

SHIP-BUILDING
INFRASTRUCTURE
ACROSS INDIA



AND
GROWTH POTENTIAL,
UNMATCHED.



Bharati Shipyard Limited

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

Linkintime (India) Private Limited
C-13, Panalal Silk Mills Compound,
L.B.S Marg, Bhandup (W)
Mumbai- 400 078



Bharati Shipyard Limited



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Consolidated

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MANAGING DIRECTORS' MESSAGE

Managing Directors' Message to the Shareholders

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

FY 2011 was yet another year of turmoil for the Broader Industry as a whole. Developed countries are still grappling with the economic slowdown. Global trade has picked up on a y-o-y basis, albeit at a slower than expected rate.

The year has not been too favourable to the Shipbuilding yards in India also as is the case with the rest of the world. Indian yards bagged almost no international orders owing to the slowdown prevalent in the macroeconomic environment. Bharati has also suffered in regards to receipt of new orders. Nevertheless, Bharati Shipyard Limited has managed these difficult times on the back of its robust order book, comprising of non speculative orders and domestic demand.

The Company has delivered 5 vessels plus 1 project in the FY 2011. The Greenfield yards construction is also on track as we would like to reap the benefits of the next Shipping cycle upturn which is expected to occur when the current over-supply situation in the Offshore vessels will ease out. Continued oil and gas demand primarily from the emerging economies will render support to offshore vessel construction going forward. 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 potential demand for offshore vessels.

The Indian Defense sector has already started placing orders on a few domestic yards. We feel optimistic of the huge order potential which can be catered to by various Indian shipyards including Bharati on account of the quantum of orders envisaged to be placed by the Defence Ministry.

The year ending 31st March 2011 also saw the acquisition of majority stake in Tebma Shipyards Ltd (Tebma) by the Company. We are pleased to share that Tebma has state-of-the-art infrastructure which augments Bharati's current capabilities. This acquisition is a strategic decision by the company and we expect long term value to emanate from this relationship. With the acquisition of Great Offshore limited in FY 2010 and Tebma in FY 2011, we have grown in terms of size and customer base. We believe that the both these acquisitions will create significant value for the shareholders.

Although in the near term our resources will be stretched to a certain extent due to slowdown in the industry coupled with increased financial burden, we are working out strategies to reduce costs and make our operations leaner across the group. Cost savings will help us tide over the current uncertainty in the broader industry. A stable outlook for global economy for the CY 2011 and 2012 makes us hopeful of revival in the shipping and the shipbuilding business. As a combined entity the Group will be ready to face the next boom in a much efficient manner. The cost savings will help strengthen margins in the future.

We are cautiously threading the coming year and are hopeful to steer your company through the slowdown with the unending support of our employees and customers. We are aiming at meeting customer needs in an ever evolving market by providing efficient and environmentally green solutions. We feel confident of taking upon the challenges to come over the near term with calculative spending and being completely customer centric and updated with the latest technology and infrastructure.

We have a keen sight on the success to come in the future by focusing on our vision to be the No. 1 Shipbuilding company and marine engineering services provider in the country by delighting our valued customers.

The magnanimous support of our investors, customers, bankers, employees and Bharati family as always will help the Company scale new heights in the years to come.

Thanking you

Yours sincerely,




Mr. Vijay Kumar
Managing Director


Mr. P. C. Kapoor
Managing Director



NOTICE

NOTICE is hereby given that the THIRTY FOURTH 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 22nd September, 2011 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 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.

SPECIAL BUSINESS:

5. 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 reenactment thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Associations 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009**, 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 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 authorized 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 4.90 % of Company's present paid up equity share capital (maximum up to 2.45 % to each of the Promoter Directors) i.e. aggregate Convertible Warrants to be converted in to 15,52,700 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 and/or Managing Director(s) of the Company be and is hereby authorized 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.

RESOLVED FURTHER THAT 22nd August, 2011 will be the Relevant Date (being 30 days before the date of this Annual General Meeting) for the purpose of calculation of price of equity shares on conversion of warrants ."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorized 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 with regard to the Offer, Issue, Allotment and Utilisation of issue proceeds

6. 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 314, 314(1B) and all other applicable provisions (if any) of the Companies Act, 1956, and further subject to Director's Relative (Office or Place of Profit) Rules, 2011 and further subject to the approval of Central Government, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Chetan Mehra (a relative of Mr. P.C. Kapoor, Managing Director of the Company) as Consultant / Advisor to the Company for advising on financial matters on terms and conditions as contained in the draft agreement as placed before the meeting."

