



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

DPH & Co.
Bhuta Shah & Co.

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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Managing Directors' Message

Managing Directors' message to the Shareholders

We like to offer our heartfelt appreciation for your continued support and confidence in Bharati Shipyard Ltd (Bharati).

The hardships faced by the collapse of the global financial industry and the subsequent worldwide recession brought about difficult challenges for global ship-building industry over the past year. Nevertheless, BSL has been able to tide over this difficult period on the back of its robust order book comprising of non speculative orders and domestic demand.

Despite the challenging environment, FY 2009 -10 has been an eventful year for Bharati, as we delivered 6 vessels during the year. Going forward, we see the global economies slowly coming out of the downturn and the continued oil and gas demand to support offshore vessel construction. Stability of the crude prices over the past few months makes us optimistic that the spending by the Exploration and Production (E & P) sector will resurface resulting into steady demand for offshore vessels. On the domestic front, we are also optimistic about Defense sector and Indian Coast Guard demand which can be catered to efficiently by the Indian shipyards including Bharati.

FY 2009-10 has been a landmark year in the history of Bharati Shipyard as we acquired substantial share holding in one of India's leading integrated offshore oilfield services provider to the oil and gas (E&P) sector, Great Offshore Limited (GOL). Bharati acquired majority stake in GOL through the Open Offer process which was completed in January 2010. We are pleased to share with you that Bharati and GOL have a long standing relationship which spans over 16 years. Bharati is the only Indian ship builder to have built several vessels for GOL. We believe that the acquisition will create significant value for shareholders of both the companies. Both the companies are leaders in different but highly complementary industries that can bring benefits to both companies by mutually exploring significant synergies into the two businesses.

As a combined entity we believe we are well poised to reap the benefits of the next Oil and Gas sector boom. Bharati's acquisition of GOL is a strategic investment where both the companies will reap the benefits in the long term thereby enhancing the value for the shareholders.

As we now enter the new year, we are hopeful to steer your company through the economic downturn and emerge a far stronger company which is completely customer centric and updated with the latest technology and infrastructure. With the above mentioned plans Bharati will continue its vision to be the No. 1 Shipbuilding company and marine engineering services provider in the country. We are extremely thankful to our investors, customers, bankers, employees and Bharati family for their constant support to strengthen the Company.

Thanking you

Yours sincerely,

Mr. P. C. Kapoor
Managing Director



Mr. Vijay Kumar
Managing Director





Notice

NOTICE is hereby given that the THIRTY THIRD Annual General Meeting of the members of BHARATI SHIPYARD LIMITED will be held at Rangaswar Hall, 4th Floor, Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Near Mantralaya, Nariman Point, Mumbai 400 021 on Thursday, the 23rd September, 2010 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 2010 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 next Annual General Meeting and to fix their remunerations.

By Order of the Board of Directors.
FOR BHARATI SHIPYARD LIMITED

CS. U.A. Patel
(Chief General Manager & Company Secretary)

REGISTERED OFFICE:

302, Wakefield House, 3rd Floor,
Sprott Road, Ballard Estate,
Mumbai - 400 001.

Date: 29th June, 2010
Place : Mumbai

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. In Order to be effective, the instrument appointing the Proxy, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September, 2010 to 22nd September, 2010 (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 September, 2010.
- 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 23rd September, 2010 to those shareholders whose names stand on the Company's Register of Members' on 22nd September, 2010.
- 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.

By Order of the Board of Directors.
FOR BHARATI SHIPYARD LIMITED

CS. U.A. Patel
(Chief General Manager & Company Secretary)

REGISTERED OFFICE:

302, Wakefield House, 3rd Floor,
Sprott Road, Ballard Estate,
Mumbai - 400 001.

Date: 29th June, 2010
Place : Mumbai



Directors' Report

TO THE MEMBERS OF BHARATI SHIPYARD LIMITED

Your Directors have pleasure in presenting the 33rd Annual Report, together with the Audited Financial Statements of the Company for the year ended March 31, 2010.

