
Principal	12,518.16	13-24 Months	9,388.62	13 Months
Interest	3,112.52	13-24 Months	1,875.29	13 Months
<b><u>SICOM Limited</u></b>				
Principal	4,417.32	12- 24 Months	4,417.32	12 Months
Interest	999.90	12-24 Months	111.46	12 Months
<b><u>LIC OF India</u></b>				
Principal	1,400.00	3-15 Months	350.00	3 Months
Interest	3,740.27	15-27 Months	2,868.77	3-15 Months
<b><u>GIC OF India</u></b>				
Principal	100.00	9 Months	-	-
Interest	3,153.42	9 -21 Months	1,153.42	9 Months



**BHARATI SHIPYARD LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**6 OTHER LONG TERM LIABILITIES**

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
<b>Trade Payables</b>		
(i) Micro, Small and Medium Enterprises (Refer Note 9.1 )	-	-
(ii) Others	244.88	-
<b>TOTAL</b>	<b>244.88</b>	<b>-</b>

**7 LONG TERM PROVISIONS**

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
<b>Provision for employee benefits</b>		
(i) Provision for compensated absences (Unfunded)	94.41	69.86
(ii) Provision for gratuity ((Funded) net)	186.54	185.90
<b>Total</b>	<b>280.95</b>	<b>255.76</b>

**8 SHORT TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
<b>Secured</b>		
(a) Loans repayable on demand (Refer Note no 8.1)		
(i) From Banks	56,554.89	119,473.89
(ii) From Others	-	1,719.17
<b>Unsecured</b>		
(i) Others (Refer Note : 8.2)	7,112.54	7,101.54
<b>Total</b>	<b>63,667.43</b>	<b>128,294.60</b>

8.1 Refer note 5.2 and 5.5 for securities and default in repayment of Loans repayable on demand from Banks and others.

8.2 Unsecured Loans from others are repayable in within 12 months.

**9 TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
(i) Micro, Small and Medium Enterprises (Refer note 9.1)	16.04	9.86
(ii) Others	19,453.63	20,723.80
<b>Total</b>	<b>19,469.67</b>	<b>20,733.66</b>

**9.1 Disclosures required under section 22 of the Micro,Small and Medium Enterprises Development Act, 2006 :**

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.98	6.53
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7.58	3.33
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	4.73	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	7.58	3.33
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note : Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 10 OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
(a) Current maturities of long-term debt (Refer Note 5 : Long-Term Borrowings )		
-- From Banks	476,413.27	108,964.94
-- Compulsory Convertible Debentures	20,135.42	-
(b) Money received against share warrants (Refer Note 29 )	4,194.31	
(c) Interest accrued and due on borrowings	53,975.19	24,941.97
(d) Income received in advance (Unearned Revenue)	186,490.47	184,593.77
(e) Unpaid / Unclaimed dividends *	19.53	20.19
(f) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,213.82	1,411.65
(ii) Trade / security deposits received	8.35	183.21
(iii) Others #	5,771.83	2,138.71
<b>Total</b>	<b>748,222.18</b>	<b>322,254.44</b>

\* There are no amounts due to be credited to Investor Education and Protection Fund.

# Others includes outstanding Salaries and Wages, Demmurrage Charges and provision for Expenses.

## 11 SHORT-TERM PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
<b>(a) Provision for employee benefits</b>		
(i) Provision for compensated absences (Unfunded)	16.59	15.42
(ii) Provision for gratuity (Funded) (net)	127.40	59.06
<b>(b) Provision - Others</b>		
(i) Provision for tax (net of Taxes Paid)	2,088.12	4,019.66
(ii) Provision for other contingencies	155.93	219.30
<b>Total</b>	<b>2,388.04</b>	<b>4,313.44</b>

Note 12 : FIXED ASSETS

(Rs. in Lakhs)

Descriptions	Gross Block				Depreciation				Net Block		
	As at 1st April 2014	Additions	Adjustment /Disposals	As at 31st March,2015	As at 1st April 2014	Depreciation charge for the period	Excess of Carrying amount over Residual value [Refer Note 2]	Adjustment /Disposals	As at 31st March,2015	As at 1st April 2014	As at 31st March,2015
<b>A. Tangible Assets (Own Assets)</b>											
Land	14,876.00	18.56	-	14,894.55	-	-	-	-	-	14,876.00	14,894.55
Buildings	7,490.07	349.77	-	7,839.84	909.38	202.78	(52.04)	-	1,060.12	6,580.69	6,779.72
Plant and Equipment	79,023.43	42.90	-	79,066.33	13,862.28	5,133.89	-	-	18,996.17	65,161.15	60,070.15
Dredger	184.13	-	-	184.13	119.69	7.89	-	-	127.58	64.44	56.55
Two Line Handling Boat	1,294.91	-	-	1,294.91	278.39	86.52	-	-	364.91	1,016.52	929.99
Furniture and Fixtures	2,832.32	-	-	2,832.32	845.14	360.89	9.79	-	1,215.82	1,987.18	1,616.49
Vehicles	1,331.72	-	26.19	1,305.53	620.29	197.42	176.22	20.48	973.45	711.43	332.08
Office equipment	504.82	-	0.36	504.46	169.17	102.35	66.91	0.24	338.19	335.65	166.26
Computers	480.09	-	-	480.09	396.20	1.80	-	-	398.01	83.89	82.09
<b>Total (A)</b>	<b>108,017.48</b>	<b>411.22</b>	<b>26.55</b>	<b>108,402.15</b>	<b>17,200.54</b>	<b>6,093.54</b>	<b>200.89</b>	<b>20.72</b>	<b>23,474.26</b>	<b>90,816.94</b>	<b>84,927.90</b>
<b>B Tangible Assets (Leased Assets)</b>											
Land (Lease Hold) - (Refer Note 3 & 4)	144.02	-	18.56	125.46	1.39	124.07	-	-	125.46	142.63	-
<b>Total (B)</b>	<b>144.02</b>	<b>-</b>	<b>18.56</b>	<b>125.46</b>	<b>1.39</b>	<b>124.07</b>	<b>-</b>	<b>-</b>	<b>125.46</b>	<b>142.63</b>	<b>-</b>
<b>Total of Tangible Assets (A+B)</b>	<b>108,161.50</b>	<b>411.22</b>	<b>45.11</b>	<b>108,527.62</b>	<b>17,201.93</b>	<b>6,217.61</b>	<b>200.89</b>	<b>20.72</b>	<b>23,599.72</b>	<b>90,959.57</b>	<b>84,927.90</b>
Previous Year	116,807.37	31.83	(8,677.70)	108,161.50	16,339.49	4,925.98	-	(4,063.54)	17,201.93	100,467.88	90,959.57
<b>C Intangible Assets</b>											
Computer software	97.23	0.05	-	97.28	74.98	9.41	-	-	84.39	22.25	12.89
<b>Total (C)</b>	<b>97.23</b>	<b>0.05</b>	<b>-</b>	<b>97.28</b>	<b>74.98</b>	<b>9.41</b>	<b>-</b>	<b>-</b>	<b>84.39</b>	<b>22.25</b>	<b>12.89</b>
Previous Year	95.90	1.33	-	97.24	61.05	13.94	-	-	74.99	34.85	22.25
<b>Total (A+B+C)</b>	<b>108,258.74</b>	<b>411.27</b>	<b>45.11</b>	<b>108,624.90</b>	<b>17,276.91</b>	<b>6,227.02</b>	<b>200.89</b>	<b>20.72</b>	<b>23,684.11</b>	<b>90,981.82</b>	<b>84,940.78</b>
Total (Previous Year)	116,903.27	33.16	(8,677.70)	108,258.74	16,400.54	4,939.92	-	(4,063.54)	17,276.92	100,502.73	90,981.82
<b>Capital work-in-progress (Previous Year)</b>											<b>23,456.17</b>
											24,017.80

Note:

- Pursuant to Companies Act, 2013, becoming effective from 1st April, 2014, the company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Part C of Schedule II of Act, 2013. As a result, the charge of depreciation for the year is higher by Rs. 1,575 Lakhs.
- In case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) have been charged to the opening balance of surplus.
- Adjustment / disposal includes reclassification of lease hold land to Free hold Land.
- Depreciation charge for the year includes unamortised premium on Leasehold Land for which lease terms have been expired during the year.

## 13 NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 March,2015	As at 31 March,2014
Long Term Investment - At Cost		
<b>Trade Investment - Unquoted</b>		
- Investment in Equity instruments	174.66	174.66
<b>Non- trade Investment - Unquoted</b>		
- Investments in Government or Trust securities	0.10	0.10
<b>Total</b>	<b>174.76</b>	<b>174.76</b>

## 13.1 Details of Other Investments

Particulars	(Rs. in Lakhs)	
	As at 31 March,2015	As at 31 March,2014
<b>(1) Investment in Equity Instrument (Unquoted; fully paid)</b>		
<b>(a) Investment in Equity Instruments of Subsidiaries</b>		
(i) Advitya Urja Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(ii) Dhanshree Properties Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(iii) Natural Power Ventures Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(iv) Nirupam Energy Projects Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(v) Nishita Mercantile Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(vi) Pinky Shipyards Private Limited 1,53,000 (31.03.2014 : 1,53,000) Shares of Rs. 10 each fully paid up	145.16	145.16
(vii) Premila Mercantile Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(viii) Vishudh Urja Private Limited 10,000 (31.03.2014 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
<b>(b) Investment in Equity Instruments of Joint Venture</b>		
Bengal Shipyards Limited 2,25,048 (31.03.2014 : 2,25,048) Shares of Rs. 10 each fully paid up	22.50	22.50
<b>(2) Investments in Government or Trust securities</b>		
(i) National Saving Certificate	0.10	0.10
<b>Total</b>	<b>174.76</b>	<b>174.76</b>

## 14 DEFERRED TAX ASSETS (NET)

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 March,2015	As at 31 March,2014
<b>Deferred Tax Assets :</b>	<b>59,283.92</b>	<b>47,031.49</b>
Brought forward business losses and unabsorbed depreciation	33,277.31	23,182.99
Disallowances of expenses	1,539.59	-
Disallowances u/s 43B of the I T Act, 1961	24,467.02	23,848.50
<b>Deferred Tax Liability :</b>	<b>(29,285.92)</b>	<b>(30,750.68)</b>
Depreciation on fixed assets	9,264.95	10,338.16
Others - Subsidy Receivable	20,020.97	20,412.52
<b>Total</b>	<b>29,998.00</b>	<b>16,280.81</b>

## 15 LONG TERM LOANS AND ADVANCES

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31 March,2015	As at 31 March,2014
<b>Unsecured and considered good</b>		
(a) Capital Advances	10.92	10.92
(b) Security Deposits	717.99	732.52
(c) Loans and advances to related parties (Refer Note : 43)	103,117.49	102,989.49
<b>Total</b>	<b>103,849.76</b>	<b>103,732.92</b>

## 16 CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
<b>a. Other Current Investments</b> (Carried at lower of cost and quoted / fair value)		
(i) Investment in Equity instruments (Refer Note : 16.1)	0.12	0.12
<b>Total</b>	<b>0.12</b>	<b>0.12</b>

## 16.1 \*Details of Current Investments

(Rs. in Lakhs)

Particulars	Subsidiary / Associate / JV / Controlled special purpose Entity / Others	As at 31 March,2015	As at 31 March,2014
<b>(a) Investment in Equity instruments (Non trade and Quoted)- At cost</b>			
(i) ICICI Bank Limited 750 (31.03.2014 : 150) Shares of Rs. 2 (P.Y. Rs 10/-) each fully paid	Others	0.12	0.12

Particulars	Rs. in lakhs	Rs. in lakhs
Aggregate amount of quoted investments	0.12	0.12
Market Value of quoted investments	2.37	1.87

## 17 INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31 March,2015	As at 31 March,2014
(a) Raw materials and Components	53,883.79	56,614.85
(b) Raw materials and Components (Goods-in-Transit)	4,363.02	4,523.13
(c) Work-in-progress	308,914.78	363,048.91
<b>Total</b>	<b>367,161.58</b>	<b>424,186.90</b>

18 TRADE RECEIVABLE		(Rs. in Lakhs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
<b>Unsecured, considered good</b>			
Outstanding for a period exceeding six months	75,445.50	75,203.18	
Others Receivables	3,078.50	437.47	
<b>Total</b>	<b>78,524.00</b>	<b>75,640.65</b>	

19 CASH AND BANK BALANCES		(Rs. in Lakhs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
<b>(a) Cash and Cash Equivalents</b>			
(i) Cash on hand	1.53	11.69	
(ii) In current accounts	5,899.19	4,544.36	
<b>(b) Other Bank Balance</b>			
(i) In deposit accounts	0.77	0.71	
(ii) Security against borrowings	16,829.16	5,378.82	
(iii) Unpaid dividend accounts	19.56	20.25	
<b>Total</b>	<b>22,750.20</b>	<b>9,955.82</b>	

20 SHORT TERM LOANS AND ADVANCES		(Rs. in Lakhs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
<b>(Unsecured and considered good)</b>			
(a) Security deposits	979.26	1,100.50	
(b) Loans and advances to employees	151.27	146.15	
(c) Prepaid expenses	201.14	868.38	
(d) Balances with government authorities	1,402.40	2,045.75	
(e) Others			
(i) Advances to Suppliers	14,150.64	14,067.53	
(ii) Others	-	135.16	
<b>Total</b>	<b>16,884.71</b>	<b>18,363.46</b>	

21 OTHER CURRENT ASSETS		(Rs. in Lakhs)	
Particulars	As at 31 March, 2015	As at 31 March, 2014	
Fixed assets held for Sale (Refer note 51)	-	5,028.29	
<b>Total</b>	<b>-</b>	<b>5,028.29</b>	

22 REVENUE FROM OPERATIONS		(Rs. in Lakhs)	
Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014	
<b>(a) Sale of products</b>			
(i) Manufacturing of Ships	2,497.98	17,939.84	
(ii) Windmill Income	414.31	1,170.36	
<b>(b) Other Operating Revenue</b>			
(i) Sale of scrap	335.07	224.13	
(ii) Hire charges	1.30	0.27	
(iii) Repair works	623.47	633.96	
<b>Total</b>	<b>3,872.12</b>	<b>19,968.57</b>	

## 23 OTHER INCOMES

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Interest Income comprises:		
(i) Interest from banks on : Deposits	434.21	840.52
(ii) Other interest	0.96	37.94
<b>(b) Dividend Income :</b>		
(i) From Current Investments	0.03	0.03
<b>(c) Other non-operating income comprises:</b>		
(i) Profit on sale of fixed assets	17.52	-
(ii) Liabilities / provisions written back	5.51	17.07
(iii) Miscellaneous income*	42.41	690.54
<b>Total</b>	<b>500.65</b>	<b>1,586.09</b>

\*Previous Year, Miscellaneous income mainly includes insurance claims received.

## 24 COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Opening stock	61,137.97	60,417.06
Add: Purchases	1,345.84	17,320.07
	<b>62,483.82</b>	<b>77,737.13</b>
Less: Closing stock	58,246.81	61,137.97
<b>Total</b>	<b>4,237.01</b>	<b>16,599.16</b>

## 25 EMPLOYEE BENEFIT EXPENSE

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Salaries and wages	4,044.16	9,098.74
(b) Contributions to provident and other funds	149.18	178.20
(c) Gratuity Expenses	68.99	66.37
(d) Staff welfare expenses	60.78	208.44
<b>Total</b>	<b>4,323.12</b>	<b>9,551.76</b>

## 26 FINANCE COSTS

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>(a) Interest expense :</b>		
(i) Borrowings	28,639.95	48,910.23
(ii) Others	5.83	42.16
<b>(b) Other borrowing costs</b>		
(i) Bank Guarantee Commission	768.91	1,193.59
(ii) Others	28.80	157.57
(c) Interest expenses in the nature of exchange rate difference on Foreign Currency Loan	37.02	880.70
<b>Total</b>	<b>29,480.50</b>	<b>51,184.26</b>

## 27 Other expenses

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Payments to Auditors (Refer Note : 27.1)	16.85	41.87
Balance Written Off	-	20.57
Car Hiring Expenses	38.73	123.97
Clearing and Forwarding Charges	50.65	290.70
Demurrage Charges	2,857.43	-
Design Consultancy	16.40	3,621.81
Electricity Charges	218.42	345.73
Equipment Hiring Charges	339.48	1,565.98
Insurance	120.95	287.29
Interest On Delayed Payment Of Statutory dues	175.95	209.03
Launching and Delivery Charges	122.00	136.69
Legal and Professional Charges	408.22	968.91
Listing Fee	79.15	-
Office Maintenance	44.70	166.09
Power and Fuel	4.11	5.53
Prior Period Expenses (Refer Note 53)	143.05	988.44
Rates and Taxes	44.62	121.90
Foreign Exchange Loss (Net)	2.51	-
Rent	1,293.37	635.09
Loss on sale of Assets	3.33	-
Repairs to Buildings	32.63	32.39
Repairs to Machinery	26.75	68.27
Repairs - Others	520.12	765.18
Transportation Charges	24.22	52.23
Travelling Expenses	85.31	218.27
Miscellaneous Expenses	409.43	816.71
<b>Total</b>	<b>7,078.37</b>	<b>11,482.66</b>

## 27.1 Payments to Auditors comprises :

(Rs. in Lakhs)

Particular	(Rs. in Lakhs)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Fees as Statutory Auditors	16.85	2.81
Tax Audit	-	39.06
<b>Total</b>	<b>16.85</b>	<b>41.87</b>



## 28 Contingent liabilities and commitments not provided in respect of:

(Rs. in Lakhs)

Particular	As at 31st March, 2015	As at March 31, 2014
<b>a. Contingent Liabilities:</b>		
i. Tax/Duties that may arise in respect of which appeal is pending :		
Income Tax	1,992.22	1,615.97
Service Tax	2,558.04	2,871.00
Custom Duty	5,019.84	5,017.92
Excise	1,354.04	1,354.04
ii. Letter of Credit outstanding	-	7.20
iii. Demurrage Charges	2,857.43	-
iv. Suits filed against the Company	2,580.99	-
v. Claims against the Company not acknowledged	6,484.89	-
<b>vi. Bank Guarantees</b>		
-Performance Guarantee	2,835.13	2,835.13
-Advance Guarantee	22,905.52	50,909.07
-Others	609.63	11,747.47
<b>b. Commitments</b>	-	-
<b>Total</b>	<b>49,197.73</b>	<b>76,357.80</b>

The Company is contesting 5 winding up petitions under section 433 and 434 of the Companies Act 1956 before the Honourable High Court of Mumbai and this includes petition filed by LIC of India, one of the secured creditors. All above winding up petitions are pending for disposal as on date.

## 29 Convertible share warrants and debenture:

In pursuance of the CDR Scheme and as per the approval of shareholders by postal ballot vide resolution 5 dated September 18, 2012, the company has allotted preferential issue of 320,00,000 warrants to Promoter Group, carrying right to subscribe to one equity share of Rs. 10/- each, pursuant to Section 81(A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines. The details of proposed allottees are as follows:

Sr.	Name of the proposed allottees	Category of proposed Allottees	Maximum no. of warrants proposed to be issued and allotted
1	Bharati Infratech Projects Private Limited	Promoter Group	22,000,000
2	Bharati Maritime Services Private Limited	Promoter Group	5,500,000
3	Harsha Infrastructure Private Limited	Promoter Group	4,500,000
	<b>TOTAL</b>		<b>32,000,000</b>

## 29.1 Of the above following are allotted and subscribed and fully paid:

Sr.	Name of the proposed allottees	Category of proposed Allottees	No. of warrants issued and fully paid
1	Bharati Infratech Projects Private Limited	Promoter Group	16,097,360
2	Bharati Maritime Services Private Limited	Promoter Group	2,185,878
3	Harsha Infrastructure Private Limited	Promoter Group	327,940
	<b>TOTAL</b>		<b>18,611,178</b>

Out of the total subscription amount received against allotment of share warrants, 67,64,576 and 1,18,46,602 convertible warrants were converted into equity shares of Rs. 10/- each at a price of Rs. 79.12/- per share including premium of Rs. 69.12/- per share on 31st December, 2012 and 25th September, 2013 respectively and Rs 4,194.31 Lakhs remains unappropriated in Share Application Money pending allotment as on the last appointed date for exercise of the option.

Post expiry of last appointed date for exercise of option and revocation of CDR scheme, the Company is in process of obtaining expert opinion for legal position and accounting treatment with respect to unappropriated amount lying with the company on account of Share application money. Pending legal opinion, the Company has disclosed the said amount received from the Promoter Company's of Rs 4,194.31 Lakhs under current liabilities in the financial statement under the account head " Money Received against share warrants" for the year ended 31st March 2015.

- 29.2 As per the approval of the shareholders by postal ballot vide resolution 6 dated 18th September, 2012, the Company has allotted preferential issue of 26,926,175 Compulsory Convertible Debentures (CCD) to the signatories of CDR. The above Compulsory convertible debentures are convertible into one equity share of Rs. 10/- each on preferential basis pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the company, the pricing of which is arrived in accordance with the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations.

Post expiry of 18 months from the date of allotment of CCD and revocation of CDR Scheme, the Company has not converted CCD to Equity shares till date. As on the Balance Sheet date, the Company has disclosed CCD of Rs 20,135.42 Lakhs under current liabilities in the financial statement under the account head "Current Maturities of Long Term Debts" for the year ended 31st March 2015.

**30 Explanatory note on Financial Restructuring:**

The Company has incurred Net Loss of Rs. 86,458.24 Lakhs after considering exceptional items of Rs. 53,695.48 Lakhs during the year ended 31st March, 2015. As of this date, the Company's total liabilities exceed its total assets by Rs. 106,878.36 Lakhs and its net-worth has been fully eroded. During the year, 5 winding up petitions were filed by various creditors against the Company including LIC of India, one of the secured creditors.

The Company is also implementing various long-term measures to improve its cash flow and revival of the operations of the Company. During the financial year 12 secured lenders including Lead Bank "State Bank of India" have assigned their debts to Edelweiss Asset Reconstruction Company (EARC). As part of restructuring efforts the Company, EARC with other lenders completed and realised sale of its non-core assets worth of Rs. 5,517 Lakhs and these proceeds were utilised during the year to meet its operational cost and production. The Company with the help of EARC is in constant dialogue with its lenders through Joint lenders meetings on regular interval for restructuring of the Company by way of fresh infusion of funds and to bring current debt at sustainable level so that the Company will be able to service its secured and unsecured creditors. EARC is also proposing to come up with various stage wise restructuring plans for debts including reference made to BIFR on 10th April, 2015 to curtail the financial burden of the business cash flows in addition to business operation and management strategy. Upon revival, the Company will be able to make optimum utilisation of its green field facilities, renegotiate its contracts and complete the under construction vessels to generate future cash flows. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows.

In view of the foregoing, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

**31 Deferred Tax Assets created during current financial year:**

The company is having accumulated business losses (including accumulated depreciation) of Rs. 1,07,694 Lakhs (P.Y. Rs 75,026 Lakhs) and its networth is completely eroded as on 31st March 2015. The company has recognized deferred tax asset (net) of Rs. 29,998 Lakhs on accumulated losses (including unabsorbed depreciation), interest expenses (including Funded Interest Term Loan (FITL)), Disallowances of Expenses, Gratuity and Compensated absences. The Company is confident of financial restructuring and reviving the operations to achieve optimum utilization of its infrastructure and believes that there would be sufficient future taxable profits against which the accumulated losses would be set off.

**32 Bank Guarantee Invocation by Customers on cancellation of vessels contracts:**

The Company is currently constructing various vessels ordered from international customers as well as domestic customers including Government of India-Ministry of Defence. As per the international trade practice, the company has issued the refund bank guarantees to customers against various advance stage payments received by the Company. Further, several of these customers had cancelled the ship building contracts entered into with the Company and demanded money from the banks under the refund bank guarantees issued by them. The Company believed these cancellations to be in violation of the terms of agreement entered into with these Customers. Accordingly, the Company had referred the matter for arbitration as provided into these Contracts. As per the terms of the refund bank guarantees, in the event of pending arbitration or other legal proceedings, the banks are not required to make payments under the said guarantees till the outcome of legal proceedings is finalised. The banks have made payments aggregating to Rs. 96,632.71 Lakhs (P.Y. Rs. 73,041 Lakhs) on account of such refund bank guarantees invoked by the Customers along with Interest of Rs. 30,245.42 Lakhs (P.Y. Rs. 22,846 Lakhs) and foreign exchange variation of Rs. 32,843.42 Lakhs (P.Y. Rs. 28,737 Lakhs). Further, the banks have also charged interest of Rs. 9,027 Lakhs (P.Y. Rs. 1,522 Lakhs) on the aforementioned payments made in respect of such invoked bank guarantees considering the said payments as overdraft facility to the Company. The Company is of the opinion that the payments under the refund bank guarantees are made by the banks without following due process of law. Further, the Company has filed a suit before Hon'ble City Civil Court, Mumbai against such banks which is pending for disposal. Pending the legal proceedings in the above matter, the company has not given effect to the above payments made by the banks to the Customers under the refund bank guarantees in books of accounts. The company continues to reflect advances received from customers under the said Contracts, even in cases wherein the payments have been made by banks under the refund bank guarantees. These amounts are shown by the Company as Current Liability in the Balance Sheet under the head "Other Current liabilities - " Income received in advance".

**33 Subsidy Receivable from Government of India under Shipbuilding Subsidy scheme:**

The Government of India had announced Shipbuilding Subsidy Scheme for private and public shipyards in India in 2002 for all eligible shipbuilding orders entered into between Nov-2002 till Aug-2007. The Subsidy was provided at the rate of 30% of the contract value subject to fulfilment of various conditions. In case of private shipyards, disbursement of the subsidy amount was provided post delivery of the vessel and subject to fulfilment of other conditions of the scheme. According to the subsidy scheme and based on accounting principles, the company has credited subsidy on vessels under construction in respect of which substantial work has been carried out on the vessel. The Company has recognised for subsidy of Rs. 66,059.92 Lakhs under Ship Building Subsidy Scheme in earlier years and has already received Rs. 1,267.15 Lakhs from Government of India upto 31st March 2015 and the balance subsidy receivable from Government of India Rs. 64,792.77 Lakhs as on 31st March 2015 is shown as trade receivables. The Company has been complying with the terms of the said scheme and has already received part of the Subsidy on vessels delivered by the Company. Further, in respect of vessels delivered, the Government of India has retained a part of the subsidy amount to be released at a future date subject to certain compliances. The company is of the opinion that on completion of the various vessels under construction, the Government of India will release the subsidy amount as well as the retention amounts upon completion of compliances. Further, as detailed in note no. 30 of the statement, the Company is confident of financial restructuring and reviving the operations and completing the vessels under construction in respect of which the aforementioned Subsidy is receivable and according to the management is of the opinion that Subsidy amount is fully recoverable.

