

ABG

ABG Shipyard Limited



Annual Report 2012-2013

CORPORATE INFORMATION

Board of Directors

Mr. Rishi Agarwal	- <i>Chairman</i>
Major Arun Phatak	- <i>Executive Director</i>
Mr. Dhananjay Datar	- <i>Whole-Time Director</i>
Mr. Ashok R. Chitnis	- <i>Independent Director</i>
Mr. Shahzaad Dalal	- <i>Independent Director</i>
Mr. Ashwani Kumar	- <i>Independent Director</i>
Mr. Alope Sengupta	- <i>Nominee Director</i> (from 14th August 2013)

Auditors

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

Bankers

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel.: 91-22-25946970
Fax: 91-22-25946979
e-mail: rnt.helpdesk@linkintime.co.in

28th Annual General Meeting

Day : Friday
Date : 27th September, 2013
Time : 12.00 Noon
Venue : At the Registered Office of the Company
Near Magdalla Port,
Dumas Road, Surat - 395007.
Gujarat - India

CONTENTS

	Page
Notice of AGM	2
Directors' Report	9
Report on Corporate Governance	15
Management Discussion & Analysis	29
Auditor's Report	31
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes forming part of the Financial Statements	37
Statement pursuant to Section 212 of the Companies Act, 1956	60
Consolidated Financial Statements	61

Registered Office

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

Corporate Office

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

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of **ABG Shipyard Limited** will be held on Friday, **the 27th of September, 2013 at 12.00 noon** at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395007, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shahzaad Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok R. Chitnis, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Nisar & Kumar, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company until conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in terms of the Articles of Association of the Company and pursuant to the provisions of section 198, 269, 309, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956 as amended from time to time and all applicable guidelines for managerial remuneration issued by the Central Government from time to time and subject to such other approvals as may be necessary, Major Arun Phatak be and is hereby re-appointed as an Executive Director of the Company for a period of five years with effect from 10th June, 2013 on terms & conditions including remunerations as mentioned in explanatory statement to the resolution."

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

"RESOLVED that In supersession to the Special Resolution passed by Members of the Company at the 27th Annual General Meeting held on 27th September 2012 and pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions of Securities and Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999, and rules and regulations made hereunder, including the Foreign Exchange management (Transfer and Issue of Securities by a person Resident outside India) Regulation, 2000, if applicable, the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and subject to any other applicable law or laws, rules and regulations (including any amendment thereto or reenactment thereto or reenactment thereof for the time being in force) and subject to enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the company are listed and subject to any approval, consent, permission and/or sanction of the members of the Company by way of special resolution, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, Securities and Exchange Board of India and /or any other competent authorities, institutions or bodies, within or outside India, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed by the Board of Directors (hereinafter referred to as "Board" which term shall include any committee thereof, whether constituted or to be constituted), approval of the Company is hereby accorded to the Board to create, offer, issue and allot in one or more tranche(s), in the course of **domestic and / or international offerings and /or Qualified Institutional Placements ("QIP")**, with or without an over allotment/ green shoe issue option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public, companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of Chapter VIII of the SEBI ICDR Regulations and /or preferential issue and/or other kind of public issue and /or private placement or through a combination of the foregoing as may be permitted under applicable law from time to time, with or without an over allotment/ green shoe option, equity share, secured or unsecured debentures, bonds or any other securities whether convertible into equity share or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCD"), Bonds with share warranted attached, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs") or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not (hereinafter referred to as "securities") for a value of upto Rs. 1,000/- crores (Rupees One Thousand Crores), whether to be listed on any stock exchange inside India or any international stock exchanges outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated in foreign currency at such time or times, at such price

or prices in such manner and on such terms and conditions including security, rate of interest etc, as may be decided by and deemed appropriate by the board as per applicable law, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made, considering, the prevailing market conditions and other relevant factors wherever necessary in consultation with its advisors, as the board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue.

RESOLVED FURTHER that any securities that are not subscribed in issues mentioned above, may be disposed off by the board in its absolute discretion in such manner, as the board may deem fit and as permissible by the law.

