

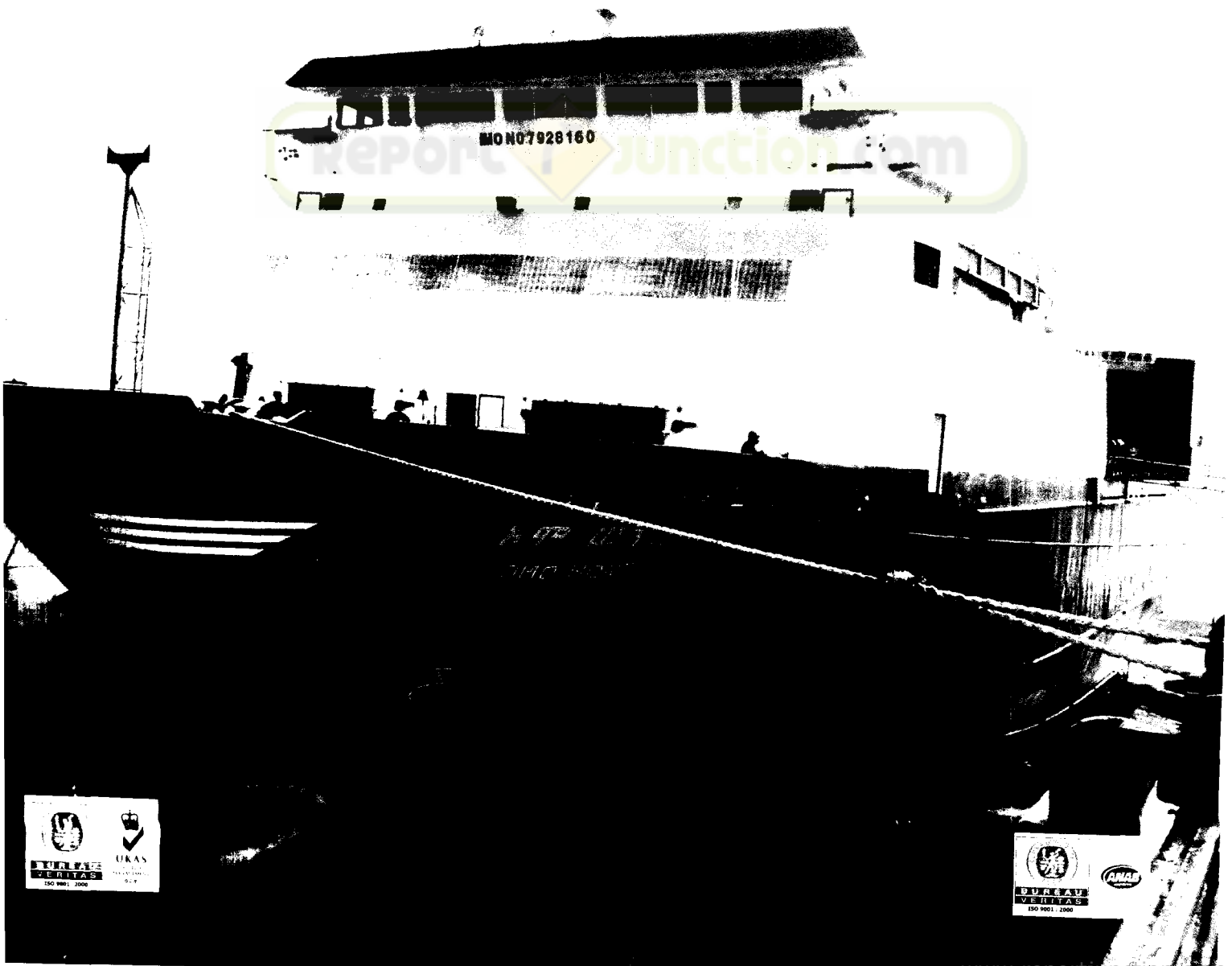


AN ISO 9001:2000 COMPANY

WESTERN INDIA SHIPYARD LTD.

