

Western India Shipyard Ltd.

AN ISO 9001:2008 COMPANY

INDIA'S LARGEST COMPOSITE SHIPREPAIR FACILITY



18th ANNUAL REPORT 2009-2010



Board of Directors	: Shri. R. S. Nakra - (Nominee of ICICI Bank Ltd)
	Shri. T. Asokraj - (Nominee of ICICI Bank Ltd)
	Shri. P. B. Gadgil
	Shri. Ashwani Kumar
	Shri. Ashok R. Chitnis
	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. 16A/20, W.E.A. Main Ajmal Khan Road, Karol Bagh, New Delhi - 110 005
Financial Institutions & Banks:	ICICI Bank Limited IFCI Limited HDFC Bank Limited Oriental Bank of Commerce Federal Bank Limited Syndicate Bank
Regd. Office & Shipyard	: P. B. No. 21, Mormugao Harbour, Mormugao, Goa - 403 803
Registrars	: Link Intime India Pvt. Ltd. C - 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 072. Tel: 91 22 25946970 Fax: 91 22 25946969 Email: mt.helpdesk@linkintime.co.in

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NOTICE

The 18th Annual General Meeting of the members of Western India Shipyard Limited will be held at the Registered Office & Shiprepair Yard at P.B. No. 21, Mormugao Harbour, Mormugao, Goa - 403 803, on the Saturday, 25th day of September, 2010 at 11.00 a.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 2010 and the Profit and Loss Account for the year ended on that date, with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. P. B. Gadgil who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

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

"**RESOLVED THAT** Shri Ashwani Kumar, who was appointed as an additional director pursuant to section 260 and other applicable provisions of the Companies Act 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"**RESOLVED THAT** Shri Ashok R. Chitnis, who was appointed as an additional director pursuant to section 260 and other applicable provisions of the Companies Act 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider and if thought fit to pass, with or without modification, the following resolution for the re-appointment of the Statutory Auditors, as a **Special Resolution:**

"**RESOLVED** that pursuant to Sections 224A and other applicable provisions of the Companies Act 1956, M/s. V. V. Kale & Co, Chartered Accountants from whom the necessary consent letter has been received u/s. 224(1-B) of the said Act, be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting of the Company with statutory audit fees of Rs. 5,00,000/- plus out of pocket expenses on actual."

6. 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 re-appointed as a Whole Time Director & Chief Executive Officer of the Company for a term of three (3) years w.e.f. 17.07.2010, including the following:

1. To negotiate, finalize 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 finalize 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:
 - a) Salary: Rs. 1,80,000/- 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 60% of basic Salary.
 - c) Ex-gratia: Rs. 22,500/- per month.
 - 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 perquisites shall be computed as per the Income Tax Rules as 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 Company shall have right to terminate the agreement with one (1) month's notice or pay in lieu thereof.
 - i) The total value of the perquisites shall not exceed Rs. 45,350/- per month.

Resolved further that pursuant to sub-section (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."

By the Order of the Board
For Western India Shipyard Limited

Sd/-

J. C. F. Sequeira
Vice President (Corporate Affairs)
& Company Secretary

Date: 30.07.2010
Place: Mormugao

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 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 section 173(2) of the Companies Act, 1956 in respect of the business set out in the accompanying notice is annexed thereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 15.09.2010 to 25.09.2010 (both days inclusive).
4. Members holding shares in the dematerialized form, are requested to inform their change of address, nomination, power of attorney, etc to their respective Depository Participant (DP).
5. Members holding shares in physical form are requested to note that the equity shares of the Company have been notified by SEBI for compulsory trading in demat mode. Hence, they are requested to convert their shares to demat form through their Depository Participants at the earliest.
6. Members are requested to bring their copy of Annual Report to the 18th Annual General Meeting and the attendance slip duly filled in.
7. 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.

ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in the 18th Annual General Meeting in pursuance of Clause 49 (G) (I) of the Listing Agreement:

Name of Director	Cdr. S. K. Mutreja	P. B. Gadgil	Ashok R. Chitnis	Ashwani Kumar
Date of Birth	24.09.1946	25.12.1923	15.02.1943	15.08.1948
Date of Appt./ Re-appointment as Director	17.07.2007	26.09.2009	28.05.2010	28.05.2010
Qualification	B.E. (MECH.), Professional Course in Marine Engg. ISO 9000, Shipyard Management, Production Planning and Control	B.Com.	B.E, Marine Engg. First Class Competency Cert. from Ministry of Transport, GOI. Qualified lead auditor for QMS Audits & ISO 9000 standards.	Post Graduate in Political Science from Allahabad University.
Experience and Expertise in Specific functional area	Over 42 years of experience in the Indian Navy and in the Shiprepair, Rig repair & Ship building Industry in the public & private sectors in India.	Long & diversified experience in Trade & Industry.	11 years with Scindia Steam Navigation Co. Ltd and retired as Chief Engineer. 27 years with Indian Register of Shipping and retired as Chief Surveyor. Vast experience in ISO 9000 and QMS Certification.	35 years of experience with Indian Revenue Service. Retired as Chief Commissioner of Income Tax.
Directorships held in other Companies	NIL	NIL	1	1
Committee positions held in other Companies	NIL	NIL	1	1
No. of Shares held in WISL	2000	NIL	NIL	NIL



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 Shri Ashwani Kumar as Director

Shri. Ashwani Kumar has been appointed as the Additional Independent Director by the Board at its meeting held on 28.05.2010, liable to retire by rotation. As per Section of 256(3) of the Companies Act 1956, a retiring director is eligible for re-appointment at the ensuing AGM. The Board recommends his re-appointment.