RESOLVED FURTHER that in case of a Qualified Institutional Placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of specified securities shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII and the relevant date for the determination of the price of the equity shares to be issued or issued pursuant to conversion, shall be the date on which the board decides to open the issue of securities or such other time as may be allowed by SEBI ICDR Regulations from time to time and allotment of specified securities shall be completed within twelve months from the date of this resolution.

RESOLVED FURTHER that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993 as may be amended from time to time.

RESOLVED FURTHER that the issue of Securities shall be subject to the following terms and conditions:

- (a) The Securities shall be subject to the provisions of Memorandum and Articles of Association of the Company and in accordance with the terms of the issue; and
- (b) The number and/or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on pari-passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Directors (s) or Committee of Directors or other persons authorized by the Board to give effect to the aforesaid resolutions.

RESOLVED FURTHER that subject to the applicable laws, the Board and/or the Committee authorized by the Board be and is hereby authorized to do such acts, deeds and things as the Boards in its absolute discretion deems necessary or desirable in connection with the issue of the securities, including, without limitation of the following;

- (a) decide the date for the opening of the issue of securities;
- (b) Decide the price band for the issue;
- (c) Finalization of the Issue Price;
- (d) Finalization of the allotment of the securities on the basis of the subscriptions received;
- (e) Finalization of, signing of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/ offer document(s), and any amendments and supplements thereto, along with supporting papers needed to be filed for seeking listing approval with any applicable government and regulatory authorities, institutions or bodies as may be required;
- (f) Deciding the pricing and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/ GDRs/ ADRs, as per applicable laws, regulations or guidelines;
- (g) Appoint, in its absolute discretion, managers (including lead manager), Investment Bankers, Merchant Bankers, underwriters, guarantors, financial and /or legal advisors, depositories, custodians, principal paying/transfer/conversion

agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;

- (h) Approval of the Deposit Agreements(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBs/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements of documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (i) Settle all questions, difficulties or doubts that may arise in regards to the issue, offer or allotment of securities and utilization of the proceeds of the issue in such manner and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit.

RESOLVED FURTHER the Board and/or the Committee authorized by the Board be and is hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/Gol/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.

RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorized by the Company for the issue off depository receipts representing the underlying equity shares issued by the Company with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability of free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets."

By Order of the Board of Directors

Place: Mumbai
Date : 14th August, 2013

Sunil Agarwal
Company Secretary

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. The Instrument of proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
4. The details under clause 49 of the Listing Agreement with the Stock Exchange(s) in respect of the directors proposed to be re-appointed at the Annual General Meeting is annexed hereto.
5. The Register of Members and Share transfer books of the Company will remain closed from Friday, 20th September, 2013 to Friday 27th September, 2013 (both days inclusive) in connection with the Annual General Meeting.
6. Members are requested to intimate all changes with respect to their bank details, nomination, power of attorney, change of address, change in name, register/change in email ids etc. to their respective depository participant(DP).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
8. Members/Proxies are requested to bring their copy of Annual Report and the attendance slip, duly filled in, at the meeting
9. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company atleast one week before the meeting, so that information required is made available at the meeting.
10. As per Section 205C of the Companies Act, 1956, the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and

Protection Fund (IEPF) setup by the Government of India and no payments shall be made by the fund, in respect of any claims. Members who have not yet encashed their dividend warrants for the financial year ended March 31, 2006 and subsequent years are requested to make their claims directly to the Registrar and Share Transfer Agent, without any delay. It may be noted that the unclaimed dividend for the financial years 2005-06 to 2010-11 are due for transfer to the IEPF as per table given below:

Financial Year	Due Date for Transfer
2005-06	17 th September, 2013
2006-07	27 th October, 2014
2007-08	22 nd October, 2015
2008-09	30 th October, 2016
2009-10	30 th October, 2017
2010-11	27 th October, 2018

Unclaimed IPO refund Money

Pursuant to section 205C and other applicable provisions, if any, of the Companies Act, 1956, the amount remaining unclaimed/unpaid for a period of seven years from the date of closure of IPO of the Company ₹ 10,79,000/- has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on 09th December 2012. As per Section 205B of the Companies Act, 1956, no claim would lie against the Company or the said fund after the transfer.

11. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders to ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years 2005-06 to 2010-11, as on the date of 27th Annual General Meeting held on 27th September, 2012, on the website of the IEPF viz. www.iepf.gov.in. Shareholders may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they are requested to lodge their claim, duly supported by relevant document directly to the Registrar and Transfer Agent (RTA) before expiry of seven years.
12. All statutory registers are open for inspection at the Registered Office of the Company on all working days, from the date hereof upto the conclusion of this meeting between 10.00 a.m. and 5.00 p.m.
13. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
14. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
15. The Company has implemented the “**Green Initiative**” as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the e-mail addresses indicated in your respective depository participant accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving notices/documents including those covered under section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of the Company i.e. www.abgindia.com and the other requirements of the aforesaid MCA circular will be duly complied with. Members who holds shares in electronic mode and who have not registered their e-mail addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants.

However, we are happy to provide, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors' report etc., upon receipt of a written requisition from the members of the Company

EXPLANTORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item no. 5.**

Major Arun Phatak was appointed as an Executive Director of the Company for a period of five years with effect from June 10, 2008.

The Board of Directors of the Company at its meeting held on May 30, 2013, re-appointed Major Arun Phatak, as an Executive Director of the Company with effect from June 10, 2013 for a further term of 5 years, subject to the approval of the members in the Annual General Meeting.

Part III of Schedule XIII of the Companies Act, 1956 provides that the appointment and remuneration of Managing Directors and Whole-time Directors, in accordance with part I and part II of the schedule shall be subject to the approval by resolution of the shareholders in a general meeting.

Major Arun Phatak shall be entitled to the following remuneration:

Salary, Perquisites, Allowances and Bonus:

₹ Per Month		₹ Per Annum
Salary	Perquisites & Allowance	Bonus
2,70,000	2,33,100	4,05,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; Special Allowance, medical reimbursement; leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. However, contribution to Provident Fund, Gratuity payable and encashment of Leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income Tax Law, shall not be included for the purpose of computation of the overall ceiling of remuneration. Further, employee stock options granted / to be granted, from time to time are not to be considered as perquisite and not to be included for the purpose of computation of the overall ceiling of remuneration.

Reimbursement of Expenses:

Reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car for use on the Company's business and telephone expenses at residence shall be reimbursed and not considered as perquisites.

The aggregate of the salary, special pay, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force, or otherwise as may be permissible at law.

Where in any financial year, the Company has no profits or if its profits are inadequate, the foregoing amount of remuneration and perquisites shall be subject to the applicable provisions of the Companies Act, 1956.

Further, the Board of Directors of the Company be and are hereby authorized to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof within the limits prescribed from time to time under sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force, or otherwise as may be permissible at law.

Accordingly, the Resolution at item no.5 is proposed for the approval of the members for re-appointment of Major Arun Phatak, as Executive Director as specified in Part III of the Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any.

The Board recommends the approval of the re-appointment of Major Arun Phatak as Executive Director of the Company.

Major Arun Phatak, Executive Director of the Company, is interested in the proposed Resolutions. None of the other directors of the company are interested in the proposed resolution.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of appointment of Major Arun Phatak, as Executive Director of the Company under section 302 of the Companies Act, 1956.

Item No. 6

The Company proposes to raise funds to the tune of ₹ 1,000/- crores (Rupees One Thousand Crores), in one or more tranches through a public issues and/or on a private placement basis and/or QIP within the meaning of Chapter VIII of the SEBI ICDR Regulations and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law from time to time. The resolution contained in the business of the Notice is regarding proposal to create, offer, issue and allot equity shares and/or such other Securities as stated in the Special Resolution (the "Securities") which seeks to empower the Board of Directors (hereinafter referred to as "Board" which include any Committee thereof, whether constituted or to be

constituted) to undertake such issue or offer of securities.

1. Object of the issue

Taking into account the expansion plans and positive outlook of the Company, the Company proposes to raise long term capital by issue of further securities to cater its fund requirements for expansion of its activities, finance, additional working capital requirements and general corporate purpose.

2. Pricing

In case of an **issue of the Securities to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations**, the issue price of Securities shall be at a price, being not less than the price calculated in accordance with Chapter VIII of SEBI ICDR Regulations as may be amended from time to time and the Relevant Date in this regard shall be the date on which the board decides to open the issue of securities or such other time as may be allowed by SEBI ICDR Regulations from time to time.

