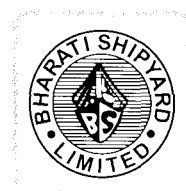


Expanding horizons
Empowering the future




2007-

31st Annual



Bharati Shipyard Limited



To go beyond the ordinary
and spread the wings
of Indian ship building
across seven seas
by building futuristic ships
and hi-tech rigs

REPORT



junction.com



Man cannot discover new oceans unless he has courage to lose sight of the shore. Very few have the vision to look beyond the ordinary and do something different to move ahead... and thus grow in leaps and bounds. It is this conviction that expands one's horizon and creates history for generations to come. It instigates new attempts to progress and transfers a strait-jacketed world in to a voyager, explorer and imagineer.

Growth means change. And change involves risk, stepping from the known to the unknown. Without continual growth, words like improvement, achievement and success have no meaning. It is the greatest urge which inspires to sail against the tide, move ahead and go beyond the ordinary.

Never to be part of a dry dock, the team with skill and expertise at Bharati Shipyard has covered thousands of successful nautical miles. The inspirational vanguard of Indian ship building is set to empower the future, with its new vision and vigor.

Go beyond the expected, experience the sail of tomorrow, welcome aboard Bharati Shipyard.

Managing Directors' Statement

Mr. P. C. Kapoor
Managing Director



Mr. Vijay Kumar
Managing Director

Dear Shareholders,

It has been a year of executing and achieving our ambitious plans. During the year, your company has achieved substantial progress in enhancing its capacity and capabilities. Your company executed two of its most valued projects viz. dismantling, shipment and erection of Swan Hunter machinery and construction of Jack-Up Drill Rig during the year. With both these, your company has taken a giant leap towards its transformation in becoming pioneers for advanced shipbuilding technology in India.

During the year, the Greenfield expansion at Dabhol commenced operations. The yard will be spread over 300 acres of land and will have capacity to build vessels upto 1,00,000 DWT. A part of the machinery acquired from Swan Hunter Shipyard is being erected at the Dabhol yard and simultaneously construction of the Jack-Up Drill Rig is also being progressed in the same yard.

The year has been full of evolution, expansion and advancement, taking your company to an altogether new horizon. Your company has experienced growth in different spheres. The turnover of the company has increased to Rs. 705.11 crores from Rs. 425.04 crores, representing a growth of 65.89%. Consequently, Profit after Tax has increased by 46.82%, to Rs. 107.45 crores from Rs. 73.18 crores. During the year, the elite client list was complimented by the addition of Shipping Corporation of India, a Mini Ratna of the Government of India and Opielok Bereederungs, Germany. The order book remained strong at Rs. 4870 crores as compared to Rs. 3900 crores last year.

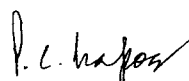
Your Company also entered into a joint venture to set up a Mega Shipyard on the East Coast of India. The proposed Mega Shipyard will have capex of approx. Rs. 1600 to Rs. 2000 crores and will have capacity to build vessels upto 2,50,000 DWT. The said Greenfield expansion is planned to capitalize on the technology and create synergies to build large vessels and take the Company to a different horizon. The Company also proposes to commence operations at the Greenfield yard at Mangalore soon by installing part of the Swan Hunter machinery at the said yard. The expansion is with a view to take advantage of the current boom in the shipbuilding industry by creating more shipbuilding infrastructure.

With the above plans and the will and determination to execute the same in an orderly manner, your Company intends to further its objective of achieving the No.1 position in shipbuilding technology and engineering in India. The years ahead will witness the magnificent blend of expansions, execution and achievements to enhance value for the stakeholders including our valued customers, employees and shareholders.

In closing, the year 2008 was an incredible year. But we believe the potential is still to be unlocked and the best is yet to come. We take this opportunity to thank our investors, customers, employees and the community at large and look forward to earning your confidence, esteem and trade as we continue to strive for better and better to enhance value for you.