Item No. 5: Appointment of Shri Ashok R. Chitnis as Director

Shri. Ashok R. Chitnis has been appointed as the Additional independent Director by the Board at its meeting held on 28.05.2010, liable to retire by rotation. As per Section of 256(3) of the Companies Act 1956, a retiring director is eligible for re-appointment at the ensuing AGM. The Board recommends his re-appointment.

Item No. 6: Re-appointment of M/s. V. V. Kale & Co. as Statutory Auditors:

M/s. V. V. Kale & Co., Chartered Accountants, had been appointed as the Statutory Auditors of the Company by an ordinary resolution passed by the shareholders at the AGM held on 26.09.2009. The Company has paid to them the statutory audit fees for FY 2009-10 of Rs. 5,00,000/- plus out of pocket expenses on actual. The Board of Directors at its meeting on 30.07.2010 has recommended the re-appointment with same audit fee of Rs. 5,00,000/- plus out of pocket expenses on actual. The Company has also engaged the Auditors for income tax assessments and Company Law matters and paid a sum of Rs. 3,86,050/- to them for FY 2009-2010.

Item No. 7: Re-appointment of Cdr. S. K. Mutreja as Whole Time Director & CEO

The term of office of Cdr. Subhash Kumar Mutreja (Retd) will come to an end on 16.07.2010. He has been re-appointed as the Whole Time Director and Chief Executive Officer of the Company for a term of three (3) years with an increase in remuneration, at the Board meeting held on 29.05.2010. Cdr. Mutreja had over 42 years of experience in the Indian Navy and in the Shipbuilding, Rig repair and Shiprepair Industry in the public and private sectors in India. He is entrusted with the day to day operations and management of the Company under the superintendence & control of the Board. The General information on the Company is as under:

1. Nature of the Ship Repair Industry: The Ship Repair Industry caters to the Shipping Industry consisting of Indian and foreign vessels consisting of such diverse sectors like Indian Navy, Coast Guard, Port craft, Dredgers, passenger vessels, cargo and product carriers, tankers, Offshore Support vessels and Oil Rigs.

Your Company caters to repair of older vessels which require periodical dry docking and wet repairs at its dry docking and wet repair facilities at Mormugao Harbour, Goa. The Company is engaged in the business of shiprepairs since 01.01.1996 at Mormugao Port, Goa, on the west coast of India. Your Company started commercial production in January, 1996 and has repaired over 475 vessels of all types and 9 deep water Oil Rigs at its facilities.

2. Financial Performance: Your Company earns and saves valuable foreign exchange for the Country details of which appear in the Notes to the Accounts. The financial performances of your Company over last 2 years, is as under:

Year	Turnover (Rs. In crore)	Net Profit/ (loss) (Rs. In crore)
2008-09	75	(21.44)
2009-10	77	49.78

Information about the Appointee: Cdr. S. K. Mutreja (I.N Retd.) was born on 24.09.46 at Muzafargarh (Punjab). He was engaged in the service of the Indian Navy and at the time of leaving service held the post of Commander (I. N.). Cdr. Mutreja joined WISL as Whole Time Director and CEO on 17.07.2007 and has been re-appointed on a term of one year at a time. He possesses the qualifications of B.E (Mech) and has undergone extensive courses in ISO 9000 quality systems, Shipyard Management, Production Planning and Control. He is 63 years with more than 41 years of experience in the Indian Navy and 21 years in the public and private sector with Goa Shipyard Limited. His last employment was in ABG Shipyard Limited. His focus is on new business development of the Company. His past remuneration for 2008-09 was Rs. 31.23 lacs as compared to Rs. 33.37 lacs for 2009-10. The remuneration of Cdr. Mutreja is comparative to other shipyards in the private and public sector considering the nature, size and business of the Company, his expertise and position in the Company. He has no pecuniary relationship directly or indirectly other than his remuneration.

Other information: The Company has been incurring continuous losses since inception in 1996 due to poor utilization of infrastructure, low volume of operations and working capital constraints. The High Court of Bombay has sanctioned the Company's Scheme of Arrangement and Compromise with the secured creditors with ABG Shipyard Limited as confirming party, by an order dated 15.01.2010. The Company has settled the dues of secured lenders who have opted for Option-1 of the scheme, amounting to Rs. 55 crore. This will reduce the debt burden, cash outflows and interest cost in the long term. The infusion of funds and better working capital management as well as diversification measures such as rig repair, heavy fabrication jobs. Etc are expected to take the Company to higher level of operations.