INDIA'S LARGEST COMPOSITE SHIPREPAIR FACILITY IN PRIVATE SECTOR

16th Annual Report 2007-2008



WESTERN INDIA SHIPYARD LIMITED



Board of Directors (as on 01.04.2008)	: Shri. R. S. Nakra	– (Nominee of ICICI Bank Ltd)
	Shri. T. Asokraj	– (Nominee of ICICI Bank Ltd)
	Shri. P. Nagaraju	– (Nominee of IDBI)
	Shri. Rajiv Ranjan	– (Nominee of Bank of India)
	Shri. Anil Malhotra	– (Nominee of ICICI Bank Ltd)
	Shri. I. D. Agarwal	– (Nominee of UTI)
	Shri. S. V. Kshirsagar	(Nominee of Western India Trustee & Executor Co. Ltd, Debenture Trustees)
	Shri. P. B. Gadgil.	
	Cdr. S. K. Mutreja (Retd)	– Whole Time Director & Chief Executive Officer.
Company Secretary	: Shri. J. C. F. Sequeira	
Statutory Auditors	: M/s. V. V. Kale & Co, Chartered Accountants, New Delhi.	
Internal Auditors	: M/s. M. P. Chitale & Co, Chartered Accountants, Mumbai.	
Financial Institutions & Banks	: ICICI Bank Limited Stressed Assets Stabilization Fund (IDBI) Industrial Investment Bank of India State Bank of India Bank of India Syndicate Bank Axis Bank Limited Federal Bank Limited UTI.	
Debenture Trustees	: Western India Trustee and Executor Company Limited C/o IDBI Trusteeship Services Limited, Asian Bldg, Gr. Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400001.	
Registrars	: Intime Spectrum Registry Ltd. C 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078	
Registered Office, Share Department & Shiprepair Yard	: P. B. No. 21, Mormugao Harbour, Mormugao, Goa 403 803	



NOTICE

The 16th Annual General Meeting of the members of Western India Shipyard Limited will be held at the Registered Office & Shiprepair Yard of the Company at P.B. No. 21, Mormugao Harbour, Mormugao, Goa - 403 803, on the 31st day of October, 2008 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2008 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint the Director in place of Mr. P. B. Gadgil who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED that pursuant to Sections 267, 268, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, if any, and the consent of the members in general meeting, Cdr. Subhash Kumar Mutreja (Retd) be and is hereby appointed as a "Whole Time Director & Chief Executive Officer" of the Company for a term of one (1) year/s, including the following:

1. To negotiate, finalise and approve the terms and conditions of all the tenders, prequalification of bids, agreement to execute works contracts etc. on behalf of the Company and to modify, alter, change the terms and conditions of the said tenders, agreement etc. and sign and execute documents relating to the same.
2. To finalise and approve the terms and conditions of all the contracts to be given for execution of works of the Company and modify, alter, change the terms & conditions of such contracts, agreements and sign and execute documents related to the same.
3. To negotiate and conclude guarantees, letter of credit and other banking facilities which are required for the Company in its normal course of business from any banks / financial institutions etc. as may be required from time to time and to give counter guarantees against these facilities on behalf of the Company as may be required by the said banks / financial institutions etc.
4. To enter into, modify or terminate contracts for supply of material, services or insurance, the maintenance and repairs of the Company's assets and other matters of revenue nature.
5. To appoint, supervise and remove agents, executives, officers, employees or other persons in connection with the business of the Company.
6. To initiate legal proceedings and to defend any action against the Company in all matters pertaining to the business of the Company and for this purpose appoint, change, terminate and instruct solicitors, advocates, accountants and consultants.
7. To delegate to the executives, officers and employees of the Company any of the aforesaid powers either in full or in part as may be deemed necessary and to grant powers of attorney in their favour wherever necessary in order to carry out efficiently and effectively the performance of the duties."
8. The remuneration payable to Cdr. S. K. Mutreja shall be as under:
9. Remuneration payable:
 - a) Salary: Rs. 1,45,000/- per month.
 - b) House Rent Allowance: The Whole Time Director & CEO shall be entitled to perquisites including rent-free furnished accommodation or house rent allowance of 50% of basic Salary, subject to a limit of Rs. 72,500/- per month.
 - c) Commission: Commission may paid on such basis as may be decided by the Board.
 - d) Perquisites:
 - i) Gas, electricity water, furnishings, medical reimbursements and leave travel concessions for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites or allowance will be restricted to Rs. 10 lacs per annum.



