



BHARATI

Building India. Ship by Ship.

Report



Bharati Shipyard Limited

BHARAT



Board of Directors

P. C. Kapoor
Managing Director

Vijay Kumar
Managing Director

B. L. Patwardhan
Nominee Director - SBI

V.P. Kamath
Director

Company Secretary

U.A. Patel
Chief General Manager &
Company Secretary

Solicitors

Kanga & Company

Auditors

Bhuta Shah & Co.
DPH & Co.

Bankers

State Bank of India
State Bank of Hyderabad
State Bank of Travancore
Andhra Bank
IDBI Bank
Exim Bank
DBS Bank

Registrar & Share Transfer Agents

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



Bharati Shipyard Limited

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BHARATI SHIPYARD LIMITED



NOTICE

NOTICE is hereby given that the THIRTY SECOND Annual General Meeting of the members of BHARATI SHIPYARD LIMITED will be held at Rangaswar Hall, 4th Floor, Y.B. Chavan Pratishthan, Gen. J. Bhosle Marg, Near Mantralaya, Nariman Point, Mumbai-400 021 on Tuesday, the 29th September, 2009 at 10.30. a. m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended as on that date together with the Directors' and Auditors' Reports thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. V. P. Kamath, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s Bhuta Shah & Company, Chartered Accountants and M/s DPH & Co. Chartered Accountants as Joint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and 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 pursuant to the provisions of Section 198, 269, 309, 311, 349, 350 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 and provisions of Articles of Association, the members of the Company do hereby reappoint Mr. P.C. Kapoor as Managing Director of the Company for a period of 5 years w.e.f. 7th June-2009 till 6th June 2014, not liable to retire by rotation, on terms and conditions as set out in the draft agreement placed before the meeting, with authorisation to the Board of Directors to effect alterations/modifications to these terms, if necessary and as may be mutually agreed by and between the Board of Directors and the aforesaid appointee.

RESOLVED FURTHER THAT Mr. P.C. Kapoor be paid remuneration as per the terms and conditions as contained in the draft agreement placed before the meeting, for period of 5 (five) years, with the authorisation to the Board of Directors, to alter/vary such remuneration, subject to overall ceiling limits as may be specified in Schedule XIII to the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the stamped engrossment in duplicate of such agreement (modified if necessary as aforesaid) be executed under the common seal of the Company in accordance with the relevant provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT in case of inadequate profits or no profits in any year during the period of 5(five) years effective from 7th June-2009, the payment of salary and perquisites as mentioned in the aforesaid Agreement, will be paid as minimum remuneration and the commission will be payable only as determined by the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 for that purpose."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, 349, 350 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 and provisions of Articles of Association, the members of the Company do hereby reappoint Mr. Vijay Kumar as Managing Director of the Company for period of 5 years w.e.f. 7th June-2009 till 6th June 2014, not liable to retire by rotation, on terms and conditions as set out in the draft agreement placed before the meeting, with authorisation to the Board of Directors to effect alterations/modifications to these terms, if necessary and as may be mutually agreed by and between the Board of Directors and the aforesaid appointee.

RESOLVED FURTHER THAT Mr. Vijay Kumar be paid remuneration as per the terms and conditions as contained in the draft agreement placed before the meeting, for period of 5 (five) years, with the authorisation to the Board of Directors, to alter/vary such remuneration, subject to overall ceiling limits as may be specified in Schedule XIII to the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the stamped engrossment in duplicate of such agreement (modified if necessary as aforesaid) be executed under the common seal of the Company in accordance with the relevant provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT in case of inadequate profits or no profits in any year during the period of 5(five) years effective from 7th June-2009, the payment of salary and perquisites as mentioned in the aforesaid Agreement, will be paid as minimum

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remuneration and the commission will be payable only as determined by the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 for that purpose."

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

"RESOLVED THAT" pursuant to the provisions of Section 16 & 94(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the company be and is hereby increased from Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) .

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association as to share capital be and is hereby deleted and in its place the following Clause V be substituted:

"The Authorised Share Capital is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, with powers to reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force or subject to any postponement of right or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to be preference or otherwise shall be subject to the powers herein before contained".

8. 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 31(1) of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article 3 be substituted therefore:

"The Authorised Share Capital is Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, with powers to reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force or subject to any postponement of right or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to be preference or otherwise shall be subject to the powers herein before contained".

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

"RESOLVED THAT in supercession of the earlier resolution passed by the members of the Company at their Thirtieth Annual General Meeting held on Thursday, the 30th August, 2007 and pursuant to section 293(1)(d) and all other applicable provisions, (if any) of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as it may deem fit, any sum or sums of money not exceeding Rs.7,000.00 Crore (Rupees seven thousand crore only) on such terms and conditions as the Board may deem fit notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed by the Company (apart from temporary loans obtained by the Company from its bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose".