The Board recommends the re-appointment of Cdr. S. K. Mutreja as the Whole time Director & CEO of the Company as set out in the special resolution. Other than the Whole Time Director & CEO, no other Director of the Company is in any way concerned or interested in the said resolution. A copy of the resolution passed by the Remuneration & Compensation Committee on 29.05.2010 and the Board on the same date and other material documents, are open for inspection of the members at the Registered Office of the Company on all working days during working hours upto the date of the meeting.

Date: 30.07.2010
Place: Mormugao

By the Order of the Board
For Western India Shipyard Limited

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



JOURNEY OF WESTERN INDIA SHIPYARD LIMITED FROM 1992-93 TO 2009-2010

Western India Shipyard Limited (WISL) was incorporated as a Public Limited Company on 1st May, 1992 under the Companies Act, 1956 and obtained the Certificate of Commencement of Business on 30th June, 1992. The main objectives of WISL were the setting up Ship Repair facilities for Ocean Going Vessels, Ship Building and Ship Breaking facilities in the private sector in India.

Project Approvals:

WISL signed a 25 year license agreement with the Mormugao Port Trust (MPT) on 5th April, 1993 for about 85,000 sq. meters of land and breakwater area at Mormugao Harbor, Mormugao, Goa one of the finest all weather natural ports on the west coast of India. WISL also applied for registration with the Director of Industries, Cuttack, Orissa for the Ship Breaking facility at Paradip Port, Orissa. WISL signed the foreign collaboration agreement with Lisnave S. A. of Portugal on 26th May, 1993 for provision of Technical Assistance and Technical Documentation through their subsidiary, Navelink S. A of Switzerland for the ship repair project at Goa with equity participation of USD 2.5 mn. WISL obtained the project approvals from the Foreign Investment Promotion Board (FIPB), Government of India on 27th August 1993 for foreign collaboration; Government of Goa (HPCC) approval on 10th August 1993 and Pollution control clearance on 18th May 1993. WISL was registered as a "Ship Repair Unit (SRU)" on 12th November, 1993 with Director General of Shipping, Ministry of Shipping and Surface Transport, Government of India by virtue of which the Company was entitled to the use of duty free imported and indigenous capital goods, material handling equipment, raw materials, spares and consumables for the project. WISL obtained the Central Government Environmental approval on 3rd February 1994, Central Excise License on 2nd September 1994 and Factory license on 7th January, 1997 for its project.

Company Performance

The Company's project cost was initially Rs. 120 crore in August 1993 which was revised to Rs. 180 crore in January 1995 to cover the Ship Repair project at Goa and the Ship breaking project at Orissa, The cost of the project was met by the WISL IPO in August, 1995 of Rs. 70.70 crore from equity shares and secured partly convertible redeemable debentures and balance from project loans of Rs. 109.30 from a consortium of premier Financial Institutions and banks consisting of ICIC1 Bank, IDBI, 1IBI, SBI and Bank of India.

WISL started commercial operation in January, 1996 and achieved a sales turnover of Rs. 23 crore (15 months) in 1996-97. However, WISL was unable to reach a profitable level of operations and generate surplus for various reasons as per the projections.

Restructuring measures

The Company with the support of the secured lenders, who held major stake in the Company, approved the proposal for business and financial restructuring of the Company. The Company, received the approval of the shareholders for disinvestment in the Ship Breaking facility ay Orissa being unviable.

The Company and the debenture holders and the Debenture Trustees, approved a Scheme of Arrangement for the redemption of 8,46,100 - 12% secured redeemable non-convertible debentures of Rs, 60/- each aggregating to Rs. 5.07 crore which was approved by the High Court of Bombay at Goa on 23.06.2006. Further, the Company and its shareholders approved the reduction of the Issued and Paid up equity share capital from Rs. 108.54 crore to Rs. 21.71 crore by reducing the face value of each share from Rs. 10/- to Rs. 21- which was sanctioned by order of the High Court of Bombay at Goa on 29.06.2007. These debentures stand fully redeemed.

Lastly, the Company and its shareholders and secured lenders approved the Scheme of Arrangement and Compromise with ABG Shipyard Limited as confirming party. The High Court of Bombay at Goa sanctioned the scheme by order dated 15.01.2010 as amended, and the Company restructured and reduced its secured liabilities of Rs. 228 crore to about Rs. 152 crore. ABG Shipyard Limited provided the much needed infusion of funds and also rendered technical and marketing support to the Company under the terms of the scheme.

Post Restructuring Performance

WISL reached its highest ever sales turnover of Rs. 76.51 crore in FY 2009-10, with the technical assistance, marketing effort and experienced management personnel provided by ABG Shipyard Limited. WISL posted a net profit after tax (PAT) of Rs. 48.78 crore for the year, after reversing the provision for interest made in the earlier years. The Management has improved profitability by reduction of heavy cost of debt, carried out maintenance of the shipyard infrastructure and dredging, etc. WISL has achieved higher volumes in Ship Repairs and Rig Repairs. It has taken up machine shop jobs for Mazgaon Docks Limited and fabrication of pontoon for the first time. WISL will continue shipbuilding and other profitable activities in the near future. As WISL moves from strength to strength, shareholders may expect to see a growth in business, profitability and shareholder value.

Yes, WISL has come a long way ! It awakes to a new future which is bright !



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their 18th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2010.