"RESOLVED FURTHER THAT Mr. U. A. Patel, Company Secretary, Ms. Seema Achrekar, Junior Officer and Mr. A. O. Thomas, Jt. General Manager be and are hereby individually authorized to sign and file applications to the Central Government for obtaining consent of the Central Government to this appointment and to take all the necessary, incidental, ancillary and consequential steps as may be required from time to time to give effect to this resolution."

"RESOLVED FURTHER THAT Mr. U. A. Patel and Ms. Seema Achrekar be and are hereby individually authorized to sign and file all the forms as may be required to be filed with the Registrar of Companies, Maharashtra, Mumbai or with any other authorities as may be required to notify the aforesaid appointment."

NOTICE ...(CONTD.)

7. 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 314, 314(1B) and all other applicable provisions (if any) of the Companies Act, 1956, and further subject to Director’s Relative (Office or Place of Profit) Rules, 2011 and further subject to the approval of Central Government, consent of the members of the Company be and is hereby accorded to the appointment of Ms. Sukriti Gayatri Kumar (a relative of Mr. Vijay Kumar, Managing Director of the Company) as Consultant / Advisor to the Company for advising on technical and engineering aspects of shipbuilding on terms and conditions as contained in the draft agreement as placed before the meeting.”

“RESOLVED FURTHER THAT Mr. U. A. Patel, Company Secretary, Ms. Seema Achrekar, Junior Officer and Mr. A. O. Thomas, Jt. General Manager be and are hereby individually authorized to sign and file applications to the Central Government for obtaining consent of the Central Government to this appointment and to take all the necessary, incidental, ancillary and consequential steps as may be required from time to time to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. U. A. Patel and Ms. Seema Achrekar be and are hereby individually authorized to sign and file all the forms as may be required to be filed with the Registrar of Companies, Maharashtra, Mumbai or with any other authorities as may be required to notify the aforesaid appointment.”

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: 23rd August, 2011

Place : Mumbai

NOTES:

- 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.**
- The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September, 2011 to 22nd September, 2011 (both days inclusive).
- 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, 2011.
- 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 22nd September, 2011 to those shareholders whose names stand on the Company’s Register of Members’ on 22nd September, 2011.
- 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.
- Members are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting.
Members are also requested to claim their unclaimed dividend for the year 2004-05 onwards else if remained unclaimed for 7 years, the same will be transferred to the credit of Investors’ Education and Protection Fund under the provisions of Section 205C of the Companies Act, 1956 and the same can not be reclaimed.
- 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.
- 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.
- An Explanatory Statement pursuant to provisions of Section 173 (2) of the Companies Act- 1956, in respect of the Special Business as listed out at Serial No.5, 6 and 7 of this notice is annexed hereto.



ANNEXURE

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act-1956)

Item No. 5.

As per the provisions of Chapter VII of **SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009**, the Company is allowed to issue shares/instruments convertible in to shares, on preferential basis to its Promoter Directors as per guidelines prescribed by SEBI in this regard and as referred to herein before. These guide lines also necessitate certain disclosures by the Company which are being stated herein below:

1. Objects of the issue:

Your Company has undertaken a major expansion programme. In order to fund the expansion programme, the Company proposes to raise additional resources through various sources, including preferential allotment. The Management will consider to issue 7,76,350 Convertible Warrants / Equity Shares of Rs. 10/- to each of the Promoter Director, aggregating to 15,52,700 Convertible Warrants / Equity Shares being 4.90 % of the present paid up capital to the Promoter Directors i.e. Mr. P. C. Kapoor and Mr. Vijay Kumar, at a price of Rs. 139/- per warrant/share determined as per the statutory guidelines notified in this regard.

2. Intention of the Promoters/Directors/Key Management Persons to subscribe to the offer:

The Promoters Directors of the Company shall subscribe to the preferential issue.

3. Shareholding pattern before and after the proposed offer :

The following will be the Shareholding Pattern of the Company before and after the proposed preferential issue.