For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per Income Tax Rules wherever applicable.

- ii) The Whole Time Director & CEO shall be entitled to Company's contribution to Provident Fund upto tax exempt limit, benefits of Gratuity, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and these shall not be included in the computation of perquisites.
- iii) Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
- e) The Company shall reimburse to the Whole Time Director & CEO entertainment, traveling and all other expenses incurred by him for the business of the Company.
- f) In the event of loss or inadequacy of profits in any financial year, the Whole Time Director & CEO shall be paid remuneration by way of salary and perquisites as specified above.
- g) The Whole Time Director & CEO, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or committee thereof.
- h) The monthly remuneration including perquisites shall not exceed Rs. 2,60,274/-.
- i) The Company shall have right to terminate the agreement with one (1) month's notice or pay in lieu thereof.

Resolved further that the extent and scope of the remuneration and the perquisites as specified above may be enhanced, enlarged, widened, altered or varied by the Board of Directors in accordance with the relevant provisions of the Act for the payment of managerial remuneration in force during the tenure of the Whole Time Director & CEO without the matter being referred to General Meeting again.

Resolved further that pursuant to subsection (2) of Section 269 read with part III of Schedule XIII of the Act, the necessary return be filed with the Registrar of the Companies."

5. To consider and if thought fit to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED that subject to the provisions of Sec. 17 and other applicable provisions of the Companies Act, 1956 the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

"V. The Authorized Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 75,00,00,000 (Seventy-five crore Equity Shares of Rs. 2/- (Rupees Two) each."

Resolved further that the Board of Directors of the Company be & are hereby authorized to do all such acts & deeds for the purposes of the implementation of this resolution."

6. To consider and if thought fit to pass, with or without modification, 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 amendment thereto or reenactment thereof) the provisions of Chapter XIII of the Securities & Exchange Board of India (Disclosure & Investor Protection) Guidelines 2000 ("SEBI (DIP) Guidelines") and in accordance with the provisions of the Memorandum & Articles of Association of the Company and the regulations /guidelines, if any, prescribed by the SEBI or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee/s constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to create, issue, offer and allot 37,20,500 equity shares to the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) at the option of the Company and /or the holder/s of such securities and that such issue and allotment to be made at such time/times, in one or more tranches, at such price or prices, in such manner and in accordance with applicable law, provided that the price of the equity shares so issued shall not be less than the price arrived in accordance with provisions of Chapter XIII of SEBI (DIP) Guidelines which is Rs. 12.39 (Rupees Twelve and

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Paise Thirty Nine only)."

"RESOLVED FURTHER THAT the relevant date for the preferential issue of Equity Shares, as per the SEBI (DIP) Guidelines, as amended up to date, for the determination of applicable price for the issue of the above mentioned Equity Shares is 30 days prior to the date of this Annual General Meeting i.e. 1st October, 2008."

"RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the existing equity shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares as described above, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, listing, trading of shares issued, such as Registrar, and to sign all deeds, documents and writings and to pay any fees and expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties, or doubts that may arise in regard to such issue or allotment as it may, in its absolute discretion, deem fit.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or to the Whole Time Director of the Company for the time being."