10. 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 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company, listing agreements entered into by the Company with Stock Exchanges where the Shares of the Company are listed and subject to approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned Authorities, Institutions or Bodies, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be agreed to or by the Board of Directors of the Company (hereinafter referred to as "the Board") which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with powers to delegate such authority to such person(s) as the Board may deem fit to issue/offer Equity Shares and/or instruments of debts, Convertible Debentures (Fully or Partly) and/or Non-Convertible Debentures and/or Preference Shares (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable) and/or Convertible Preference Shares and/or Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or Depository Receipts and/or Convertible Bonds (Fully or Partly) (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable) with or without detachable warrants and/or warrants of any nature and/or secured premium notes and/or floating rate notes/bonds and/or any other financial instruments

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(hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide which securities when issued or allotted at such price or price(s) (including premium) would result in an increase in the paid up Share Capital of the Company upto a maximum of authorised share capital of the Company, subscribed in Indian and/or Foreign currency(ies) to the Members, Directors, Employees, Non-Resident Indian, Overseas Corporate Bodies, Foreign Institutional Investors (FIIs), Companies Mutual Funds, Banks, Indian Financial Institutions, other entity(ies) and to other persons whether members or not by way of Public Issue, Right Issue, Private Placement or Euro Issue, Preferential Allotment, Exchange of Securities, Conversion of Loans/Warrants or otherwise in any manner in the course of offerings in Indian and/or International Market or by any one or more combinations of the above methods, whether to Shareholders of the Company or not, and at such time in one or more tranches as the Board may think fit and on such terms and conditions including number of securities to be issued, face value, premium, rate of interest/dividend, redemption/conversion period, manner of the redemption/conversion, amount of preference shares as the case may be, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants, any other financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters as the Board or its committee may in its absolute discretion think fit and decide in consultation with the appropriate authorities, the Merchant Bankers and/or Lead Managers and/or Underwriters and/or Advisors and/or such other persons and otherwise but without requiring any further approval or consent from the shareholders and also subject to the applicable guidelines for the time being in force.

RESOLVED FURTHER THAT the Company and/or an agency or body authorised by the Company in register or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Market for the instruments of this nature and provide for the tradability or free transferability thereof, as per the Indian/International practices and regulations, and under the norms and practices prevalent in the Indian/International markets.

RESOLVED FURTHER THAT pursuant to the approval of the members of the Company, the new Equity Shares issued if any, shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respect (including voting rights) pari passu with the existing Equity Shares unless otherwise provided by law or authorities.

RESOLVED FURTHER THAT such of these securities as are not subscribed, may be disposed off by the Board in its absolute discretion in such manner and on such terms as it may deem fit including offering or placing them with Banks/Financial Institutions/Mutual Funds/Overseas Corporate Bodies/Non-Resident Indians, Directors, Employees and Business Associates of the Company or otherwise as Board may in its absolute discretion, consider proper and most beneficial to the Company.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolutions the Board or the Committee thereof be and is hereby authorised on behalf of the Company to agree and to make and accept such condition(s), modification(s) and alteration(s) stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to prescribe form of Application, to issue Letter of Offer, Prospectus, to appoint Advisor(s), Consultant(s) Manager(s), Registrar(s) to the issue and other Agencies as may be deem expedient, for the purpose of proposed Public/Rights issue and pay, if it so think fit, Underwriting Commission and/or Brokerage as may be lawful and reasonable and to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the Offer, Issue and Allotment of the securities and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary desirable or expedient in connection with such Offer/Issue/Placement/Allotment.

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide other terms and conditions of the issue including the amount to be paid on applications, allotment and calls (if any) to be made and to add, vary, modify, alter any or all of the conditions of the issue of the Securities to be created, offered and issued including the aggregate nominal value thereof, after their face value and their entitlement thereto, in the best interest of the Company and to include in the said Prospectus or such other Document(s) or Offer for subscription as may be issued by the Company, such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/or may have to be incorporated on account of any modification(s) or amendment(s) required by any concerned Authority(ies).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things it may, in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the Offer, Issue, Allotment and Utilisation of issue proceeds towards general corporate purposes including capital expenditure, working capital requirements, strategic investments or for any other purposes as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director or Executive Director or any Director or Officer or Officers of the company to give effect to the aforesaid resolution."

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11. 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 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company, listing agreements entered into by the Company with Stock Exchanges where the Shares of the Company are listed and subject to approval of the Financial institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India(RBI) and all other concerned Authorities, Institutions or Bodies, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions, and modifications as may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") which shall be deemed to include any committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with powers to delegate such authority to such person(s) as the Board may deem fit to issue on preferential basis, Convertible Warrants to the Promoter Directors of the Company namely Mr. P.C.Kapoor and Mr. Vijay Kumar up to 5% of Company's present paid up equity share capital (maximum up to 2.5% to each of the Promoter Directors), i.e., aggregate Convertible Warrants to be converted into 13,78,464 Equity Shares of Rs. 10/- each of the Company.

RESOLVED FURTHER THAT for the purposes of giving effect to the above resolutions the Board or the Committee thereof be and is hereby authorised on behalf of the Company to agree and to make and accept such condition(s), modification(s) and alteration(s) stipulated by any of the relevant authorities while accordingly approvals, consents or permissions to the issue as may be considered necessary, are proper and expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things it may, in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the Offer, Issue, Allotment and Utilisation of issue proceeds."