Sr. No	Class of Shareholders	Pre-issue		Post Issue	
		No. of shares	Holding %	No. of shares	Holding %
1	Mutual Funds & UTI	33,63,676	10.62	33,63,676	10.12
2	Other Bodies Corporate	34,16,949	10.78	34,169,49	10.27
3	FII's/Banks	6,85,980	2.16	6,85,980	2.06
4	NRI's/OCBs	4,58,331	1.45	4,58,331	1.38
5	Public/Clearing Members	89,06,859	28.11	89,06,859	26.80
6	Directors & their relatives	14,85,5969	46.88	164,086,69	49.37
Total		316,877,64	100.00	332,404,64	100.00

The above pattern is based on full subscription of the warrants and the subsequent allotment of shares after conversion of all the warrants

4. Pricing of the issue:

Each warrant of the company shall be allotted at a price of Rs 139/- (Rupees One Hundred and Thirty Nine only). The said each warrant would be converted into One equity share of the Company at face value of Rs.10/- (Rupees Ten Only) per share. The price of the Securities is calculated on the basis of the relevant date, i.e. 22nd August, 2011 being 30 days before the date of Annual General Meeting. The method of arriving at the price is in accordance with SEBI Guidelines as in force on the date of this notice.

5. Terms of payment:

The warrants are being issued at a price of Rs. 139/-. An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price (i.e. Rs. 35/- per warrant) shall be payable upon subscription of the warrants and the balance to be paid at the time of allotment of shares.

6. Proposed time limit:

The Board of Directors of the Company expects the entire preferential offer of Convertible Warrants and allotment of the same shall be completed within the currency period of resolution i.e. within 15 days from the date of passing of this resolution. As per the applicable SEBI Guidelines, the warrant holders have the option to subscribe for one equity share of Rs. 10/- each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the convertible warrants. The convertible warrants may be converted into equity shares of the Company in one or more tranches.

ANNEXURE ...(CONTD.)

7. Lock-in requirements:

As per the provisions of Chapter VII of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009**, the Equity Shares allotted on preferential basis to any person including Promotor group shall be locked in for a period of three years from the date of their allotment.

8. Others terms of warrants:

- 15,52,700 warrants convertible into 15,52,700 equity shares of Rs.10/-each on a one to one basis representing 4.90 % of the capital after conversion in one or more tranches and in any Financial Year the conversion of warrants will not be more than 5% of the expanded Share Capital i.e. such enhanced share capital after exercise of rights under some of the said Warrants in order to comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 .
- The warrant holders shall be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into equity shares by the Company, in the same proportion and manner as any other shareholders of the Company for the time being.
- The warrants by themselves do not give to the holder(s) thereof any rights of the shareholders of the Company.
- The equity shares issued as above shall rank pari passu in all respects with the then existing equity shares of the Company. The warrants and equity shares shall be subject to the Memorandum and Articles of Association of the Company.

9. The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them.

The identity and percentage of post preferential issue capital (after conversion of warrants) is as follows:

Sr. No.	Name	Pre - issue equity holding	%	Post - Issue equity holding	%
1	Mr. P.C. Kapoor	57,23,508	18.06	64,99,858	19.56
2	Mr. Vijay Kumar	57,24,556	18.06	65,00,906	19.56
Total		114,480,64	36.12	130,007,64	39.12

The above pattern is based on full subscription of the warrants and the subsequent allotment of shares after conversion of all the warrants. No change in control of the Company is envisaged.

10. Undertakings:

The Issuer Company (Bharati) undertakes that if required, it shall re-compute the prices of the shares emanating out of the conversion of the warrants to be issued on preferential basis to meet the requirements of Regulation 73(1)(f) and will comply with the requirements of Regulation 73(1)(g) read with Regulation 76 of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009**.

11. Copy of Certificate of Statutory Auditors:

As stipulated under Regulation 73(2) of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009** a copy of certificate issued by the Statutory Auditors of the Company, certifying that this preferential issue is made in accordance with the conditions stipulated under applicable regulations of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009**, will be placed before the 34th annual general meeting of the members of the Company.

12. Consequential changes, if any, in the composition of the Board of Directors: No changes are envisaged in the composition of the Board of Directors or in the Management of the Company as a result of this proposed allotment. There will not be any change in the control of the Company.