By the Order of the Board
For Western India Shipyard Limited

Sd/-
J. C. F. Sequeira
Vice President (Corp. Affairs) & Company Secretary

Notes:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the Company. A proxy to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.**
2. The Explanatory Statement pursuant to sec. 173(2) of the Companies Act, 1956 in respect of the business set out in the accompanying notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.10.2008 to 31.10.2008 (both days inclusive).
4. Members holding shares in dematerialized form, are requested to inform their changes with respect to their bank details, nomination, power of attorney, changes of address, etc to their respective Depository Participant (DP). Members holding shares in physical form are requested to note that the equity shares of the Company have been notified by SEBI for compulsory demat for trading purpose. The Company has appointed M/s Intime Spectrum Registry Limited as Registrars with Registered Office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400078. Investors are requested to demat their shareholding at the earliest.
5. Members are requested to bring their copy of Annual Report to the 16th Annual General Meeting and the attendance slip duly filled in.
6. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days during working hours upto the date of the meeting.



EXPLANATORY STATEMENT

The Explanatory Statement u/s. 173 (2) of the Companies Act, 1956 for item Nos. 4, 5 and 6 of the accompanying Notice is as under :

Item No. 4 : Appointment of Whole Time Director and Chief Executive Officer

Cdr. S. K. Mutreja (Retd) has been re-appointed as the Whole Time Director and Chief Executive Officer of the Company for a term of one (1) year by the Board w.e.f. 17.07.2008 at its meeting held on 30.07.2008. The re-appointment has also been recommended by the Remuneration & Compensation Committee at its meeting on 30.07.08. The Company has also received the NOC letter dated 16.07.08 from the CDR-MC for the said appointment. The re-appointment of CEO for further period of one (1) year is required to be approved by a special resolution passed by the shareholders of the Company at the ensuing Annual General meeting. The Company has complied with the provisions o. Schedule XIII (Part II) of the Companies Act, 1956. Cdr. Mutreja had a long service of 21 years in the Indian Navy and 18 years in the shipbuilding and shiprepair Industry in the public and private sectors in India. He looks after the day to day operations of the Company subject to the superintendence & control of the Board.

The Board recommends the passing of resolution No. 4 of the notice. None of the other Directors of the Company except Cdr. S. K. Mutreja, is in any way concerned or interested in the said resolution.

Item No. 5: Alteration of Authorised Equity Share capital:

The Authorised Equity share capital of the Company is Rs. 150,00,00,000/- consisting of 15,00,00,000 shares of Rs. 10/- each. The Company's issued and paid up share capital is Rs. 21,70,81,480/- consisting of 10,85,40,740 shares of the face value of Rs. 2/- each fully paid up. The Board of Directors at its meeting held on 28.08.2008 has approved the alteration of the authorised share capital set out in Clause V of the Company's Memorandum of Association to Rs. 150,00,00,000/- consisting of 75,00,00,000 shares of Rs. 2/- each.

The Board recommends the passing of resolution No. 5 of the notice. None of the Directors of the Company are in any way concerned or interested in the said resolution.

Item No. 6: Item No. 6: Preferential issue of shares to Unit Trust of India:

The Board has proposed to allot 37,20,500 equity shares of Rs. 2/- each fully paid up to **Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)** under the terms and conditions of the UTI sanction letter for the restructuring of its debt. As per the provisions stipulated in Chapter XIII of the SEBI (DIP) Guidelines 2000, the issue price has to be determined with reference to the relevant date namely, 1.10.2008.

Pursuant to the provisions of Sec. 81(1A) of the Companies Act 1956, any offer or issue of shares in the Company to persons other than the members of the Company, requires the prior approval of the members vide a special resolution. In addition to this the Board seeks the authority of the members to carry out various actions for the purpose of giving effect to this resolution. The members are therefore requested to grant their approval and accordingly authorize the Board.

1. Objects of the Issue through preferential offer.

To restructure the existing debt of **Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)** and thereby to rehabilitate the ailing WISL into a viable and profitable Company.

2. Intention of Promoters/ directors/ key management persons to subscribe to the offer.

The Promoters/ directors/ key management persons do not have any intention to subscribe to the offer.

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3. Share holding pattern before and after the offer.