In case of a Qualified Institutional Placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of securities shall be completed within twelve months from the date of passing of this resolution.

In case of **issue of ADRs/GDRs** the issue price shall be at a price, being not less than the price calculated in accordance with applicable law including the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, as may be amended from time to time.

3. Terms and Conditions

The detailed terms and conditions for the offer will be determined by the Board in consultation with Advisors, Lead Manager/Book Runners, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The issue/ allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of securities, held by foreign investors, into shares would be subject to the applicable foreign investment limits.

The Special Resolution seeks to empower the Board and/or Committee authorized by the Board, to issue Securities in one or more tranche or tranches, at such time / times, and to such person(s) as the Board may in its absolute discretion deem fit.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board and/or the Committee authorized by the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company and the Board and/or the Committee authorized by the Board will have the power to decide the date of opening of the Issue.

The Directors of the Company may be deemed to be concerned or interested in the above resolution only to the extent of shares held by them in the Company.

The Board of Directors recommend the special resolution for your approval.

Details of Directors seeking appointment/re-appointment in the 28th Annual General Meeting

Name of Director	Major Arun Phatak	Mr. Shahzaad Dalal	Mr. Ashok R. Chitnis
Date of Birth	31/10/1939	01/12/1958	15/02/1943
Date of Appointment / Re-appointment as Director	10/06/2013	27/09/2011	27/09/2011
Qualification	B.Sc through National Defence Academy and MBA from the University of Halifax, Canada	He has a master's degree in management from the Northeast Louisiana University, USA.	He is a Marine Engineer and also holds a 1 st Class Competency Certificate (Steam & Motor) from the Ministry of Transport, Govt. of India.
Experience and Expertise in Specific functional area	He has vast experience of over 35 years in the Corporate Sector and is associated with ABG since the last 8 years	<p>Mr. Shahzaad Dalal is the Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC, a fully owned subsidiary of IL&FS Investment Managers Ltd (IIML). He leads a highly competent team of 40 professionals involved in managing over 95 investments.</p> <p>He is also responsible for developing the Infrastructure Business of IL&FS Group in key international markets in sectors such as Roads, Power, Renewable Energy, Ports, Logistics, Education and Waste Management. Prior to joining IIML, Mr. Dalal served as the Chief Executive Officer of the Asset Management Business of IL&FS. Within the IL&FS Group he has undertaken various responsibilities.. He has also headed the initiative for large value structured finance/ transactions in leasing, project finance and privatizations</p>	<p>Mr. Ashok R. Chitnis has over Forty years of experience in the maritime sector. He is a Fellow of the Institute of Marine Engineers (India) from its inception in 1980 and has served a full two year term as the President of the Institute. He has worked with the Scindia Steam Navigation Company Ltd in various capacities. Thereafter, he joined the Indian Register of Shipping (IRS) in 1976. He was in-charge of the IRS Mumbai field office for over 4 years He was Chief Surveyor, IRS for over 9 years until his superannuation in 2003. As Chief Surveyor, he was in charge of the Indian Register Quality Systems, a department of IRS engaged in Quality Management System Certification for ISO 9000 standards.</p> <p>He is a qualified and experienced lead auditor for QMS Audits with respect to ISO 9000 standards and has conducted a large number of audits at companies in various industrial sectors.</p>
Directorships held in other companies	<ol style="list-style-type: none"> 1. ABG Energy Ltd. 2. ABG Cement Ltd. 3. Sheorey Digital Systems Ltd 4. Kathrein India Pvt. Ltd. 5. Meridian Inflatables Pvt. Ltd 6. Filtrex Systems India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. IL&FS Investment Managers Ltd. 2. SARA Fund Trustee Co. Pvt. Ltd. 3. IL & FS Financial Services Ltd. 4. Shoppers Stop Ltd. 5. Datamatics Global Services Ltd. 6. IG3 infra Ltd. 7. IL&FS Asian Infrastructure Managers Ltd. 8. IL&FS Milestone Realty Advisors Pvt. Ltd 9. DEN Networks Ltd. 10. Mumbai Business School Pvt. Ltd. 11. Ramky Enviro Engineers Ltd. 12. QVC Realty Pvt. Ltd. 13. Sterling Holiday Resorts (India) Ltd. 	<ol style="list-style-type: none"> 1. Western India Shipyard Ltd.
Committee positions held in other companies	Nil	<p>Shoppers Stop Limited: Audit Committee Remuneration/Compensation Committee</p> <p>Datamatics Global Services Limited: Audit Committee Remuneration / Compensation Committee</p> <p>IG3 Infra Limited: Audit Committee Appointment & Remuneration Committee</p> <p>QVC Realty Private Limited: Project Committee</p> <p>DEN Networks Limited: Audit Committee</p> <p>IL&FS Financial Services Limited: Investment Portfolio Review Committee</p>	M/s. Western India Shipyard Ltd. Audit Committee
No. of shares held in ABG Shipyard Ltd.	1153	485	-

