



BHARATI SHIPYARD LIMITED

37TH ANNUAL REPORT 2013 - 14

Bharati Shipyard Limited

Board of Directors

P. C. Kapoor
Managing Director

Vijay Kumar
Managing Director

V. Chandrasekaran
Director

A. R. Muralidharan
Director

Mr. R. Jayaseelan
Director (Occupier)

Solicitors

Dhaval Vussonji

Auditors

DPH & Co., Chartered Accountants

Registrar & Share Transfer Agents

Link Intime (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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Bharati Shipyard Limited

MANAGING DIRECTORS' MESSAGE

We thank each and every member of Bharati Shipyard Limited (Bharati family) for their continued support and belief in Bharati. As you all are aware, financially this has been a strenuous year for the Industries in India in general and the shipping and shipbuilding worldwide in particular. Bharati has been no exception inspite of making relentless efforts to fight against the odds arising due to the continuing global downturn in the shipping and shipbuilding industry and which is probably the worst slump ever.

Moreover, despite the sanction and approval by the CDR EG in the year 2013 and March, 2014, the Banks have not released the working capital facilities. The Company was enjoying the working capital and term loan facilities from twenty five banks and institutions, out of which eleven banks led by SBI Group, whose accounts have become NPA, have sold their debt to Edelweiss Asset Reconstruction Company Ltd. (EARC). Balance fourteen Banks and institutions are still with the Company.



All these factors have adversely affected the financial as well as the liquidity of Bharati. In order to cope up, Bharati has been making dual efforts viz; on the one hand we have been striving towards growth of revenue and on the other hand efforts are being made for reduction of outflow of funds through optimization of resources and restructuring of its debts with the aid of its Lenders led by Edelweiss.

With elite expertise in the offshore segment, Bharati has an edge over its peers since the rising global oil demand has consequently supplemented the demand for offshore support vessels and Rigs. Bharati is also a proud owner of two of the country's largest shipyards located in Dabhol and Mangalore with state-of-the art infrastructure. Despite all the above financial problems, your Company with the dedicated efforts of the entire Bharati family, has successfully delivered two vessels.

Bharati's hard earned goodwill, the commitment of its employees and the support from all of you will help us to face the future. The current liquidity crunch being faced by Bharati is temporary, which we expect to overcome in the near future.

With the assurance and dedicated supports of Edelweiss and the existing Banks, the Company is hopeful to kick start the operation at least in some of the yards from 1st October, 2014.

Once, again we reiterate that we are extremely thankful to our investors, customers, bankers, employees and the Bharati family for their continuous support throughout these very challenging times.

Thanking you,

Yours faithfully,


Mr. Vijay Kumar
Managing Director


Mr. P. C. Kapoor
Managing Director



NOTICE

NOTICE is hereby given that the **THIRTY SEVENTH Annual General Meeting of the Members of BHARATI SHIPYARD LIMITED** will be held at **M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20.K.Dubash Marg, Kala Ghoda, Mumbai -400001** on **Tuesday, the 30th September 2014 at 4.00pm** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended March 31, 2014 and report of the Board of Directors and Auditors' thereon and to consider and adopt the Consolidated Audited Financial Statements of the Company for the year ended March 31, 2014.
2. To appoint a Director in place of Shri. P. C. Kapoor who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditor and to fix his remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, Messrs M/s. M V Damania & Co., Chartered Accountants, (FRN:102079W) be and is hereby appointed as new Statutory Auditor of the Company in place of retiring Auditor M/s. DPH & Co., to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be mutually decided by the Board of Directors / Audit Committee of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. To appoint Shri V. Chandrasekaran (DIN : 01262266) as an Independent Director and in this regard 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 149,152 and all other applicable provisions of the Companies Act, 2013, read with Schedule IV thereto of the Companies Act, 2013 if any ,Companies(Appointment and Qualification of Directors)Rules 2014(including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of clause 49 of the listing agreement, Shri V. Chandrasekaran (DIN : 01262266) , who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

5. To appoint Shri A.R. Murlidharan (DIN: 00337753) as an Independent Director and in this regard to consider if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149,152 and all other applicable provisions of the Companies Act, 2013, read with Schedule IV thereto of the Companies Act, 2013 if any ,Companies(Appointment and Qualification of Directors)Rules 2014(including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of clause 49 of the listing agreement, Shri A.R. Murlidharan (DIN : 00337753) , who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

6. To appoint Shri Ramachandran Jayaseelan (DIN: 06780185) as a Director for the Company in charge of all the yards as Occupier and in this regard to consider if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149,152 and all other applicable provisions of the Companies Act, 2013, read with Schedule IV thereto of the Companies Act, 2013 if any ,Companies(Appointment and Qualification of Directors)Rules 2014(including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of clause 49 of the listing agreement, Shri Ramachandran Jayaseelan (DIN: 06780185) , who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing

Bharati Shipyard Limited

NOTICE... (CONTD.)

his candidature for the office of the Director, be and is hereby appointed as a Director for the Company in charge of all the yards as Occupier of the Company and not liable to retire by rotation and to hold office for 5 (five) consecutive years.

**By the Order of the Board of the Directors
For BHARATI SHIPYARD LIMITED**

Sd/-
(Managing Director)

Place: Mumbai
Date: September 08, 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE Annual General Meeting (The "Meeting") is entitled to appoint a proxy to attend and vote on a poll. Instead of himself/herself and the Proxy so appointed need not be a member of the company. The instrument 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. An explanatory statement as required under Section 102 of the Companies Act, 2013 annexed to the Notice in respect of item no. 4, 5 & 6 of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 30th September, 2014 (both days inclusive).
4. 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.
5. Information pursuant to Clause 49 of the Listing Agreement for re-appointment of Directors.

