



BHARATI SHIPYARD LIMITED

38TH ANNUAL REPORT 2014-15

BOARD OF DIRECTORS

P.C.KAPOOR
Managing Director

VIJAY KUMAR
Managing Director

A.R.MURALIDHARAN
Director

R.JAYASEELAN
Director (Occupier)

SHAKTI SHARMA (w .e. f. 30th March 2015)
Women Director

S.BALASUBRAMANIAN (w.e.f.14th August 2015)
Director

V.CHANDRASEKARAN (Resigned w. e. f 4th August 2015)
Director

V.GOPALAKRISHNAN
President (Finance) & Company Secretary

AUDITORS

DAMANIA & VARAIYA
Chartered Accountants
14/2, Mahalaxmi Ind. Estate,
D.Shivner Road,
Lower Parel,
Mumbai-400013

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME (INDIA) PRIVATE LIMITED
C-13, Panalal Silk Mills Compound,
L.B.S Marg, Bhandup (W)
Mumbai-400078

RESGISTERED OFFICE

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

CORPORATE OFFICE

Oberoi Chambers II,
646, New Link Road,
Andheri (W),
Mumbai-400053

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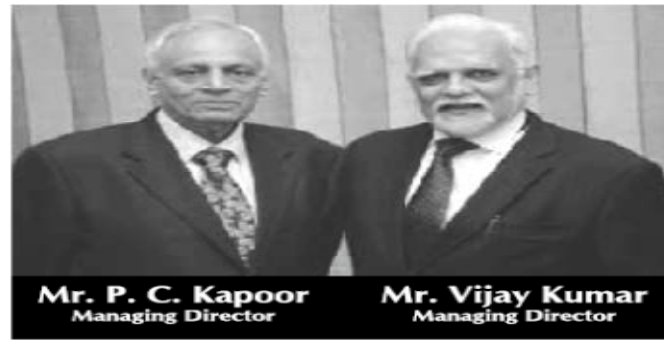
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MANAGING DIRECTORS' MESSAGE



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 did not release the required working capital facilities. The Company was enjoying the working capital and term loan facilities from twenty five banks and institutions, out of which twelve banks led by SBI Group, have sold their debt to Edelweiss Asset Reconstruction Company Ltd. (EARC). Balance thirteen 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 restricting of its debts with the aid of its Lenders led by Edelweiss. Edelweiss is constantly working on the revival of the Company by talking to various strategic investors to tide over the present financial position of the company.

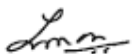
With elite expertise in the Ship Building Sector, Bharati has an edge over its peers but constant decrease in the global oil demand and prices, the demand for offshore vessels is not up to the expectation of the Company. Even then Bharati is the proud owner of two large shipyards located in Dabhol and 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 four vessels in the last year.

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 we believe is temporary, which we expect to overcome in the near future.

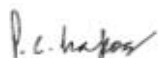
With the assurance and dedicated support of Edelweiss and the existing Banks, the Company is working but at a low capacity in the yards for want of working capital. We are hopeful and confident that we can turn around to our normal operations from January 2016. Once, again we reiterate that we are extremely 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 EIGHTH Annual General Meeting of the Members of BHARATI SHIPYARD LIMITED will be held on Wednesday, the 30th day of September 2015 at 09.30 am at Mackinnon Mackenzie Building, 3rd Floor 4, Shoorji Vallabhdas Marg, Ballard Estate, Mumbai-400001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and Profit & Loss Account for the year ended as on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr.R.Jayaseelan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditor and to fix his remuneration and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following Resolution as in **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, M/s M. V. Damania Chartered Accountants,(FRN:102079W) (Now Damania & Varaiya – Chartered Accountants) be and is hereby appointed as the Statutory Auditors of the Company; 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 Issue Warrants to Edelweiss Finance & Investments Limited.**