34 a) The Company had given loans and advances of Rs. 91,048.18 Lakhs to its subsidiaries namely Dhanshree Properties Ventures Private Limited and Natural Power Ventures Private Limited, which in turn jointly hold 49.72% Shareholding in GOL Offshore Ltd (GOL). As per the Audited Financial Results of GOL as on 31st March 2015, there are continuing defaults in repayment of loans including invocation of some of the corporate guarantees and in some cases recovery proceedings have been initiated. However GOL is making all efforts for early settlement of dues by taking various corrective initiatives and continuous negotiation with bankers for restructuring of its debts. No provision is made for the said Loan and Advances being fully recoverable as investment made in through subsidiaries in GOL is considered as strategic, long term and diminution in value of investment is temporary in nature.

b) The Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary Nirupam Energy Projects Private Limited, which in turn hold 53.79% Shareholding in Tebma Shipyard Limited(TSL). TSL has been incurring cash losses and its net worth is eroded and its cash flows are under stress. No provision is made for the said Loan and Advances being fully recoverable as Investment made in through subsidiary in TSL is considered as strategic, long term and and diminution in value of investment is temporary in nature.

c) The Company is holding 45.01% shareholding in Bengal Shipyard Limited (Bengal) as joint venture partner and also given loans and advances aggregating to Rs. 3,184.86 Lakhs. Bengal is yet to start its business operations and is in process of acquisition of lands and construction of assets. Even though there is delay in commencement of business operations, Bengal is confident of future cash flows of the business. No provision, however, have been made in respect of diminution in the value of Investment which is considered strategic, long term and temporary in nature and loans and advances which in the opinion of management are fully recoverable.

**35 Non - Availability of balance confirmation from banks and EARC and provision for interest and other dues:**

The Company has requested all lenders/banks/EARC (Edelweiss Asset Reconstruction Company) for the balance confirmations. However, due to non service of interest and instalment due, some of the lenders/banks and EARC have not provided balance confirmations as on 31st March 2015 and the books of accounts are finalised based on latest available bank/loan statements. The Company has not provided interest on outstanding secured loans including bank guarantee and other debt facility, if any (funded as well as funded) assigned to EARC and secured bank loans for which company has received recall notices from the date of assignment and/or receipt of recall notices from banks and NPA Loan accounts for which it has not received recall notice or any statement from lenders. In respect of other bank loans, interest have been accounted for as per statement received from lenders.

**36 Non - Availability of certain Margin Deposit confirmation:**

The company is in the co ordination with banks for obtaining confirmation/ account statements as at year end with respect to Margin deposits with banks. However, due to non service of interest and instalment due, some of the banks have not provided balance confirmations as on 31st March 2015. In the opinion of the management, carrying amount of the margin deposit is fully recoverable and the difference, if any, upon reconciliation with bank confirmations would not have any material impact on audited standalone financial statements. Further, due to unavailability of the confirmations, the Company has accounted for the interest income on the Margin Money Deposits with Banks based on external evidences to the extent available.

**37 Internal control System:**

Company is in the process of strengthening Internal control system in relation to timely and proper recording of the revenue and expenses. In view of the management, delay if any, in recording the revenue or expenses is not having any material impact on the

**38 Reconciliation of accounts:**

Company is in the process of reconciliation of accounts at reasonable intervals and obtaining balance confirmation as at year end with respect to its Trade Receivables, Loan and Advances, Trade Payables and Other Liabilities. The balances of Trade Receivables, Loans and Advances, Trade Payables and Other Liabilities are subject to confirmation and reconciliation. In the opinion of the management, the carrying amount of Trade receivables, Loans and Advances, Trade Payable and Other Liabilities are approximately of the value as stated, if realised/ paid in the ordinary course of business.

**39 Exceptional items includes :**

- (a) Writing off excess value of Work in Progress ("WIP") amounting to Rs. 54,177.02 Lakhs, based on the valuation report of an Independent Chartered Engineers. The written off in value of WIP is on account of Price variation, Provision for Liquidation damages and redoing/ replacement cost and other factors.
- (b) Sale of Wind Turbines having total capacity of 15 MV (Windmill Business) on 31st July, 2014 as a part of restructuring process, resulting in net gain of Rs. 481.54 Lakhs.

**40 Retirement benefits:**

**The required disclosure under the Revised Accounting Standard 15 is given below:**

During the year, Company has recognised the following amounts in the Financial statements :

**I) Defined Contribution Plan:**

The company has recognised the following amounts as an expense and included under the head "employee benefit expense "

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund and Employee Pension Scheme	149.18	178.20

**II) Defined Benefit Plans:**

**i) Gratuity (Funded):**

The Employee's 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 projected unit credit method.

(Rs. in Lakhs)

Particulars	As at 31st March, 2015	As at March 31, 2014
<b>a) Changes in present value of Defined Benefit Obligations:</b>		
Present value of obligation as at beginning of the Year	506.67	495.73
Current Service Cost	58.69	61.58
Interest Cost	37.08	36.43
Actuarial (gain)/loss	(8.17)	(6.28)
Benefits paid	(86.14)	(80.79)
<b>Present Value of Obligation as at end of the Year</b>	<b>508.13</b>	<b>506.67</b>
<b>b) Changes in fair value of Plan Assets:</b>		
Fair value of Plan Assets as at beginning of the Year	261.70	317.15
Expected return on Plan Assets	20.94	28.54
Actuarial gain/(loss)	(2.31)	(3.20)
Benefits paid	(86.14)	(80.79)
<b>Fair value of plan Assets as at end of the Year</b>	<b>194.19</b>	<b>261.70</b>
<b>c) Actual Return on Plan Assets:</b>		
Expected return on Plan Assets	20.94	28.54
Actuarial gain/(loss) on Plan Assets	(2.31)	(3.20)
Actual return on Plan Assets	18.63	25.34

ii) **Compensated Absences (Non Funded):**

The company has recognised liability for compensated absences for employees on the basis of an independent actuarial valuation, carried out at the balance sheet date.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2015	As at March 31, 2014
<b>d) Changes in present value of Defined Benefit Obligations:</b>		
Present value of obligation as at beginning of the Year	85.28	232.00
Current Service Cost	34.84	36.18
Interest Cost	6.82	17.34
Actuarial (gain)/loss	(15.94)	(169.85)
Benefits paid	-	(30.38)
<b>Present Value of Obligation as at end of the Year</b>	<b>111.00</b>	<b>85.28</b>

Particulars	2014-15		2013-14	
	Gratuity (Funded)	Compensated Absences (non Funded):	Gratuity (Funded)	Compensated Absences (non Funded):
<b>in respect of:</b>				
Present Value of Obligation as at end of the Year	508.13	111.00	506.67	85.28
Fair Value of Plan Assets as at end of the Year	194.19	-	261.70	-
Net Liability	313.94	111.00	244.97	85.28
<b>f) Expenses recognised in the Statement of Profit and Loss</b> Expense")				
Refer Note No. 25				
Current Service Cost	58.69	34.84	61.58	36.18
Interest Cost	37.08	6.82	36.43	17.34
Expected return on Plan Assets	(20.94)	-	(28.54)	(169.85)
Actuarial (Gain)/ Loss	(5.84)	(15.94)	(3.08)	-
<b>Profit and Loss</b>	<b>68.99</b>	<b>25.71</b>	<b>66.37</b>	<b>(116.33)</b>

Particulars	Gratuity (Funded)	Compensated Absences (non Funded):	Gratuity (Funded)	Compensated Absences (non Funded):
<b>at the Balance Sheet date :</b>				
Discount Rate	8%	8%	8%	8%
Expected Rate of Return on Plan Assets	8%	-	8%	-
Salary Escalation Rate	6%	6%	6%	6%
Mortality	IALM 2006-08 Ultimate		IALM 2006-08 Ultimate	
Attrition rate	2%	2%	2%	2%

41 **Disclosure in accordance with 'AS- 7 Accounting for Construction Contracts' :**

Particulars	(Rs. in Lakhs)	
	Current Year	Previous Year
Contract revenue recognized as revenue for the year	2,497.98	17,935.44
Contract Loss recognized as revenue for the year	54,177.02	
Advances received from above customers	186,475.26	184,562.64
Gross amount due from customers for contract work	148,075.65	152,121.30
Gross amount due to customers for contract work	25,636.13	26,230.14

The gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognized profit(Less recognized 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 recognized profit (Less recognized Losses).

**42 Segment Reporting**

The Company has disclosed business segment as the primary segment. The Company is collectively organised into following business segments namely:

- a. Ship Manufacturing
- b. Windmill Operation (upto 31st July, 2014) - (Discontinuing Operation - Refer note 51)

Segments have been identified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system. Segment revenue, results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis.

Since the business of Windmill is not significant, all asset, liabilities and expenses other than specifically related to Windmill Power, are allocated to Ship Manufacturing Business.

**1. Primary Segments (Business Segments)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2015			As at March 31, 2014		
	Ship Manufacture	Windmill Power	Total	Ship Manufacture	Windmill Power	Total
<b>SEGMENT REVENUE</b>						
Net Sales / Operating Income	3,457.81	414.31	3,872.12	18,798.21	1,170.36	19,968.57
<b>Total</b>	<b>3,457.81</b>	<b>414.31</b>	<b>3,872.12</b>	<b>18,798.21</b>	<b>1,170.36</b>	<b>19,968.57</b>
<b>SEGMENT RESULT</b>						
Profit / (Loss) after depreciation and before finance Cost, Exceptional Item, Unallocable Income and tax expenses	(18,342.18)	348.77	(17,993.41)	(24,304.29)	445.61	(23,858.68)
Less : Finance Cost	29,480.50	-	29,480.50	51,184.26	-	51,184.26
Less : Exceptional Items	54,177.02	(481.54)	53,695.48	29,127.30	-	29,127.30
Add: Unallocated Income	500.65	-	500.65	1,586.09	-	1,586.09
<b>Profit / (Loss) before Tax</b>	<b>(101,499.05)</b>	<b>830.31</b>	<b>(100,668.74)</b>	<b>(103,029.76)</b>	<b>445.61</b>	<b>(102,584.15)</b>
Less : Tax Expenses	-	-	(14,210.50)	-	-	(18,310.71)
<b>Net Profit / Loss after Tax</b>	<b>(101,499.05)</b>	<b>830.31</b>	<b>(86,458.24)</b>	<b>(103,029.76)</b>	<b>445.61</b>	<b>(84,273.44)</b>

**OTHER INFORMATION**

Segment Assets	697,567.21	-	697,567.21	745,385.92	6,521.73	751,907.65
Unallocated Segment Assets	-	-	30,172.88	-	-	16,455.69
<b>Total Assets</b>	<b>697,567.21</b>	<b>-</b>	<b>727,740.10</b>	<b>745,385.92</b>	<b>6,521.73</b>	<b>768,363.34</b>
Segment Liabilities	812,226.91	-	812,226.91	764,047.92	212.00	764,259.92
Unallocated Segment Liabilities	-	-	22,391.54	-	-	24,322.66
<b>Total Liabilities</b>	<b>812,226.91</b>	<b>-</b>	<b>834,618.45</b>	<b>764,047.92</b>	<b>212.00</b>	<b>788,582.58</b>
<b>Net Capital Employed (Total Assets - Total Liabilities)</b>	<b>-</b>	<b>-</b>	<b>(106,878.35)</b>	<b>-</b>	<b>-</b>	<b>(20,219.24)</b>
Capital Expenditure	392.71	-	392.71	33.17	-	33.17
Depreciation	6,227.02	-	6,227.02	4,503.07	436.84	4,939.92

**2. Secondary Segment (Geographical Segments):**

Particulars	As at 31st March, 2015			As at March 31, 2014		
	Domestic	Overseas	Total	Domestic	Overseas	Total
<b>REVENUE</b>						
Ship Manufacturing	2,497.98	-	2,497.98	8,877.38	7,808.73	16,686.11
Windmill Power	414.31	-	414.31	1,170.36	-	1,170.36
Other Operating Income	959.84	-	959.84	858.36	-	858.36
<b>Total</b>	<b>3,872.12</b>	<b>-</b>	<b>3,872.12</b>	<b>10,906.10</b>	<b>7,808.73</b>	<b>18,714.83</b>
Segment Assets	727,740.10	-	727,740.10	768,363.36	-	768,363.36
Segment Liabilities	834,618.45	-	834,618.45	788,582.58	-	788,582.58
Capital Expenditure	392.71	-	392.71	33.17	-	33.17

**43 Related party disclosure**

Related Party disclosure as required by Accounting Standard - 18 as notified under section 133 of Companies Act 2013 is as follows:

**43.1 List of related parties and relationships, where control exists:**

- a. **Subsidiary Companies**  
 Advitiya Urja Private Limited  
 Dhanshree Properties Private Limited  
 Natural Power Venturers Pvt. Ltd  
 Nirupam Energy Projects Pvt. Ltd.  
 Nishita Mercantile Pvt. Ltd.  
 Pinky Shipyard Private Limited  
 Premila Mercantile Pvt. Ltd.  
 Vishudh Urja Pvt. Ltd.
- b. **Subsidiary of Subsidiary Company**  
 Tebma Shipyard Limited
- c. **Joint Venture**  
 Bengal Shipyard Limited
- d. **Associated Companies / Concerns**  
 GOL Offshore Limited  
 GOL Ship Repair Limited (Subsidiary of Associate Company)
- e. **Key Management Personnel (KMP)**  
 Mr. P. C. Kapoor Managing Director  
 Mr. Vijay Kumar Managing Director
- f. **Relatives of Key Management Personnel**  
**Relative of Mr. P. C. Kapoor**  
 Mrs. Madhu Kapoor Wife  
 Mrs. Radhika Mehra Daughter  
**Relative of Mr. Vijay Kumar**  
 Mrs. Ashraf G. Kumar Wife  
 Mrs. Sukriti V. Kumar Daughter
- g. **Enterprises influenced by Key Management Personnel and their relatives**  
 Bharati Infratech Projects Pvt. Ltd.  
 Bharati Marine Construction and Engineering Pvt Ltd  
 Bharati Maritime Services Pvt.Ltd.  
 Bharati Shipping and Dredging Co Private Limited  
 Harsha Infrastructure Pvt Ltd  
 Portside Shipping Pvt Ltd  
 SeasplICE Shipping Pvt Ltd  
 Sharven Multitrade P. Ltd.  
 Shipace Shipping Private Limited  
 Swati Silk Mills Pvt. Ltd.  
 Usha Silk Mills Pvt. Ltd.  
 Vayuraj Energy Projects Pvt. Ltd.  
 Vayutatva Energy Projects Pvt. Ltd.  
 Mutual Industries Pvt. Ltd.  
 Oceanic Shipyard Limited

## 43.2 Summary of Transactions with Related Parties

(Rs. in Lakhs)

Sr.	Particulars	Enterprises where Control Exists			Joint Venture	Key Managerial Personnel	Associate	Relatives of Key Managerial Personnel	Total
		Subsidiary Companies	Sub-Subsidiary Company	Enterprises Owned and Controlled by KMP and their Relatives					
<b>A</b>	<b>Transactions during the year</b>								
1	Labour Charges Received	-	-	-	-	-	-	-	-
		-	<b>0.62</b>	-	-	-	-	-	<b>0.62</b>
2	Labour Charges Paid	143.49	-	-	-	-	-	-	143.49
		<b>522.68</b>	-	-	-	-	-	-	<b>522.68</b>
3	Sales	-	3.80	-	-	-	-	-	3.80
		-	<b>0.12</b>	-	-	-	-	-	<b>0.12</b>
4	Repairs Works - Income	-	-	-	-	-	686.52	-	686.52
		-	-	-	-	-	<b>628.34</b>	-	<b>628.34</b>
5	Director's Remuneration	-	-	-	-	48.00	-	-	48.00
		-	-	-	-	-	-	-	-
6	Equipment Hire Charges	-	-	-	-	-	18.96	-	18.96
		-	-	-	-	-	-	-	-
7	Reimbursement of Expenses	-	-	-	-	-	-	-	-
		-	-	-	-	-	<b>10.45</b>	-	<b>10.45</b>
8	Interest paid on Inter Corporate Deposits accepted	-	-	16.22	-	-	-	-	16.22
		-	-	-	-	-	-	-	-
9	Preferential Allotment of Equity Shares	-	-	-	-	-	-	-	-
		-	-	<b>1,184.66</b>	-	-	-	-	<b>1,184.66</b>
10	Premium on Preferential Allotment of Equity Shares	-	-	-	-	-	-	-	-
		-	-	<b>8,188.37</b>	-	-	-	-	<b>8,188.37</b>
11	Money received against share warrants	-	-	-	-	-	-	-	-
		-	-	<b>8,165.77</b>	-	-	-	-	<b>8,165.77</b>
12	Loans and Advances given	-	-	128.00	-	-	-	-	128.00
		-	-	<b>17.69</b>	-	<b>10.54</b>	-	-	<b>28.23</b>
13	Loans and Advances received back	-	-	-	-	19.25	-	-	19.25
		-	-	<b>17.69</b>	<b>294.29</b>	-	-	-	<b>311.98</b>
14	Loans/Intercorporate Deposit Accepted	-	-	288.93	-	-	-	-	288.93
		-	-	<b>7,029.77</b>	-	-	-	-	<b>7,029.77</b>
15	Loans/Intercorporate Deposit Repaid	-	-	-	-	-	-	-	-
		-	-	<b>7,029.77</b>	-	-	-	-	<b>7,029.77</b>
<b>II]</b>	<b>Outstanding Balances as on 31st March, 2015</b>								
1	Loans and Advance given	99,726.62	-	228.51	3,162.35	-	-	-	103,117.49
		<b>99,726.62</b>	-	<b>100.51</b>	<b>3,162.35</b>	-	-	-	<b>102,989.48</b>
2	Income Received in Advance	-	-	-	-	-	-	-	-
		-	-	-	-	-	<b>19,337.03</b>	-	<b>19,337.03</b>
3	Money received against Share Warrants	-	-	4,194.31	-	-	-	-	4,194.31
		-	-	<b>4,194.31</b>	-	-	-	-	<b>4,194.31</b>
4	Loans/Intercorporate Deposit Accepted	-	-	345.30	-	-	-	-	345.30
		-	-	<b>40.15</b>	-	-	-	-	<b>40.15</b>
5	Trade Receivables	-	120.99	-	-	-	3,523.41	-	3,644.39
		-	<b>67.19</b>	-	-	-	<b>2,866.48</b>	-	<b>2,933.67</b>
6	Trade Payables	122.02	-	-	-	-	-	-	122.02
		<b>444.28</b>	-	-	-	-	-	-	<b>444.28</b>
7	Investments in Subsidiaries/ Joint Ventures	152.16	-	-	22.50	-	-	-	174.66
		<b>152.16</b>	-	-	<b>22.50</b>	-	-	-	<b>174.66</b>
9	Directors Remunerations Payable	-	-	-	-	15.81	-	-	15.81
		-	-	-	-	-	-	-	-

Note : Figures in Bold and Italics relates to Previous Year



## 43.3 Disclosures of Material Related Party Transactions during the year:

## 1 Labour Charges Received

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Tebma Shipyards Limited	-	0.62
<b>Total</b>	<b>-</b>	<b>0.62</b>

## 2 Labour Charges Paid

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Pinky Shipyard Limited	143.49	522.68
<b>Total</b>	<b>143.49</b>	<b>522.68</b>

## 3 Sales

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Tebma Shipyards Limited	3.80	0.12
<b>Total</b>	<b>3.80</b>	<b>0.12</b>

## 4 Repairs Works - Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
GOL Offshore Limited	632.31	628.34
GOL Ship Repair Limited	54.20	-
<b>Total</b>	<b>686.51</b>	<b>628.34</b>

## 5 Director's Remuneration

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
P. C. Kapoor	24.00	-
Vijay Kumar	24.00	-
<b>Total</b>	<b>48.00</b>	<b>-</b>

## 6 Equipment Hire Charges

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
GOL Offshore Limited	18.96	-
<b>Total</b>	<b>18.96</b>	<b>-</b>

## 7 Reimbursement of Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Gol Offshore Limited	-	10.45
<b>Total</b>	<b>-</b>	<b>10.45</b>

## 8 Interest paid on Inter Corporate Deposit Accepted

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	16.22	-
<b>Total</b>	<b>16.22</b>	<b>-</b>

## 9 Preferential Allotment of Equity Shares

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	-	1,184.66
<b>Total</b>	<b>-</b>	<b>1,184.66</b>

10 Premium on Preferential Allotment of Equity Shares

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	-	8,188.37
<b>Total</b>	<b>-</b>	<b>8,188.37</b>

11 Money received against share warrants

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	-	8,088.77
Bharati Maritime Services Private Limited	-	77.00
Bengal Shipyard Limited	-	294.29
<b>Total</b>	<b>-</b>	<b>8,460.06</b>

12 Loans and Advances given

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Marine Construction and Engineering Private Limited	-	17.69
Bharati Infratech Projects Private Limited	128.00	-
Mr. Vijay Kumar	-	5.48
Mr. P.C. Kapoor	-	5.48
<b>Total</b>	<b>128.00</b>	<b>28.65</b>

13 Loan and advances received back

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Mr. Vijay Kumar	12.50	-
Mr. P.C. Kapoor	6.75	-
Bharati Marine Construction and Engineering Private Limited	-	17.69
Bengal Shipyard Limited	-	294.29
<b>Total</b>	<b>19.25</b>	<b>311.98</b>

14 Loans/Intercorporate Deposit Accepted

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	288.93	7,029.77
<b>Total</b>	<b>288.93</b>	<b>7,029.77</b>

15 Loans/Intercorporate Deposit Repaid

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
Bharati Infratech Projects Private Limited	-	7,029.77
<b>Total</b>	<b>-</b>	<b>7,029.77</b>

43.4 Disclosure required by Clause 32 of the Listing Agreement and section 186 (4) of the Companies Act 2013:

(a) Loans and Advances in the nature of loans to subsidiaries:

(Rs. in Lakhs)

Name of Subsidiary Company	As at 31st March, 2015	Maximum Outstanding During the Year	As at March 31, 2014	Maximum Outstanding During the Year	Nature of Transaction and Material Terms	Purpose for which loan / guarantee proposed to be utilized by the recipient
Advitiya Urja Private Limited	170.60	170.60	170.60	170.60	Loans and advances	For working capital requirement
Dhanshree Properties Private Limited	20,676.78	20,676.78	20,676.78	20,676.78	Loans and advances	Investment in Gol Offshore Ltd and Working Capital requirement
Natural Power Ventures Private Limited	70,371.40	70,371.40	70,371.40	70,371.40	Loans and advances	
Nirupam Energy Projects Private Limited	8,497.85	8,497.85	8,497.85	8,497.85	Loans and advances	Investment in Tebma Shipyard Ltd and Working Capital requirement
Nishita Mercantile Private Limited	5.35	5.35	5.35	5.35	Loans and advances	For working capital requirement
Premila Mercantile Private Limited	0.07	0.07	0.07	0.07	Loans and advances	For working capital requirement
Vishudh Urja Private Limited	4.57	4.57	4.57	4.57	Loans and advances	For working capital requirement
<b>T O T A L</b>	<b>99,726.62</b>		<b>99,726.62</b>			

(b) Loans and Advances in the nature of loans to firms/companies in which directors are interested:

(Rs. in Lakhs)

Name of Enterprises in which directors are interested	As at 31st March, 2015	Maximum Outstanding During the Year	As at March 31, 2014	Maximum Outstanding During the Year	Nature of Transaction and Material Terms	Purpose for which loan / guarantee proposed to be utilized by the recipient
Bengal Shipyard Limited	3,162.35	3,456.64	3,456.64	3,456.64	Loans and advances	For purchase of Land and Working Capital Requirement
Bharati Infratech Projects Private Limited	128.32	128.32	0.32	0.32		
Sharven Multitrade Private Limited	19.53	19.53	19.53	19.53		
Swati Silk Mills Private Limited	34.70	34.70	34.70	34.70		
Usha Silk Mills Private Limited	6.61	6.61	6.61	6.61		
Vayuraj Energy Projects Private Limited	16.58	16.58	16.58	16.58		
Vayutatva Energy Projects Private Limited	22.77	22.77	22.77	22.77		
<b>T O T A L</b>	<b>3,390.86</b>		<b>3,557.15</b>			

Above Loans and Advances are interest free and there is no stipulation as to repayment.

(c) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan:

Investing Company	No. of Shares in Parent Company	% Holding in Parent Company

**44 Earnings per share**

Basic Earnings per share are calculated by dividing the Net Profit for the year attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per share, the weighted average numbers of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the exercise of options on un-issued share capital.