Name of the Director

Shri P.C. Kapoor

Age

69 years

Qualification

B.Tech (Hons.) from IIT Kharagpur

Expertise in specific functional areas

He possesses an experience of over 47 years of Ship Design, Ship Construction and its Management. Ship Design, Ship Construction and its Management. He was earlier associated with Mazgaon Dock Ltd. for over five years in the design and construction of various ships. In 1976, along with others, he jointly promoted Bharati Shipyard Ltd. He has experience of serving the company for over three decades and mainly looks after development and operations. His emphasis on quality and adhering to international manufacturing standards ensured that both the shipyards at Ratnagiri and Ghodbunder were set up and developed as per internationally accepted standards. He is a member of Confederation of Indian Industry (CII), Engineering Export Promotion Council (EEPC), All India Management Association (AIMA), Indian Economic Development and Research Association and an active committee member of the Institute of Naval Architects (India).

Directorship in other Indian Companies as on 31.03.14 (excluding foreign, private and section 8 companies)

GOL Offshore Limited - Chairman and Executive Director
Bengal Shipyard Limited
Oceanic Shipyard Limited
Pinky Shipyard Private Limited*
Natural Power Ventures Private Limited*
Dhanashree Properties Private Limited*
Nirupam Energy Projects Private Limited*
Advitiya Urja Private Limited*
Vishudh Urja Private Limited*
Nishita Mercantile Private Limited*
Premila Mercantile Private Limited*
Mutual Industries Limited



NOTICE... (CONTD.)

Committee Membership	GOL Offshore Limited. Remuneration Committee Mutual Industries Limited. Audit Committee
Share Holding	57,23,508 Equity Shares of Rs.10 each
* Subsidiary of a Public Company	
Name of the Director	Shri V. Chandrasekaran
Age	66 years
Qualification	B.E (Mech), MFM
Expertise in specific functional areas	He is a Mechanical Engineer and MFM from Jamnalal Bajaj Institute,. He has wide experience in finance and banking. His experience would be helpful to help the company in turning around operations of the company and implementation of the financial restructuring.
Directorship in other Indian Companies as on 31.03.14 (excluding foreign, private and section 8 companies)	NIL
Committee Membership	NIL
Share Holding	NIL
Name of the Director	Shri A.R. Murlidharan
Age	59 years
Qualification	B.Com, LL.B, CAIIB
Expertise in specific functional areas	He is a Commerce graduate from Mumbai University, LL.B, and CAIIB; He has wide and varied experience in finance and banking. He also held General Manager post with SIDBI (Small Industrial Development Bank. His experience would be helpful to the company in financial management and corporate debt restructuring.
Directorship in other Indian Companies as on 31.03.14 (excluding foreign, private and section 8 companies)	NIL
Committee Membership	NIL
Share Holding	NIL
Name of the Director	Shri R. Jayaseelan
Age	60 years
Qualification	B.Com
Expertise in specific functional areas	He is a Commerce graduate from Mumbai University. He has wide and varied experience in finance and banking. He worked with various government departments, his experience would be helpful to the company in liaising with various authorities
Directorship in other Indian Companies as on 31.03.14 (excluding foreign, private and section 8 companies)	Pinky Shipyard Private Limited*
Committee Membership	NIL
Share Holding	NIL
* Subsidiary of a Public Company	

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6. 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 2006-07 on wards else if remained unclaimed for 7 (seven) years, the same will be transferred to the credit of Investors' Education and Protection Fund under the provisions of Section 124 (5) of the Companies Act 2013 and the same cannot be reclaimed.
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 Compliance Officer 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. Members are requested to register their Email ID with Registrar & Transfer Agent (R&TA), M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
10. All documents referred to in the above Notice are open for inspection at the Registered Office of the Company during office hours.

By the Order of the Board of the Directors

For BHARATI SHIPYARD LIMITED

Sd/-
(Managing Director)

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

Place: Mumbai
Date: September 08, 2014



**Explanatory Statement
Pursuant to section 102 of the Companies Act
Item No. 4, 5 & 6**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri. V. Chandrasekaran, Shri. A.R. Radhakrishnan and Shri. R. Jayaseelan as independent directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent directors from September 30th, 2014 to September 29, 2019.

Shri. V. Chandrasekaran, Shri. A.R. Murlidharan and Shri. R. Jayaseelan, non-executive directors of the Company, has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent director and they are independent of the management.

In the opinion of the Board Shri. V. Chandrasekaran, Shri. A.R. Murlidharan and Shri. R. Jayaseelan fulfill the conditions of appointment as independent directors, as prescribed in the Companies Act, 2013 and the Listing Agreement and possess the requisite skills, experience and knowledge.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above directors shall be open for inspection by the members at the Registered Office of the Company during 11.00 am to 1.00 pm on all working days.

The Board commends the Resolution at Item No. 4 , 5 & 6 for approval by the Members.

Except Shri. V. Chandrasekaran, Shri. A.R. Murlidharan and Shri. R. Jayaseelan, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors/KMP is concerned or interested in the Resolution at Item No. 4, 5 & 6 of the accompanying Notice.

**By the Order of the Board of the Directors
For BHARATI SHIPYARD LIMITED**

Sd/-
(Managing Director)

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

**Place: Mumbai
Date: September 08, 2014**