Category of Shareholder	Pre-issue shareholding		Post issue Shareholding	
	Number of shares	%	Number of shares	%
Shareholding of Promoter and Promoter Group				
Bodies Corporate	8469710	7.47	8469710	7.23
Total Shareholding of Promoter and Promoter Group (A)	8469710	7.47	8469710	7.23
Public shareholding				
Mutual Funds/ UTI				
Financial Institutions / Banks	36165696	31.89	39886196	34.06
Foreign Institutional Investors	100000	0.09	100000	0.08
Bodies Corporate	16104823	14.2	16104823	13.75
Individuals				
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	41158011	36.32	41158011	35.14
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	11375350	10.03	11375350	9.74
Total Public Shareholding (B)	104903880	92.53	108624380	92.77
TOTAL (A + B)	113373590	100.00	117094090	100.00

4. Proposed time within which the allotment shall be complete.

The Equity shares of the Company shall be allotted within 15 (fifteen) days from the date of this Annual General Meeting i.e. before 15th of November 2008 provided that the time for allotment shall be extended by the time taken for obtaining approval, if any, for such allotment from any regulatory bodies, authorities or Government.

5. Identity of the proposed allottee and the percentage of the post preferential issue capital that may be held by him.

Name of Proposed Allottee	Percentage of shareholding of the proposed allottee before the preferential issue		Percentage of shareholding of the proposed allottee after the preferential issue	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	NIL	NIL	37,20,500	3.18

None of the Directors of the Company are in any way concerned or interested in the resolution except to the extent of shares being held by them in the Company.

By Order of the Board of Directors

Sd/-

J. C. F. Sequeira

Vice President (Corp. Affairs) & Company Secretary

Place : Mormugao, Goa.

Date : 7th day of October, 2008



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their 16th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2008.

FINANCIAL HIGHLIGHTS

Particulars	31.03.2008	31.03.2007
	(Rs. In Lacs)	(Rs. In Lacs)
Total Income	3754.24	5508.03
Operating Expenses	4024.10	4523.10
Profit /(Loss) before Interest & Depreciation	(269.86)	984.93
Interest	2116.34	1541.70
Profit / (Loss) before Depreciation	(2386.20)	(556.77)
Depreciation	1075.26	1059.78
Provision for Taxation	7.64	7.87
Net Profit / (Loss) before adjustments	(3469.10)	(1624.42)
Prior period and extraordinary adjustments	596.56	(451.35)
Net Profit / (Loss) for the year	(2872.54)	(2075.77)

DIVIDEND

In view of the losses for the year, your Directors are unable to recommend any dividend to the shareholders.

ECONOMIC SCENARIO

One of the most significant and encouraging actions taken by the Ministry of Shipping, Government of India is the preparation of the long term Draft Maritime Policy. This policy is expected to inter-alia grant EOU status to dry docks, permit 100% FDI in ship repair and ship building to encourage private sector investment, duty free imports, long term subsidy for constructions of vessels (20-30 years), capping of prices of indigenous steel to make Indian ship building more competitive, creation of ship repair units adjacent to the ports to repair/dry dock large vessels, rationalization of taxation on par with EOU units, exemption from service tax, sales tax and VAT to enable shipyards to compete globally, grant of infrastructure status, tax exemption to eligible investments for long period (20 years), etc.

The Central Government continues to put heavy investment into the infrastructure for development of highways, ports and airports in the Country. The industrial growth rate was 8.6 % in March, 2008. However, due to the hike in interest rates on loans by Banks and Financial Institutions and other levies by the Central Government, the rate of inflation spiraled to 7.41% in March 2008. The impact of the Union Budget 2007/08 and 2008/09 will be felt in the long term. The cost of funds and inflation are serious concerns for Trade and Industry and it is expected that the Central Government will take immediate measures to contain inflation.

YEAR IN RETROSPECT

Your Company being a registered factory with a manufacturing facility, Floating Dry Dock of 60000 DWT capacity, wet repair jetties, heavy duty work shops, portal rail cranes of 35T and 50 T capacity, fabrication yard and multi-purpose shops, continues to enjoy the duty exemptions (customs and central excise) and concessions available to the Shipbuilding and Shiprepair Industry.