1. Financial Results:

The working of your Company for the year under review resulted in:

Particulars	Financial Year	
	2009 - 2010	2008 - 2009
Total Income	135,244.23	101,945.42
Profit before Interest, Depreciation & Tax	23,172.65	25,678.94
Less : Interest	9,609.93	5,133.49
Less : Depreciation	1,529.31	1,008.69
Profit before Tax	20,795.91	19,536.76
Less : Tax	6,909.19	6,204.50
Profit after Tax	13,886.72	13,332.27
Surplus brought forward	32,259.15	21,227.75
Amount available for appropriation	46,145.87	34,560.02
APPROPRIATIONS		
Transfer to General Reserve	1,388.67	1,333.23
Dividend including Dividend Tax	1,015.73	967.64
Surplus carried forward	43,741.47	32,259.15
Total Appropriations	46,145.87	34,560.02

2. CAPITAL:

During the year under review Authorized Share Capital of the Company has been increased from Rs. 40.00 Crores to Rs. 50.00 crores consisting of 5,00,00,000 Equity Shares (face value of Rs. 10/- each). The Issued, Subscribed & Paid up Share Capital of the Company has increased from 2,75,69,300 shares to 2,89,39,300 shares (face value of Rs 10/- each) fully paid up. During the year Company has issued 13,70,000 equity share at Rs 80/- (face value Rs 10/-each) each fully paid up on conversion of convertible warrants Tranche – 1 issued vide resolution dated 15th May 2009 passed at EGM.

3. DIVIDEND:

Your Directors are pleased to recommend the Dividend out of the available surplus, at the rate of 30 % on Paid Up Equity Share Capital of Rs. 28.93 Crores i.e. @ Rs.3 /- per share on 2,89,39,300 Equity Shares of Rs. 10/- each aggregating to Rs. 1,015.73 lakhs including dividend tax.

4. OPERATING RESULTS AND PROFITS:

During the year under review, your Company has successfully delivered 5 (five) vessels. Your Company has posted turnover of Rs.1,26,481.74 Lakhs, an increase of about 35.14 % as compared to Rs. 93,409.60 Lakhs in the previous financial year. Your Company has achieved profit after tax of Rs. 13,886.72 Lakhs as against Rs. 13,332.27 Lakhs in the previous year, an upsurge of 4.16%.

5. FINANCE:

As at the end of financial year, your Company has Debentures worth Rs. 9,000 lakhs, Cash and Export Credit Facility worth Rs. 19,037.32 lakhs and Term Loans worth Rs. 1,22,254.74 lakhs by way of consortium finance, where State Bank of India is the lead bank.



Directors' Report ...Contd.

6. WIND POWER PROJECT:

Your Company has put up a Wind Farm, consisting of 14 Wind Energy Generators with a total capacity of 15 MW at Village Brhamanvel, Taluka Sakri, District Dhule, Maharashtra. The project has been successfully commissioned and generated revenue of Rs. 1037.18 Lakhs during the year under report.

7. SUBSIDIARY:

During the year under report, the following companies are subsidiaries of your company:

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

The Central Government has granted an exemption to the Company from attaching the Annual Audited Accounts of the Subsidiary companies with its Annual Report.

8. ACQUISITION OF SHARES IN GREAT OFFSHORE LIMITED:

During the year under report your company acting in concert with its two subsidiary companies namely Natural Power Ventures Pvt. Ltd. and Dhanshree Properties Pvt. Ltd. acquired shares in M/s Great Offshore Ltd. The total acquisition is 1,85,14,352 equity shares (49.73% of GOF's capital including shares acquired on 6th April 2010) and held by Natural Power Ventures Pvt. Ltd. and Dhanshree Properties Pvt. Ltd. (subsidiary companies) and is very important and strategic both economically as well as commercially.

Consequent upon this acquisition, Mr. P.C. Kapoor and Mr. Vijay Kumar, Managing Directors of your Company have been appointed as Additional Directors on February 2, 2010 and Executive Directors on Board of Great Offshore Ltd w.e.f May 1, 2010.

The company has made this investment as a strategic Long Term Investment and to have a foot hold in all the sphere of the offshore industry, further to it, this investment would generate long term benefit to the company and strengthen the company's position in international market. The company has proficient team with enormous experience in various facets of the offshore industry, which give an edge over competitors. We have number of synergies between the two companies which would enhance the value for the stakeholders of both the companies.

9. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Company's Article of Association, Mr. V. P. Kamath, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. V. P. Kamath-Director, is also representing the Company on the Board of Directors of following subsidiary companies:

- a) Pinky Shipyard Pvt. Limited
- b) Natural Power Ventures Pvt. Ltd.
- c) Dhanshree Properties Pvt. Ltd.

10. FORGING JOINT VENTURES AND ALLIANCES:

The Company's Joint Venture with M/s Apeejay Shipping Ltd. is progressing.

11. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS:

The Corporate Governance and Management Discussion and Analysis Report forms an integral part of this Report and are set out as separate Annexures to this Report. The Certificate of the Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchanges is annexed with the report on Corporate Governance.

12. HUMAN RESOURCES:

We recognise the value of people as our most valuable asset and believe that our Company's employees are central to our sustainable success. Business goals are communicated down the line regularly so that our people have complete understanding of the Company's strategic direction and can identify with it. Important employee goals are linked with the organizational objectives. Developing, motivating, rewarding and retaining talent at all levels is a business priority and a key responsibility of Company's senior management. Delegation, empowerment, learning from failures that emanate from calculated risks is being institutionalised as well. Your management has met with considerable success in creating a work place environment that encourages people to constantly learn and grow. As a result of this human resources focus, your Company boasts of a highly motivated and committed workforce.



Directors' Report ...Contd.

13. RESEARCH AND DEVELOPMENT:

Your Company continues to focus on Research and Development and has taken several initiatives in this direction. Research and Development of new services, designs, framework, processes and methodologies continue to be of importance at your Company. This allows your Company to enhance quality, productivity and customer satisfaction through continuous innovation.

The Joint Industry Project "SAFE TUG" initiated by MARIN, Netherlands, continues its work. The benefits of this project will become tangible only after a couple of years.

The Company is also in the process of designing ships which will use CNG as fuel.

14. AUDITORS:

M/s DPH & Co., Chartered Accountants, Mumbai and M/s Bhuta Shah & Co., Chartered Accountants, Mumbai are being appointed as Joint Auditors at the 33rd Annual General Meeting to hold office from conclusion of the said Meeting till conclusion of the next Annual General Meeting.

The Company has received the necessary certificates from the Joint Auditors pursuant to Section 224 (1-B) of the Companies Act, 1956 regarding their eligibility for re-appointment. Accordingly, approval of members to the appointment of M/s DPH & Co., Chartered Accountants, Mumbai and M/s Bhuta Shah & Co., Chartered Accountants, Mumbai as Joint Auditors of the Company is being sought at the ensuing Annual General Meeting.

15. FIXED DEPOSITS :

The Company has not accepted any fixed deposits by way of invitation to the public and has complied with all the provisions of section 58A of the Companies Act, 1956.

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

Particulars regarding Conservation of Energy, Technology Absorption etc. as required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not disclosed as the same are not applicable to the Company.

Foreign Exchange Earnings & Outgo: The Information on foreign exchange earnings and outgo are disclosed in Annexure – A.

17. PARTICULARS OF EMPLOYEES:

Particulars regarding Employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 are disclosed as per Annexure-A, hereunder.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to financial statements for the year 2009-10, the Board of Directors reports that:

- In the preparation of the annual accounts, the applicable accounting standards 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 profit of the Company for the year ended March 31, 2010 ;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, 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.

19. 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.

For and on behalf of the Board

Date: 29th June, 2010
Place: Mumbai

P. C. Kapoor
[Managing Director]



Annexure 'A'

Particulars of the Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2010.

A. EMPLOYED THROUGH OUT THE FINANCIAL YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO RS. 24 LAKHS PER ANNUM OR MORE

Sr.	Name	Designation	Remuneration (in Rupees)	Qualification	Age (in years)	Date of Employment	Experience (in years)	Last Employment
1	Dr. J. Subbiah	CEO	50,52,600	B.E. (Mech.), Ph.D	67	25.05.06	46	Lucas – TVS, Chennai
2	Mr. Sauvir Sarkar	President	33,58,098	B. Tech. (Naval Architecture)	46	01.12.06	25	Lloyds Register Asia, Mumbai
3	Mr. Subhash Dixit	President	26,75,730	B.E. (Elec.), DBM	65	20.03.08	40	Wartsila India Ltd. Belapur
4	Capt. Gopal Jha	President	29,83,490	Master (FG)	52	10.04.08	33	IMS Shipments Ltd.

B. EMPLOYED FOR PART OF THE YEAR AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN RS. 2 LAKHS PER MONTH

Sr.	Name	Designation	Remuneration (in Rupees)	Qualification	Age (in years)	Date of Employment	Experience (in years)	Last Employment
1	Mr. Vinod Kumar	President	32,57,730-	B. Tech. (Naval Architecture)	56	10.11.08	27	Goa Shipyard Ltd.