1. FINANCIAL HIGHLIGHTS

Particulars	31.03.2010 (Rs. In Lacs)	31.03.2009 (Rs. In Lacs)
Total Income	7651.39	7478.74
Operating Expenses	5817.92	6477.92
Profit /(Loss) before Interest & Depreciation	1833.47	1000.83
Provision for Interest	625.56	2469.38
Profit / (Loss) before Depreciation	1207.91	(1468.56)
Provision for Depreciation	1069.83	1069.01
Provision for Taxation	-	9.48
Net Profit / (Loss) before adjustments	138.08	(2547.05)
Prior period & extraordinary adjustments	4840.18	402.81
Net Profit / (Loss) for the year	4978.26	(2144.24)

2. OPERATIONS

During the year under review, your Company recorded a total shiprepair income of Rs. 7651.39 lacs as against Rs. 7478.74 lacs in the previous year, an increase of 2.31%. Your Company made cash profit of Rs. 1207.90 lacs for the year. The net profit for the year after prior period expenses, interest, depreciation and adjustments, is Rs. 4978.26 lacs as compared to loss of Rs. 2144.24 lacs in the preceding year. The increase in net profit of the Company is mainly due to the reversal of interest of Rs. 5160.22 lacs provided in the earlier years.

Your Board places on record its sincere thanks to ABG Shipyards Limited for the continuous technical and marketing expertise extended to your Company, including the timely provision of funds which resulted in improved operations.

3. DIVIDEND

Your Board is unable to recommend any dividend to the shareholders in view of the accumulated losses.

4. SCHEME OF ARRANGEMENT & COMPROMISE WITH THE SECURED LENDERS

Your Board is pleased to inform that the Hon'ble High Court of Bombay at Goa by order dated 15.01.2010 as amended, sanctioned your Company's Scheme of Arrangement and Compromise with its secured creditors with ABG Shipyards Limited as confirming party ("Scheme"). Your Company obtained a secured corporate loan from IFCI Limited for this purpose and settled the dues of Rs. 55 crore to the secured lenders who had exercised Option - 2 of the scheme. The Company places on record its sincere thanks to the secured lenders for the wholehearted support to the Company at all times.

5. PREFERENTIAL ALLOTMENT

Under the terms of the said Scheme, your Company has issued 17,75,50,000 equity shares of the face value of Rs. 2/- each fully paid up at par aggregating to Rs. 35.51 crore to ICICI Bank Limited on conversion of its secure liabilities under Option -1 of the Scheme. The Company has sought the approval of the Bombay Stock Exchange Limited under the listing agreement for listing and trading.

As ICICI Bank Limited holds more than 51 % of the equity share capital of your Company on 31.03.2010, your Company has become a subsidiary of ICICI Bank Limited in terms of Sec. 4 of the Companies Act, 1956. As per the disclosure received from ICICI Bank Limited under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, the bank proposes to sell these shares to ABG Shipyard Limited as per the terms of the said scheme.

6. SHIPREPAIRS

During the year, your Company repaired 38 vessels of which 32 vessels are of Indian flag and 6 vessels are of foreign flag, upto max. 34000 DWT. The Company also repaired one foreign Deep Water Jack Up Oil Rig of 300 meters during the year. The foreign exchange earnings are equivalent to Rs. 2075.99 lacs. Your Company continues to receive a steady and continuous flow of repair orders from its established clients and has a healthy order book position.

Your Company operated only in one segment during the year namely, shiprepairs. Its small ship building facility with slipway for shiprepair/building of small vessels, is proposed to be converted into a graving dock in the near future for which limited tenders have been invited.

Your Company has locational advantages on the west coast of India due to its close proximity to international shipping routes, Bombay High Offshore bases, international airport and sea ports. It also has a wide experience in shiprepairs and rig repairs and an international customer base. Your Company's Quality Certificate has been upgraded during the year to ISO 9001:2008.

7. SCENARIO IN INDIA FOR DEVELOPMENTS OF PORT SECTOR, SHIPPING, SHIPBUILDING AND SHIPREPAIRS

The Shiprepair Industry in India is highly regulated by the Central Government through the D. G Shipping with regard to trade, operational safety, etc. The measures taken by the Central Government continues for the sustained growth and development of the Ship Repair Industry to international standards, as under:

- The Central Government Press Note (1995 series) granting various concessions and exemptions for developing India's Shiprepair capacity continues in view of the huge potentialities of the shiprepair sector.
- The Draft Maritime Policy of the Central Government covers India's Ports, Shipping and Shipbuilding sectors, highlights the policy initiatives such as dry docking policy to encourage modernization and mechanization for repairs of most of the vessels calling at Indian Ports, dry docks to be given EOU status, 100% FDI in shiprepair and ship building to be encouraged for private sector investment, long term subsidy for constructions of all kinds of vessels (20 -30 years). The new dry docking policy encourages the creation of shiprepair units adjacent to the ports to repair/dry dock large vessels.

The Draft Policy also highlights the proposed Financial and Fiscal initiatives such as taxation of ship building and ship repair units including customs and central excise duty, to be brought on par with

EOU units, ship repair and ship building to be kept out of the ambit of service tax, sales tax and VAT, etc as shipyards compete globally for repairs and new construction. Proposal to grant ship building and ship repair industry infrastructure status, investments to be made eligible for tax exemption for long period (20 years), creation of a separate Funding Agency for ship building & ship repair activities, etc.