To consider and if thought fit to pass with or without modifications the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 62, 42, other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and allotment of Securities) Rules, 2014 and such other Rules as may be applicable and amended from time to time and all other applicable laws (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and the Articles of Association of the Company, the listing agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (hereinafter referred to as **"the ICDR Regulations"**), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, Reserve Bank of India (RBI) and all other competent Authorities, Institutions or Bodies, if any, and to the extent necessary and such other consents, approvals, permissions, exemptions and/or sanctions as may be necessary under any legislation or rules and regulations for the time being in force and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by any of the competent authorities or bodies, such terms, conditions, stipulations, alterations, amendments or modifications which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, 26,47,313 (Twenty-six lakhs forty-seven thousand three hundred and thirteen only) Convertible Warrants, each Warrant carrying right to subscribe to One Equity Share of Rs. 10/- (Rupees Ten only) each at a price of Rs.22/- (Rupees Twenty Two only) each including premium of Rs.12/- (Rupees Twelve only) each, aggregating to Rs.5,82,40,886 /- (Rupees Five Crores Eighty Two Lacs Forty Thousand Eight Hundred and Eighty Six Only) determined in accordance with

and on the terms and conditions mentioned in the ICDR Regulations in relation to preferential allotment in the future date to the following investor (hereinafter called as “the proposed allottee”):

Sr. No.	Name of the proposed allottees	Category of the Proposed allottees	Maximum no. of Warrants proposed to be issued & allotted
1.	Edelweiss Finance & Investments Limited.	Non-Promoter	26,47,313

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Convertible Warrants as also the Equity Shares resulting from the exercise of the entitlement of the Warrant holder to subscribe to the Equity Shares, shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the applicable guidelines, notifications, rules and regulations;

RESOLVED FURTHER THAT the terms and conditions of the issue of 26, 47,313 Convertible Warrants shall be as under:

- (a) The Convertible Warrants shall be issued against payment by the proposed allottee(s) of Rs. 5.50/- (Rupees Five and Fifty paise only) per Convertible Warrant being 25% of the issue price of the Warrants in terms of the ICDR Regulations;
- (b) Each of the said Convertible Warrants shall carry right, entitling its registered owner to apply for, at its option and seek allotment of One Equity Share of the Face Value of Rs. 10/- (Rupee Ten only) each at a price of Rs.22 (Rupees Twenty Two only), including premium of Rs.12/- (Rupee Twelve only), being the price determined in accordance with the ICDR Regulations as in force, upon exchange / surrendering of the Convertible Warrant to the Company along with payment of Rs.5.50/- (Rupees Five and Fifty paise only) per Convertible Warrant being balance 75% of the issue price of the Equity Shares at any time within 18 months from the date of allotment of the Warrants;
- (c) The relevant date for the purpose of determining the issue price in relation to preferential issue of the Convertible Warrants as per the ICDR Regulations and the Equity Shares to be allotted on exchange / surrender of the aforesaid Warrants is 30th August 2015;
- (d) In case the Convertible Warrants holder does not apply for the Equity Shares of the Company against exchange / surrender of the said Convertible Warrants as aforesaid within the time fixed in this regard as described in (b) above, then the amount paid on each of the said Warrant shall be forfeited and all the rights attached to the said Convertible Warrants shall lapse automatically;
- (e) Upon exchange / surrender of each of the said Convertible Warrants, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the Convertible Warrants is entitled to apply;
- (f) The Equity Shares to be offered, issued and allotted as aforesaid upon exchange / surrender of the said Convertible Warrants upon exercise of the right by the holder of such Convertible Warrants shall be subject to the provisions of the Memorandum and the Articles of Association of the Company and on allotment, such Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects;
- (g) The Equity Shares to be allotted pursuant to the conversion of the Convertible Warrants, shall be locked in for a period of one year from the date of trading approval as per the ICDR Regulations;

RESOLVED FURTHER THAT to give effect to this resolution, the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred on it to any Committee or any Director or any other officer(s) of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee or any other person duly authorized in this regard by the Board / Committee, be and is hereby authorized to accept and make in the interest of the Company all such modifications and alterations to the terms and conditions concerning any aspect of the issue, increase or decrease in the aggregate value of the issue and do all such acts, deeds, matters and things as may be deemed necessary or expedient and settle any or all questions / matters arising with respect to the offer,

issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of Convertible Warrants/Equity Shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further steps as are required for the allotment and listing on one or more Stock Exchanges of the said Equity Shares, including Shares to be allotted on exchange / surrender of the Convertible Warrants, or such other steps that are incidental and ancillary in this regard and to do, make or accept such alteration, modifications or variations in the foregoing as may be considered desirable or expedient by the Board / Committee/ such authorized person(s) in the best interest of the Company and its Warrant-holders and shareholders."