Note: Remuneration as above includes Salary, Company's Contribution to Provident Fund and Family Pension Fund, L.T.A., Reimbursement of Medical Expenses, Personal Accident Insurance and Gratuity, etc.

C. FOREIGN EXCHANGE SPENT AND EARNED:

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
a. Value of Direct Import calculated on CIF Basis:		
i. Components, Spare parts and Colour Chemicals	51,660.57	48,746.70
ii. Raw Materials	7,485.41	14,169.17
iii. Capital Goods	6,662.90	13,742.95
b. Earnings in Foreign Exchange on account of Export of Goods:	12,471.76	12,055.82
c. Expenditure in Foreign Currency:		
i. Commission and Brokerage	142.07	681.16
ii. Design and Consultancy	922.84	824.63
iii. Freight Charges	144.88	3329.12
iv. Traveling Expenses	210.38	818.63
v. Others	359.99	1575.94



Annexure 'B'

Corporate Governance Report

1. Company's philosophy on Corporate Governance:

The Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of law and in particular those stipulated in the Listing Agreement with the Stock Exchanges. It encourages wide participation from all stakeholders. 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.

2. Board of Directors :

a. Composition of Board of Directors

The Board of Directors of the Company comprised of four Directors. Out of these, two directors are Managing Directors and two directors are Independent Non-Executive Directors.

Both the Managing Directors are whole time Executive.

The Listing requirement of half of the Board of Directors as Independent Directors is met by the Company in view of two Directors out of total of four Directors, being Independent Directors.

The Non-Executive Independent Directors are Professionals having decades of experience in the field of Finance, Accounts and Banking.

As required under the listing agreement, "Management Discussion and Analysis Report" forms part of this Annual Report. The Board Members are presented agenda papers along with notes for the Meeting.

b. Board Procedure

During the year under report the Board met 10 times on the following dates:

21-04-09, 29-04-09, 30-05-09, 23-06-09, 30-06-09, 30-07-09, 03-09-09, 26-10-09, 01-12-09, 28-01-10

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:

Name of Director	Status Executive / Non - Executive	No. of Board Meetings Held	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
P. C. Kapoor	Executive	10	8	Yes	2	-	1
Vijay Kumar	Executive	10	3	Yes	-	-	-
B. L. Patwardhan	Non Executive	10	10	Yes	-	-	-
V. P. Kamath	Non Executive	10	10	Yes	15	-	4

* Excludes Directorships in private companies



Annexure 'B' ...Contd.

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

Name of Director	Status	Remuneration paid to Directors				
		Independent / Non-Independent	Salary Rs.	Commission Rs.	Contribution to PF Rs.	Total Rs. Sitting Fees Rs.
P. C. Kapoor	Non Independent		75,00,000	2,05,50,000	9,00,000	2,89,50,000 -
Vijay Kumar	Non Independent		75,00,000	2,05,50,000	9,00,000	2,89,50,000 -
B. L. Patwardhan	Independent		-	-	-	- 2,60,000
V. P. Kamath	Independent		-	-	-	- 2,60,000

3. Audit Committee :

- a. The Audit Committee of the Company meets five times in a year.

During the financial year ended 31st March, 2010 the Audit Committee met on the following dates:

29-04-09, 30-06-09, 30-07-09, 26-10-09 and 28-01-10.

- b. The Audit Committee of the Board Comprises of two Non-Executive, Independent Directors and one Executive Director. The committee met 5 times during the year and attendance of the members at these meetings was as follows:

Name of the Audit Committee Member	Status Held	No. of Meetings	No. of Meetings Attended
P. C. Kapoor	Executive	5	4
B. L. Patwardhan	Non Executive	5	5
V. P. Kamath	Non Executive	5	5

The Statutory Auditors are invitees to the Audit committee Meetings. The Company Secretary is acting as a Secretary of the committee.

- c. The role and terms of reference of the Audit Committee covers the matters specified for Audit Committees under Clause 49 of Listing Agreement

4. Remuneration Committee :

The powers of Remuneration Committee are exercised by the Board.

5. Share Transfer Committee :

Powers have been delegated to the Managing Directors to approve the share transfers.

6. Share Transfer and Shareholders Grievance Committee :

- a. As stated herein above the powers to approve share transfers have been exercised by the Managing Directors. The Managing Directors and Company Secretary in co-ordination with the Registrars are attending to all the grievances of investors.
- b. Mr. U.A. Patel, Chief General Manager & Company Secretary is the Compliance Officer. There were no complaints / queries pending reply.