- The National Maritime Development Program (NMDP) of the Central Government released in July, 2005 identified 228 projects to be implemented in India's major ports over the next 10 years involving Rs. 6110 billion. As per NMDP projections, the total cargo traffic at the Indian ports is expected to grow at a CAGR of 13.58% up to FY 2012 with the POL, coal and container traffic growth remaining strong. According to the Planning Commission, the strength of India's Shipping Fleet will increase upto 15m GRT by the end of 2011-12, with an estimated investment of US\$17.7 billion. The Port throughput will increase upto 1008 mn tonnes, growing at a CAGR of 10.96% from 2007-08 to 2011-12.
- The Central Government recognizes that these targets can only be met through private sector participation in developing heavy infrastructure at ports and have framed guidelines for PPP projects, model concession agreements, and provision for upfront tariff fixation by the Tariff Authority for Major Ports (TAMP). The Ministry of Shipping has awarded 7 projects worth over Rs 1,800 crore, to be developed through the public-private partnership (PPP) route. Another 19 projects, estimated to cost around Rs 18,000 crore, are expected to be awarded on similar PPP basis by early 2010. These 26 projects together will expand capacity at the major ports in India by 42 per cent, or 245.97 million tonnes per annum. The Ministry intends to double capacity at major and non-major ports in the country to 1,590 mt by 2012 from the present 795 mt.

Of these projects, 2 are on the west coast namely, new mechanised iron ore handling facilities at berth 14 at New Mangalore port (Rs 277 crore) and development of berth 7 for handling bulk cargo at Mormugao port (Rs 252 crore). Others are on the east coast namely, construction of deep draft iron ore berth (Rs 591 crore) and deep draft coal berth (Rs 479 crore) at Paradip port, mechanization of berth 2 and 8 at Haldia Dock Complex (Rs 150 crore). These projects on completion will enhance capacity at the ports by nearly 42 million tonnes per annum.

The 19 projects which are under bidding include development of 2 multipurpose cargo berths at Kandla port (Rs 755 crore), development of liquid cargo berth (Rs 55.38 crore) and dry bulk cargo (Rs 114.37 crore) at Vizag. Another 5 projects valued at over Rs 1,200 crore to be awarded to develop facilities at Vizag.

New container terminals are also proposed to be set up to cater to business of container vessels at Jawaharlal Nehru Port (JNPT) (Rs 6,700 crore) and NSICT Terminal (Rs 600 crore), Chennai (Rs 3,686 crore), Ennore (Rs 1,407 crore) and Tuticorin (Rs 268 crore).

These massive Private Sector investments in the Port Sector will lead to higher port traffic, shiprepair volumes and increased earnings for your Company.

8. FUTURE OUTLOOK

Shipping is a global industry and its prospects are closely tied to the level of economic activity in the world. A higher level of economic growth generally leads to higher demand for industrial raw materials, which in turn will boost import and export trade and commerce. The Shipping Industry handles 95% by volume

and 70% by value of India's international trade. However, the shipping market is cyclical in nature and freight rates generally tend to be volatile. The Shipping Industry is also highly capital intensive. As there are a large number of players in this segment, no single company has influence freight prices.

The total World Shipping tonnage, as on 1st January 2007, stood at 1014.55 Mn DWT [Dry Bulk (35%), Wet Bulk (37%), Containerships (12%), General cargo (10%) and others (6%)]. The Indian tonnage, as on 1st October 2007, stood at 15.08 Mn DWT, [Dry Bulk (34%), Wet Bulk (58%), Containerships (1%) and others (7%)].

According to Industry data, for tanker segments such as very large crude carriers (VLCC), mainly used to transport petroleum from the Gulf to global markets, the average spot freight was \$34,836 in the March 2010 quarter, nearly double compared with the previous quarter. In other tanker segments like Suezmax, the average spot freight rate showed a sequential jump of nearly 57% in the fourth quarter. For the dry bulk segment of the shipping industry, the Baltic Dry Index averaged 3018 in the March '10 quarter, a year-on-year jump of 93.6%. Thus the Shipping Industry is fast improving. One of the significant developments is that there may be a likelihood of fall in the export of iron ore lumps of low FE grade due to recent curbs by China. This may see a fall in shipping traffic to China. However this will have little bearing on the Business of your Company.

As regards the Ship building Industry, the World Merchant Shipping fleet grew massively from 52,444 vessels of 227,490,000 GRT in 1970 to 78,336 vessels of 423,627,000 GRT in the 1990s (source: Lloyds Register of Shipping). It is the replacement of these 20-30 year vessels by larger and modern vessels that has fueled the massive growth in the Shipbuilding Industry. The International Maritime Organization (IMO) regulations also require 20 year vessels to be gradually phased out and new vessels to be set afloat by 2012. The flow of orders to Shipbuilders is therefore expected to continue and the outlook will be bright. The domestic shipyards currently have an order book of Rs 22,000 crore. In a bid to promote the domestic shipbuilding industry, the government has decided to extend the subsidy scheme to private shipbuilding companies subject to certain conditions. The subsidy claims of over Rs. 5,000 crore due from the Government will be released over the next few years which will be a catalyst to the growth of the Ship Building Industry headed by Companies like ABG Shipyard, Pipavav Shipyard, Bharti Shipyard and Larsen & Toubro, are reported to have large orders on hand against which advances have been received.