Thanking You,

Yours sincerely,



P. C. Kapoor



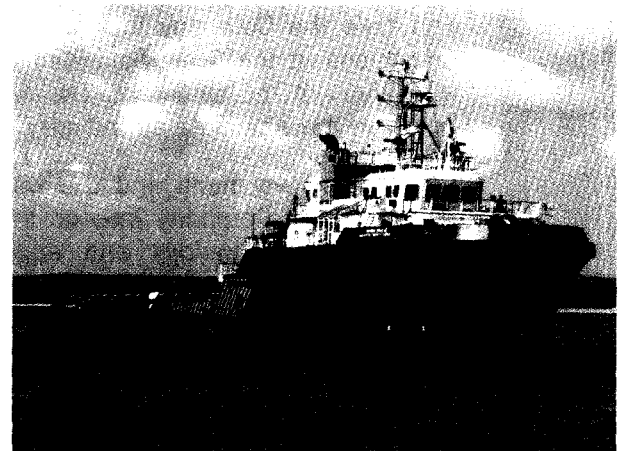
Vijay Kumar

What started as a stream,
now an **ocean**



The voyage at Bharati Shipyard began in 1973 with a small shipbuilding facility at Ratnagiri. It started building small barges and fishing vessels and trawlers. But the vision of its two promoters was not to confine to small vessel building but it was a humble beginning of their dreams to become one of the leading private sector shipyards in India. Since then, there has been no looking back.

Over the years, Bharati has expanded the capacity, capability and product range of its vessels manifold. The Ratnagiri Shipyard, started as a small drop in the ocean has grown several times during the last 30 years, is today one of the most advanced Shipyards of the Company. The yard is now building sophisticated vessels required for the offshore industry including OSVs, MSVs, PSVs, AHTSs, etc.





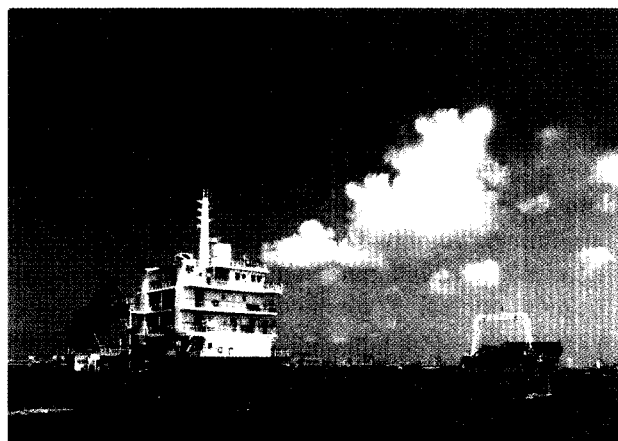
The quality, size and the level of sophistication of the vessels built by Bharati has also grown manifold. Now it is building one of the most sophisticated and technologically advanced Jack-up Drill Rigs. Apart from this, Bharati is also building vessels required for the offshore industry which are technically far superior and perform under stringent conditions. Today, Bharati is building Offshore Supply Vessels (OSVs), Anchor Handling Tugs cum Supply Vessels (AHTS), Platform Supply Vessels (PSVs), Multi-purpose Support Vessels (MSVs), Ice Classed Vessels, etc.

Thus, what had started as a small stream way back in 1973 has today truly become an ocean encompassing many such small and large streams in its ambit.

Bharati's Ghodbunder yard supports the operations of Ratnagiri yard acting as a feeder yard. Besides, the Company has shipbuilding yards at Goa and Kolkatta engaged in shipbuilding and ship repairs.

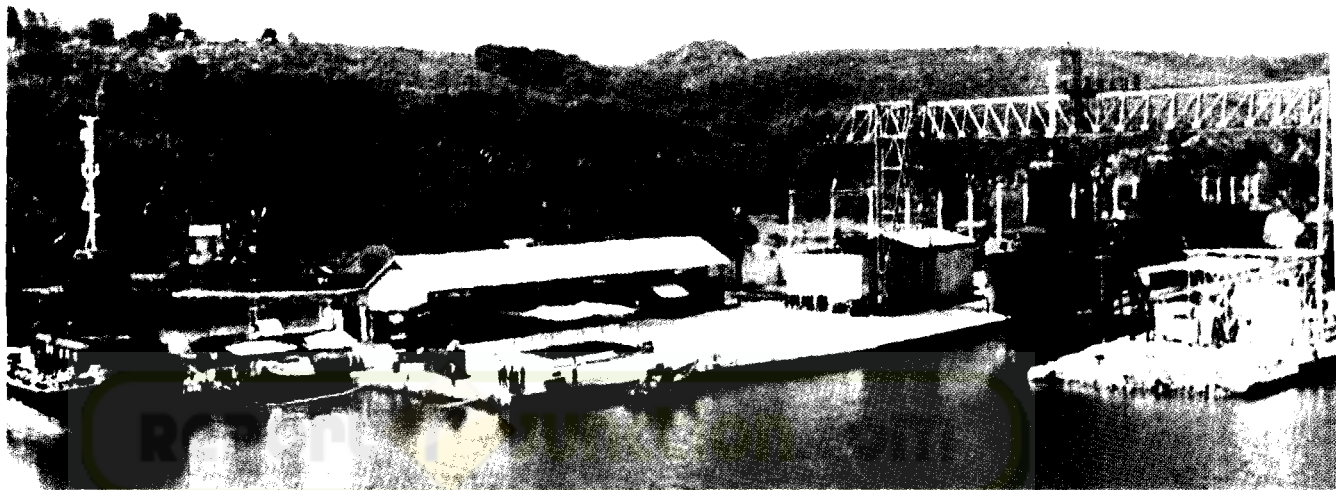
The Company has also undertaken Greenfield expansions at Dabhol and Mangalore which are going to be one of the most technologically advanced yards of our country. Both the yards will be capable of building larger vessels upto Aframax and Handymax size respectively. The Dabhol yard is also capable of building Jack-up Drill Rigs.