Particular		As at 31st March, 2015	As at March 31, 2014
Net Profit after tax	Rs. In Lakhs	(86,458.24)	(84,273.43)
Weighted Average No. of Ordinary Shares for Basic EPS	Nos.	50,298,942	44,554,151
The Face Value per Ordinary Share	Rs.	10.00	10.00
<b>EPS (Basic)</b>	<b>Rs.</b>	<b>(171.89)</b>	<b>(189.15)</b>
Weighted Average No. of Ordinary Shares for Diluted EPS (same as Basic EPS as there are no dilutive potential Equity Shares)	Nos.	50,298,942	44,554,151
<b>EPS (Diluted)</b>	<b>Rs.</b>	<b>(171.89)</b>	<b>(189.15)</b>

**45 Earnings in Foreign Exchange**

(Rs. in Lakhs)

Particulars	As at 31st March, 2015	As at March 31, 2014
FOB Value of Exports	-	17,971.17
<b>TOTAL</b>	<b>-</b>	<b>17,971.17</b>

**46 CIF value of imports**

(Rs. in Lakhs)

Particular	As at 31st March, 2015	As at March 31, 2014
Raw Materials (including Components and Spare parts)	447.08	16,307.00
<b>TOTAL</b>	<b>447.08</b>	<b>16,307.00</b>

**47 Details of Cost of Material Consumed**

(Rs. in Lakhs)

As at 31st March, 2015

Particulars	Opening Stock	Purchase	Consumption	Closing
Steel	12,535.22	-	330.37	12,204.85
Others	48,602.76	1,345.84	3,906.64	46,041.96
<b>Total</b>	<b>61,137.97</b>	<b>1,345.84</b>	<b>4,237.01</b>	<b>58,246.81</b>

As at 31st March, 2014

Particulars	Opening Stock	Purchase	Consumption	Closing
Steel	12,880.82	2,156.32	2,501.92	12,535.22
Others	47,536.24	15,163.75	14,097.24	48,602.76
<b>Total</b>	<b>60,417.06</b>	<b>17,320.07</b>	<b>16,599.16</b>	<b>61,137.97</b>

**48 Ratio and value of indigenous and imported raw material steel and components and spare parts consumed**

Particulars	As at 31st March, 2015		As at March 31, 2014	
	(Rs. in Lakhs)	%	(Rs. in Lakhs)	%
<b>Raw Materials (Steel)</b>				
i. Imported	198.22	60.00%	77.67	3.10%
ii. Indigenous	132.15	40.00%	2,424.25	96.90%
<b>Total (A)</b>	<b>330.37</b>	<b>100.00%</b>	<b>2,501.92</b>	<b>100.00%</b>
<b>Components and Spare Parts</b>				
i. Imported	344.99	8.83%	8,539.13	60.57%
ii. Indigenous	3,561.65	91.17%	5,558.11	39.43%
<b>Total (B)</b>	<b>3,906.64</b>	<b>100.00%</b>	<b>14,097.24</b>	<b>100.00%</b>
<b>TOTAL (A+B)</b>	<b>4,237.01</b>		<b>16,599.16</b>	

**49 Expenditure in foreign currency**

(Rs. in Lakhs)

Particulars	As at 31st March, 2015	As at March 31, 2014
Professional and Consultancy Fees	-	206.96
Interest	1,112.61	587.42
Design and Consultancy	1.15	23.89
Others	0.79	559.71

<b>TOTAL</b>	<b>1,114.55</b>	<b>1,377.98</b>
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**50 Disclosure as required by AS 27 " Financial Reporting of Interests in Joint Ventures"**

The Company has an equity stake of 45.01% (Current and Previous Year), as Venturer, in Bengal Shipyard Limited which is an Indian incorporated jointly controlled entity.

The Company's interest in this Joint Venture is reported as Long Term Investment and stated at cost. The Company's share of each Asset, Liability, Income and Expenses, etc. related to its interest in this Joint Venture are based on unaudited standalone financial statement duly certified by management is as follows:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>		
1) Shareholders' Funds		
(a) Reserves And Surplus	(6.60)	1.98
<b>2) Non-Current Liabilities</b>		
(a) Other long-term liabilities	2,529.23	4,122.92
(b) Long-term provisions	0.04	3.00
<b>3) Current Liabilities</b>		
(a) Other current liabilities	53.67	49.84
(b) Short-term provisions	5.00	2.11
<b>ASSETS</b>		
<b>1) Non-current assets</b>		
<b>(a) Fixed assets</b>		
(i) Tangible assets	156.79	3.68
(ii) Intangible assets	0.19	0.06
(iii) Capital work-in-progress	2,221.68	376.45
(b) Non-current investments	4.05	3.15
(c) Long-term loans and advances	217.17	3,815.20
(d) Other non-current assets	1.58	1.58
<b>2) Current assets</b>		
(a) Cash and bank balances	0.77	2.03
(b) Short-term loans and advances	1.62	0.21
<b>INCOME:</b>		
Other income	-	-
<b>EXPENSES:</b>		
Other expenses	8.59	7.76
<b>Profit / (Loss) Before Tax</b>	<b>(8.59)</b>	<b>(7.76)</b>
Less: Tax expense	-	-
<b>Profit / (Loss) After Tax</b>	<b>(8.59)</b>	<b>(7.76)</b>
<b>Contingent Liabilities</b>	NIL	NIL

**51 Discontinued Operation:**

- i. In Continuation of Business Transfer Agreement dated 18th March 2014, a Sales Agreement has been executed to transfer Windmill Power Business situated at Brahmanvel site in Dhule District, Maharashtra on 'As is where is basis' for an aggregating consideration of Rs. 5,517 Lakhs to Ghatge Patil Industries Ltd.
- ii. Windmill Power Business is reported as business segment as per AS 17.
- iii. Amounts of revenue and expense in respect of the ordinary activities attributable to the discontinued operation during the current financial reporting period are Rs. 414.31 Lakhs (P.Y. 1,170.36 Lakhs) and Rs 65.54 Lakhs (P.Y. Rs. 724.75 Lakhs) respectively.
- v. During the year, the sale of Wind Mill Power Business is concluded and the gain of Rs. 481.54 Lakhs is booked as exceptional items in the statement of profit and loss.

52 Details on derivative instruments and unhedged foreign currency exposures:

Foreign currency exposure at the year end not hedged by derivative instruments are given as under ;

Particulars	Currency	As at 31st March, 2015		As at 31st March, 2014	
		Amount	(Rs. in Lakhs)	USD	(Rs. in Lakhs)
Term Loan - Bank	USD	20,000,000	12,518.16	20,000,000	12,481.14
Interest on term Loan Bank	USD	4,803,025	310,779,586	2,839,624	199,518,588
Trade Payable and other liabilities					
	USD	351,343	219.91	46,324	27.84
	SGD	2,078,785	944.60	2,462,930	1,170.45
	NOK	-	-	363,116	38.49
	EURO	393,883	263.53	23,030	19.02
	GBP	61,040	56.43	61,040	60.95
* Advance received from customers	USD	107,690,000	40,043.77	107,010,000	39,144.66

\* Except for advances received against which refund bank guarantee have been invoked by Customers. Also refer note 32 for details.

53 Prior Period Expenses / (Income) (Net) consist of :

(Rs. in Lakhs)

Nature of Expenses	As at 31st March, 2015	As at March 31, 2014
Car Hiring Expenses	1.56	-
Depreciation	-	476.19
Design Consultancy	0.82	-
Electricity Charges	22.30	-
Equipment Hiring Charges	29.48	-
Interest On Statutory Dues	1.10	-
Legal and Professional Charges	40.02	-
Miscellaneous Expenses	4.26	-
Office Maintenance	1.65	-
Purchase	-	1,464.63
Rates and Taxes	5.03	-
Rent	33.68	-
Transportation Charges	3.15	-
	<b>143.05</b>	<b>988.44</b>

54 Disclosure for Operating Leases under Accounting Standard 19 - "Leases":

The Company had entered into agreements for taking on lease various vessels and office premises under operating lease arrangements. The leases are non-cancellable and are ranging for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement between the parties. The lease agreements provided for an increase in the lease payments by 0 to 2 % every year. During the year, lease agreements with respect to various vessels have been terminated by the Company and accordingly the information is disclosed to the extent applicable:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2015	For the year ended March 31, 2014
<b>Future minimum lease payments</b>		
not later than one year	28.00	1,719.68
later than one year and not later than five years	-	2,978.54
<b>TOTAL</b>	<b>28.00</b>	<b>4,698.22</b>

- Lease payments recognised in the Statement of Profit and Loss 685.12 1,421.28

55 The figures for the previous year have been arranged/rearranged/regrouped wherever considered necessary, to conform to this year's classification.

As per our report of even date attached hereto

For Damania & Varaiya  
Firm Reg. No. 102079W  
Chartered Accountants

For and on Behalf of the Board

Bharat Jain  
Partner  
Membership No. 100583  
Place: Mumbai  
Date : 30th May, 2015.

P. C. Kapoor  
[Managing Director]

Vijay Kumar  
[Managing Director]

V.Gopalakrishnan  
President Finance and Company Secretary

Place: Mumbai  
Date : 30th May, 2015.

**Form AOC - I**

**PART 'B' : ASSOCIATE COMPANY AND JOINT VENTURES**

**Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Company and Joint Venture**

<b>Sr. No</b>	<b>Name of Associates/ Joint Ventures</b>	<b>Bengal Shipyard Limited (Joint Venture )</b>
1	Latest audited Balance Sheet Date	31st March 2015
2	Shares of Associate / Joint Ventures held by the Company on the year end	
	a) Number	225,048
	b) Amounts of Investment ( Rs. In Lakhs)	22.50
	c) % of holding	45.01%
3	Net worth attributable to shareholding as per Latest audited Balance Sheet ( Rs. In Lakhs)	15.90
4	Profit / (Loss) for the year considered in Consolidation ( Rs. In Lakhs)	(8.59)
5	Not Considered in Consolidation	-
6	Description of how there is significant influence	Note -1
7	Reason why the Associate/ Joint Venture is not consolidated	-

**Note:**

- 1 By virtue of Holding of 45.01% share in Joint Venture entity by the Company
- 2 The said Joint Venture Entity is yet to commence its business operation.
- 3 Unaudited standalone financials statement of Joint Venture Entity as on March 31, 2015 is considered for consolidation due to non availability of standalone financial statement of its Subsidiaries and Associates.

For and on behalf of the Board of Directors

**P. C. Kapoor**  
Managing Director

**Mumbai**  
**30th May, 2015**

Form AOC - I

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES AS PER SECTION 129 (3) OF COMPANIES ACT, 2013

PART 'A' SUBSIDIARIES

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities #	Investments (excluding investment in subsidiary)	Turnover/ Total Income	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of Shareholding
1	Advitya Urja Pvt. Ltd.	INR	1.00	(3.88)	253.92	256.80	-	-	(0.05)	-	(0.05)	Nil	100.00%
2	Dhanshree properties Pvt.Ltd.	INR	1.00	(591.31)	20,372.45	20,962.76	20,220.55	10.92	10.82	3.34	7.48	Nil	100.00%
3	Natural Power Ventures Pvt. Ltd.	INR	1.00	(1,620.57)	68,759.60	70,379.18	67,987.78	14.26	14.17	4.38	9.79	Nil	100.00%
4	Nirupam Energy Projects Pvt. Ltd.	INR	1.00	(39.17)	8,533.37	8,571.54	8,037.26	-	(0.05)	-	(0.05)	Nil	100.00%
5	Nishita Mercantile Pvt. Ltd.	INR	1.00	(5.80)	0.93	5.73	-	-	(0.05)	-	(0.05)	Nil	100.00%
6	Pinky shipyard Pvt. Ltd.	INR	300.00	(337.71)	19,383.40	19,421.11	0.10	349.37	(147.62)	(14.22)	(133.39)	Nil	51.00%
7	Premila Shipyard Pvt. Ltd.	INR	1.00	(0.96)	0.49	0.45	-	-	(0.05)	-	(0.05)	Nil	100.00%
8	Vishudh Urja Pvt. Ltd.	INR	1.00	(1.36)	358.86	359.21	-	-	(0.05)	-	(0.05)	-	100.00%

# Excluding Share Capital and Reserves & Surplus

Note : ( 1 ) Reporting dates of all Subsidiary is 31st March, 2015

( 2 ) Name of subsidiary which are yet to commence operations : Nil



## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Bharati Shipyard Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Bharati Shipyard Limited (hereinafter referred to as "the Parent Company") and its subsidiaries and joint venture entity (the Parent Company, its subsidiaries and joint venture entity together referred to as "the Group"), and its Associate company comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements, based on the standalone financial statements of the entities comprised in the group, in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India and applicable provisions of the Act [including Schedule III ] and Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors or the managing body of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act or otherwise for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls and checks relevant to the Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Parent Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the principles and procedures followed, accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) & (b) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

- a. The Parent Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary Nirupam Energy Projects Private Limited (Nirupam), which in turn hold 53.79% Share in Sub-Subsidiary Company Tebma Shipyard Limited (TSL). TSL has been incurring cash losses and its net worth is eroded. In our opinion, the goodwill on consolidation of TSL ought to have been tested for impairment and provision, if any, for impairment loss shall be made in Consolidated Statement of Profit and Loss. In the opinion of the management, these investment made in through subsidiary in TSL is considered as strategic, long term and diminution in value of investment is temporary in nature and hence provision for impairment loss against the goodwill on consolidation is not considered necessary. We are unable to comment on the possible impact if any of such non provision of impairment loss on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 42 forming part of the Consolidated Financial Statements.
- b. The Parent Company had given loans and advances of Rs. 91,048.18 Lakhs to its subsidiaries, which in turn holds investment in GOL Offshore Ltd (GOL). As per the audited consolidated financial statement of GOL as on 31st March 2015, it is making continuous losses and there is a substantial decline in market value of shares. In our opinion, the goodwill on consolidation of GOL ought to have been tested for impairment and provision, if any, for impairment loss shall be made in Consolidated Statement of Profit and Loss. In the opinion of the management, these investment made in through subsidiary in GOL is considered as strategic, long term and diminution in value of investment is temporary in nature and hence provision for impairment loss against the goodwill on consolidation is not considered necessary. We are unable to comment on the possible impact if any of such non provision of impairment loss on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 45 forming part of the Consolidated Financial Statements.

- c. The Parent Company has as on 31<sup>st</sup> March 2015, recognized deferred tax asset (net) of Rs. 29,998 Lakhs in the financial Statement on its Accumulated Business Losses (including unabsorbed depreciation), interest expenses (including Funded Interest Term Loan (FITL)), Disallowance of Expenses, Gratuity and Leave Encashment. The principles of Accounting Standard- 22 notified in this regard clearly states that deferred tax assets should be recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In our opinion, considering the huge accumulated losses and the present scenario of the Parent Company's business, there is no certainty that the parent company would have sufficient future taxable income to justify the creation of Deferred Tax Asset. Had the Deferred tax asset not been created, the net the loss for the year ended 31<sup>st</sup> March 2015 would have been higher by Rs. 29,998 Lakhs and the accumulated losses as at that date would have been higher by the same amount. Refer Note No. 34 forming part of the Consolidated Financial Statements.
- d. The Parent Company has issued refund bank guarantees to customers against various advance stage payments received by the Parent Company. Several of these customers had invoked the Bank Guarantees and the Banks have made payment aggregating to Rs. 96,632.71 Lakhs on account of refund bank guarantee invoked by the customers, along with Interest of Rs. 30,245.42 Lakhs and foreign exchange variation of Rs. 32,843.42 Lakhs upto 31st March 2015 and has charged further interest of Rs. 9,027 Lakhs on such invoked refund bank guarantee payments upto 31<sup>st</sup> March 2015. The Parent Company is of the opinion that payments under the refund bank guarantee are made by banks without following due process of law. The Parent Company has also filed a suit before the Hon'ble City civil court, Mumbai against the lending banks for payment of such invoked refund bank guarantees and the same is pending for disposal. Hence the Parent Company has not made any provision in its Financial Statements for the year ended 31st March 2015 in respect of any of the above payments made by the banks. In view of the pending litigation and the uncertainty of outcome of such pending litigation, we are unable to quantify its possible effect that may arise upon settlement of such litigation on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 35 forming part of the Consolidated Financial Statements.
- e. The Parent Company had recognized for subsidy under Ship Building Subsidy Scheme in earlier years, of which subsidy of Rs.64,792.77 Lakhs is outstanding as on 31<sup>st</sup> March 2015. The receipt of aforesaid Subsidy is dependent upon completion of vessels and compliance with other terms and conditions of the Shipbuilding Subsidy Scheme of the Government of India. In our opinion the recognition of above claim, being contingent asset in nature, is not in conformity with AS-29, Provisions, Contingent liabilities and Contingent assets. In view of the uncertainty involved with respect to generation of future cash flow as required for completion of vassals, we are unable to comment on the recoverability or otherwise of the aforementioned Subsidy receivable amounting to Rs. 64,792.77 Lakhs. Therefore, the possible impact of the same on the Consolidated Financial Statement for the year ended 31st March 2015 cannot be ascertained. Refer Note No. 36 forming part of the Consolidated Financial Statements.
- f. The Parent Company had been referred to CDR Cell on 16<sup>th</sup> December, 2011, and the financing arrangements under the scheme have been partly implemented. The said CDR scheme has been subsequently revoked by CDR EG being monitoring institutions vide its letter dated 21st August 2014. Some of the lenders including Lead Bankers have transferred there right, title, securities

and interest in financial assistances to Edelweiss Asset Reconstruction Company Limited (EARC). EARC is also proposing to come up with various stage wise restructuring plans for debts including reference made to BIFR on 10th April, 2015 to curtail the financial burden of the business cash flows in addition to business operation and management. We draw attention to Note no. 33 (a) of the Consolidated Financial Statement which indicates that the Parent Company has continuously been incurring substantial losses since past few years and the Parent Company has also incurred a net loss of Rs 86,458.24 Lakhs for the year ended 31st March 2015. As of this date, the Parent Company's total liabilities exceed its total assets by Rs 106,878.36 Lakhs and its net worth has been fully eroded.

The appropriateness of the going concern basis is interalia dependent upon Parent Company's successful financial restructuring including raising requisite finance for its revival and consequent generation of future cash flow to meets its obligations. In our opinion, these conditions along with other matters indicate the existence of material uncertainty that may cast doubt about the Parent Company's ability to continue as going concern.

- g. Confirmation / bank statements from some banks and Edelweiss Asset Reconstruction Company Limited (EARC) with respect to secured loans outstanding as on 31<sup>st</sup> March 2015 were not made available for verification by Parent Company. Hence the possible effect due to pending reconciliation with the books of accounts, if any, on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2015 remains unascertained. Refer Note No. 37 forming part of the Consolidated Financial Statements.
- h. The Parent Company has not provided for interest on secured loans including bank guarantee and other debt facility if any (funded as well as non funded) assigned to Edelweiss Asset Reconstruction Company Limited (EARC) and loans for which Parent Company has received any recall notice, from the date of assignment and / or receipt of recall notice from banks and NPA loan accounts for which it has not received call notice or any statement from lenders. In absence of relevant details and information with respect to computation of un-provided interest liability, we are unable to quantify its possible effect on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 37 forming part of the Consolidated Financial Statements.
- i. In absence of relevant documents / confirmations from banks in case of Parent Company, we are unable to comment on current status of Margin deposit with banks and Bank Guarantee as disclosed in contingent liability. Refer Note No. 38 forming part of the Consolidated Financial Statements.
- j. In case of Parent Company, due to pending reconciliation and confirmation of Trade Receivables, Loan and Advances, Trade Payables and Other Liabilities, we are unable to comment upon its possible effect on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 40 forming part of the Consolidated Financial Statements.
- k. The investment made by Associate Company - GOL offshore Limited (GOL) in its wholly owned subsidiary KEI-RSOS MARITIME LTD (KEI-RSOS), is at substantial premium. Consequently on consolidation of accounts of the GOL with that of aforesaid subsidiary results into goodwill on consolidation amounting to Rs 9,568 Lakhs. As the net worth of KEI-RSOS has substantially

eroded and as it has not assessed impairment losses of certain of its fixed assets presently not in use and as also no provision is made for disputed debtors and claims made by the customers on it, which is under arbitration, In the opinion of the Auditor of the Associate Company, this goodwill on consolidation ought to have been duly charged off to consolidated statement of profit and loss. If it was so charged, the consolidated loss of the group would be higher by Rs 4,758 Lakhs (to the extent of share of Parent Company) and accumulated losses as at that date would have been higher by the same amount. Refer Note No. 41(a) forming part of the Consolidated Financial Statements.

- I. The Consolidated financial Statement of the Group includes unaudited Standalone Financial Statement of the Joint Venture Entity – Bengal Shipyard Limited (Bengal). In absence of relevant details and information with respect to standalone financial statement of Subsidiaries and Associates of Bengal for consolidation purpose, we are unable to quantify its possible effect of non consolidation of these entities on the Consolidated Financial Statement for the year ended 31st March 2015. Refer Note No. 54 forming part of the Consolidated Financial Statements.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects **of the matters described in the Basis for Qualified Opinion paragraph above**, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate company as noted below, and the other financial statements of the components, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate, as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of the matter**

We draw attention to the following matter referred to in the notes forming part of the Consolidated Financial Statements:

- i Based on the valuation report of an Independent Chartered Engineer, Parent Company has written off excess value of Work in Progress (“WIP”) as on 31<sup>st</sup> March 2015 amounting to Rs. 54,177.02 Lakhs and charged excess value of WIP to statement of profit and loss as “Exception items”. Refer Note No. 43 (a) forming part of the Consolidated Financial Statements.
- ii The Parent Company is in the process of obtaining legal opinion with respect to disclosure and accounting treatment of unappropriated amount lying in share application money post expiry of last appointed date for exercise of option for conversion of share warrants and upon revocation of CDR scheme. Refer Note No. 32.1 forming part of the Consolidated Financial Statements.
- iii Internal control system in relation to timely and proper recording of the revenue and expenses transaction needs to be strengthened. Refer Note No. 39 forming part of the Consolidated Financial Statements.

**iv In the opinion of auditor's of the Associate Company – GOL Offshore Limited (GOL)**

The Associate Company has been making continuing default in repayment of dues to lenders including invocation of some of the corporate guarantees. Further there are instances where recovery proceeding have been initiated. As of 31<sup>st</sup> March 2015, Associate Company's total current liabilities exceeds its current assets by Rs 1,86,652 Lakhs. The appropriateness of the going concern basis is interalia dependent upon Associate company's successful raising of requisite finance for its revival and consequent generation of future cash flow to meet its obligations. The Associate Company continues to earn operating margin while carrying on its operations in the normal course and accordingly the financial statements have been prepared on a going concern basis. Refer note 33 (b) forming part of the Consolidated financial Statements.

Our opinion is not qualified in respect of above matters.

**Other Matters**

- (a) We did not audit the financial statements / financial information of eight subsidiaries, whose financial statements / financial information reflect total assets (net) of Rs. 1,17,663.02 Lakhs as at 31st March, 2015, total revenues of Rs. 374.55 Lakhs and net cash outflow amounting to Rs. 6,131.50 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of Rs. 8,835.03 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, to the extent applicable or considered as applicable, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of a joint venture entity, whose financial statements / financial information reflect total assets of Rs. 15.90 Lakhs as at 31st March, 2015, total revenues of (Rs. 8.59 Lakhs) and net cash outflow amounting to Rs. 0.51 Lakhs for the year ended on that date, to the extent of the share of Parent Company as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture entity, is based solely on such unaudited financial statements / financial information.

In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order 2015 (the Order), issued by the Central Government of India in terms of section 143(11) of the Act, based on the comments in the Auditor's Report of the Parent Company, Subsidiary Companies and Associate Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and except for the effects / possible effects of the matters described in the Basis for Qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, except for the effects/possible effects of the matters described in the Basis for Qualified opinion paragraph above, proper books of accounts of the group entities, as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those financial statements and the reports of the other auditors thereon.
  - c. The Group has no branch offices whose accounts are audited by branch auditors.
  - d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant financial statements adopted for the purpose of preparation of the consolidated financial statements.
  - e. In our opinion, except for the effects/possible effects of the matters described in the Basis for Qualified opinion paragraph above, the aforesaid Consolidated Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable to Group and its associates.
  - f. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - g. Based on the legal opinion obtained by the management on disqualification of directors and on the basis of the written representations received from the directors of the Parent company as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors of the

Parent company and the report of the other statutory auditors of its subsidiaries Company and Associate Company incorporated in India, none of the directors of the Group Companies and its Associate Company incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as director in terms of section 164(2) of the Act. In absence of specific information with respect to disqualification of directors on the board of Joint Venture Entity – Bengal Shipyard Limited other than representative directors of the Parent Company, we are unable to comment, whether directors other than representative directors of the Parent company are disqualified from being appointed as director in terms of section 164(2) of the Act.

- h. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and report of the other auditors of its Subsidiary companies and Associate Company :
  - (i) The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group and its Associate Company. Refer Note No. 31 forming part of the Consolidated Financial Statements.
  - (ii) Provision has been made in the Consolidated Financial Statements of the Group and its Associate Company, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - (iii) There is a delay of 19 days in transferring amount of Rs. 0.61 Lakhs as required to be transferred, to the Investor Education and Protection Fund by the Parent Company and dividend of Rs. 2.81 Lakhs declared in 2007 has not been transferred by Associate Company on account of legal disputes.

**For Damania and Varaiya.**

Firm's Registration Number: 102079W

Chartered Accountants

**CA. Bharat Jain**

Partner

Membership No.100583

Place: Mumbai

Date: 5<sup>th</sup> September 2015



## **Annexure to the Independent Auditors' Report**

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" in our Independent Auditors' Report to the members of the Group on the Consolidated Financial Statements for the year ended 31st March, 2015. For the Purpose of CARO 2015, the "Group" comprises of the Parent Company, its Subsidiary Companies, Interest in Joint Venture entity and its Associate Company incorporated in India.

Our reporting on the CARO 2015 includes one subsidiary company and one associate company incorporated in India, to which CARO 2015 is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

In respect of eight subsidiary companies incorporated in India, which have been included in the consolidated financial statements, reporting on the CARO 2015 is not applicable and hence no Report under CARO 2015 is available and accordingly the possible effects of the same on our reporting under CARO 2015 has not been considered.

In respect of a joint Venture Entity incorporated in India, which has been included in the consolidated financial statements based on unaudited standalone financial statements of such entity provided to us by the Management. As no Report under CARO 2015 is available of Joint Venture Entity and accordingly the possible effects of the same on our reporting under CARO 2015 has not been considered.

The statement is solely based on the comments in the respective Independent Auditors' report, on the standalone financial statements of the Parent Company, its Subsidiary Company and on consolidated financial statement of its Associate Company incorporated in India.

- i In respect of the fixed assets of the Parent Company, subsidiary company and associate company:
  - a. The respective companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets
  - b. According to information and explanation given to us, physical verification of a major portion of fixed assets including capital work in progress of Parent Company was conducted by an independent valuation agency as at the year end.

According to information and explanation given to other auditors, the fixed assets of the Subsidiary company and Associate Company, have been physically verified by the management during the year.

In our opinion and in the opinion of the other auditors, the respective companies have a program of verification which is reasonable having regard to the size of the group and the nature of its assets and operations,

According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.

ii In respect of the inventories of the Parent Company, subsidiary company and associate company:

- a. As explained to us and the other auditors, physical verification of inventories has been conducted at reasonable intervals by the management of respective companies and the physical verification of the vessels under construction of Parent Company was conducted by an independent valuation agency as at the year end.
- b. In our opinion and the opinion of other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventory and vessels under construction, followed by the respective management are reasonable and adequate in relation to the size of the respective companies and the nature of their business.
- c. In our opinion and the opinion of other auditors and according to the information and explanation given to us and the other auditors, the respective companies are maintaining proper records of inventories and vessels under construction and the discrepancies noticed on such physical verification between physical stock and the book records have been properly dealt with in the books of account.

iii

- a. As per the records of the Parent company, it has granted interest free unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.