The major shipbuilding units have begun to mitigate the risks of downtrends in shipbuilding, and shipbuilders in India, Eastern Europe and Russia prefer to equip their shipyards with both shipbuilding as well as shiprepair facilities.

9. DIRECTORS

During the year, Shri. I. D. Agarwal, nominee director of UTI, Shri R. Gopalakrishna and Shri. Vikas Pande, nominee directors of Bank of India resigned from the Board. The Board places on record its appreciation for the services rendered by them during their tenure on the Board and Committees of the Board.

Shri. Ashwani Kumar and Shri. Ashok R. Chitnis have been appointed as Additional Directors on the Board pursuant to sec. 260 of the Companies Act, 1956. They hold office upto the date of the AGM. Being eligible, they have offered themselves for re-appointment. Shri. P. B. Gadgil, retires by rotation at the ensuing AGM in accordance with Sec. 255 and 256 of the Companies Act 1956 and Article 130 of the Articles of Association of the Company. Being eligible, he has offered himself for reappointment. Cdr. S. K. Mutreja (Retd.), has been re-appointed as the Whole Time Director & Chief Executive Officer of the Company at the Board meeting held on 28.05.2010 for a term of office of three years with an increase in



remuneration, subject to the approval of the shareholders at the ensuing AGM and the provisions of the Companies Act, 1956. The Board recommends the re-appointments.

10. 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. Their consent u/s. 224 (1B) of the Companies Act, 1956 and the Peer Review certificate has been received from the auditors for their re-appointment. The Board recommends the re-appointment.

11. DEPOSITS

The Company has not accepted deposits by way of invitation to the public and therefore, provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

12. CORPORATE GOVERNANCE

Your Directors inform their firm commitment in maintaining the highest standards of Corporate Governance and implementation of the Corporate Governance Practices prescribed by SEBI and Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on compliance of Corporate Governance and Management's Discussion and Analysis as stipulated in Clause 49 of the Listing Agreement is at Annexure 'C' and forms part of this Report. In line with the said provisions, the Company has obtained a Certificate from the Auditors of the Company, which is annexed and forms part of this Report.

13. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the Company, preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis.

14. STATUTORY INFORMATION

The particulars of employees as required under Sec. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure 'A' to this report.

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'B' to this report.

15. INDUSTRIAL RELATIONS

The industrial relations at the Company's shipyard and manufacturing facility have been cordial during the year. Your Directors place on record the commitment and involvement of the employees at all levels and looks forward for their continued cooperation.

16. ACKNOWLEDGEMENTS

Your Directors convey their gratitude to its bankers, business associates and classification societies for their continued support. The Directors also thank the Central & State Government and in particular the Ministry of Shipping and the Mormugao Port Trust, for their continued support at all times. The Company also records its grateful thanks to ABG Shipyard Limited for its patronage and support at all levels.

For & on behalf of the Board of Directors

Sd/-

Cdr. S. K. Mutreja (Retd.)
Whole Time Director
& Chief Executive Officer

Place: Mormugao, Goa
Date: 30.07.2010

ANNEXURE 'A' to the Directors' Report

Information of employees as required under Sec. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Sl	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	63	33.39	B. E (Mech)	42	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.

ANNEXURE 'B' to the Directors' Report

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy

(a) Energy conservation measures continued during the year :

- Using environmental friendly green gas fuel for gas cutting operations.
- Maintaining correct Power and Load Factor to reduce low power factor charges.

- Generating air pressures only when needed by installation of constant pressure systems on compressors, mainly in blasting and painting facilities.
 - Minimized idle running of equipment like gensets, pumps, lights and machinery.
 - Preventive maintenance of cranes and other machinery to attain maximum efficiency and cost savings.
 - Using mix of welding generators with rectifiers to improve the quality of the welding.
 - Saving energy by drawing low voltage on the lighting circuit.
 - Conduct of regular awareness programs among employees.
- (b) Additional investments and proposals for reduction of consumption of energy:
- Nil
- (c) Impact of above measures for reduction of energy consumption & consequent impact on the cost of production of goods.
- The measures taken have resulted in substantial savings in the cost of production.

B) Technology Absorption

1. Research and Development (R & D) :

Specific areas in which R & D carried out by the Company

- Continuous development of new processes, methods & procedures for Shiprepair, Rig repair and Shipbuilding.
- Testing and certification of products both in-house and through accredited Certification Agencies to conform to International Standards.
- Customization of imported software to meet the in-house requirements of Shiprepair Service and Inventory Management in the Indian environment
- Fabrication of typical tools, jigs and fixtures to improve the existing standards for cost effectiveness and faster results.
- Training of contractors to conform to ISO-9001:2000 standards.