Thus, over the years, what started as a small yard at Ratnagiri has now grown into a classy technologically advanced yard at Ratnagiri, Ghodbunder, Goa, Kolkatta and the two Greenfield expansions for large vessels at Dabhol and Mangalore.



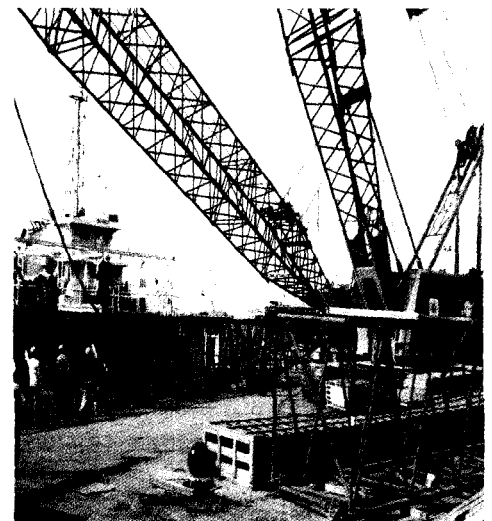
State-of-the-art

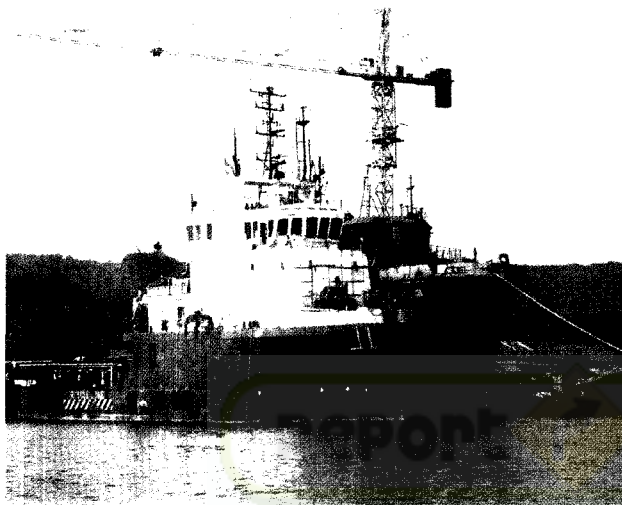
infrastructure facilities



RATNAGIRI

Situated at 300 kms. south of Mumbai, the 25 acres stretch of Ratnagiri yard is one of the oldest of the Company. The modernization and expansion of the yard has been carried out in the recent past and the yard is located in a sheltered lagoon slightly away from the open sea. With a well planned system of production, quality control / planning and fabrication, the yard guarantees complete quality assurance and control procedures. The yard comprises highly skilled workforce with its own in-house training facility. Presently, the Company is installing a ship-lift facility having 16,000 tonnes lifting capacity at the yard. It is also equipped with various other modern machineries and equipments like automatic welding machines, automatic blasting / painting machines, CNC Plasma cutting machines, Hydraulic pipe bending machines, etc. The yard is also International Ship & Port Facility Security (ISPS) certified.