According to the information and explanation given to the other auditors, the Associate company has given an unsecured loan to party covered in the register maintained under section 189 of the Companies Act, 2013.

- b. According to the information and explanation given to us, there is no stipulation as to the repayment of the loans by Parent company and the same are repayable on demand.

According to the information and explanation given to the other auditors, the Associate Company is regular in recovery of principal and interest amounts.

- c. As there is no stipulation as to the repayment of the loans given by Parent company, question of any overdue amount exceeding Rs. One Lakh does not arise.

- iv In our opinion and according to the information and explanations given to us, an internal control system is required to be strengthened to make it commensurate with the size of the Parent Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.

In the opinion of the other auditors and according to the information and explanations given to the other auditors, there is an adequate internal control system in the subsidiary company and associate company, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services.

During the course of our and other auditor's audit, we and other auditors have not observed any continuing failure to correct major weakness in such internal control system.

- v According to the information and explanations given to us and the other auditors, the Group has not accepted any deposit from public as governed by provisions of section 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, hence provision of clause (v) of the order is not applicable to the Group.
- vi On the basis of records produced before us by Parent Company and before the other auditors by subsidiary company, we and the other auditor are of the opinion that prima facie, the cost records prescribed by the Central Government of India under section 148(1) of the Companies Act 2013 have been made and maintained. We and other auditor have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

According to the information and explanations given to the other auditors, the Associate Company is not required to maintain cost records prescribed as per the Order issued by the Central Government under section 148 (1) of the Companies Act, 2013.

vii

- a. According to the records of the respective companies, and the information and explanations given to us and the other auditors, in respect of statutory dues of the Parent company, subsidiary company and associate company, the Group is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Duty of customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the other auditors, there are no undisputed statutory dues as referred to above as at 31st March, 2015 for a period more than six months from the date they become payable except as detailed in Annexure I to this report.
- b. According to the records of the respective companies and the information and explanation given to us and the other auditors, the dues in respect of Income tax, Service tax, Value added tax, Duty of Excise and Duty of Custom that have not been deposited on account of pending disputes with appropriate authorities are as detailed in Annexure II to this report.

- c. According to the information and explanation given to us and the other auditors, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been so transferred by respective entities except dividend of Rs. 2.81 Lakhs is not transferred by Associate Company due to pending legal dispute. Further there is a delay of 19 days in transferring amount of Rs. 0.61 Lakhs by Parent Company.
- viii The consolidated accumulated losses of the Group at the end of the financial year exceed fifty percent of its net worth. The Group has incurred cash losses during the financial year and in the immediately preceding financial year.
- ix According to the information and explanation given to us, the Parent Company, its subsidiary company and its Associate Company have defaulted in repayment of dues to a financial institution, banks and debenture holders as detailed in Annexure III to this report.
- x According to the information and explanation given to us and the other auditors, the Parent Company and subsidiary company have not given guarantees for loans taken by others from Banks or Financial Institutions; hence provision of clause (x) of the order is not applicable to Parent or subsidiary company.
- According to the information and explanation given to the other auditors, Associate Company has given guarantee for the loans taken by its wholly owned subsidiaries from banks or financial institutions, the terms and conditions thereof are not prima facie prejudicial to the interests of the Associate company.
- xi According to the information and explanation given to us, the Parent company has not obtained any term loans; hence provision of clause (xi) of the order is not applicable to the Parent company.
- According to the information and explanation given to the other auditors, Subsidiary Company and Associate Company on an overall basis, and utilization certificate obtained from a Chartered Accountant by Associate Company, term loans obtained by the Subsidiary Company and Associate Company, have been applied for the purpose for which the loans were obtained.
- xii Based upon the audit procedures performed and information and explanations given to us and the other auditors, no fraud on / by the respective entities have been noticed or reported during the year.

**For Damania and Varaiya.**

Firm's Registration Number: 102079W  
Chartered Accountants

**CA. Bharat Jain**

Partner  
Membership No.100583

Place: Mumbai

Date: 5<sup>th</sup> September, 2015.

## Annexure I to CARO 2015 Report

Details of Undisputed Statutory Dues outstanding for a period more than six months from the date they become due for payment.

### Parent Company:

Name of the Statute	Nature of the Dues	Financial Year to which matters Pertains	Amount (Rs.In Lakhs)
The Income Tax Act, 1961	Income Tax	2008-2009	928.07
The Income Tax Act, 1961	Tax Deducted at Source.	2011-2012	2.69
The Income Tax Act, 1961	Tax Deducted at Source.	2012-2013	5.56
The Income Tax Act, 1961	Tax Deducted at Source.	2013-2014	300.49
The Income Tax Act, 1961	Tax Deducted at Source.	2014-2015	50.99
The Income Tax Act, 1961	Tax Collected at Source.	2014-2015	2.35
The Wealth Tax Act, 1957	Wealth Tax	2003-2004	0.15
The EPF and MP Act, 1952	Provident Fund	2013-2014	232.84
The EPF and MP Act, 1952	Provident Fund	2014-2015	92.79
Professional Tax Act, 1975	Professional Tax	2013-2014	0.30
Professional Tax Act, 1975	Professional Tax	2014-2015	9.36
The Customs Act, 1962	Custom Duty	2009-2010	115.01
The Customs Act, 1962	Custom Duty	2010-2011	91.86
The Goa Value Added Tax Act, 2005	VAT	2014-2015	1.78
The West Bengal Value Added Tax Act, 2003	VAT	2014-2015	22.54
Central Sales Tax Act, 1956	CST	2014-2015	0.07

**Associate Company- GOL Offshore Limited**

<b>Name of the statute</b>	<b>Nature of Dues</b>	<b>Financial Year to which matters Pertains</b>	<b>Amount (Rs.in Lakhs)</b>
Income Tax Act, 1961	Self Assessment Tax	2012-13	1,032.88
Income Tax Act, 1961	Interest on delayed payment of the above	2012-13	166.72
Income Tax Act, 1961	Balance Interest on the above upto 30.09.2014	2012-13	124.04
Income Tax Act, 1961	Advance Tax	2013-14	1,784.16
Income Tax Act, 1961	Interest on Delayed payment of the above upto 30.09.2014	2013-14	253.33
Income Tax Act, 1961	Tax Deducted at Source	2013-14 2014-15	31.07 10.00
Income Tax Act, 1961	Interest on late payment of TDS	2012-13 2013-14 2014-15	257.18 329.80 173.19
The Maharashtra Value Added Tax Act, 2002	Interest on Works Contract Tax Contract Tax	2013-14	3.35
United Kingdom Corporation Tax Act, 2015	United Kingdom Tax	2013-14	509.59
United Kingdom Corporation Tax Act, 2015	United Kingdom Payee Tax	April, 2013 to August 2014	120.00 and 50.00

According to the information and explanations given to other auditor and as per the records of the Associate company examined by other auditor, the Associate company has pending litigation matters regarding the Income Tax liability for FY 2008-09 to FY 2011-12 with the Dispute Resolution Panel of which the impact of pending litigations for the FY 2008-09 and FY 2010-11 on its financial position in its financial statements has been disclosed in Note 31 to the Consolidated financial statements of Associate Company. The pending litigations pertaining to FY 2009-10 and FY 2011-12 do not have any impact on the Associate Company's financial position.

**Subsidiary of Associate Company- GOL Offshore Limited**

<b>Name of the Subsidiary Company</b>	<b>Name of the statute</b>	<b>Nature of Dues</b>	<b>Financial Year to which matters Pertains</b>	<b>Amount (Rs. in Lakhs)</b>
GOL Salvage Service Limited	AP Commercial Taxes	Profession Tax	2011-12 to 2014-15	0.15
KEI-RSOS Maritime Limited	Income Tax, 1961	Tax Deducted at Source.	2014-15	15.32
KEI-RSOS Maritime Limited	Finance Act, 1994	Service Tax	2013-14	372.24
KEI-RSOS Maritime Limited	Finance Act, 1994	Service Tax	2014-15	210.10
KEI-RSOS Maritime Limited	Seamen Provident Fund Act,1966	Contribution to Seamen PF	2013-14	1.86
KEI-RSOS Maritime Limited	Seamen Provident Fund Act,1966	Contribution to Seamen PF	2014-15	1.74
KEI-RSOS Maritime Limited	Seafarers Pension Fund Scheme	Pension	2013-14	1.77
KEI-RSOS Maritime Limited	Seafarers Pension Fund Scheme	Pension	2014-15	1.28
KEI-RSOS Maritime Limited	Custom Duty Act, 1962	Interest on Custom duty	2006-07	35.06

## Annexure II to CARO Report

Details of statutory dues that have not been deposited on account of pending disputes with appropriate authorities.

### Parent Company:

Name of the Statute	Nature of the dues	Financial Year to which the matter Pertains	Amount Rs (In Lakhs).	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2003-2004	0.15	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2005-2006	0.04	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2007-2008	668.19	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2008-2009	496.47	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2009-2010	451.12	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2010-2011	373.98	Appeal pending before CIT(A)
The Income Tax Act, 1961	Income Tax	2011-2012	2.27	Appeal pending before CIT(A)
The Finance Act, 2004 and Service Tax Rules	Service Tax	2008-2009 to 2012-2013	2,558.04	Dy. Commissioner
The Customs Act, 1962	Custom Duty	2008-2009	81.84	Director General of Central Excise Intelligence
The Customs Act, 1962	Custom Duty	2011-2012	4,978.56	Commissioner of Customs
The Central Excise Act, 1944	Excise Duty	2011-2012	1,354.04	Commissioner of Central Excise (LTU)



**Annexure II – Contd.....**

**Associate Company: GOL Offshore Limited**

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Financial Year to which the matter Pertains</b>	<b>Amount Rs (In Lakhs).</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	2005-06	768.30	CIT, Appeals
Income Tax Act, 1961	Income Tax	2006-07	29.09	CIT, Appeals
Income Tax Act, 1961	Income Tax	2007-08	462.83	CIT, Appeals
Income Tax Act,1961	Income Tax	2008-09	328.68	Dispute Resolution Panel
Income Tax Act,1961	Income Tax	2009-10	215.60	Dispute Resolution Panel
Income Tax Act,1961	Income Tax	2010-11	54.55	Dispute Resolution Panel
Income Tax Act,1961	Income Tax	2011-12	291.04	Dispute Resolution Panel
The Tamil Nadu General Sales Tax Act 1959	Tax u/s 3A of The Tamil Nadu General Sales Tax Act, 1959	1995-96 and 1996-97	100.78	The Sales Tax Appellate Tribunal, Chennai
The Karnataka Sales Tax Act , 1957	Tax u/s 5-C of the Act	1995-96 to 2001-02	117.96	Stay granted by Supreme Court
The Karnataka Sales Tax Act, 1957	Sales Tax	2007-08	6.03	Assistant Commissioner (CT) III, Enforcement Tribunal
The Customs Act, 1962	Customs Duty	2001-02	70.37	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	December 99	235.93	Commissioner of Customs (Import)
West Bengal Sales Tax Act	Sales Tax	2001-02	41.59	Taxation Tribunal, Kolkata

**Annexure II – Contd.....**

**Subsidiary of Associate Company- GOL Offshore Limited**

<b>Name of Subsidiary</b>	<b>Name of the Statue</b>	<b>Nature of the dues</b>	<b>Financial Year to which the matter Pertains</b>	<b>Amount Rs (In Lakhs)</b>	<b>Forum where dispute is pending</b>
GOL Ship Repairs Limited	Income Tax Act, 1961	Income Tax	AY 2011-12	17.04	CIT (Appeals)
Deep Water Services(India) Limited	Income Tax Act, 1961	Income Tax	AY 2011-12	40.00	A.O.
Deep Water Services(India) Limited	Income Tax Act, 1961	Income Tax	AY 2012-13	522.00	CIT (Appeals)
GOL Salvage Services Limited	Finance Act-1994	Service Tax	AY: 2003-04 to 2006-07	9.47	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
GOL Salvage Services Limited	Finance Act-1994	Service Tax	AY: 2007-08 to 2010-11	179.03	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
GOL Salvage Services Limited	Income Tax Act-1961	Income Tax	AY 2011-12	3.61	CIT, (Appeals)
GOL Salvage Services Limited	Income Tax Act-1961	Income Tax	AY 2010-11	24.13	CIT, (Appeals)
KEI-RSOS Maritime Limited	Finance Act, 1994	Service Tax	July 2003 to Jan 2007	279.59 (excluding Interest and Penalty)	Customs, Excise and service tax appellate tribunal, Chennai
KEI-RSOS Maritime Limited	Finance Act, 1994	Service Tax	July 2003 to Dec 2006	136.12 (excluding Interest and Penalty)	Customs, Excise and service tax appellate tribunal, Chennai
KEI-RSOS Maritime Limited	Finance Act, 1994	Service Tax	AY 2011-12	191.88 (excluding Interest and Penalty)	Customs, Excise and service tax appellate tribunal, Chennai
KEI-RSOS Maritime Limited	Andhra Pradesh Value Added Tax, 2005	VAT	July 2008 to February 2011	85.22	High Court, Andhra Pradesh

**Sub - Subsidiary Company- Tebma Shipyards Limited:**

Name of the Statute	Nature of dues	Period to which the total amount relates	Amount (Rs. in Lakhs)	Forum where dispute is pending
Karnataka Value Added Tax	Central Sales Tax- Penalty	2009-10	23.34	Jt. Comm. of Commercial Tax (Appeals), Mangalore
Kerala Value Added Tax	VAT	2006-07 & 2007-08	531	Kerala VAT, Cochin
Finance Act, 1994	Service Tax	2008-09	99.54	CESTAT, Bangalore
Central Excise Act	Central Excise	2009-10	454	CESTAT, Bangalore
Kerala Tax on Entry of Goods into Local Areas Act	Entry Tax	2006-07	0.45	Supreme Court
Central Excise Act	Central Excise	2008-09	72.57	CESTAT, Bangalore
West Bengal - VAT	VAT	2008-09	72.72	Comm of commercial tax
West Bengal - VAT	VAT	2009-10	41.16	Sr. Jt. Comm of commercial tax
Income Tax Act**	Income tax	2007-08 & 2008-09	3,539	Commissioner of Appeals, Chennai

\*\* Against re opening of assessment challenged by the subsidiary company in appeal

## Annexure III to CARO Report

### Parent Company:

#### Details of default in repayment of dues to financial institution, banks and debenture holders:

(1) The company has made continuous default in repayment of its banks loans, Compulsory Convertible Debentures and interest due thereon from date of revocation of CDR scheme i.e. 21<sup>st</sup> August, 2014 till the balance sheet date. Upon revocation of CDR scheme, in absence of requisite information from EARC and other banks covered under CDR scheme with respect to terms of repayment, the information in respect of amount and period of delays for default in repayment of Loan and interest cannot be ascertained and hence said information were not furnished in this report.

#### (2) Details of default in repayment of Loans including interest and other dues, other than those referred above as follows:

(Rs. in Lakhs)

Particulars	No of Months	Amount
Banks	1 – 12 Months	4,366.77
	12-24 Months	11,263.91
Financial Institution	1 – 12 Months	888.45
	12-24 Months	4,528.77
Debentures	1 – 12 Months	4,021.50
	12-27 Months	4,372.20

### Associate Company – GOL Offshore Limited

Details of default in repayment of dues to financial institution, banks and debenture holders by Associate Company and its subsidiary company - 'KEI-RSOS Maritime Limited':

(Rs. in Lakhs)

Default by	Particulars – Delay	Loan	Interest
Associate Company	Upto 30 Days	29,096	6,140
	31- 60 Days	8,908	4,404
	61- 90 Days	7,839	4,976
	91- 120 Days	7,073	3,734
	121-180 days	4,428	5,647
	181-365 days	3,964	-
	More than 365 Days	1,789	-

**Annexure III – Contd.....****(Rs. in Lakhs)**

<b>Default by</b>	<b>Particulars – Delay</b>	<b>Loan</b>	<b>Interest</b>
Subsidiary of Associate Company	Upto 30 Days	94.46	52.08
	31- 60 Days	101.78	216.09
	61- 90 Days	782.26	100.54
	91- 120 Days	155.08	28.6
	More than 120 days	-	0.77

Of the above Rs. 226.01 Lakhs in respect of loan instalments and Rs.73.45 Lakhs in respect of interest payments were in arrears as on the balance sheet date.

**Sub- Subsidiary Company- Tebma Shipyards Limited:****Details of default in settlement of forward contract to Non CDR lenders :****(Rs. in Lakhs)**

<b>Particulars</b>	<b>No of Months</b>	<b>Amount</b>
Settlement of Matured forward contract	58	460.00

**BHARATI SHIPYARD LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2015**

( Rs. in Lakhs)

Particulars	Note No	As at 31 March, 2015	As at 31 March, 2014
<b>A. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	5,029.89	5,029.89
(b) Reserves and Surplus	4	(125,010.65)	(27,711.27)
(c) Money received against share warrants		-	4,194.31
<b>(2) Share application money pending allotment</b>	5	1,915.00	1,915.00
<b>(3) Compulsory Convertible Debentures</b>		-	20,303.00
<b>(4) Minority Interest</b>		4,380.51	5,933.55
<b>(5) Non-Current Liabilities</b>			
(a) Long-term borrowings	6	16,127.91	307,326.77
(b) Other Long term liabilities	7	244.88	-
(c) Long term provisions	8	298.34	258.76
<b>(6) Current Liabilities</b>			
(a) Short-term borrowings	9	81,080.84	141,732.08
(b) Trade payables	10	20,783.62	22,161.57
(c) Other current liabilities	11	772,073.28	368,126.20
(d) Short-term provisions	12	2,118.08	4,240.88
<b>TOTAL</b>		<b>779,041.70</b>	<b>853,510.74</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		98,815.33	106,450.23
(ii) Intangible assets		2,493.95	2,879.76
(iii) Capital work-in-progress		25,677.85	24,385.39
(b) Goodwill on Consolidation	14	11,914.53	11,899.71
(c) Non-current investments	15	83,136.42	91,972.13
(d) Deferred tax assets (net)	16	29,868.90	16,158.94
(e) Long term loans and advances	17	4,021.43	7,479.70
(f) Other non-current assets	18	13,022.78	9,536.78
<b>(2) Current assets</b>			
(a) Current investments	19	0.12	0.12
(b) Inventories	20	371,035.57	431,206.03
(c) Trade receivables	21	86,911.17	83,154.76
(d) Cash and bank balances	22	25,679.19	19,016.82
(e) Short-term loans and advances	23	19,925.50	22,096.19
(f) Other current assets	24	6,538.95	27,274.17
<b>TOTAL</b>		<b>779,041.70</b>	<b>853,510.74</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Damania & Varaiya**  
Firm Reg. No. 102079W  
Chartered Accountants

**For and on behalf of the Board**

**Vijay Kumar**  
[Managing Director]

**P. C. Kapoor**  
[Managing Director]

**CA. Bharat Jain**  
[Partner]  
Membership No. 100583

**V.Gopalakrishnan**  
[President Finance and Company Secretary]

Place: Mumbai  
Date: 5th September, 2015

Place: Mumbai  
Date: 5th September, 2015

**BHARATI SHIPYARD LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

**( Rs. in Lakhs)**

<b>Particulars</b>	<b>Note No</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
<b><u>INCOME</u></b>			
(a) Revenue from operations	25	19,354.98	49,187.15
(b) Other Income	26	1,261.04	2,923.16
<b>Total Revenue</b>		<b>20,616.02</b>	<b>52,110.31</b>
<b><u>EXPENSES:</u></b>			
(a) Cost of materials consumed	27	13,816.55	40,916.12
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(139.77)	1,459.56
(c) Employee benefit expense	28	7,832.29	13,909.19
(d) Finance costs	29	32,520.25	54,384.30
(e) Depreciation and amortization expense	13	8,397.70	7,211.93
(f) Other expenses	30	8,552.79	14,454.72
<b>Total Expenses</b>		<b>70,979.80</b>	<b>132,335.82</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>(50,363.78)</b>	<b>(80,225.51)</b>
<b>Less: Exceptional Items</b>	43		
(i) Profit on sale of windmill operation		(481.54)	-
(ii) Loss on valuation of Work In Progress		54,177.02	-
(ii) Loss on impairment of Capital Work In Progress		-	29,127.30
<b>Profit / (Loss) before tax</b>		<b>(104,059.26)</b>	<b>(109,352.81)</b>
<b>Tax expense:</b>			
(a) Current tax		7.72	7.08
(b) Previous year tax		(514.76)	2,524.70
(c) Deferred tax		(13,709.96)	(20,787.43)
<b>Profit / (Loss) after tax, before share of minority interest and Associates</b>		<b>(89,842.27)</b>	<b>(91,097.16)</b>
Less: Share of minority interest		(1,571.53)	(3,161.40)
Add: Share of Associates		(8,835.03)	(3,363.24)
<b>Profit (Loss) for the year</b>		<b>(97,105.78)</b>	<b>(91,299.00)</b>
<b>Earning per equity share:</b>	49		
(1) Basic (face value Rs.10/- per share)		(193.06)	(204.92)
(2) Diluted (face value Rs.10/- per share)		(193.06)	(204.92)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For Damania & Varaiya**  
Firm Reg. No. 102079W  
Chartered Accountants

**For and on behalf of the Board**

**Vijay Kumar**  
[Managing Director]

**P. C. Kapoor**  
[Managing Director]

**CA. Bharat Jain**  
[Partner]  
Membership No. 100583

**V.Gopalakrishnan**  
[President Finance and Company Secretary]

Place: Mumbai  
Date: 5th September, 2015

Place: Mumbai  
Date: 5th September, 2015

**BHARATI SHIPYARD LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

( Rs. in Lakhs)

Particulars	Year Ended		Year Ended	
	31 March, 2015		31 March, 2014	
<b>A. Cash flow from Operating Activities:</b>				
Net Profit / (Loss) before taxation		(104,059.26)		(109,352.81)
<b>Non-cash adjustment</b>				
Depreciation/amortisation	8,397.70		7,211.93	
Loss / (Profit) on Sale of Fixed Assets (Net)	(14.29)		(2.16)	
Prior Period Depreciation Reversal	-		(476.19)	
Prior year consolidated adjustments	29.21		-	
Unrealised foreign exchange loss	210.69		1,629.92	
<b>Exceptional Items</b>				
Loss on Impairment of Capital Work in Progress	-		29,127.30	
Loss on Valuation of Work in Progress	54,177.02		-	
Profit on sale of Windmill Operation	(481.54)		-	
Interest expense (Finance Cost)	32,520.25		54,384.30	
Interest income	(858.52)		(1,796.25)	
Dividend income	(0.03)	93,980.49	(0.31)	90,078.55
<b>Operating (Loss) before working capital changes</b>		<b>(10,078.78)</b>		<b>(19,274.26)</b>
<b>Adjustments for working capital changes</b>				
Payables	(17,750.72)		(11,626.33)	
Receivables	2,489.29		35,058.31	
Inventories	5,993.44	(9,267.99)	15,829.63	39,261.61
<b>Cash generated from / (used in) operations</b>		<b>(19,346.77)</b>		<b>19,987.35</b>
Direct taxes paid (net of refunds)		(1,507.71)		18.76
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(20,854.48)</b>		<b>20,006.11</b>
<b>B. Cash flow from Investing Activities:</b>				
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(2,123.89)		(1,504.51)	
Acquisition in Equity Shares	(0.90)		-	
Sale of Windmill (Discontinued Operation)	5,509.83		11.89	
Sale of other fixed assets	265.99		-	
Expense on account of settlement of Escrow Account in Sub - subsidiary	(14.82)		-	
Interest received	1,014.65		1,995.97	
Dividends received	0.03		0.31	
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>4,650.89</b>		<b>503.65</b>
<b>C. Cash flow from Financing Activities</b>				
Share Capital	-		8,165.77	
Proceeds / (Repayment) from borrowings	14,953.96		12,540.17	
Interest paid (Finance Cost)	(3,538.67)		(31,566.20)	
<b>Net cash flow from/(used in) in financing activities (C)</b>		<b>11,415.29</b>		<b>(10,860.27)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(4,788.30)</b>		<b>9,649.50</b>
Cash and cash equivalents at the beginning of the year		13,605.45		3,955.95
Cash and cash equivalents at the end of the year		8,817.15		13,605.45
<b>Components of cash and cash equivalents</b>				
Cash on hand	34.82		44.83	
<b>Balances with banks</b>				
In current accounts	8,782.32		13,560.61	
<b>Total cash and cash equivalents</b>		<b>8,817.15</b>		<b>13,605.45</b>

In terms of our Report attached  
For Damania & Varaiya  
Firm Regn no. 102079W  
Chartered Accountants

For and on behalf

P. C. Kapoor  
[Managing Director]

Vijay Kumar  
[Managing Director]

CA. Bharat Jain  
[Partner]  
Membership no. 100583  
Place: Mumbai  
Date: 5th September, 2015

V.Gopalakrishnan  
President Finance and Company Secretary  
Place: Mumbai  
Date: 5th September, 2015



**1 Corporate Information:**

Bharati Shipyard Limited is a listed public company incorporated on 29th June, 1976. The company is primarily engaged in manufacturing of Ships, Non Propelled Vessels, Cranes, Rigs, off shore structures, ship repairing and related activities.

**2 Basis of consolidation:**

The consolidated financial statements relate to Bharati Shipyard Limited "the Parent Company", its subsidiaries, Its associate and its interest in Joint Venture entity (collectively referred as Group). Subsidiary includes sub-subsidiary wherever applicable..

**a Basis of Accounting**

- i The Financial Statements of the subsidiary companies, Associate and joint Venture entity used in consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2015.
- ii The Financial Statements of the Group have been prepared under the historical cost convention, except for certain Fixed Assets of the company which are carried at revalued amounts, on accrual basis of accounting, in accordance with the generally accepted accounting principles in India (Indian GAAP), on a going concern basis and in accordance with the Accounting Standards as specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013.

The financial statement of the Group are presented in Indian rupees rounded off to the nearest rupees in lakhs.

**b Use of Estimates:**

The preparation of financial statements of the Group in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements of the Group and reported amount of income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements of the Group are prudent and reasonable. Future, the results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialise. Any changes in such estimates is recognized prospectively.