SHIPREPAIRS

During the year, your Company repaired 27 vessels of which 17 vessels were of Indian flag and 10 vessels were of foreign flag ranging from 2500 DWT to 34000 DWT with a foreign exchange earnings equivalent to Rs. 632.53 lacs. The floating dry dock has been in continuous operation to its full capacity of upto 20000 TLC or 60000 DWT during the year after extensive repairs. The Company has started the maintenance dredging of the dock pit area to cater to vessels of upto 60000 DWT.

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Despite best efforts, the Company was unable to secure a number of orders for shipbuilding and Rig repairs due to unresolved issues with the Ministry of Shipping and the Management of Mormugao Port Trust. Thus against the sales target of Rs. 10,000 lacs for 2007-08, your Company attained about Rs.3754.24 lacs.

SHIP BUILDING

Your Company's ship building facility successfully built and delivered its first Jack Up barge 'PMC -1' in December, 2007 to PMC Projects India Pvt. Limited, valued at Rs. 2320 lacs.

STATUS OF RESTRUCTURING

Your Company has implemented the following measures under the terms and conditions of the restructuring packages sanctioned by the lenders namely, ICICI Bank Ltd, Stressed Assets Stabilization Fund (IDBI), Industrial Investment Bank of India, Bank of India, State Bank of India and UTI. The Company has obtained the approval of the shareholders at the AGM on 15.12.2007 for the issue of 37,20,500 equity shares of Rs. 10/- each at par to the UTI on preferential basis aggregating to Rs. 372.05 lacs subject to write down of the face value from Rs. 10/- each to Rs. 2/- each. The Company has applied to BSE for 'In Principle' listing approval which is pending.

Scheme of Arrangement & Compromise with the secured creditors

Your Company has approved a draft Scheme of Arrangement & Compromise with the secured creditors of the Company with the involvement of ABG Shipyard Limited as confirming party, subject to the approvals as may be necessary u/s. 391-394 of the Companies Act, 1956.

ABG is engaged in the business of shipbuilding and ship-repair and has the largest private-sector shipyard in the country and specializes in the construction of medium sized support and defense vessels. The ABG Group is a leading market player in the Indian marine and shipping industry with interest in all major marine and shipping activities, viz. ship-building and ship-repair, owning and chartering of ships and port operations. Pursuant to discussions between the Company, its major secured lenders and ABG, ABG has evinced interest in being involved in a proposal to rehabilitate the Company. Accordingly, the Company has proposed a composite scheme of arrangement with its secured lenders, with ABG as a confirming party, with a view to rehabilitate the Company into a viable and profitable company, wherein ABG's involvement includes a combination of cash infusion into WISL and acquiring shares in the Company pursuant to the provisions of this scheme of arrangement. As a step towards rehabilitating the Company and to demonstrate its commitment thereto, ABG shall, immediately upon filing of the Scheme with the High Court, provide a loan of Rs. 2500 lacs to the Company towards urgent business requirements of the Company and has also agreed to provide technical and marketing expertise.

The proposed scheme provides certain options for the restructuring of the dues and one time settlement of the debt of the secured lenders of the Company with the involvement of ABG, alongwith other matters connected with the compromise and arrangement, including reorganization of share capital of the Company.

Reduction of Issued & Paid up equity share capital

During the year, your Company received the order dated 29.06.07 from the High Court of Bombay, Goa Bench at Panaji u/s. 100 of the Companies Act 1956 for the reduction of the share capital of Rs. 108,54,07,400/- consisting of 10,85,40,740 equity shares of Rs. 10/- each fully paid up to Rs. 21,70,81,480/- consisting of 10,85,40,740 equity shares of Rs. 2/- each fully paid up. The Company has received the 'In Principle' approval from BSE for the relisting of the share capital under a new ISIN number and is awaiting the completion of the formalities by CDSL and NSDL to take up the matter with BSE for resuming the trading. The Company has dispatched the stickers to the shareholders for affixing on the share certificates held by them in physical form. The reduction in the share capital has been reflected in the audited accounts for the year ended 31.03.2008.