GHODBUNDER

The Ghodbunder yard located near Mumbai and spread over 12 acres of land has established quality assurance & control procedures geared for steel fabrication, pre-outfitting and major piping work. Equipped with 4 slipways suitable for building hulls upto 125m. length, the yard acts as a feeder yard to Ratnagiri yard. It has highly developed and modern equipments including mobile cranes, CNC plasma cutting machine, panel line fabrication, automatic & semi automatic welding machines, etc.

KOLKATA

The Kolkata yard, spread over 7 acres of land and located on the east coast of India, has capacity of building vessels upto 125m. in length and 22m. in width. The expansion of the yard is underway with dry dock under construction and 2 Gantry cranes of 40 tonnes each over dry docks are under installation. It has CNC Steel Cutting/ Preparation Machine, automatic & semi automatic welding, mobile cranes and other equipments.

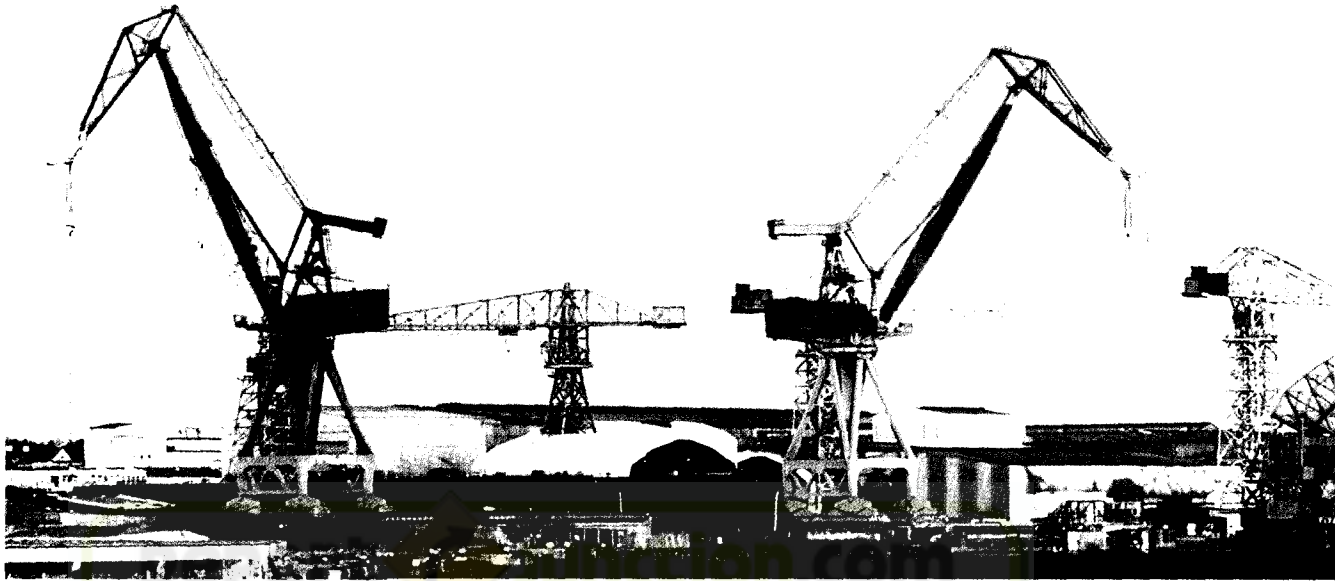
GOA

The Goa yard spread over 2.5 acres of land is owned by Pinky Shipyard Ltd., subsidiary of the Company. One adjacent yard has been acquired on lease and the facilities of the Goa yard have been expanded during the last year. It is a self-sufficient yard having facilities for building vessels upto 5,000 DWT and upto 140m. in length. It is equipped with side slipping facility, CNC Plasma steel Cutting & Preparation Machines, automatic blasting & painting machines, Panel line fabrication, profile bending machine, rollers for plate straightening, etc.



expanding the

infrastructure horizon



Bharati has come a long way due to its futuristic vision and plans to further expand the capacity and size of the existing yards. The Company has purchased various machines from Swan Hunter Shipyard Ltd, UK for building advanced and futuristic ships.

Bharati is in the process of setting up two Greenfield yards at Dabhol and Mangalore designed by international consultants. The facilities at these yards are planned considering modern production techniques. The infrastructure planned at the new yards are illustrated by the following:

DABHOL

The Company is undertaking a Greenfield project at Dabhol spread over 300 acres of land on the banks of river Vashishti wherein most modern infrastructural facilities for shipbuilding are being created. The Shipyard is designed by First Marine