**c Change in Accounting Estimates:-**

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 came into effect from 1st April, 2014 which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from 1st April, 2014, the Group has modified the useful lives of its tangible assets in line with the requirements of Schedule II of the Companies Act, 2013.

In respect of assets where the remaining useful life is Nil, the carrying amount as on 1<sup>st</sup> April, 2014 as determined by the management has been adjusted against the balances of retained earnings.

**d Principles of Consolidation**

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" on the following principles:-

- i The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**

- ii Interest in jointly controlled entities is accounted for using proportionate consolidation in accordance with Accounting Standard 27 on "Financial reporting of interests in Joint Ventures". The difference between costs of the Company's interest in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- iii The difference between the cost of investment in the subsidiaries and joint ventures, and the Group's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv Minority interest in the net income of consolidated subsidiaries for the reporting period has been identified and adjusted against the income of the group in order to arrive at net income attributable to the group. Minority interest in the net assets of the consolidated subsidiaries have been identified and presented in the consolidated Balance Sheet separately from liabilities and the equity of parent.
- vi Goodwill recognized in the Consolidated Financial Statements is not amortized.
- vii Investment in associates where the Company indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 - " Accounting for Investments in Associates "
- viii The Group accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.
- ix The difference between the cost of investment in the associates and the Group's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- x The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.
- xi The consolidated Financial Statements present the consolidated accounts of Bharati Shipyards Limited with its subsidiaries including indirect subsidiary companies, its interest in joint venture and Share of Profit/(Loss) of Associates.
- xii Notes of these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the group. Recognizing this purpose, the company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to Financial Statements, which in the opinion of the management, could be better viewed, when referred from the individual financial statements of the Companies.
- xiii **The list of subsidiary companies, joint venture and associates which are included in the consolidation and the Group's holdings therein are as under :**

Sr No.	Name of the Entity	Country of incorporation	Nature of relationship	Ownership interest
1	Advitiya Urja Private Limited*	India	Subsidiary	100%
2	Dhanshree Properties Private Limited*	India	Subsidiary	100%
3	Natural Power Ventures Pvt. Ltd.*	India	Subsidiary	100%
4	Nirupam Energy Projects Pvt. Ltd.*	India	Subsidiary	100%
5	Nishita Mercantile Pvt. Ltd.*	India	Subsidiary	100%
6	Pinky Shipyards Private Limited*	India	Subsidiary	51%
7	Premila Mercantile Pvt. Ltd.*	India	Subsidiary	100%
8	Vishudh Urja Pvt. Ltd.*	India	Subsidiary	100%
9	Tebma Shipyards Limited*	India	Sub -	53.79%
10	GOL Offshore Limited*	India	Associate	49.73%
11	Bengal Shipyards Limited**	India	Joint Venture	45.01%

\* Audited by other auditors

\*\* Unaudited standalone accounts of 31st March, 2015 are taken into consideration for preparation of consolidated financial statements.

Reporting dates of all Subsidiary Companies, Joint Venture Entity and Associate Company is 31st March, 2015

**e Fixed Assets**

**i. Tangible Assets:**

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any and includes amounts added on revaluation if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the tangible assets to its present location and condition.

**ii. Intangible Assets:**

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the asset to its working condition for the intended use.

**iii. Assets held for Sale:**

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under the head Other Current Assets.

**iv Capital Work-in-progress:**

Capital work-in-progress includes the cost of tangible assets that are not yet ready for their intended use at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**v Special Survey Expenses :**

**Associate Company - GOL Offshore Limited :**

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed. Similarly, specific expenses incurred for charters for which future benefits are expected over the period of the charter are capitalised.

**f Depreciation and Amortisation:**

**i.** Depreciation on Tangible Assets has been provided on Straight - Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**ii.** Depreciation on additions /deletions is calculated on pro-rata basis from /to the date of such additions / deletions.

**iii** Leasehold land - Cost of leasehold land is amortised over lease period

**iv Sub - Subsidiary Company - Tebma Shipyards Limited:**

Considering the special nature of plant and machinery and based on the technical evaluation, the company management has decided to retain the existing useful life as 20 years and depreciation is provided accordingly.

If management's estimate of the useful life of a fixed assets at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.

**v Associate Company - GOL Offshore Limited :**

The expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed or specific expenses incurred for charters for which future benefits are expected over the period of the charter are capitalised and depreciated over a period of 5 years.

In case of second hand acquisitions, depreciation is provided on the straight line method, so as to write off the cost over the estimated useful life, as technically evaluated by the management / consultants at the time of acquisition (20 to 27 years) , or at the rates prescribed in Schedule II to the Companies Act of 2013.

**g. Impairment of Assets:**

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**h Investments:**

Long-term investments are stated at cost less provision for other than temporary diminution in value. Current investments are stated at the lower of cost and fair value, determined by category of Investments.

**i Inventories:**

Inventories of Raw Material and Other Components, Stores and Spares have been valued at lower of cost determined on FIFO basis or net realisable value. Cost of Inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

ii. Work in progress is valued at amount of work done as percentage of contract value duly certified by Chartered Engineer.

**iii Sub-Subsidiary Company - Tebma Shipyards Limited :**

Inventory for raw materials and componenets for ship building projects are valued based on weighted average method

**j Employee Benefits**

**i. Short term benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, performance incentives, compensated absences etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service.

**ii. Post employment benefits**

**Defined contribution plans:**

The Group makes specified monthly contributions towards employee provident fund and further to that Associate Company - GOL Offshore Limited makes additional contribution towards Family Pension Fund, Superannuation Scheme and others Seamen's Welfare Contributions . The Group's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

In addition, employees of the company are also covered under employees' State Insurance Scheme Act, 1948.

The Group's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Group's has no further obligation under these plans beyond its monthly contributions.

**Defined benefit plans:**

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets deducted.

The present value of any obligation under such defined benefit plan is determined based on actuarial valuation using the Project Unit Completion 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 is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Group's, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when determined.

**iii. Compensated Absences:**

The Group's has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation, carried out at the balance sheet date.

The Group's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**k Revenue Recognition:**

- i. Revenue is recognised in accordance with 'AS-7 Accounting for Construction Contracts' notified by the Companies (Accounting Standards) Rules 2006 which continues to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013 on percentage completion basis by applying percentage of work completed to the total contract value duly certified.
- ii. Revenue from ship repair activity is recognised on the basis of job completion.
- iii. Other items of revenue are recognised in accounts in accordance with AS - 9 "Revenue Recognition"
- iv. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- v. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- vi. Charter hire earnings are recognised on accrual basis.

**l Government Subsidy:**

Government Subsidy is recognised in the Statement of Profit and Loss in accordance with the related scheme and in the period in which it is accrued. The scheme drawn up in this regard by the Ministry of Shipping, India specifies that the subsidy due on vessels constructed by Private Shipyards such as the Company itself would be payable only upon completion and delivery of eligible vessels as defined by the scheme. However, since the Group's follows accrual concept of accounting, the subsidy recognised in Statement of Profit and Loss also comprises of vessels under construction.

**m. 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 capitalised 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 Statement of Profit and Loss.

**n Provision for Taxation**

**Parent Company :**

- i. Tax expense comprises of current tax and deferred tax.

**ii Current Tax:**

Provision for current income-tax is made on the basis of estimated taxable income for the year, using the applicable tax rates and where the income is assessed by the tax authorities on the basis of such assessed income.

**iii Deferred Tax:**

Deferred Tax during the year for timing difference is accounted using tax rates that have been enacted; the net difference arising there on is debited / credited to statement of profit and loss. In case of net difference giving rise to a deferred tax assets, the same is recognised on the assumption that the company would be earning profits in the future.

- iv Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group's recognizes the MAT credit available as an asset only to the extent that there is convincing evidence that the Group's will pay the normal income tax during the specified period i.e., period for which MAT credit is allowed to be carried forward. In the year in which the Group's recognizes the MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Group's reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group's does not have convincing evidence that it will pay normal tax during the specified period.**

□

**v Associate Company - GOL Offshore Limited.**

Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

Taxes on income related to foreign operations is determined on the basis of provisions of the relevant acts applicable in the respective foreign country and the same is accounted for in the year in which it accrues.

**o Foreign Currency transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Gains or Losses upon settlement of transaction during the year is recognized in the statement of profit and loss.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Gains or losses arising as a result of the above are recognized in the statement of profit and loss.

**Associate Company - GOL Offshore Limited:**

Transactions in foreign currency are recorded at standard exchange rates determined monthly.

Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognised in the Hedge Reserve Account with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealised exchange gains or losses on transactions of foreign currency borrowing which qualify as effective hedge are recognised in the Hedge Reserve Account.

Realised gains or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Statement of the period in which they are cancelled.

**p Provision Contingent Liabilities and Contingent Assets:**

- i.** The Group's recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- ii.** A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

- iii. Where there is a possible or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
- iv. Contingent assets are neither recognised nor disclosed in the financial statements.

**q Operating Leases:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in the Statement of Profit and Loss in accordance with respective lease agreements.

**r Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) attributable to the shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**s Segment Reporting:**

The Group's identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group's. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on cost.

Segment revenue, Segment expenses, Segment assets and Segment liabilities which relate to the Group's as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

**t Cash Flow statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group's are segregated based on the available information

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

**u Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## 3 SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Authorised Capital:</b> 9,90,00,000 (31 March 2014 : 9,90,00,000) Equity Shares of Rs. 10/- each	9,900.00	9,900.00
<b>Issued, Subscribed &amp; Paid up Capital:</b> 5,02,98,942 (31 March 2014 : 5,02,98,942) equity shares of Rs.10/- each fully paid up	5,029.89	5,029.89
<b>TOTAL</b>	<b>5,029.89</b>	<b>5,029.89</b>

## 3.1 Additional Information

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	50,298,942	5,029.89	38,452,340	3,845.23
Add: Shares Issued during the year	-	-	11,846,602	1,184.66
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,298,942	5,029.89	50,298,942	5,029.89

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

b) Shareholders holding more than 5% shares in the Company (Equity Shares of Rs. 10 each)

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Vijay Kumar	5,724,556	11.38%	5,724,556	11.38%
Mr. P. C. Kapoor	5,723,508	11.38%	5,723,508	11.38%
Bharati Infratech Projects Private Limited	16,097,360	32.00%	16,097,360	32.00%
Bharati Shipping & Dredging Company Private Limited	2,878,731	5.72%	2,878,731	5.72%
Life Insurance Corporation of India	2,633,216	5.24%	2,633,216	5.24%

During the period of five years immediately preceding the date as at the balance sheet date, there are no shares issued without payment being received in cash, issued as bonus shares and shares bought back by the Company.

## 4 RESERVES AND SURPLUS

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>a. Securities Premium</b>		
Opening Balance	47,597.84	39,409.47
Add : On conversion of shares warrants into equity share	-	8,188.37
<b>Closing Balance</b>	<b>47,597.84</b>	<b>47,597.84</b>
<b>b. Debenture Redemption Reserve</b>		
Opening Balance	1,250.00	1,250.00
<b>Closing Balance</b>	<b>1,250.00</b>	<b>1,250.00</b>
<b>c. Revaluation Reserve</b>		
Opening Balance	204.63	266.69
Less: Transferred to Statement of Profit and Loss	-	(62.06)
<b>Closing Balance</b>	<b>204.63</b>	<b>204.63</b>
<b>d. General Reserve</b>		
Opening Balance	7,010.53	7,010.53
<b>Closing Balance</b>	<b>7,010.53</b>	<b>7,010.53</b>
<b>e. Surplus</b>		
Opening Balance	(83,774.27)	7,524.73
Add: Prior year consolidation adjustments	25.77	-
Add : Profit / (Loss) for the year	(97,105.78)	(91,299.00)
Add: Share of Loss of Minority Interest absorbed (Pinky Shipyards Limited)	(18.48)	-
Less : Adjustment to carrying value of assets as per Schedule II	200.89	-
<b>Closing Balance</b>	<b>(181,073.65)</b>	<b>(83,774.27)</b>
<b>TOTAL</b>	<b>(125,010.65)</b>	<b>(27,711.27)</b>



**5 Share application money pending allotment received by Tebma Shipyards Limited (Sub-Subsidiary Company)**

The share application money pending allotment as at 31 March, 2015 of Rs.1,915 Lakhs is received from India Advantage Fund VI (IAF VI), a promoter shareholder. In terms of Notification dated 31 March, 2015 issued by Ministry of Corporate Affairs (MCA), any advance share subscription money received by a company before 1 April, 2014 and against which allotment is pending as of 31 March, 2015 then that company should on or before 1 June, 2015 either refund the advance share subscription money so received or allot securities to comply with the Deposit Rules.

In compliance of the Notification, the Board of Company had decided to convene an extraordinary general meeting which is scheduled to be held on 30 May, 2015 to seek the approval of shareholders for issuance of equity shares to IAF VI on a preferential basis.

The EGM of the Company is conducted on 30 May, 2015, where IAF VI a promoter shareholder has not accepted allotments of shares and demanded refund of Share Application Money of Rs 1,915 Lakhs from the Company. There are restrictions have been placed on the Company by CDR EG and CDR Lenders, from refunding the Share Application Money to IAF VI, before dues of Secured lenders have been settled. The Company has obtained a Legal opinion for compliance with the "The Companies (Acceptance of Deposit) Rules 2014" and disclosure for Share Application Money pending allotment and according to the Legal Opinion the said outstanding amount can be treated as Unsecured Loan from Promoters. The said legal opinion have been taken on the records of the Board of Directors for further discussion with IAF VI.

**6 LONG-TERM BORROWINGS****(Rs. in Lakhs)**

Particulars	As at 31 March 2015		As at 31 March 2014	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
a) Debentures (Refer Note - 6.1)	-	9,000.00	2,000.00	7,000.00
b) Term Loan				
i. From Banks (Refer Note - 6.2, 6.5 and 6.6)	14,646.71	192,389.45	294,169.74	101,443.93
ii. From Others (Refer Note - 6.3) #	-	277,519.23	8,417.34	3,493.11
<b>Unsecured</b>				
(a) Loans and advances from related parties (Refer Note - 6.4)	1,481.19	-	2,739.69	-
<b>TOTAL</b>	<b>16,127.91</b>	<b>478,908.68</b>	<b>307,326.77</b>	<b>111,937.04</b>

# Term loan from others represent Bank loans which have been takeover by Edelweiss Asset Reconstruction Cell (EARC) and SICOM Limited.

**Parent Company :****6.1 Security and other terms relating to repayments and maturity:**

Particulars	Rate of Interest	Security	Terms of Repayment
<b>1. Debentures</b>			
<b>Secured, Redeemable, Non-Convertible Debentures:</b>			
<b>a. Life Insurance Corporation of India</b> (700 Debentures of Rs. 10,00,000/- each)	12.45%	Secured by first pari passu charge on fixed assets movable and immovable assets including Land and Buildings both present and future.	Repayable in 2 years in 8 equal quarterly installments commencing from June 2013 to June 2015, as per the CDR Scheme.
<b>b. General Insurance Corporation of India</b> (200 Debentures of Rs. 10,00,000/- each)	10.00%	Secured by first pari passu charge on certain fixed assets of the company.	Repayable in 5 structured yearly installments commencing from June 2013 till June 2018, as per the CDR Scheme.

**6.2 Term Loan from Bank (Other than DBS term Loan) and Term Loan taken over by EARC :**

The Company has taken loans from the Consortium Banks with State Bank of India (SBI) as lead bankers. These loans were restructured under the Corporate Debt Restructuring Scheme (CDR Scheme) approved on 25 June, 2012. As part of CDR Scheme, the Company had allotted 26,926,175 Compulsory Convertible Debentures (CCD) carrying coupon rate of 1% p.a to the 18 secured lenders. The company, during the tenure of CDR scheme has not adhered to the repayment and other terms of CDR scheme and accordingly the CDR scheme was revoked by the Lenders as on 21st August, 2014. The company is in continuous default in repayment of its Banks loans, CCD, debentures, interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date.

Upon revocation of CDR Scheme, out of 23 bank Lenders, 11 bank Lenders have assigned their outstanding loans including interest and other dues along with respective rights and securities to Edelweiss Assets Reconstruction Company Limited (EARC). Further 6 lenders have sent recall notice for recovery of outstanding dues from the Company and balance 6 lenders have classified the said outstanding loans including interest and other dues as Non Performing Assets (NPA). Considering the continuing default in repayment of these loans and revocation of CDR Scheme by the Lenders, all the outstanding loans have become payable on demand and accordingly have been classified as "Current Maturities of long term loan" under the head "Current Liabilities".

Upon referral to CDR Scheme, the Company has executed the Indenture of Mortgage deed dated 28 June, 2013 for mortgage of securities in favour of SBICAP Trustee Company Limited in its capacity as "Security Trustee" for the benefit of all secured parties of the Scheme. Details of securities offered to security trustee for outstanding loan, CCD including interest and other dues are as follows:

- (a) All Movable and Immovable Assets of all the location of the company ;
- (b) Residential Flats of Managing Directors ;
- (c) All the shares of the Company held by promoters of the Company ;
- (d) 24% of unencumbered shares of GOL Offshore Limited held by promoter/ Group company ;
- (e) Shares and corporate Guarantees of subsidiary companies: Dhanshree Properties Pvt. Ltd., Natural Power Ventures Pvt. Ltd. and Nirupam Energy Projects Pvt Ltd. ;
- (f) Share of Bharati Infratech Pvt. Ltd., Bharati Maritime Services Pvt. Ltd. and Harsha Infrastructure Pvt. Ltd. held in Bharati Shipyards Ltd. ;
- (g) Personal Guarantees of the promoters and ;
- (h) Corporate Guarantees of Pinky Shipyards Pvt Ltd, Bharati Infratech Pvt Ltd, Bharati Maritime Services Pvt Ltd, Harsha Infrastructure Pvt Ltd and Bharati Shipping & Dredging Co. Pvt Ltd.

**Term Loan from DBS Bank Limited**

Particulars	Rate of Interest	Security	Terms of Repayment
DBS Bank	LIBOR plus 200 basis points	Pari Passu charge on fixed assets at the Dabhol yard.	Repayment in 4 equal half yearly installments each commencing from quarter ending March 2013.

**6.3 SICOM Limited**

Particulars	Rate of Interest	Security	Terms of Repayment
SICOM Limited	11.75%	Secured by Subservient charge on all the movable and current assets, both present and future, of the company in a form and manner acceptable to SICOM. Irrevocable Personal Guarantee of Promoter Directors.	Repayable in single installment at the end of 3 years from the date of disbursement.

6.4 Unsecured Loan and advances from Related Parties are repayable over the period of 2 to 3 years.

**6.5 Disclosure of default in repayment of Bank Loans, Financial Institution, Debentures , interest and other dues:**

- (a) The company is in continuous default in repayment of its Bank loans, CCD , interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date. Upon revocation of CDR scheme, in absence of requisite information from EARC and other banks covered under CDR scheme with respect to terms of repayment, the specific information in respect of period of delays of default in repayment of Loan and interest cannot be ascertained and hence said information is not given.

(b) Details of default in repayment of Loans including interest and other dues, other than above are as follows:

Particulars	As at 31 March 2015		As at 31 March 2014	
	Amount	Period in Months	Amount	Period in Months
<b><u>DBS Bank Loan</u></b>				
Principal	12,518.16	13-24 Months	9,388.62	13 Months
Interest	3,112.52	13-24 Months	1,875.29	13 Months
<b><u>SICOM Limited</u></b>				
Principal	4,417.32	12- 24 Months	4,417.32	12 Months
Interest	999.90	12-24 Months	111.46	12 Months
<b><u>LIC OF India</u></b>				
Principal	1,400.00	3-15 Months	350.00	3 Months
Interest	3,740.27	15-27 Months	2,868.77	3-15 Months
<b><u>GIC OF India</u></b>				
Principal	100.00	9 Months	-	-
Interest	3,153.42	9 -21 Months	1,153.42	9 Months

**6.6 Term Loan from Bank taken by Tebma Shipyard Limited (Sub Subsidiary Company) :**

The secured lenders (Banks) of the Company had implemented a restructuring package under Corporate Debt Restructuring mechanism vide CDR EG's approval dt. 22 October 2010.

The above said credit facilities from banks are secured by:

- i) Phipassu charge on all fixed assets and current assets of the company ;
- ii) Corporate Guarantee of Nirupam Energy Projects Private Ltd, the promoter company ;
- iii) Personal guarantee of erstwhile Promoter of the Company and ;
- iv) Promoters of the Company namely M/s.Nirupam Energy Projects P Ltd and M/s. India advantage fund - VI acting through its investment Manager M/s ICICI Venture Funds Management Company Limited, have jointly pledged 51% of the shares of the company to the lending banks.

**Repayment Terms as per Corporate Debt Restructuring :**

i) Term Loan and Working Capital Term Loan are to be repaid on quarterly basis commencing from quarter ending June 2012 till the quarter ending March 2020. Funded Interest Term Loan is scheduled from quarter ending June 2012 till the quarter ending March 2017.

ii) The installment dues of the ensuing financial year 2015-16 are recorded as Current Maturities of Long Term Loan are grouped and disclosed under "Other Current Liabilities"

**7 OTHER LONG TERM LIABILITIES****( Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Trade Payables		
(i) Micro, Small and Medium Enterprises (Refer Note 10.1 )	-	-
(ii) Others	244.88	-
<b>TOTAL</b>	<b>244.88</b>	<b>-</b>

**8 LONG TERM PROVISIONS****( Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Provision for employee benefits</b>		
(i) Provision for compensated absences (Unfunded)	99.00	69.86
(ii) Provision for gratuity (funded )(net)	199.34	188.90
<b>TOTAL</b>	<b>298.34</b>	<b>258.76</b>

**9 SHORT TERM BORROWINGS****( Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>		
<b>(a) Loans repayable on demand (Refer Note no 9.1)</b>		
(i) From Banks	70,724.15	124,372.77
(ii) Buyers credit	3,244.15	8,538.60
(iii) From Others	-	1,719.17
<b>Unsecured</b>		
(i) Others (Refer Note 9.2)	7,112.54	7,101.54
<b>TOTAL</b>	<b>81,080.84</b>	<b>141,732.08</b>

9.1 (Refer Note - 6.2, 6.3 and 6.5) for securities and default in repayment of Loans repayable on demand from Banks and others.

9.2 Unsecured Loans from others are repayable in within 12 months.

**10 TRADE PAYABLES****( Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Trade Payables</b>		
(i) Micro, Small and Medium Enterprises (Refer note 10.1)	16.04	9.86
(ii) Others	20,767.59	22,151.72
<b>TOTAL</b>	<b>20,783.62</b>	<b>22,161.57</b>

## 10.1

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	7.98	6.53
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7.58	3.33
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iv) The amount of interest due and payable for the year	4.73	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	7.58	3.33
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as	-	-

Note : Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 11 OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Current maturities of long-term debt (Refer Note 6 : Long-Term Borrowings )		
-- From Banks	478,908.68	111,937.04
-- Compulsory Convertible Debentures	20,135.42	-
(b) Money received against share warrants	4,194.31	-
(c) Interest accrued but not due on borrowings	44.45	96.09
(d) Interest accrued and due on borrowings	53,975.19	24,941.97
(e) Advance from Customers	19,961.58	41,200.67
(f) Income received in advance (Unearned Revenue)	186,490.47	184,593.77
(g) Unpaid dividends *	19.53	20.19
(h) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,224.24	1,417.07
(ii) Payables on purchase of fixed assets	50.30	48.66
(iii) Trade / security deposits received	8.35	183.21
(iv) Others #	7,060.76	3,687.53
<b>TOTAL</b>	<b>772,073.28</b>	<b>368,126.20</b>

\* There are no amounts due to be credited to Investor Education and Protection Fund.