By Order of the Board of Directors

FOR BHARATI SHIPYARD LIMITED

CS U. A. Patel

(Chief General Manager & Company Secretary)

REGISTERED OFFICE:

606, 6th floor, Raheja Chambers,
Nariman Point, Mumbai – 400 021

Date: 3rd September, 2009

Place: Mumbai

BHARATI SHIPYARD LIMITED



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th Sept, 2009 to 22nd Sept, 2009 (both days inclusive).
3. The Dividend recommended by the Board of Directors, if declared at the Meeting, will be payable to those Shareholders whose names are registered in the Register of Members of the Company on 22nd Sept, 2009
4. Dividend if declared will be made payable at the Registered Office of the Company within 30 days from the date of declaration of dividend i.e. 29th Sept, 2009 to those shareholders whose names stand on the Company's Register of member's on 22nd Sept, 2009.
5. Members are requested to intimate to the Company/ its Registrar, changes, if any, in their registered addresses, at an early date and to quote folio numbers in all their correspondence.
6. Members are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.
7. **Members 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.**
8. Members are requested to send their queries, if any, on the accounts, to the Company Secretary 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.
9. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
10. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business as listed out at S.No.5 to S.No.11. of this notice is annexed hereto.

Explanatory Statement pursuant to Section 173(2) of the Companies Act. 1956**Resolution at item Nos. 5 & 6.**

The tenure of Mr. P.C. Kapoor and Mr. Vijay Kumar as Managing Directors expired on 6th June, 2009. The Audit Committee and Board of Directors at its meeting held on 30th May- 2009, recommended their reappointment as Managing Directors of the Company along with the terms and conditions and payment of remuneration to them.

Pursuant to conditions under Schedule XIII of the Companies Act, 1956, the payment of remuneration to Mr. P.C. Kapoor and Mr. Vijay Kumar, for a period of five years, w.e.f. 7th June, 2009 till 6th June, 2014 needs approval of the members.

The draft agreement containing terms and conditions of appointment of Mr. P. C. Kapoor and Mr. Vijay Kumar are available at the Registered Office of the Company for the inspection of the members.

The details mentioned herein below may be treated as an abstract of the terms of contract under section 302 (1) of the Companies Act, 1956.

I. DISCLOSURES:**1. Remuneration Package of Managing Directors**

The details of remuneration to Mr. Vijay Kumar & Mr. P. C. Kapoor – Managing Directors are as follows:

Salary – Rs. 6,25,000/- p.m. or such sums as may be determined by the Board from time to time with in the limits prescribed under the Companies Act, 1956

Commission – At 1.5% of the net profits of the Company for the year as computed under the provisions of the Companies Act, 1956.

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There are no changes (except consequential changes) in perquisites under categories A, B and C which continue to be as follows:

Category A:

Medical Expenditure - Expenses incurred for self and his family subject to a maximum of one month's salary in a year or three month's salary in a block of three years.

Leave Travel Assistance - One Month's salary for self and his family every year in accordance with the rules of the Company.

Personal Accident Insurance - For an amount, the annual premium of which does not exceed Rs. 4,000/-

Category B:

Company's Contribution towards Provident Fund - In accordance with the rules of Company and subject to a ceiling of 12% of Salary.

Company's Contribution towards Pension / Superannuation Fund - As per the rules of the Company, but so, however, that it shall together with the Company's contribution to provident fund to be limited to such amount as are not taxable under the Income Tax Act. Contribution to Provident fund and superannuation fund will not be considered or included for the computation of ceiling on perquisites.

Gratuity - Shall not exceed half a month's salary for each completed year of service Encashment of Leave - Encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites

Category C:

Leave - The Managing Director shall be entitled to the leave as per the applicable rules of the Company.

Company's Car with Driver - The Managing Director shall be entitled to use a Company's Car with the driver on the business of the Company.

Telephone expenses - Free telephone at residence. Personal Long Distance calls to be billed.

The aggregate of the remuneration and perquisites in any financial year shall not exceed the limits prescribed from time to time under section 198, 309 and all other applicable provisions of the Companies Act, 1956, read with the Schedule XIII to said Act or any statutory modifications or re-enactment thereof for the time being in force or otherwise as may be permissible by law.

2. OTHER DISCLOSURES:

If during the currency of the tenure as Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to minimum remuneration by way of salary and perquisites not exceeding the limits specified above. The commission will be payable only as determined by the net profits of the Company in accordance with the provisions of the Companies Act, 1956 for that purpose.

The Board recommends the resolutions at Sr. Nos. 5. and 6. herein above for your approval. Except Mr. P.C. Kapoor and Mr. Vijay Kumar, no other director is concerned or interested in this resolution.

Item No. 7

The Authorised share capital of the Company presently stands at Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each. The Company is planning to come out with issue of further equity shares either on right basis/preferential basis or otherwise, to finance its financial requirements. This will necessitate increase in authorised share capital so as to help the Company to issue further shares. It is therefore desirable to bring the authorised capital of the Company in proper co-relation with the financial requirements of the Company and number of shares to be issued further. It is therefore, required to increase the authorised capital of the Company from Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each. The proposed increase of the authorised share capital of the Company requires approval of the members in general meeting.