Sr. No	Class of shareholders	Pre-issue	Post-issue
	Promoters	No. of shares	No. of shares
1	Mr. P. C. Kapoor	57,23,508	64,99,858
2	Mr. Vijay Kumar	57,24,556	65,00,906
Total		114,480,64	130,00,764



ANNEXURE ...(CONTD.)

13. Consequential changes, if any, in control of the Company:

The management does not envisage any change in the control of the Company.

The Board recommends the Resolution at Serial No. 5 of this notice for your approval. Your Directors believe that such preferential issue of the said Equity Shares Warrants will be in the best interest of your Company hence the above resolution is placed before the members for their approval. Mr. P C Kapoor and Mr. Vijay Kumar, Managing Directors may be deemed as concerned or interested in the resolution to the extent of warrants which may be allotted to them respectively.

Item No.6 & 7

It is proposed to appoint Mr. Chetan Mehra and Ms Sukriti Gayatri Kumar as the Consultants/Advisors to the Company on terms and conditions as contained in the agreements as per drafts placed before the meeting. Mr. Chetan Mehra will be advising the Company on Financial Matters where as Ms Sukriti Gayatri Kumar will be advising the Company on technical and engineering aspects of shipbuilding.

Mr. Chetan Mehra is a relative of Mr. P. C. Kapoor, Managing Director and Ms Sukriti Gayatri Kumar is a relative of Mr. Vijay Kumar-Managing Director. The proposal requires approval of members and Central Government. After the approval of members, the management will seek approval of the Central Government.

Mr. P. C. Kapoor, Managing Director and Mr. Vijay Kumar, Managing Director may be concerned or considered as interested in the proposals. None of the other Directors is concerned interested in the proposals.

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: 23rd August, 2011

Place : Mumbai

DIRECTORS' REPORT

TO THE MEMBERS OF BHARATI SHIPYARD LIMITED

Your Directors have pleasure in presenting the 34th Annual Report, together with the Audited Financial Statements of the Company for the year ended March 31, 2011.

1. FINANCIAL RESULTS:

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

Particulars	(Rs. in Lakhs)	
	Financial Year	
	2010 - 2011	2009 - 2010
Total Income	158,134.49	135,244.24
Profit before Interest, Depreciation & Tax	46,732.40	32,098.29
Less : Interest	26,632.63	9,773.07
Less : Depreciation	2,150.77	1,529.31
Profit before Tax	17,949.00	20,795.91
Less : Tax	6,603.80	6,909.19
Profit after Tax	11,345.20	13,886.72
Surplus brought forward	43,741.47	32,259.15
Amount available for appropriation	55,086.67	46,145.87
APPROPRIATIONS		
Transfer to Debenture Redemption Reserve	1,250.00	-
Transfer to General Reserve	1,134.52	1,388.67
Dividend including Dividend Tax	1,060.30	1,015.73
Surplus carried forward	51,641.85	43,741.47
Total Appropriations	55,086.67	46,145.87

2. CAPITAL:

During the year under review Authorized Share Capital of the Company remained unchanged 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 2,89,39,300 shares to 3,03,09,300 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 13,70,000 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. 3,030.93 lakhs i.e. @ Rs.3/- per share on 3,03,09,300 Equity Shares of Rs. 10/- each aggregating to Rs. 1,060.30 lakhs including dividend tax.

4. OPERATING RESULTS AND PROFITS:

During the year under review, your Company has successfully delivered 5 (Five) vessels and 1(one) project. Your Company has posted turnover of Rs.136,822.69 Lakhs, and an increase of about 8.18 % as compared to Rs. 1,26,481.74 Lakhs in the previous financial year. Your Company has achieved Profit After Tax of Rs.11,345.20 Lakhs as against Rs. 13,886.72 Lakhs in the previous year.

5. FINANCE:

As at the end of financial year, your Company has total Secured Loans of Rs. 182,875.36 lakhs including Debentures worth Rs. 9,000 lakhs, Cash and Export Credit Facility worth Rs. 48,484.06 lakhs (by way of consortium finance where State Bank of India is the lead bank) and Term Loans and Loan from Bank and other Financial Institutions worth Rs. 125,391.30 lakhs. The Company has also availed unsecured loan and at the end of financial year total of Rs. 167,708.42 is outstanding as unsecured loan.