# Others includes outstanding Salaries & Wages, Demurrage Charges and provision for Expenses.

## 12 SHORT-TERM PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(a) Provision for employee benefits</b>		
(i) Provision for bonus	2.64	2.64
(ii) Provision for compensated absences (Unfunded)	37.27	52.36
(iii) Provision for gratuity (net)	132.51	71.62
<b>(b) Provision - Others</b>		
(i) Provision for tax (net of taxes paid)	1,287.73	3,299.86
(ii) Provision for warranty	369.35	512.82
(iii) Provision for other contingencies	155.92	219.30
(iv) Provision - others	132.67	82.28
<b>TOTAL</b>	<b>2,118.08</b>	<b>4,240.88</b>

**BHARATI SHIPYARD LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015**
**Note 13: FIXED ASSETS**

(Rs. in Lakhs)

Description	Gross Block				Accumulated Depreciation					Net Block	
	As at 1 April 2014	Additions	Adjustment /Disposals	As at 31 March,2015	As at 1 April 2014	Depreciation charge for the period	Excess of Carrying amount over Residual value [Refer Note 2 ]	Adjustment /Disposals	As at 31 March,2015	As at 1 April 2014	As at 31 March,2015
<b>A Tangible Assets</b>											
<b>Own Assets</b>											
Freehold Land	15,840.43	103.15	-	15,943.58	-	-	-	-	-	15,840.43	15,943.58
Buildings	16,630.85	349.77	124.42	16,856.20	4,313.75	629.57	-	124.42	4,818.90	12,317.10	12,037.30
Slipway	3,642.91	-	-	3,642.91	1,408.83	210.45	-	-	1,619.28	2,234.08	2,023.63
Plant and Equipment	91,415.71	67.14	664.05	90,818.80	20,084.24	6,170.23	(52.04)	664.05	25,538.38	71,331.47	65,280.42
Dredger	184.13	-	-	184.13	119.69	7.89	-	-	127.58	64.44	56.55
Two Line Handling Boat	1,294.91	-	-	1,294.91	278.39	86.52	-	-	364.91	1,016.52	930.00
Furniture and Fixtures	3,006.93	-	59.14	2,947.79	972.07	390.69	-	59.14	1,303.62	2,034.86	1,644.17
Vehicles	1,400.05	-	30.74	1,369.31	656.70	209.58	9.79	24.96	851.11	743.35	518.20
Office equipment	715.92	12.60	41.17	687.35	296.13	170.96	176.96	41.05	603.00	419.79	84.35
Computers	666.02	0.53	60.49	606.06	574.40	8.82	66.98	60.49	589.71	91.62	16.35
Wind Mill	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>134,797.84</b>	<b>533.19</b>	<b>980.01</b>	<b>134,351.04</b>	<b>28,704.19</b>	<b>7,884.73</b>	<b>201.69</b>	<b>974.11</b>	<b>35,816.50</b>	<b>106,093.65</b>	<b>98,534.54</b>
TOTAL (Previous Year)	142,345.29	1,489.33	9,036.78	134,797.84	26,342.93	6,774.14	-	4,412.89	28,704.19	116,002.36	106,093.65
<b>B Tangible Assets (Leased Assets)</b>											
Leasehold Land (Refer Note 3 and 4)	394.63	70.34	18.56	446.42	38.06	127.58	-	-	165.64	356.57	280.77
<b>TOTAL (B)</b>	<b>394.63</b>	<b>70.34</b>	<b>18.56</b>	<b>446.42</b>	<b>38.06</b>	<b>127.58</b>	<b>-</b>	<b>-</b>	<b>165.64</b>	<b>356.57</b>	<b>280.77</b>
TOTAL (Previous Year)	394.63	-	-	394.63	33.34	4.72	-	-	38.06	361.29	356.57
<b>Total of Tangible Assets (A+B)</b>	<b>135,192.47</b>	<b>603.53</b>	<b>998.57</b>	<b>134,797.46</b>	<b>28,742.25</b>	<b>8,012.31</b>	<b>201.69</b>	<b>974.11</b>	<b>35,982.14</b>	<b>106,450.23</b>	<b>98,815.32</b>
TOTAL (Previous Year)	142,739.92	1,489.33	9,036.78	135,192.47	26,376.27	6,778.86	-	4,412.89	28,742.25	116,363.65	106,450.23
<b>C Intangible Assets</b>											
Computer software	3,968.94	0.65	78.94	3,890.65	1,089.19	386.46	-	78.94	1,396.70	2,879.76	2,493.95
<b>TOTAL (C)</b>	<b>3,968.94</b>	<b>0.65</b>	<b>78.94</b>	<b>3,890.65</b>	<b>1,089.19</b>	<b>386.46</b>	<b>-</b>	<b>78.94</b>	<b>1,396.70</b>	<b>2,879.76</b>	<b>2,493.95</b>
TOTAL (Previous Year)	3,849.54	119.40	-	3,968.94	656.13	433.07	-	-	1,089.19	3,193.41	2,879.76
<b>TOTAL (A+B+C)</b>	<b>139,161.42</b>	<b>604.18</b>	<b>1,077.51</b>	<b>138,688.11</b>	<b>29,831.44</b>	<b>8,398.77</b>	<b>201.69</b>	<b>1,053.05</b>	<b>37,378.84</b>	<b>109,329.98</b>	<b>101,309.27</b>
TOTAL (Previous Year)	146,589.46	1,608.73	9,036.78	139,161.42	27,032.40	7,211.93	-	4,412.89	29,831.44	119,557.06	109,329.98
<b>D Capital work-in-progress (Previous Year)</b>											25,677.85 24,385.39

**Note:**

- Pursuant to Companies Act, 2013, becoming effective 1st April, 2014, the company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Part C of Schedule II of Act, 2013. As a result, the charge of depreciation for the year is higher by Rs. 1,681.61 Lakhs.

- 2 In case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to Rs 200.89 Lakhs have been charged to the opening balance of surplus and in case of Bengal Shipyard Limited (Joint Venture Entity), Rs 0.80 Lakhs has been capitalised as Project Development Expenditure.
- 3 Adjustment / disposal includes reclassification of lease hold land to Free hold Land.
- 4 Depreciation charge for the year includes unamortised premium on Leasehold Land for which lease terms have been expired during the year.
- 5 In Tebma Shipyards Limited (Sub-Subsidiary Company) , considering the special nature of Plant and Machinery and based on technical evaluation, the estimated life of the such assets are retained at 20 years against the maximum life of 15 years as prescribed in the Companies Act 2013.
- 6 Depreciation pertaining to Bengal Shipyards Limited (Joint Venture Entity) amounting to Rs 1.07 Lakhs has been capitalised as Project Development Expenditure since the Company is yet to start its commercial operations.

14 GOODWILL ON CONSOLIDATION

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
Balance brought forward	11,899.71	11,899.71
Add: Settlement of Escrow account in Tebma Shipyard Limited	14.82	-
<b>TOTAL</b>	<b>11,914.53</b>	<b>11,899.71</b>

15 NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
Long Term Investment - At Cost		
<b>Trade Investment - Quoted</b>		
(a) Investment in Equity instruments	83,130.85	91,967.46
<b>Trade Investment - Unquoted</b>		
(a) Investment in Equity instruments	4.05	3.15
<b>Non - trade Investment - Unquoted</b>		
(a) Investment in Equity instruments	1.42	1.42
(b) Investments in Government or Trust securities	0.10	0.10
<b>TOTAL</b>	<b>83,136.42</b>	<b>91,972.13</b>
Aggregate amount of quoted investments	83,130.85	91,967.46
Aggregate amount of unquoted investments	5.57	4.67
Aggregate amount of unquoted investments	10,608.72	13,247.02

15.1 Details of Investments

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>A) Investment in Equity Shares - Trade Investments</b>		
<b>1</b> In Equity Shares of Associates (Quoted , Fully paid up)		
GOL Offshore Limited (Refer Note 43)	83,130.85	91,967.46
1,85,14,352 (31.03.2014 : 1,85,14,352) Shares of Rs. 10 each fully paid up		
<b>2</b> In Equity Shares of Subsidiaries of Joint Venture Entity (Unquoted , Fully paid up)		
a) Oceanic Shipyards Limited	2.25	2.25
50,000 (31.03.2014 : 50,000) Shares of Rs 10 each fully paid up		
b) Bengal Heavy Enggineering Private Limited	0.45	0.23
9,999 (31.03.2014 : 4,999) Shares of Rs 10 each fully paid up		
<b>3</b> In Equity Shares of Associates of Joint Venture Entity (Unquoted , Fully paid up)		
Balgopal Vaypaar Private Limited	0.23	0.23
5,000 (31.03.2014 : 5,000) Shares of Rs 10 each fully paid up		
Jai Pahadimata Barter Private Limited	0.23	0.23
5,000 (31.03.2014 : 5,000) Shares of Rs 10 each fully paid up		
Pashupati Vinimay Private Limited	0.23	0.23
5,000 (31.03.2014 : 5,000) Shares of Rs 10 each fully paid up		
Banshidhar Vinimay Private Limited	0.23	-
5,000 (31.03.2014 : Nil) Shares of Rs 10 each fully paid up		
Ganga Tradelink Private Limited	0.23	-
5,000 (31.03.2014 : Nil) Shares of Rs 10 each fully paid up		
Ranthambor Tradelink Private Limited	0.23	-
5,000 (31.03.2014 : Nil) Shares of Rs 10 each fully paid up		
<b>B) Investment in Equity Shares - Non Trade Investments</b>		
<b>Quoted - Equity Shares</b>		
Andhra Bank Limited	0.46	0.46
4,600 (31.03.2014 : 4,600) Shares of Rs 10 each fully paid up		
Syndicate Bank Limited	0.86	0.86
1,728 (31.03.2014 : 1,728) Shares of Rs 10 each fully paid up		

	<b>Unquoted - Equity Shares</b> The Goa Urban Co-operative Bank Limited 1,000 (31.03.2014 : 1000) Shares of Rs 10 each fully paid up	0.10	0.10
C)	<b>Investments in Government or Trust securities</b> (i) National Saving Certificate	0.10	0.10

15 DEFERRED TAX ASSETS (NET) (Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Deferred Tax Assets</b>	<b>59,563.21</b>	<b>47,310.78</b>
Brought forward business losses and unabsorbed depreciation	33,277.31	23,182.99
Disallowance of Expenses	1,539.59	
Disallowances u/s 43B of the I T Act, 1961	24,467.02	23,848.50
<b>Deferred Tax Liability</b>	<b>(29,694.31)</b>	<b>(31,151.84)</b>
Depreciation on fixed assets	9,264.95	10,338.16
Others - Subsidy	20,020.97	20,412.52
<b>TOTAL</b>	<b>29,868.90</b>	<b>16,158.95</b>

17 LONG TERM LOANS AND ADVANCES (Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Unsecured, considered good</b>		
(a) Capital Advances	10.92	1,848.65
(b) Security Deposits	755.84	767.37
(c) Loans and advances to related parties	2,729.95	4,225.89
(d) Balances with government authorities		
i) CENVAT credit receivable	23.43	5.41
ii) VAT credit receivable	160.70	160.72
iii) Service Tax credit receivable	50.56	95.09
(e) Other loans and advances	290.02	376.57
<b>TOTAL</b>	<b>4,021.43</b>	<b>7,479.70</b>

18 OTHER NON-CURRENT ASSETS (Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good		
(a) Long-term trade receivables	13,021.20	9,535.20
(b) <u>Unamortised expenditure</u> Preliminary Expenses	1.58	1.58
<b>TOTAL</b>	<b>13,022.78</b>	<b>9,536.78</b>

19 CURRENT INVESTMENTS (Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Other Current Investments</b> (Carried at lower of cost and quoted / fair value)		
(i) Investment in Equity instruments (Refer Note : 18.1)	0.12	0.12
<b>TOTAL</b>	<b>0.12</b>	<b>0.12</b>

(Rs. in Lakhs)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(a) Investment in Equity instruments (Quoted)</b> ICICI Bank Limited 750 (31.03.2013 : 150) Shares of Rs. 2 (P.Y. Rs 10/-) each fully paid	0.12	0.12



Particulars	Rs. in lakhs	Rs. in lakhs
Aggregate amount of quoted investments	0.12	0.12
Market Value of quoted investments	2.37	1.87

**20 INVENTORIES (Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Raw materials and Components	57,323.24	62,842.21
(b) Raw materials and Components - Goods-in-Transit	4,363.02	4,523.13
(c) Work-in-progress	309,567.06	364,198.22
(d) Stock-in-trade	289.61	149.85
Less : Provision for Cancelled Order inventory	(507.37)	(507.38)
<b>TOTAL</b>	<b>371,035.57</b>	<b>431,206.03</b>

**21 TRADE RECEIVABLES (Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	83,832.68	80,733.01
Others	3,078.49	2,421.75
<b>TOTAL</b>	<b>86,911.17</b>	<b>83,154.76</b>

**22 CASH AND BANK BALANCES (Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(a) Cash and Cash Equivalents</b>		
(i) Cash on hand	34.82	44.83
(ii) Balances with banks - In current accounts	8,782.32	13,560.61
<b>(b) Other Bank Balances</b>		
(i) In deposit accounts	13.33	12.30
(ii) Security against borrowings	16,829.16	5,378.82
(iii) Unpaid dividend accounts	19.56	20.25
<b>TOTAL</b>	<b>25,679.19</b>	<b>19,016.82</b>

**23 SHORT TERM LOANS AND ADVANCES (Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Unsecured, considered good</b>		
(a) Security deposits	979.26	1,100.50
(b) Loans and advances to related parties	2,357.50	2,952.28
(c) Loans and advances to employees	151.34	146.22
(d) Prepaid expenses	284.91	933.14
(e) Balances with government authorities		
(i) VAT credit receivable	1,286.17	1,948.95
(ii) Service Tax credit receivable	113.07	96.24
(iii) TDS credit receivable	3.16	0.56
(f) Others		
(i) Advances to Suppliers	14,749.59	14,783.15
(ii) Others	0.50	135.16
<b>TOTAL</b>	<b>19,925.50</b>	<b>22,096.19</b>

**24 OTHER CURRENT ASSETS (Rs. in Lakhs)**

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Unbilled revenue	6,430.61	21,977.93
(b) Interest accrued on deposits	32.42	188.55
(c) Asset held for Sale (Refer note 51)	-	5,028.29
(d) Others	75.91	79.40
<b>TOTAL</b>	<b>6,538.95</b>	<b>27,274.17</b>

25 REVENUE FROM OPERATIONS		( Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
<b>(a) Sale of products</b>			
(i) Manufactured goods - Ships	17,640.71	46,230.29	
(ii) Windmill Income	414.31	1,170.36	
<b>(b) Other Operating Revenue</b>			
(i) Sale of scrap	675.19	224.13	
(ii) Hire charges	1.30	0.27	
(iii) Repair works	623.47	633.34	
(iv) Subsidy Income	-	928.76	
<b>TOTAL</b>	<b>19,354.98</b>	<b>49,187.15</b>	

26 OTHER INCOMES		( Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
<b>(a) Interest Income comprises:</b>			
(i) Interest from banks on :			
- Deposits	632.87	1,536.37	
(ii) Interest on loans and advances	224.51	221.93	
(iii) Other interest	1.14	37.94	
<b>(b) Net gain on foreign currency transactions and translation (Net)</b>	166.20	-	
<b>(c) Dividend Income from Current Investment</b>	0.03	0.31	
<b>(b) Other non-operating income comprises:</b>			
(i) Profit on sale of fixed assets	17.61	2.16	
(ii) Liabilities / provisions written back	9.24	22.37	
(iii) Miscellaneous income**	209.44	1,102.08	
<b>TOTAL</b>	<b>1,261.04</b>	<b>2,923.16</b>	

\*\*Previous Year, Miscellaneous income mainly includes insurance claims received.

27 COST OF MATERIALS CONSUMED		( Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Opening stock	61,137.97	71,277.39	
<b>Add: Purchases</b>	<b>1,345.84</b>	<b>37,004.07</b>	
	<b>72,063.36</b>	<b>108,281.46</b>	
<b>Less: Closing stock</b>	<b>58,246.81</b>	<b>67,365.34</b>	
<b>TOTAL</b>	<b>13,816.55</b>	<b>40,916.12</b>	

28 EMPLOYEE BENEFIT EXPENSE		( Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
(a) Salaries and wages	7,329.51	13,197.92	
(b) Contributions to provident and other funds	248.90	288.07	
(c) Gratuity Fund Contribution	98.69	81.43	
(d) Staff welfare expenses	155.18	341.78	
<b>TOTAL</b>	<b>7,832.29</b>	<b>13,909.19</b>	

29 FINANCE COSTS		(Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
<b>(a) Interest expense on :</b>			
(i) Borrowings	31,332.61	51,663.67	
(ii) Trade payables	4.73	34.05	
(iii) Others	1.10	9.63	
<b>(b) Other borrowing costs</b>			
(i) Bank Guarantee Commission	1,020.42	1,534.28	
(ii) Others	124.37	261.96	
<b>(c) Net loss on foreign currency transactions and translation</b>	37.02	880.70	
<b>TOTAL</b>	<b>32,520.25</b>	<b>54,384.30</b>	

30 OTHER EXPENSES		(Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Payments to Auditors (Refer Note : 30.1)	23.51	48.95	
Balance Written Off	-	20.57	
Car Hiring Expenses	39.25	123.97	
Clearing & Forwarding	50.65	290.70	
Commission on Sales	43.64	147.70	
Demurrage Charges	2,857.43	-	
Design Consultancy	16.40	3,625.12	
Electricity Charges	229.77	353.15	
Equipment Hiring Charges	339.48	1,565.98	
Insurance	320.75	586.67	
Interest On Delayed Payment Of Statutory Dues	175.95	209.03	
Launching & Delivery Charges	122.00	136.69	
Legal & Professional Charges	466.68	1,062.74	
Listing Fees	79.15	-	
Office Maintenance	45.23	166.09	
Power & Fuel	206.78	280.17	
Prior Period Expenses	143.05	988.44	
Rates and Taxes	70.53	310.77	
Foreign Exchange Loss (Net)	-	1,023.44	
Rent	1,389.87	796.47	
Loss on sale of Assets	3.33	-	
Repairs to Buildings	47.85	44.47	
Repairs to Machinery	74.73	150.67	
Repairs - Others	559.70	803.05	
Transportation Charges	24.22	52.23	
Travelling Expenses	218.75	221.57	
Yard Maintenance Exps	550.14	502.68	
Miscellaneous Expenses	453.95	943.40	
<b>TOTAL</b>	<b>8,552.79</b>	<b>14,454.73</b>	

30.1 PAYMENTS TO THE AUDITORS COMPRISES :		(Rs. in Lakhs)	
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
Fees as Statutory Auditors	23.51	9.39	
Taxation Matters	-	39.55	
Reimbursement of expenses	-	0.01	
<b>TOTAL</b>	<b>23.51</b>	<b>48.95</b>	

## 31 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided)

(Rs. in Lakhs)

Particular	As at 31 March, 2015	As at 31 March,
<b>a. Contingent Liabilities :</b>		
<b>Parent Company:</b>		
<u>i. Tax/Duties that may arise in respect of which appeal is pending :</u>		
Income Tax	1,992.22	1,615.97
Service Tax	2,558.04	2,871.00
Custom Duty	5,019.84	5,017.92
Excise	1,354.04	1,354.04
ii. Letter of Credit		7.20
iii. Demurrage Charges	2,857.43	-
iv. Suit Filed against the Company	2,580.99	-
v. Claim against the Company	6,484.89	-
vi. Bank Guarantees (Incl. Performance Guarantee, Advance Guarantee)	26,350.28	65,491.67
<b>Subsidiary Companies :</b>		
<u>i. Tax/Duties that may arise in respect of which appeal is pending :</u>		
Wealth Tax	12.24	12.24
ii. Corporate Guarantee given to Banks on behalf of Parent Company to its consortium lenders	916,432.00	521,500.00
<b>Sub</b>		
<u>i. Tax/Duties that may arise in respect of which appeal is pending :</u>		
Income Tax	3,539	3,539
Service Tax	99.54	99.54
VAT & CST	668.67	668.67
Excise	526.57	526.57
ii. Letter of Credit	1,781.86	244.71
iii. Bank Guarantees (Incl. Performance Guarantee, Advance Guarantee and others)	2,685.22	18,435.31
iv. Arrears of Dividend on Compulsorily Redeemable Preference Shares	4,062.50	3,250.00
<b>Associate Company:</b>		
<u>i. Tax/Duties that may arise in respect of which appeal is pending :</u>		
Income Tax	2,363.00	2,363.00
Sales Tax and Servi	1,287.00	1,167.00
Custom Duty	366.00	356.00
ii. Claims against the Company/disputed dues not acknowledged as debts	9,960.00	5,365.00
iii. Bank Guarantees (Incl. Performance Guarantee, Corporate Guarantee and others)	26,783.00	18,395.00
<b>b. Commitments</b>		
<b>Associate Company:</b>		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for :	230,186.00	201,573.00
<b>TOTAL</b>	<b>1,249,950.33</b>	<b>853,852.84</b>

## Notes :

## i) In case of Tebma Shipyards Limited (Sub-Subsidiary Company) :

- a) Guarantees and letter of credit are secured by specific fixed deposits earmarked to provide cash margin amounting to Rs 223.35 Lakhs.
- b) The Company is having contingent liability towards Right of Recompense for the sacrifice under the CDR Package implemented. The total of such Right of Recompense amounts to Rs 11,329 Lakhs as per the letter of Acceptances dated 22nd November, 2010 issued by CDR-EG for the 10 year period ending 2019-20.
- ii) The Parent Company is contesting 5 winding up petitions under section 433 and 434 of the Companies Act 1956 before the Honourable High Court of Mumbai and this includes petition filed by LIC of India, one of the secured creditors. All above winding up petitions are pending for disposal as on date.

**32 Convertible share warrants and debenture:****Parent Company :**

In pursuance of the CDR Scheme and as per the approval of shareholders by postal ballot vide resolution 5 dated 18th September, 2012, the company has allotted preferential issue of 320,00,000 warrants to Promoter Group, carrying right to subscribe to one equity share of Rs. 10/- each, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines. The details of proposed allottees are as follows:

Sr.	Name of the proposed allottees	Category of proposed Allottees	Maximum no. of warrants proposed to be issued &
1	Bharati Infratech Projects Private Limited	Promoter Group	22,000,000
2	Bharati Maritime Services Private Limited	Promoter Group	5,500,000
3	Harsha Infrastructure Private Limited	Promoter Group	4,500,000
<b>TOTAL</b>			<b>32,000,000</b>

**32.1 Of the above following are allotted and subscribed and fully paid:**

Sr.	Name of the proposed allottees	Category of proposed Allottees	No. of warrants issued & fully paid
1	Bharati Infratech Projects Private Limited	Promoter Group	16,097,360
2	Bharati Maritime Services Private Limited	Promoter Group	2,185,878
3	Harsha Infrastructure Private Limited	Promoter Group	327,940
<b>TOTAL</b>			<b>18,611,178</b>

Out of the total subscription amount received against allotment of share warrants, 67,64,576 and 1,18,46,602 convertible warrants were converted into equity shares of Rs. 10/- each at a price of Rs. 79.12/- per share including premium of Rs. 69.12/- per share on 31 December, 2012 and 25th September, 2013 respectively and Rs 4,194.31 Lakhs remains unappropriated in Share Application Money pending allotment as on the last appointed date for exercise of the option.

Post expiry of last appointed date for exercise of option and revocation of CDR scheme, the Company is in process of obtaining expert opinion for legal position and accounting treatment with respect to unappropriated amount lying with the company on account of Share application money. Pending legal opinion, the Company has disclosed the said amount received from the Promoter Company's of Rs 4,194.31 Lakhs under current liabilities in the financial statement under the account head " Money Received against share warrants" for the year ended 31 March 2015 .

**32.2** As per the approval of the shareholders by postal ballot vide resolution 6 dated 18th September, 2012, the Company has allotted preferential issue of 26,926,175 Compulsory Convertible Debentures (CCD) to the signatories of CDR. The above Compulsory convertible debentures are convertible into one equity share of Rs. 10/- each on preferential basis pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the company, the pricing of which is arrived in accordance with the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations.

Post expiry of 18 months from the date of allotment of CCD and revocation of CDR Scheme, the Company has yet not converted CCD to Equity shares till date. As on the Balance Sheet date, the Company has disclosed CCD of Rs 20,135.42 Lakhs under current liabilities in the financial statement under the account head " Current Maturities of Long Term Debts" for the year ended 31 March 2015.

**33 Financial Restructuring and Going Concern:****a) Parent Company :**

The Company has incurred Net Loss of Rs. 86,458.24 Lakhs after considering exceptional items of Rs. 53,695.48 Lakhs during the year ended 31 March, 2015. As of this date, the Company's total liabilities exceed its total assets by Rs 106,878.36 Lakhs and its net-worth has been fully eroded. During the year, 5 winding up petitions were filed by various creditors against the Company including LIC of India, one of the secured creditors.

The Company is also implementing various long-term measures to improve its cash flow and revival of the operations of the Company. During the financial year 11 secured lenders including Lead Bank "State Bank of India" have assigned their debts to Edelweiss Asset Reconstruction Company (EARC). As part of restructuring efforts the Company, EARC with other lenders completed and realised sale of its non-core assets worth of Rs.5,517 Lakhs and these proceeds were utilised during the year to meet its operational cost and production. The Company with the help of EARC is in constant dialogue with its lenders through Joint lenders meetings on regular interval for restructuring of the Company by way of fresh infusion of funds and to bring current debt at sustainable level so that the Company will be able to service its secured and unsecured creditors. EARC is also proposing to come up with various stage wise restructuring plans for debts including reference made to BIFR on 10th April, 2015 to curtail the financial burden of the business cash flows in addition to business operation and management strategy. Upon revival, the Company will be able to make optimum utilisation of its green field facilities, renegotiate its contracts and complete the under construction vessels to generate future cash flows. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows.

In view of the foregoing, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

**b) Associate Company - GOL Offshore Limited:**

The Company has not been able to service a substantial part of its borrowings on the original due dates and there is continuing default in repayment of dues to lenders. In respect of outstanding Bank Loans, Corporate Guarantees and dues including instances where recovery proceedings have been initiated, the Company is making all efforts for early settlement by taking various steps including: i) more aggressive employment of its vessels and resources, ii) disposal of some assets iii) settlement of significant current dues and restoration of initial repayment terms iv) entering into corrective action plan as approved by Joint Lenders Forum. Some of its arrear dues could be settled during the year due to these efforts. The management is very hopeful of arriving at full settlement over a period of two years. The Company is also able to earn operating profit margin by carrying on its business in the normal course. Hence, finance statement of Company have been prepared on going concern assumption which is considered appropriate.

**34 Deferred Tax Assets created during current financial year:**

**Parent Company :**

The company is having accumulated business losses (including accumulated depreciation) of Rs. 1,07,694 Lakhs (P.Y. Rs 75,026 Lakhs) and its networth is completely eroded as on 31 March 2015. The company has recognized deferred tax asset (net) of Rs 29,998 Lakhs on accumulated losses (including unabsorbed depreciation), interest expenses (including Funded Interest Term Loan (FITL)), Disallowances of Expenses, Gratuity and Compensated absences. The Company is confident of financial restructuring and reviving the operations to achieve optimum utilization of its infrastructure and believes that there would be sufficient future taxable profits against which the accumulated losses would be set off.

**35 Bank Guarantee Invocation by Customers on cancellation of vessel contracts:**

**Parent Company :**

The Company is currently constructing various vessels ordered from international customers as well as domestic customers including Government of India-Ministry of Defence. As per the international trade practice, the company has issued the refund bank guarantees to customers against various advance stage payments received by the Company. Further, several of these customers had cancelled the ship building contracts entered into with the Company and demanded money from the banks under the refund bank guarantees issued by them. The Company believed these cancellations to be in violation of the terms of agreement entered into with these Customers. Accordingly, the Company had referred the matter for arbitration as provided into these Contracts. As per the terms of the refund bank guarantees, in the event of pending arbitration or other legal proceedings, the banks are not required to make payments under the said guarantees till the outcome of legal proceedings is finalised. The banks have made payments aggregating to Rs 96,632.71 Lakhs (P.Y. Rs. 73,041 Lakhs) on account of such refund bank guarantees invoked by the Customers along with Interest of Rs. 30,245.42 Lakhs (P.Y. Rs 22,846 Lakhs) and foreign exchange variation of Rs. 32,843.42 Lakhs (P.Y. Rs 28,737 Lakhs). Further, the banks have also charged interest of Rs 9,027 Lakhs (P.Y. Rs. 1,522 Lakhs) on the aforementioned payments made in respect of such invoked bank guarantees considering the said payments as overdraft facility to the Company. The Company is of the opinion that the payments under the refund bank guarantees are made by the banks without following due process of law. Further, the Company has filed a suit before Hon'ble City Civil Court, Mumbai against such banks which is pending for disposal. Pending the legal proceedings in the above matter, the company has not given effect to the above payments made by the banks to the Customers under the refund bank guarantees in books of accounts. The company continues to reflect advances received from customers under the said Contracts, even in cases wherein the payments have been made by banks under the refund bank guarantees. These amounts are shown by the Company as Current Liability in the Balance Sheet under the head "Other Current liabilities - "

**36 Subsidy Receivable from Government of India under Shipbuilding Subsidy scheme:**

**Parent Company :**

The Government of India had announced Shipbuilding Subsidy Scheme for private and public shipyards in India in 2002 for all eligible shipbuilding orders entered into between Nov-2002 till Aug-2007. The Subsidy was provided at the rate of 30% of the contract value subject to fulfilment of various conditions. In case of private shipyards, disbursement of the subsidy amount was provided post delivery of the vessel and subject to fulfilment of other conditions of the scheme. According to the subsidy scheme and based on accounting principles, the company has credited subsidy on vessels under construction in respect of which substantial work has been carried out on the vessel. The Company has recognised for subsidy of Rs 66,059.92 Lakhs under Ship Building Subsidy Scheme in earlier years and has already received Rs 1,267.15 Lakhs from Government of India upto 31 March 2015 and the balance subsidy receivable from Government of India Rs. 64,792.77 Lakhs as on 31 March 2015 is shown as trade receivables. The Company has been complying with the terms of the said scheme and has already received part of the Subsidy on vessels delivered by the Company. Further, in respect of vessels delivered, the Government of India has retained a part of the subsidy amount to be released at a future date subject to certain compliances. The company is of the opinion that on completion of the various vessels under construction, the Government of India will release the subsidy amount as well as the retention amounts upon completion of compliances. Further, as detailed in note no. 33 (a) of the statement, the Company is confident of financial restructuring and reviving the operations and completing the vessels under construction in respect of which the aforementioned Subsidy is receivable and accordingly the management is of the opinion that Subsidy amount is fully recoverable.