5. Appointment of Ms. Shakti Sharma (DIN 06561116) as Independent Women Director of the Company.

To consider and 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 (if any)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, Ms Shakti Sharma (DIN -06561116), who was appointed as an Additional Director(Woman Director) of the Company, pursuant to the provisions 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.Appointment of Mr.S.Balasubramanian (DIN: 03114430), as Independent Director of the Company.

To consider and 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 (if any)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, Mr.S.Balasubramanian (DIN:03114430), who was appointed as an Additional Director of the Company, pursuant to the provisions 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.

7. Approval for Material Related Party Transactions.

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 188 of the Companies Act 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 requirements of the Circular bearing no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 issued by Securities and Exchange Board of India and the provisions of clause 49 of the Listing Agreement with Stock Exchanges, as maybe applicable from time to time, approval of the members be and is hereby granted to the Ship Building Contracts between the

Company and GOL Offshore Limited (as per the details mentioned in the explanatory statement), Pinky Shipyard Private Limited and Tebma Shipyard Limited, (Bothe Subsidiaries of Bharati Shipyard Limited) exceeding the limits as maybe specified under Rule 15(3)(ii).

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized and empowered to do and undertake such acts, matters or things and to execute such agreements, deeds, addendums etc. altering / modifying the terms and conditions of the aforesaid contracts or any addendum(s)/alteration(s)/modification(s) thereto, approved by this resolution, cancellation of the said contracts, transfer of the contract to some other entity etc. as the Board of Directors may, in its absolute discretion, consider it expedient, prudent and necessary."

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

Sd/-
V.Gopalakrishnan
(President (Finance) & Company Secretary)

Place: Mumbai

Date: 30th May, 2015

Registered Office:

302, Wakefield House, Ballard Estate
Mumbai-400 001

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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.**
- Proxies in order to be effective, must deposit the instrument appointing the proxy, duly stamped, completed, and signed at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Pursuant to provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from 23th September, 2015 to 30th September, 2015 (both days inclusive).
- Members are requested to intimate to the Company/ its Registrar, changes, if any, in their registered addresses, / e-mail ids at an early date and to quote folio numbers in all their correspondence.
- Information pursuant to Clause 49 of the Listing Agreement for appointment of Director.

Name of the Director	Mr. R.Jayaseelan
Age	61 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. He also possesses good experience of Management and administration of corporate.
Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and	Pinky Shipyard Private Limited*

section 8 companies)	
Committee Membership	Members Corporate Social Responsibility Committee (CSR)
Share Holding	Nil

Name of the Director	Ms. Shakti Sharma
Age	57 years
Qualification	Diploma, Applied Art and Advertising
Expertise in specific functional areas	She has acquired sufficient Corporate experience by dint of her hard work and association with Big Corporates like Tata Steel, Tata Tin Plate, etc. since last three decades.
Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and section 8 companies)	Eastern Synpacks Limited
Committee Membership	Members Corporate Social Responsibility Committee (CSR)
Share Holding	Nil

Name of the Director	Mr.S.Balasubramanian
Age	58 years
Qualification	B.Com,ICWA,MFM,CAIIB
Expertise in specific functional areas	In the field of Project Finance & Restructuring of business,consultancy and escort services.
Directorship in other Indian Companies as on 31.03.15 (excluding foreign, private and section 8 companies)	Nil
Committee Membership	Nil
Share Holding	Nil

* Subsidiary of a Public Company.

6. Members to whom hard copy of the Annual Reports have been provided 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.
7. 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.
8. 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.
9. An Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013, for Items of Special Business at Sr. No. 3 to 5 of this Notice is annexed hereto.

10. Unclaimed Dividend

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 2007-08 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.

11.Green Initiative:

In support of the “Green Initiative “measure taken by the Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular Ref. No. CIR/CFD/DIL/7/2011 dated November 05, 2011 issued by the Securities and Exchange Board of India (SEBI) and under the provisions of the Companies Act, 2013 and the Rules mad thereunder, Company has sent Annual Reports in Electronic Mode in to the shareholders who have registered their E-mail IDs. However, an option is available to the shareholders to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No. /Client Id & DP Id to the Company/R & T Agents.

12.Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27th September, 2015 (9:00 am) and ends on 29th September 2015 (5:00 pm).

During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder – Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.