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors take pleasure in presenting the Twenty Eighth Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March 2013.

1. FINANCIAL PERFORMANCE :

Financial performance of the Company for Financial Year 2012-13 is summarised below:

(₹ in crores)

Particulars	2012-2013	2011-2012
Sales and Other Income	2149.33	2432.69
Profit before Interest, Depreciation & Tax	565.29	570.29
Less: Interest (Net)	287.88	192.26
Profit before Depreciation & Tax	277.41	378.03
Less: Depreciation	103.71	99.25
Profit before Tax	173.70	278.78
Less: Provisions for Taxation	66.57	98.49
Net Profit after Tax	107.13	180.29
Balance brought forward from previous year	488.92	416.63
Profit available for appropriations	596.05	596.92
Appropriations		
Transfer to Debenture Redemption Reserve	91.00	92.00
Transfer to General Reserve	10.00	16.00
Proposed Dividend – Equity shares	-	-
Corporate Dividend Tax	-	-
Balance carried to Balance Sheet	495.05	488.92

* Figures regrouped wherever necessary.

Your Company has recorded a total revenue of ₹ 2149.33 crores, Net Profit after tax for the Financial Year stood at ₹ 107.13 crores and recorded an EBITDA of ₹ 565.29 Crores, as standalone basis for the financial year under consideration.

2. BUSINESS OPERATIONS

Your Company is India's largest Shipbuilding and Ship repair Company in Private sector with satisfied customer base in India & abroad. The shipyards of the Company are located at Surat and Dahej in Gujarat. Since inception, your Shipyard has successfully built and delivered 157 (One Hundred Fifty Seven) ships including Specialized and Sophisticated vessels like Interceptor Boats, Self-Loading and Discharging Bulk Cement Carriers, Floating Cranes, Articouple Tugs and Flotilla, Split Barges, Bulk Carriers, Newsprint Carriers, Offshore Supply Vessels, Dynamic Positioning Ships, Anchor Handling Tug Supply Vessels, Multi-purpose Support Vessel, Diving Support Vessels, Pollution Control Vessel etc. for leading companies in India and overseas. Over 80% of the vessels built have been for foreign customers in Europe, South East Asia and Middle East. Around 50% of ABG's Order Book comprises of orders from repeat customers.

The difficult external environment has had a direct bearing on your company's financial results. There is considerable impact on the Financials of the Company due to adverse economic conditions.

The manufacturing processes in the Shipyards are in line with world class standards and the Yards have been certified by DNV for ISO 9001:2008 (for Quality Standards), by IRS for ISO 14001:2004 (for Environment Management Systems) and OHSAS 18001:2007 (for Occupational Health & Safety Management Systems).

ABG Shipyard Ltd has a facility to construct all types of quality ships, offshore oil rigs and specialized vessel's needs, by demonstrating compliance to marine environment protection and initiatives towards conservation of natural resources.

During the Financial Year 2012-13, your company has bagged a prestigious repeat order for construction of 1 cadet training ship of ₹ 485 Crs from Indian Navy, Ministry of Defence.

The Government of India had provided for a Shipbuilding Subsidy Scheme, for both export and domestic orders to all the Indian Shipyards, which was expired in August, 2007 and The Government had issued modified guidelines dated 25th March 2009, for liquidation of the liability for the payment of subsidy for ongoing eligible contracts entered upto 14th August 2007, by virtue of the same, your company has received an amount of ₹ 68.62 Crores towards subsidy in the Financial Year 2012-13.