**37 Non - Availability of balance confirmation from banks and EARC and provision for interest and other**

**Parent**

The Company has requested all lenders/banks/EARC (Edelweiss Asset Reconstruction Company) for the balance confirmations. However, due to non service of interest and instalment due, some of the lenders/banks and EARC have not provided balance confirmations as on 31 March 2015 and the books of accounts are finalised based on latest available bank/loan statements. The Company has not provided interest on outstanding secured loans including bank guarantee and other debt facility, if any (funded as well as unfunded) assigned to EARC and secured bank loans for which company has received recall notices from the date of assignment and/or receipt of recall notices from banks and NPA Loan accounts for which it has not received recall notice or any statement from lenders. In respect of other bank loans, interest have been accounted for as per statement received from lenders.

**38 Non - Availability of certain Margin Deposit confirmation:**

**Parent Company :**

The company is in the co ordination with banks for obtaining confirmation/ account statements as at year end with respect to Margin deposits with banks. However, due to non service of interest and instalment due, some of the banks have not provided balance confirmations as on 31 March 2015. In the opinion of the management, carrying amount of the margin deposit is fully recoverable and the difference, if any, upon reconciliation with bank confirmations would not have any material impact on audited standalone financial statements. Further, due to unavailability of the confirmations, the Company has accounted for the interest income on the Margin Money Deposits with Banks based on external evidences to the extent available.

**39 Internal control System:**

**Parent Company :**

Company is in the process of strengthening Internal control system in relation to timely and proper recording of the revenue and expenses. In view of the management, delay if any, in recording the revenue or expenses is not having any

**40 Reconciliation of accounts:****Parent Company :**

Company is in the process of reconciliation of accounts at reasonable intervals and obtaining balance confirmation as at year end with respect to its Trade Receivables, Loan and Advances, Trade Payables and Other Liabilities. The balances of Trade Receivables, Loans and Advances, Trade Payables and Other Liabilities are subject to confirmation and reconciliation. In the opinion of the management, the carrying amount of Trade receivables, Loans and Advances, Trade Payable and Other Liabilities are approximately of the value as stated, if realised/ paid in the ordinary course of business.

**41 Associate Company - GOL Offshore Limited:****a) Investment and unsecured loan to KEI-RSOS Maritime Limited :**

The Company is having long term, strategic investment in the equity/redeemable preference shares of its Wholly Owned Subsidiary Company (WOS) ; KEI-RSOS Maritime Limited amounting to Rs 21,374 Lakhs (Previous Year Rs 18,863 Lakhs). Further sum of receivables of Rs 3,399 Lakhs (Previous Year Rs 2,363 Lakhs) and a loan amount of Rs 3,502 Lakhs (Previous Year Rs 3,502 Lakhs) are also due from WOS. The Company has also issued bank guarantee to Indian Bank amounting to Rs 14,168 Lakhs (Previous year Rs 14,168 lakhs) against outstanding facilities of WOS as on 31 March, 2015 amounting to Rs 3,656 Lakhs (previous year Rs 4,719 Lakhs).

As auditors had in their report for the financial year ended 31 March, 2012 onwards expressed their doubts about the realization of these amounts, due to continuous losses suffered by the subsidiary, which results in its net worth becoming negative, QARC of SEBI vide its Order dated 27th April, 15 has directed Restatement of financial results for Financial year 2012-13 and 2013-14 for giving effect to the impact of the audit qualification, and the effect of the restated adjustments to be carried out in the annual accounts of the financial year 2014-15 as prior period item.

The Company is in the process of filing appeal against the said order before Securities Appellate Tribunal (SAT), and believes that, the said investment being strategic and long term in nature with a long term out look, no restated adjustment is required to be made as the management is confident of turning around WOS into profit. Hence no reinstatement has been carried out presently, pending final decision from the SAT.

**b) Investment in and Unsecured Loan to Great Offshore (International) Limited :**

The company is having long term, strategic investment in equity shares of its overseas Wholly Owned Subsidiary Company (WOS) ; Great Offshore (International) Limited amounting to Rs 155 Lakhs and has also granted unsecured loan amounting to Rs. 53,765 lakhs (Previous Year Rs. 56,609 lakhs). The WOS has invested / advanced the said amount to its step down overseas subsidiaries/partnership firms for purchase of vessels with higher capacities and latest technologies from Bharati Shipyards Limited (BSL). In addition the Company has provided Corporate Guarantee aggregating to Rs 46,815 Lakhs to the lenders of the said WOS which have been invoked. The Company is in discussions with the lenders for settlement of dues and restoration of initial repayment terms. In the opinion of the management, no provision is required for investments, unsecured loan and invoked corporate guarantees as the company is expected to turn around in the long term on improvement of market conditions and delivery of vessels under construction.

**42 The Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary Company Nirupam Energy Projects Private Limited, which in turn hold 53.79% Shareholding in Sub-Subsidiary Company Tebma Shipyards Limited (TSL). TSL has been incurring cash losses and its net worth is eroded and its cash flows are under stress. The management does not consider it necessary to make an impairment provision against the goodwill on consolidation as the investment in TSL through its subsidiary, is considered as strategic, long term and diminution in value of investment is temporary in nature.****43 Exceptional items includes :****Parent Company :**

- (a) Writing off excess value of Work in Progress ("WIP") amounting to Rs. 54,177.02 Lakhs, based on the valuation report of an Independent Chartered Engineers. The written off in value of WIP is on account of Price variation, Provision for Liquidation damages and redoing/ replacement cost and other factors.
- (b) Sale of Wind Turbines having total capacity of 15 MV (Windmill Business) on 31 July, 2014 as a part of restructuring process, resulting in net gain of Rs. 481.54 Lakhs.



**44 Retirement benefits:**

The required disclosure under the Revised Accounting Standard 15 is given below:

During the year, Group has recognised the following amounts in the Financial statements

**I) Defined Contribution Plan:**

The group has recognised the following amounts as an expense and included under the head "employee benefit expense "

(Rs. In Lakhs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Employer's Contribution to Provident Fund and Employee Pension Scheme	248.90	288.07

**II) Defined Benefit Plans:****i) Gratuity (Funded):**

The Parent Company and Tebma Shipyards Limited (Sub-Subsidiary Company) have defined benefit plan of Employee's Gratuity Fund Scheme, which are managed by SBI Life Insurance and LIC respectively. The present value of obligation is determined based on actuarial valuation using projected unit credit method.

(Rs. In Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>a) Changes in present value of Defined Benefit Obligations:</b>		
Present value of obligation as at beginning of the Year	682.18	658.58
Current Service Cost	75.68	78.01
Interest Cost	51.46	49.46
Actuarial (gain)/loss	(1.68)	(10.67)
Benefits paid	(187.36)	(93.20)
<b>Present Value of Obligation as at end of the Year</b>	<b>620.28</b>	<b>682.18</b>
<b>b) Changes in fair value of Plan Assets:</b>		
Fair value of Plan Assets as at beginning of the Year	447.34	479.38
Expected return on Plan Assets	33.48	42.23
Actuarial gain/(loss)	(2.31)	(3.20)
Employer Contribution	24.03	22.13
Benefits paid	(187.36)	(93.20)
<b>Fair value of plan Assets as at end of the Year</b>	<b>315.18</b>	<b>447.34</b>
<b>c) Actual Return on Plan Assets:</b>		
Expected return on Plan Assets	33.48	28.54
Actuarial gain/(loss) on Plan Assets	(2.31)	(3.20)
Actual return on Plan Assets	31.17	25.34

**i) Gratuity (Unfunded):**

**Pinky Shipyards Private Limited and Bengal Shipyards Limited**

The present value of obligation is determined based on actuarial valuation using projected unit credit method.

(Rs. In Lakhs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>d) Changes in present value of Defined Benefit Obligations:</b>		
Present value of obligation as at beginning of the Year	15.57	16.23
Current Service Cost	2.96	2.79
Interest Cost	0.85	0.88
Actuarial (gain)/loss	0.59	0.01
Benefits paid	(2.06)	(4.33)
<b>Present Value of Obligation as at end of the Year</b>	<b>17.91</b>	<b>15.57</b>

**ii) Compensated Absences (Non Funded):**

The group has recognised liability for compensated absences for employees on the basis of an independent actuarial valuation, carried out at the balance sheet date.

**(Rs. In Lakhs)**

Particulars	As at 31 March, 2015	31 March, 2014
<b>e) Changes in present value of Defined Benefit Obligations:</b>		
Present value of obligation as at beginning of the Year	122.22	257.74
Current Service Cost	35.95	42.78
Interest Cost	7.23	17.34
Actuarial (gain)/loss	(15.91)	(165.26)
Benefits paid	(13.23)	(30.38)
<b>Present Value of Obligation as at end of the Year</b>	<b>136.26</b>	<b>122.22</b>

**RATI SHIPYARD LIMITED**
**ES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

(Rs. In Lakhs)

Particulars	2014-15			2013-14		
	Gratuity (Funded)	Gratuity (Unfunded)	Compensated Absences (non Funded):	Gratuity (Funded)	Gratuity (Unfunded)	Compensated Absences (non Funded):
<b>f) Amounts recognized</b>						
Present Value of Obligations	620.28	17.91	136.26	682.18	15.57	122.22
Fair Value of Plan Assets	315.18	-	-	447.34	-	-
<b>Net Liability</b>	<b>305.10</b>	<b>17.91</b>	<b>136.26</b>	<b>234.84</b>	<b>15.57</b>	<b>122.22</b>
<b>g) Expenses recognised</b> (under the head Refer Note No. 28)						
Current Service Cost	75.68	2.96	35.95	78.01	2.79	42.78
Interest Cost	51.46	0.85	7.23	49.46	0.88	17.34
Expected return on Plan Assets	(33.48)	-	-	(42.23)	-	(165.26)
Actuarial (Gain)/ Loss	0.63	0.59	(15.91)	(7.47)	0.01	-
<b>Expense Recognised in</b>	<b>94.29</b>	<b>4.40</b>	<b>27.27</b>	<b>77.75</b>	<b>3.68</b>	<b>(105.14)</b>

Particulars	2014-15			2013-14		
	Gratuity (Funded)	Gratuity (Unfunded)	Compensated Absences (non Funded):	Gratuity (Funded)	Gratuity (Unfunded)	Compensated Absences (non Funded):
<b>Assumptions used as at the Balance Sheet date :</b>						
Discount Rate	8%	7.75% - 8%	8%	8%	9% - 8%	8%
Expected Rate of Return	8%	-	-	8%	-	-
Salary Escalation Rate	6% - 7%	5% - 7%	6% - 7%	6% - 7%	5% - 7%	6% - 7%
Mortality	IALM 2006-08 Ultimate			IALM 2006-08 Ultimate		
Attrition rate	1% - 3%	1% - 3%	1% - 3%	1% - 3%	1% - 3%	1% - 3%

**Notes:**

In case of Tebma Shipyards Limited (Sub-Subsidiary Company), funds available with LIC is more than the liability as per actuarial valuation amounting to Rs 8.84 Lakhs (Previous Year Rs 10.12 Lakhs) as on 31 March, 2015. This excess amount lying with LIC is not being recognised in books of accounts as the management feels its prudent not to do so.

**45 Investment in Associates - GOL Offshore Limited:**

The particulars of the investment in the Associates as per equity method of accounting under AS 23 is as under:

Particulars	(Rs. In Lakhs)	
	GOL Offshore Limited	
	As at 31 March, 2015	As at 31 March, 2014
Ownership Interest	49.73%	49.73%
Opening Value of Investment	91,967.46	95,330.70
Add: Prior year consolidation adjustments	(1.57)	-
Add: Share of Post Acquisition Loss	(8,835.03)	(3,363.24)
<b>Carrying Amount of Investments #</b>	<b>83,130.85</b>	<b>91,967.46</b>

# Its includes goodwill of Rs 43,029.66 Lakhs (Previous year Rs 43,029.66 Lakhs)

The Company is incurring continuous losses and there is also substantial decline in market value of shares. In the opinion of the management, no impairment provision is considered necessary against the goodwill on consolidation as these investment are considered long term and strategic in nature and diminution in the value of investment is temporary in nature (also Refer Note 41 as referred above).

**46 Disclosure in accordance with 'AS- 7 Accounting for Construction Contracts' :**

Particulars	(Rs. in Lakhs)	
	GOL Offshore Limited	
	As at 31 March, 2015	As at 31 March, 2014
Contract revenue recognized as revenue	17,640.71	46,225.88
Contract Loss recognized as revenue for	54,177.02	-
Advances received from above	187,478.14	209,641.72
Gross amount due from customers for	153,503.39	152,157.44
Gross amount due to customers for	25,636.13	23,123.98

The gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognized profit(Less recognized 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 recognized profit (Less recognized Losses).

**47 Segment Reporting**

The Group has disclosed business segment as the primary segment. The Group has collectively organised into following business segments namely:

a. Ship Manufacturing

b. Windmill Operation (upto 31 July, 2014) - (Discontinuing Operation, also refer note 51)

Segments have been indentified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system.

Segment revenue, results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis.

Since the business of Windmill is not significant, all asset, liabilities and expenses other than specifically related to Windmill Power, are allocated to Ship Manufacturing Business.

**RATI SHIPYARD LIMITED**  
**ES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

**1. Primary Segments (Business Segments)**

(Rs. In Lakhs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Ship Manufacture	Windmill Power	Total	Ship Manufacture	Windmill Power	Total
<b>SEGMENT REVENUE</b>						
Net Sales / Operating Income	18,940.67	414.31	19,354.98	48,016.79	1,170.36	49,187.15
<b>Total</b>	<b>18,940.67</b>	<b>414.31</b>	<b>19,354.98</b>	<b>48,016.79</b>	<b>1,170.36</b>	<b>49,187.15</b>
<b>SEGMENT RESULT</b>						
Profit / (Loss) after depreciation and	(19,453.35)	348.77	(19,104.58)	(29,209.97)	445.61	(28,764.36)
Less : Finance Cost	32,520.25	-	32,520.25	54,384.30	-	54,384.30
Less : Exceptional Items	54,177.02	(481.54)	53,695.48	29,127.30	-	29,127.30
Add: Unallocated Income	1,261.04		1,261.04	2,923.16		2,923.16
<b>Profit / (Loss) before Tax</b>	<b>(104,889.58)</b>	<b>830.31</b>	<b>(104,059.27)</b>	<b>(109,798.41)</b>	<b>445.61</b>	<b>(109,352.80)</b>
Less : Tax Expenses			(14,217.00)			(18,255.66)
<b>Profit / (Loss) after tax, before share of minority interest and Associates</b>	<b>(104,889.58)</b>	<b>830.31</b>	<b>(89,842.28)</b>	<b>(109,798.41)</b>	<b>445.61</b>	<b>(91,097.16)</b>
Less : Share of Minority Interest			(1,571.53)			(3,161.40)
Add : Share of Associates			(8,835.03)			(3,363.24)
<b>Profit / ( Loss ) for the year</b>			<b>(97,105.78)</b>			<b>(91,299.00)</b>

**OTHER INFORMATION**

Segment Assets	654,121.73	-	654,121.73	726,958.11	6,521.73	733,479.84
Unallocated Segment Assets		-	124,919.97	-	-	120,030.90
<b>Total Assets</b>	<b>654,121.73</b>	<b>-</b>	<b>779,041.70</b>	<b>726,958.11</b>	<b>6,521.73</b>	<b>853,510.74</b>
Segment Liabilities	874,703.09		874,703.09	849,734.44	212.00	849,946.44
Unallocated Segment Liabilities	-	-	24,319.37	-	-	26,245.68
<b>Total Liabilities</b>	<b>874,703.09</b>	<b>-</b>	<b>899,022.46</b>	<b>849,734.44</b>	<b>212.00</b>	<b>876,192.12</b>
<b>Net Capital Employed (Total Assets - Total Liabilities)</b>	<b>-</b>	<b>-</b>	<b>(119,980.76)</b>	<b>-</b>	<b>-</b>	<b>(22,681.37)</b>
Capital Expenditure	585.63	-	585.63	1,608.73	-	1,608.73
Depreciation	8,398.77		8,398.77	6,775.09	436.84	7,211.93

**2. Secondary Segment (Geographical Segments):**

(Rs. In Lakhs)

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Domestic	Overseas	Total	Domestic	Overseas	Total
<b>REVENUE</b>						
Ship Manufacturing	4,823.69	12,817.02	17,640.71	21,802.88	24,427.41	46,230.29
Windmill Power	414.31	-	414.31	1,170.36	-	1,170.36
Other Operating Income	956.01	-	956.01	1,786.50	-	1,786.50
<b>Total</b>	<b>6,194.01</b>	<b>12,817.02</b>	<b>19,011.03</b>	<b>24,759.74</b>	<b>24,427.41</b>	<b>49,187.15</b>
						-
Segment Assets	779,041.70	-	779,041.70	853,510.74	-	853,510.74
Segment Liabilities	899,022.46	-	899,022.46	876,192.12	-	876,192.12
Capital Expenditure	585.63	-	585.63	1,608.73	-	1,608.73

## 48 Related party disclosure

Related Party disclosure as required by Accounting Standard - 18 as notified under section 133 of Companies Act 2013.

## 48.1 List of related parties and relationships, where control exists:

- a **Joint Venture Entity**  
Bengal Shipyards Limited
- b **Associates Companies / Concerns**  
GOL Offshore Limited  
GOL Ship Repair Limited (Subsidiary of Associates Company)
- c **Key Management Personnel (KMP)**  
Mr. P. C. Kapoor Managing Director  
Mr. Vijay Kumar Managing Director  
Mr. Ramnathan N Managing Director
- d **Relatives of Key Management Personnel**  
**Relative of Mr. P. C. Kapoor**  
Mrs. Madhu Kapoor Wife  
Mrs. Radhika Mehra Daughter  
**Relative of Mr. Vijay Kumar**  
Mrs. Ashraf G. Kumar Wife  
Mrs. Sukriti V. Kumar Daughter
- e **Enterprises influenced by Key Management Personnel and their relatives**  
Bharati Infratech Projects Pvt. Ltd.  
Bharati Marine Construction & Engineering Pvt Ltd  
Bharati Maritime Services Pvt.Ltd.  
Bharati Shipping & Dredging Co Private Limited  
Harsha Infrastructure Pvt Ltd  
Portside Shipping Pvt Ltd  
Seasplice Shipping Pvt Ltd  
Sharven Multitrade P. Ltd.  
Shipace Shipping Private Limited  
Swati Silk Mills Pvt. Ltd.  
Usha Silk Mills Pvt. Ltd.  
Vayuraj Energy Projects Pvt. Ltd.  
Vayutatva Energy Projects Pvt. Ltd.  
Mutual Industries Pvt. Ltd.  
Oceanic Shipyards Limited

48.2 Summary of Transactions with Related Parties

(Rs. in Lakhs)

Sr.	Particulars	Enterprises Owned and Controlled by KMP & their Relatives	Joint Venture Entity	Key Managerial Personnel	Associates	Total
<b>A</b>	<b><u>Transactions during the year</u></b>					
1	Repairs Works - Income	-	-	-	686.52	686.52
		-	-	-	<b>628.34</b>	<b>628.34</b>
2	Director Remuneration Paid	-	-	148.49	-	148.49
		-	-	<b>87.15</b>	-	<b>87.15</b>
3	Reimbursement of Expenses	-	-	-	-	-
		-	-	-	<b>10.45</b>	<b>10.45</b>
4	Equipment Hire Charges	-	-	-	18.96	18.96
		-	-	-	-	-
5	Interest paid on Inter Corporate Deposits accepted	16.22	-	-	224.51	240.74
		-	-	-	<b>221.94</b>	<b>221.94</b>
6	Preferential Allotment of Equity Shares	-	-	-	-	-
		<b>1,184.66</b>	-	-	-	<b>1,184.66</b>
7	Premium on Preferential Allotment of Equity Shares	-	-	-	-	-
		<b>8,188.37</b>	-	-	-	<b>8,188.37</b>
8	Money received against share warrants	-	-	-	-	-
		<b>8,165.77</b>	-	-	-	<b>8,165.77</b>

**BHARATI SHIPYARD LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

9	Loans and Advances given	153.00	-	-	273.00	426.00
		<b>55.18</b>	-	<b>10.96</b>	<b>477.00</b>	<b>543.14</b>
10	Loans and Advances received back	-	-	19.25	1,011.48	1,030.73
		<b>17.69</b>	<b>294.29</b>	-	<b>37.49</b>	<b>349.47</b>
11	Loans/Intercorporate Deposit Accepted	288.93	-	30.00	-	318.93
		<b>7,029.77</b>	-	-	-	<b>7,029.77</b>
12	Loans/Intercorporate Deposit Repaid	-	-	-	-	-
		<b>7,029.77</b>	-	-	-	<b>7,029.77</b>
<b>III</b>	<b>Outstanding Balances as on 31 March, 2015</b>					
1	Loans and Advance given	291.00	1,956.10	-	2,840.35	5,087.45
		<b>138.51</b>	<b>1,956.10</b>	-	<b>3,851.83</b>	<b>5,946.44</b>
2	Income Received in Advance	-	-	-	-	-
		-	-	-	<b>19,337.03</b>	<b>19,337.03</b>
3	Money received against Share Warrants	4,194.31	-	-	-	4,194.31
		<b>4,194.31</b>	-	-	-	<b>4,194.31</b>
4	Loans/Intercorporate Deposit Accepted	345.30	-	30.00	-	375.30
		<b>40.15</b>	-	-	-	<b>40.15</b>
5	Trade Receivables	-	-	-	3,523.41	3,523.41
		-	-	-	<b>2,866.48</b>	<b>2,866.48</b>
6	Directors Remunerations Payable	-	-	15.81	-	15.81
		-	-	-	-	-

Note : Figures in Bold and Italics relates to Previous Year

**48.3 Disclosures of Material Related Party Transactions during the year:**
**1 Repairs Works - Income**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
GOL Offshore Limited	632.31	628.34
GOL Ship Repair Limited	54.20	-
<b>Total</b>	<b>686.51</b>	<b>628.34</b>

**2 Director Remuneration Paid**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Mr. P. C. Kapoor	24.00	-
Mr. Vijay Kumar	24.00	-
Mr. Ramnathan N	100.49	87.15
<b>Total</b>	<b>148.49</b>	<b>87.15</b>

**3 Reimbursement of Expenses**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
GOL Offshore Limited	-	10.45
<b>Total</b>	<b>-</b>	<b>10.45</b>

**4 Equipment Hire Charges**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
GOL Offshore Limited	18.96	-
<b>Total</b>	<b>18.96</b>	<b>-</b>

**5 Interest paid on Inter Corporate Deposit Accepted**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014

Bharati Infratech Projects Private Limited	16.22	-
GOL Offshore Limited	224.51	221.94
<b>Total</b>	<b>240.74</b>	<b>221.94</b>

**6 Preferential Allotment of Equity Shares**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Bharati Infratech Projects Private Limited	-	1,184.66
<b>Total</b>	<b>-</b>	<b>1,184.66</b>

**7 Premium on Preferential Allotment of Equity Shares**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Bharati Infratech Projects Private Limited	-	8,188.37
<b>Total</b>	<b>-</b>	<b>8,188.37</b>

**8 Money received against share warrants**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Bharati Infratech Projects Private Limited	-	8,088.77
Bharati Maritime Services Private Limited	-	77.00
Bengal Shipyards Limited	-	294.29
<b>Total</b>	<b>-</b>	<b>8,460.06</b>

**9 Loans and Advances given**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
GOL Offshore Limited	273.00	477.00
Bharati Marine Construction & Engineering Private Limited	-	17.69
Bharati Maritime Services Private Limited	-	37.49
Bharati Infratech Projects Private Limited	153.00	-
Mr. Vijay Kumar	-	5.48
Mr. P.C. Kapoor	-	5.48
<b>Total</b>	<b>426.00</b>	<b>543.14</b>

**10 Loans and Advances received back**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Mr. Vijay Kumar	12.50	-
Mr. P.C. Kapoor	6.75	-
GOL Offshore Limited	1,011.48	-
Bharati Marine Construction & Engineering Private Limited	-	17.69
Bengal Shipyards Limited	-	161.83
<b>Total</b>	<b>1,030.73</b>	<b>179.52</b>

**11 Loans/Intercorporate Deposit Accepted**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Bharati Infratech Projects Private Limited	288.93	7,029.77
Mr. Vijay Kumar	15.00	-
Mr. P.C. Kapoor	15.00	-
<b>Total</b>	<b>318.93</b>	<b>7,029.77</b>

**12 Loans/Intercorporate Deposit Repaid**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Bharati Infratech Projects Private Limited	-	7,029.77



Total	-	7,029.77
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**49 Earnings per share**

Basic Earnings per share are calculated by dividing the Net Profit for the year attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per share, the weighted average numbers of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the exercise of options on un-issued share capital.