Restructuring of dues of small debenture holders

During the year the High Court of Bombay, Goa Bench at Panaji vide its order dated 23.06.2006 sanctioned the scheme of arrangement u/s. 391 of the Companies Act, 1956 between the Company and the holders of 8,46,100 - 12% secured non-convertible debentures (NCDs) of the face value of Rs. 60/- each at par aggregating to Rs. 5.07,66,000/-. The scheme involved 3 options namely Roll over option, Equity conversion and One Time Settlement option.

Pursuant to the positive options exercised by the NCD holders, your Company cleared the dues during the year in respect of the options received for Roll Over and OTS. The Company has obtained the approval of the shareholders

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at the AGM on 15.12.2007 for the issue of 48,32,850 equity shares of Rs. 10/- each at par aggregating to Rs. 483.28 lacs to the debenture holders under the scheme, subject to write down of the face value from Rs. 10/- each to Rs. 2/- each. The Company has filed an application in the High Court of Bombay for an order to issue the new shares at a face value of Rs. 2/- each. The Company has also applied to BSE for 'In Principle' listing approval which is pending.

YEAR IN PROSPECT:

The Government policy towards the Shiprepair Industry continues to remain encouraging with measures like license free and duty free imports. The scenario for the Shipbuilding Industry in India is also excellent for vessels manufactured in custom bonded warehouses. The order book position of the Indian and Foreign yards is full and this is expected to prevail up 2012.

The Company has implemented measures to cut costs, improve quality, productivity and faster turnaround time of the vessels. The Company hopes to capitalize on its location on the west coast in close proximity to international shipping routes, experience, ISO 9001:2000 quality certification and its International customer base in the coming years for a better performance after the sanction by the High Court of Bombay of the Scheme of Arrangement & Compromise with the secured creditors with ABG as confirming party.

The Company will continue to focus on shiprepair and rig repair business in keeping with its heavy capital investment and large work force. The flow of large orders is encouraging during the last 3 months of FY 2007-08 and will improve significantly during the year after the completion of maintenance dredging of its dock pit to cater to vessels of upto 60000 DWT.

DIRECTORS

During the year, Shri. Ram Swaroop Nakra joined the Board as nominee Director of ICICI Bank Limited. Shri. Thanjavur Asokraj also joined the Board as nominee director of ICICI Bank in place of Radm. R. K. Whig (Retd.). Further, Cdr. Subhash Kumar Mutreja (Retd) joined the Board as Whole Time Director and Chief Executive Officer of the Company on the end of tenure of Cdr. S. Shekhar Singh (Retd). The shareholders of the Company have approved the appointment of Cdr. S. K. Mutreja for a term of one (1) year w.e.f. 17.07.07 at the AGM held on 15.12.07. The Board places on record its appreciation of the services rendered by Radm. R. K. Whig and Cdr. S. Shekhar Singh during their tenure on the Board.

Shri. P. B. Gadgil, Director retires by rotation at this AGM. Shri. P. B. Gadgil was born on 25.12.1923. He is 84 years of age. He is a promoter Director and has extensive experience in business and Industry. He was re-appointed as an ordinary director at the AGM held on 15.12.2007. Shri. P. B. Gadgil, being eligible, has offered himself for re-appointment.

AUDITORS

M/s. V. V. Kale & Co., Chartered Accountants, are the statutory auditors of the Company and hold office upto the conclusion of the forthcoming Annual General Meeting. The necessary consent u/s. 224 (1B) of the Companies Act, 1956 has been received from them for their re-appointment. The Board recommends the re-appointment.

DEPOSITS

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

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Sr. No.	Name of Employee	Designation & Nature of duties	Age	Gross Remuneration Rs. In lacs	Qualification	Experience in no. of years	Last Employment	Date of Employment
1	Cdr. S. K. Mutreja	Whole Time Director & CEO	61	21.36	B. E (Mech)	40	ABG Shipyard Ltd.	17.07.07

Notes:

1. The gross remuneration comprises of salary, allowances, Company's contribution to provident fund, and perquisites at actual. It excludes provision for gratuity and leave encashment.
2. The nature of employment is contractual.