2. Benefits derived as a result of above R & D :

- Import substitutions.
- Cost reductions / better utilization of material and energy.
- System standardization and upgradation.
- Improvement in Quality and Customer Service, including Customer Satisfaction.
- Minimizing environment pollution.
- Faster delivery and turnaround time for vessels.
- Improved customer presentations.

3. Future Plan of Action :

- Improvement of systems and shiprepair /Rig repair methodology.
- Introduction of new products and processes for better results.
- Improving interaction with Research agencies involved with Shiprepair and Rig repair technology.

4. Expenditure on R & D :

The use of fully integrated software covering areas of production and manpower planning, co-ordination, commercial costing, personnel, inventory and Accounts Management using customized software, are a strategic part of the Company's capital expenditure.

Technology Absorption, Adaptation and Innovation :

1. Efforts in brief made towards Technology Absorption, adaptation & innovation :

- Use of trained and experienced personnel from technical institutions/ shipbuilding institutions, for keeping them abreast with the changing technologies and methodology of Ship repair and ship building.
- Participation in national and international conferences, seminars and exhibition.
- Imparting Training to Direct / Indirect / Contractor Staff employed for ship repairs.
- Technology absorption through interaction with experts.
- Feedback Analysis from customers.

2. Benefits derived as a result of the above effortsEg. Product improvements, Cost reduction, etc. :

- Improvement in existing systems, Quality Assurance, Safety and Customer Satisfaction.
- Cost reduction in production.

3. Information regarding Technology imported during the last five years :

<u>Technology Imported</u>	<u>Year of Import</u>	<u>Status</u>
● Nil	N.A	N.A

C) Foreign Exchange Earnings And Outgo :

During the year-ended 31.03.2010, the Company's repair income received in foreign exchange is Rs.2075.99 lacs as against expenditure in foreign exchange equivalent to Rs. 204.74 lacs. The details of the same are placed in the 'Notes to the Accounts'.

For & on behalf of the Board of Directors

Sd/-

Cdr. S. K. Mutreja (Retd.)
Whole Time Director
& Chief Executive Officer

Place: Mormugao, Goa
Date: 30.07.2010



MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Structure and Developments:

Shiprepair units are capital intensive heavy engineering and manufacturing units as per the provisions of the Factories Act and rules. The manufacturing process involves the manufacture of ship parts like hull, deck, steel structurals, repair, refurbishment and renovation of parts of the vessel to enhance the life, value, safety and operating performance of the vessel. The Ship repair units are therefore set up around the ports and are dependent on the Shipping and the non-shipping sectors like Dredgers, Naval & Coast Guard Vessels, ONGC Rigs, Offshore Support Vessels, Port craft, etc for business.

Your Company is a registered factory with a complete state of art facility for manufacture of a wide range of ship parts at its heavy duty work shops and fabrication yard. The Company has a Floating Dry Dock of 60000 DWT capacity, wet repair jetties, portal rail cranes of 35T and 50 T capacity and multi-purpose shops. The floating dry dock has been in continuous operation to its full rated capacity of upto 20000 TLC or 60000 DWT during the year. Your Company has completed the dredging of the dock pit area for taking on larger vessels during FY 2009-10. Being a capital intensive industry, your Company has put into place a budget for modernization, repairs and maintenance of its cranes and heavy duty equipment for improvement in productivity and profitability.

In India, the major shipyards are the Public sector yards like Mazgaon Docks, Hindustan Shipyard Limited, Cochin Shipyard Limited and Goa Shipyard Limited. There are about 9 private sector shiprepair yards of which WISL is the largest and most modern. Indian shipyards are competitive due low labor costs, availability of skilled work force and duty free imports. With the growing requirements of strict environmental, pollution control and safety standards and regulations, ship repair units are generally busy.

Prospects envisaged in the 11th Five Year Plan - 2007-2012 -:

As per the Report of the Sub-group for Shipping, headed by Director's General of Shipping, constituted by the Government of India, it was found that as on 1.10.2006, Indian Shipping consisted of 763 ships of 8.39 mn. Gross Tonnage (GT). As per statistics projected by Indian National Ship Owners Association (INSA), 374 vessels of 3.79 mn GT would need to be scrapped over the next five years for crossing 25 years of age and also because these are single hull vessels which require scrapping as per the norms fixed by the International Maritime Organisation (IMO). This would therefore leave only 389 ships (51%) of 4.60 mn GT in India at the beginning of the 11th Plan.

The Sub-group for Shipping accordingly proposed 3 targets as under for acquisition of tonnage to meet the deficit & growth for Indian Shipping during the 11th 5-Year Plan 2007-2012:

Target GT (mn)	No. of vessels	Additional GT (mn)	Additional investment (Rs. in crore)
10 mn	374	5.4 mn	35000
12 mn	404	6.16 mn	55000
15 mn	609	9.16 mn	80000
Total	1387	20.72 mn	170000

The Committee therefore recommended the retention of existing tonnage and encouragement of shore based infrastructure to make investment in shipping as profitable as other service industries to attract new investors and greater investment in view of the flow of Indian Ships to Singapore and other tax havens and also for removing several taxes which make Indian Shipping non-competitive. (Source: Economic Times dated 18.12.06).