Particular		As at 31 March, 2015	As at 31 March, 2014
Net Profit after tax available for Equity Shareholders	Rs. In Lakhs	(97,105.78)	(91,299.00)
Weighted Average No. of Ordinary Shares for Basic EPS	Nos.	50,298,942	44,554,151
Face Value per Ordinary Share	Rs.	10.00	10.00
<b>EPS (Basic)</b>	<b>Rs.</b>	<b>(193.06)</b>	<b>(204.92)</b>
Weighted Average No. of Ordinary Shares of Diluted EPS	Nos.	50,298,942	44,554,151
<b>EPS (Diluted)</b>	<b>Rs.</b>	<b>(193.06)</b>	<b>(204.92)</b>

**50 Disclosure as required by AS 27 " Financial Reporting of Interests in Joint Ventures"**

Consolidated Financial Statement includes following items of assets, liabilities, income and expenses of Joint Venture Entity - "Bengal Shipyards Limited" as per unaudited financial statement on proportionate basis to the extent of its shareholdings:

(Rs. in Lakhs)

Particular	As at 31 March, 2015	As at 31 March, 2014
<u>(i) Assets</u>		
Fixed Assets	2,378.66	380.19
Non-current investments	4.05	3.15
Long-term loans and advances	217.17	3,815.20
Other non-current assets	1.58	1.58
Cash and bank balances	0.77	2.03
Short-term loans and advances	1.62	0.21
<u>(ii) Liabilities</u>		
Other long-term liabilities	2,529.23	4,122.92
Long-term provisions	0.04	3.00
Other current liabilities	53.67	49.84
Short-term provisions	5.00	2.11
<u>(iii) Income</u>	-	-
<u>(iv) Expenses</u>	8.59	7.76

**51 Discontinued Operation:****Parent Company :**

- In Continuation of Business Transfer Agreement dated 18th March 2014, a Sales Agreement has been executed to transfer Windmill Power Business situated at Brahmanvel site in Dhule District, Maharashtra on 'As is where is basis' for an aggregating consideration of Rs. 5,517 Lakhs to Ghatge Patil Industries Ltd.
- Windmill Power Business is reported as business segment as per AS 17.
- Amounts of revenue and expense in respect of the ordinary activities attributable to the discontinued operation during the current financial reporting period are Rs. 414.31 Lakhs (P.Y. 1,170.36 Lakhs) and Rs 65.54 Lakhs (P.Y. Rs. 724.75 Lakhs) respectively.
- During the year, the sale of Wind Mill Power Business is concluded and the gain of Rs. 481.54 Lakhs is booked as exceptional items in the statement of profit and loss.

**52 Details on derivative instruments and unhedged foreign currency exposures:**

Foreign currency exposure at the year end not hedged by derivative instruments are given as under.

**Parent Company :**

Particulars	Currency	As at 31 March, 2015		As at 31 March, 2014	
		Amount	Rs in Lakhs	Amount	Rs in Lakhs
Term Loan - Bank	USD	20,000,000	12,518.16	20,000,000	12,481.14
Interest on term Loan Bank	USD	4,803,025	310,779,586	2,839,624	199,518,588
Trade Payable and other liabilities					
	USD	351,343	219.91	46,324	27.84
	SGD	2,078,785	944.60	2,462,930	1,170.45
	NOK	-	-	363,116	38.49
	EURO	393,883	263.53	23,030	19.02
	GBP	61,040	56.43	61,040	60.95
* Advance received from customers	USD	107,690,000	40,043.77	107,010,000	39,144.66

\* Except for advances received against which refund bank guarantee have been invoked by Customers. [Also refer note 35 for details.]

In case of Tebma Shipyards Limited (Sub Subsidiary Company), it has a disputed derivative contract with a non-CDR lender amounting to Rs 460 Lakhs. In the opinion of the Management, this disputed contract is not binding on the Company. However as a prudent measure, the Company has made a general provision for the same.

**53 Disclosure for Operating Leases under Accounting Standard 19 - "Leases":**

**Parent Company :**

**Details of leasing arrangements**

The Company has entered into agreements for taking on lease various vessels and office premises under operating lease arrangements. The leases are non-cancellable and are ranging for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 0 to 2 % every year.

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Future minimum lease payments</b>		
not later than one year	28.00	1,719.68
later than one year and not later than five years	-	2,978.54
later than five years	-	-
<b>T O T A L</b>	<b>28.00</b>	<b>4,698.22</b>

- Lease payments recognised in the Statement of Profit and Loss 685.12      1,421.28

**54** The Company's Joint Venture Entity - "Bengal Shipyards Limited" has not prepared Consolidated Financial Statement for the year ended 31 March, 2015. Further information pertaining to financials statements of its Subsidiaries and Associates were not available for consolidation. Hence the Consolidated financial Statement of the Company is prepared based on the unaudited Standalone Financial Statement of the Joint Venture Entity.

**55** The figures for the previous year have been arranged/rearranged/regrouped wherever considered necessary, to conform to this year's classification.

In terms of our Report attached

**For Damania & Varaiya**

Firm Reg. No. 102079W

**Chartered Accountants**

CA. Bharat Jain

[Partner]

Membership No. 100583

Place: Mumbai

Date: 5th September, 2015

**For and on Behalf of the Board**

P. C. Kapoor

[Managing Director]

Vijay Kumar

[Managing Director]

V. Gopalakrishnan

President Finance and Company Secretaries

Place: Mumbai

Date: 5th September, 2015

**BHARATI SHIPYARD LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associate.

Sr. No.	Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit / (Loss)	
		As % of consolidated Net Assets	Rs. in Lakhs	As % of consolidated Profit / (Loss)	Rs. in Lakhs
<b>I</b>	<b>Parent</b> Bharati Shipyard Limited	52.62%	(106,878.36)	89.04%	(86,458.24)
<b>II</b>	<b>Indian Subsidiaries (including Sub Subsidiary)</b>				
	Advitya Urja Private Limited	0.00%	(2.89)	0.00%	(0.05)
	Dhanshree Properties Private Limited	0.29%	(590.31)	-0.01%	7.48
	Natural Power Ventures Private Limited	0.80%	(1,619.58)	-0.01%	9.79
	Nirupam Energy Projects Private Limited	0.02%	(38.17)	0.00%	(0.05)
	Nishita Mercantile Private Limited	0.00%	(4.80)	0.00%	(0.05)
	Premila Mercantile Private Limited	0.00%	0.04	0.00%	(0.05)
	Vishudh Urja Private Limited	0.00%	(0.36)	0.00%	(0.05)
	Pinky Shipyard Private Limited	0.02%	(37.71)	0.14%	(133.39)
	Tebma Shipyards Limited	2.50%	(5,069.18)	3.36%	(3,259.08)
<b>III</b>	Minority Interest in all Subsidiaries	-2.16%	4,380.51	-1.62%	1,571.53
<b>IV</b>	<b>Indian Associate ( Investment as per Equity Method)</b>				
	GOL Offshore Limited	0.00%	-	9.10%	(8,835.03)
<b>V</b>	<b>Indian Joint Venture Entity (Investment as per proportionate consolidation method)</b>				
	Bengal Shipyard Limited	-0.02%	35.34	0.01%	(8.59)
	<b>Total</b>	<b>54.07%</b>	<b>(109,825.47)</b>	<b>100%</b>	<b>(97,105.78)</b>
Add:	Inter Company Elimination / Adjustments pursuant to consolidation	45.93%	(93,286.13)	-	-
	<b>Total</b>	<b>100.00%</b>	<b>(203,111.61)</b>	<b>100%</b>	<b>(97,105.78)</b>

**Note:** Unaudited standalone financials statement of Joint Venture Entity as on March 31, 2015 is considered for consolidation due to non availability of standalone financial statement of its Subsidiaries and Associates.

As per our report of even date

For Damania & Varaiya  
Firm Reg. No. 102079W  
Chartered Accountants

For and on behalf of the Board

Vijay Kumar  
[Managing Director]

P. C. Kapoor  
[Managing Director]

CA. Bharat Jain  
[Partner]  
Membership No. 100583

V. Gopalakrishnan  
[President Finance and Company Secretary]

Place: Mumbai  
Date:

# **BHARATI SHIPYARD LIMITED**

CIN: L61100MH1976PLC019092

Registered Office: 302, Wakefield House, 3RD Floor, Sprott Road,  
Ballard Estate, Mumbai 400 001

Tel No: +91 2249666500 Fax: +91 49666549/50

E-mail: info@bharatishipyard.com Website: www.bharatishipyard.com

## **ATTENDANCE SLIP**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional slip at the venue of the meeting.

DP ID:
Client ID:

Master Folio No:
------------------

**NAME AND ADDRESS OF THE SHAREHOLDER:**

---

---

**No. of Share(s) held:**

*I hereby declare my presence at the **38<sup>th</sup> ANNUAL GENERAL MEETING** of the company to be held on Wednesday, 30<sup>th</sup> September, 2015 at 09.30 a.m. at Mackinnon Mackenzie Building, 3<sup>rd</sup> Floor, 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001*

**Signature of the shareholder or proxy**.....

---

# **BHARATI SHIPYARD LIMITED**

CIN: L61100MH1976PLC019092

Registered Office: 302, Wakefield House, 3RD Floor, Sprott Road,  
Ballard Estate, Mumbai 400 001

Tel No: +91 2249666500 Fax: +91 49666549/50

E-mail: info@bharatishipyard.com Website: [www.bharatishipyard.com](http://www.bharatishipyard.com)

## **PROXY FORM**

DP ID
Client ID

Master Folio No.
------------------

I/We .....  
.....being a Member/Members of Bharati Shipyards limited hereby  
appoint..... or falling him  
.....Of .....or falling him  
.....Of.....as my/our proxy to vote for me /us and on my/our behalf at the **38<sup>th</sup> ANNUAL GENERAL MEETING** to be held on Wednesday, 30<sup>th</sup> September, 2015 at 09.30 a.m. at Mackinnon Mackenzie Building, 3<sup>rd</sup> Floor, 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001 or any adjournment thereof.  
Signed this.....day of.....2015

Affix Re.1/- revenue stamp
-------------------------------------

Signature of Member

- Note:** (1) The proxy in order to be effective should be duly stamped, completed and signed and must be Deposited at the Registered Office at the Company not less than 48 hrs before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.  
(2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

# BHARATI SHIPYARD LIMITED

(CIN: L61100MH1976PLC019092)

**Registered Office:** 302, Wakefield House, 3RD Floor, Spratt Road,  
Ballard Estate, Mumbai 400 001

**Tel No:** +91 2249666500 **Fax:** +91 49666549/50

**E-mail:** info@bharatishipyard.com **Website:** www.bharatishipyard.com

## BALLOT FORM (In lieu of E-voting at the AGM)

1. Name and Registered address of the sole/ first named shareholder (in block letters) :
2. Name of the joint holder(s) if any :
3. Registered folio no. / DP ID No.\* & Client ID No.\*  
(\* Applicable to investors holding shares in dematerialized form)
4. Number of equity share(s) held :
5. I/We hereby exercise my/our vote(s) in respect of the following resolutions to be passed at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 for the business stated in the Notice dated 30<sup>th</sup> May 2015 by sending my/our assent or dissent to the said resolutions by placing the tick ( ) mark at the appropriate box below.

Sr. No.	Brief description of the Resolution	No. of Equity share(s)	I / We assent to the resolution (FOR)	I / We dissent to the resolution (AGAINST)
1.	Adoption of audited Balance Sheet as at March 31, 2015, the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr.R.Jayaseelan, who retires by rotation.			
3.	To appoint M/s. M.V. Damania & Co., (Now known as Damania & Varaiya) Chartered Accountants as Statutory Auditor.			
4.	To issue convertible Warrants on Preferential basis to Edelwiess Finance & Investments Limited (ARC)			
5.	To appoint Ms. Shakti Sharma as an Independent Women Director of the Company.			
6.	To appoint Mr. S. Balasubramanian as an Independent Director of the Company			
7.	To authorize Board of Directors to enter into related party transactions.			

Place:

Date:

(Signature of the shareholder)

Please read the instructions printed overleaf before exercising your vote.

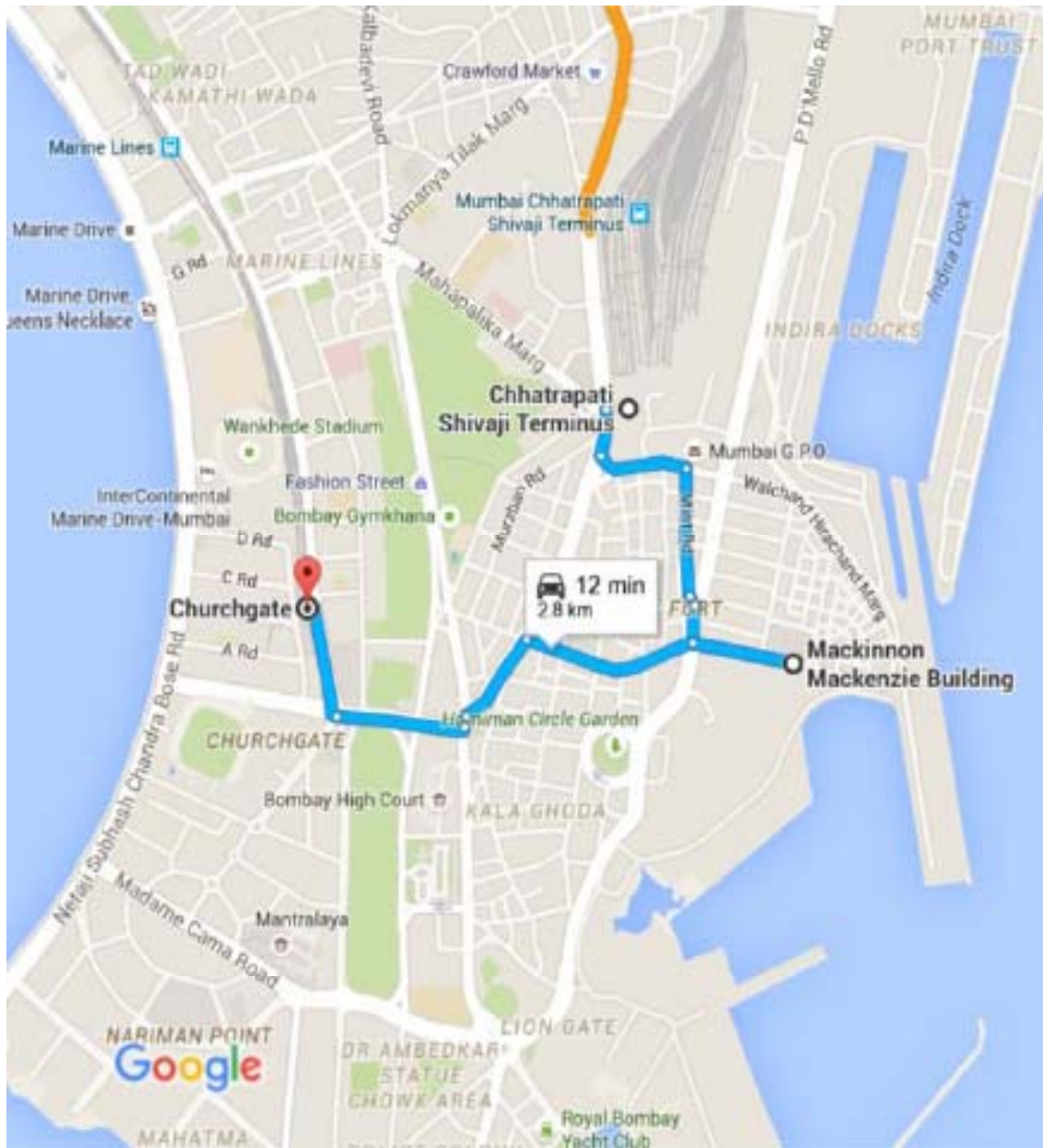
## **INSTRUCTIONS**

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting through Ballot Form shall be treated as invalid.
3. For detailed instructions on remote e-voting, please refer to the notes appended to the Notice of the Annual General Meeting (AGM).
4. The facility for voting through Polling Paper shall also be made available at the AGM and Members attending the AGM who have not already cast their votes by remote e-Voting or by Ballot Form shall be able to exercise their voting right at the AGM.
5. The Scrutinizer will, after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast (through remote e-Voting, Ballot Form and Polling Paper at the AGM). In favour or against, invalid, if any, and whether the resolution is carried out or not, to the Chairman or any other Director authorised by the Board in writing, who shall countersign the same and declare the results of the voting forthwith.

### **PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM**

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it to the Scrutinizer Mr. Aqueel Mulla, Company Secretaries, C/o. Bharati Shipyard Limited, 302, Wakefield House, Sprott Road, Ballard Estate, Mumbai – 400 001.
2. The Form should be signed by the member and the signature should match the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. A power of Attorney (POA) holder may vote on behalf of the member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through Proxy.
3. In case the shares are held by companies, trusts, societies etc. they duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of each resolution, either in favour or against, by putting the (✓) tick mark in the column provided in the Ballot Form.
5. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on September 23, 2015 i.e. cut-off date. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting, voting through Ballot Form, as well as voting at the AGM through Polling Paper. A person who is not a member as on cut-off date should treat this Ballot Form for information purpose only.
6. Duly completed Ballot Form should reach the Scrutinizer not later than September 29, 2015 at 5.00 p.m. (ST). Ballot Forms received after this date and time will be treated as invalid.
7. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in Serial no.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member and/or whether the votes are in favour or against and/or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The Results declared alongwith the report of the Scrutinizer will be placed on the website of the Company [www.bharatishipyard.com](http://www.bharatishipyard.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and shall also be displayed on the notice Board of the Company at its registered office, immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.

## ROUTE MAP FOR THE AGM VENUE



### **AGM Venue:**

Mackinnon Mackenzie Building, 3<sup>rd</sup> Floor 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001

### **Prominent Landmark:**

1. Ballard Estate
2. Tiger Gate

FORM B

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

- 1 Name of the Company : Bharati Shipyard Limited
- 2 Annual financial statements for the year ended : 31<sup>st</sup> March 2015
- 3 Type of Audit qualification : Qualified Opinion / Emphasis of Matter
- 4 Frequency of qualification : Standalone Financial Statements  
Qualified Opinion:

i) Qualification mentioned in Para a, b and c under Basis for Qualified Opinion of the Audit Report, is appearing for second time.

ii) Qualification mentioned in Para d under Basis for Qualified Opinion of the Audit Report, is appearing for first time under qualified opinion. In earlier years it has appeared under Emphasis of Matter for two times.

iii) Qualification mentioned in Para e to k under Basis for Qualified Opinion of the Audit Report, is appearing for first time.

Emphasis of Matter:

i) Observation with respect to written off of excess value of Work-in-progress has appeared in previous year under Basis for Qualified Opinion on account of non writing off of excess value of Work in progress and now first time appearing under Emphasis of Matter as excess value of WIP is now written off by Management.

ii) Observation pertaining to pending legal opinion on Share Application Money under Emphasis of Matter is appearing for first time.

iii) Observation pertaining to strengthening of Internal controls under Emphasis of Matter is appearing for first time.

Consolidated Financial Statements

Qualified Opinion:

i) Qualification mentioned in Para c, d and e under Basis for Qualified Opinion of the Audit Report, is appearing for second time.

ii) Qualification mentioned in Para f under Basis for Qualified Opinion of the Audit Report, is appearing first time under qualified opinion. In earlier years it has appeared under Emphasis of Matter for two times.

iii) Qualification mentioned in Para a, b and Para g to l under Basis for Qualified Opinion of the Audit Report, is appearing for first time.

Emphasis of Matter:

i) Observation with respect to written off of excess value of Work-in-progress has appeared in previous year under Basis for Qualified Opinion on account of non writing off of excess value of Work in progress and now first time appearing under Emphasis of Matter as excess value of WIP is now written off by Management.





- ii) Observation pertaining to pending legal opinion on Share Application Money treatment under Emphasis of Matter is appearing for first time.
- iii) Observation pertaining to strengthening of Internal Financial controls under Emphasis of Matter is appearing for first time.
- iv) Observation pertaining continuing default in repayment of loan by associate company GOL Offshore Limited & preparation of its Financial Statements on Going concern basis under Emphasis of Matter is appearing for first time.

**Other Matter:**

- i) Observation with respect to Non-availability of information regarding disqualification of Directors of Bengal Shipyard Limited (Joint Venture Entity) under Other Matter is appearing for first time.

5 Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:

**Standalone Financial Statements**

**Qualification :**

**1) Deferred Tax Assets :**

As mentioned in Para- a under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 31 forming part of Standalone Financial Statements for the year ended 31st March 2015

**2) Bank Guarantees Invocation by Customers on cancellation of Vessel Contracts:**

As mentioned in Para- b under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 32 forming part of Standalone Financial Statements for the year ended 31st March 2015

**3) Subsidy Receivable from Government of India under Shipbuilding Subsidy scheme:**

As mentioned in Para- c under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 33 forming part of Standalone Financial Statements for the year ended 31st March 2015

**4) Financial Restructuring:**

As mentioned in Para- d under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 30 forming part of Standalone Financial Statements for the year ended 31st March 2015

**5) Loans and Advances to Subsidiaries for Investment in GOL Offshore Limited (Associate company):**

As mentioned in Para- e under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 34(a) forming part of Standalone Financial Statements for the year ended 31st March 2015



**6) Loans and Advances to Subsidiaries for Investment in Tebma Shipyards Limited(Subsidiary company):**

As mentioned in Para- f under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 34(b) forming part of Standalone Financial Statements for the year ended 31st March 2015

**7) Investment and Loan and Advances in Bengal Shipyard Limited(Joint Venture Entity):**

As mentioned in Para- g under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 34(c) forming part of Standalone Financial Statements for the year ended 31st March 2015

**8) Non - Availability of balance confirmation from banks and EARC and provision for interest and other dues:**

As mentioned in Para- h & i under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 35 forming part of Standalone Financial Statements for the year ended 31st March 2015

**9) Non - Availability of certain Margin Deposit confirmation:**

As mentioned in Para- j under Basis for Qualified opinion in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 36 forming part of Standalone Financial Statements for the year ended 31st March 2015

**Emphasis of Matter :**

**1) Written off excess value of Work in Progress:**

As mentioned in Para- i under Emphasis of Matter in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 39(a) forming part of Standalone Financial Statements for the year ended 31st March 2015

**2) Pending legal opinion on Share Application Money received against Share Warrant:**

As mentioned in Para- ii under Emphasis of Matter in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 29.1 forming part of Standalone Financial Statements for the year ended 31st March 2015

**3) Internal Control system:**

As mentioned in Para- iii under Emphasis of Matter in Independent Auditor's Report on Standalone Financial Statements.

**Management Explanation :**

Refer note No. 37 forming part of Standalone Financial Statements for the year ended 31st March 2015



## Consolidated Financial Statements

### Qualification :

#### 1) Loans and Advances to Subsidiaries for Investment in Tebma Shipyards Limited(Subsidiary company):

As mentioned in Para- a under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 42 forming part of Consolidated Financial Statements for the year ended 31st March 2015

#### 2) Loans and Advances to Subsidiaries for Investment in GOL Offshore Limited(Associate company):

As mentioned in Para- b under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 45 forming part of Consolidated Financial Statements for the year ended 31st March 2015

#### 3) Deferred Tax Assets :

As mentioned in Para- c under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 34 forming part of Consolidated Financial Statements for the year ended 31st March 2015

#### 4) Bank Guarantees Invocation by Customers on cancellation of Vessel Contracts:

As mentioned in Para- d under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 35 forming part of Consolidated Financial Statements for the year ended 31st March 2015

#### 5) Subsidy Receivable from Government of India under Shipbuilding Subsidy scheme:

As mentioned in Para- e under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 36 forming part of Consolidated Financial Statements for the year ended 31st March 2015

#### 6) Financial Restructuring:

As mentioned in Para- f under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

#### Management Explanation :

Refer note No. 33(a) forming part of Consolidated Financial Statements for the year ended 31st March 2015



**7) Non - Availability of balance confirmation from banks and EARC and provision for interest and other dues:**

As mentioned in Para- g & h under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 37 forming part of Consolidated Financial Statements for the year ended 31st March 2015

**8) Non - Availability of certain Margin Deposit confirmation:**

As mentioned in Para- i under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 38 forming part of Consolidated Financial Statements for the year ended 31st March 2015

**9) Investment by GOL Offshore Limited (Associate Company) in its Subsidiary KEI-RSOS Maritime Limited:**

As mentioned in Para- k under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 41(a) forming part of Consolidated Financial Statements for the year ended 31st March 2015

**10) Non - Availability of Consolidated Financial Statements of Bengal Shipyard Limited(Joint Venture Entity):**

As mentioned in Para- l under Basis for Qualified opinion in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 54 forming part of Consolidated Financial Statements for the year ended 31st March 2015

**Emphasis of Matter :**

**1) Written off excess value of Work in Progress:**

As mentioned in Para- i under Emphasis of Matter in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 43(a) forming part of Consolidated Financial Statements for the year ended 31st March 2015

**2) Pending legal opinion on Share Application Money received against Share Warrant:**

As mentioned in Para- ii under Emphasis of Matter in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 32.1 forming part of Consolidated Financial Statements for the year ended 31st March 2015





**3) Internal Control system:**

As mentioned in Para- iii under Emphasis of Matter in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 39 forming part of Consolidated Financial Statements for the year ended 31st March 2015

**4) Going concern assumption of GOL Offshore Limited:**

As mentioned in Para- iv under Emphasis of Matter in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Refer note No. 33(b) forming part of Consolidated Financial Statements for the year ended 31st March 2015

**Other Matter:**

**1) Non-availability of information relating to Disqualification of Directors of Bengal Shipyard Limited(Joint Venture Entity):**

As mentioned in Para- 2(g) under Report on Other Legal and Regulatory Requirements in Independent Auditor's Report on Consolidated Financial Statements.

**Management Explanation :**

Management is in the process of obtaining the requisite information form Bengal Shipyard Limited(Joint Venture Entity)

6 Additional comments from the board/audit : Not Applicable  
committee chair:

**P.C.Kapoor**  
Managing Director



**Mr. A.P. Muralidharan**  
Chairman of Audit Committee



**Vijay Kumar**  
Managing Director



**V. Gopalakrishnan**  
President Finance and Company Secretary



**For Damania & Varaiya**  
Firm Registration No: 102079W  
Chartered Accountant



**Bharat Jain**  
Partner  
Membership No: 100583



Place : Mumbai  
Date : 30/05/2015