II. Opportunities and threats

Your Company is dependent on shipping which is a global industry whose performance is closely linked to the world economic growth, global demand and supply trends and the commodity markets. Further, the shipping industry is prone to highly volatile freight rates and short term charters and hence the cash flows are highly unpredictable, even though the terms are settled by the Ship Owner.

Your Company has sought to mitigate these risks by having a global focus rather than a country or region specific focus and caters to established fleet owners like DCI, ONGC, Navy and Coast Guard (non-shipping sector), and cargo vessels from SCI, Reliance, PFS Shipping, etc. Your Company has also diversified into Rig repairs where it is a market leader having repaired 8 large oil rigs rated for operations at depths of 300 meters from clients like Sedco Forex, Aban Llyod, ONGC, Transocean and Nobel who are some of the largest Rig Operators in the world. Your Company has structured its operations to ensure that funds will be received in timely manner in stages and operates without dependence on costly borrowed funds.

Your Company faces a threat from the Mormugao Port Trust in respect of operational impediments in the use of its licensed premises for ship building and rig repairs. The High Powered Committee appointed by the Ministry of Shipping, Government of India to look into the issues of the Company with the Port has submitted the report. The decision of the Ministry is pending.

Future plan of action

Shiprepairs is the main thrust area of your Company. The Company is concentrating more on wet repair jobs as its dry dock is being fully utilized. the company also proposes to aggressively enter into supply of ship spares to its clients. Once it completes its graving dock, the Company will also take up shipbuilding jobs to fully utilize the ship building facilities, work shops, to absorb the fixed and over costs like port lease rent/ license fees, manpower and utilities like water, fuel and power. This will result in lower operational costs, significant economies of scale, stabilize earnings and cash flows. The Company has also diversified into Rig repairs as the use of its dry dock and wet repair berths is not involved. Your Company expects the prospects for Rig repair business to be bright in view of the long term growth in offshore oil exploration and production in the Country. Your Company is well equipped to meet the challenges through excellence in quality, expertise & timely redeliveries.

III. Internal control systems and their adequacy

Your Company has started its Internal Audit Department reporting to the CEO. The Company has put into place adequate internal control systems for its business processes, monitoring the



efficiency of operations, financial reporting, compliance with applicable laws and regulations, whistle blower policy, etc. The audits are conducted by an independent internal auditor on quarterly basis to review the adequacy and effectiveness of internal controls and suggest improvements for strengthening them. The Audit Committee consisting of Directors on the Company's Board, regularly reviews the internal audit reports and the follow-up actions. The internal control plans are made with regard to risk perception, evaluation of the business process risks and risk mitigation measures. The Board reviews the recommendations of the Audit Committee.

IV. Financial

The High Court of Bombay has sanctioned the Company's Scheme of Arrangement and Compromise with its secured creditors and has repaid the dues of secured lenders in terms of Option 2 of the scheme. The Company has allotted 17,75,50,000 equity shares of the face value of Rs. 2/- each fully paid up at par to ICICI Bank Limited in 4 tranches aggregating to Rs. 35.51 crore on conversion of the secured liabilities as per the scheme. The BSE approval is awaited.

These measures are expected to have a favorable impact on the balance sheet of the Company, reduction of the long term cost of debt, etc.

V. Material developments in human resources / industrial relations front.

The Company has received the Charter of demands for the wage revision w.e.f.01.10.2009 and had initiated the wage negotiations. The industrial relations are cordial.

CAUTIONARY STATEMENT

Certain statements made in this Management Discussion & Analysis Report relating to the Company's objectives, projections, expectations, estimates, etc. may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether express or implied. Several factors that could make a difference to the Company's operations include working capital and raw material availability, prices, demand and supply patterns, Company's price tariffs, changes in Government regulations, tax regime, economic developments within India and the countries in which the Company has clients, competition, rehabilitation measures, climatic conditions, natural calamities, etc. over which the Company does not have any control.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company has set out its corporate vision so as to reach its goal of Best Business Practices. The quality objectives are PRICE, QUALITY and TIME. These objectives will help it to ensure planned and stable pattern of growth and create value for its shareholders.

The Board and its Committees lays down strategic goals with a periodical review mechanism to enable the Company to ensure transparency, fair business practices, prudent judgments and estimates, accountability at all levels and meet the statutory obligations.

2. BOARD OF DIRECTORS

(a) Size & Composition:

The Board of Directors exercise superintendence and control over the management of the Company. The day to day affairs are looked after by the Whole Time Director & Chief Executive Officer of the Company. The Board comprises of 4 directors of which two are nominee directors representing the banks. The composition of the Board is in conformity with clause 49 of the listing agreement & the Companies Act, 1956. Based on the disclosures made by the Directors, the following information has been furnished:

Name of Director	Category	No. of other Director ships	No. of other Board Committees (other than WISL) on which member/ Chairman.	Attendance	
				Board	AGM
Shri. R. S. Nakra	I, NE	1	1	4	No
Shri. T. Asokraj	I, NE	-	-	2	Yes
Shri. P. B. Gadgil	I, NE	-	-	2	No
Cdr. S. K. Mutreja	NI, E	-	-	4	Yes
Shri. Ashwani Kumar (Since 28.05.2010)	I, NE	1	1	Nil	N.A
Shri. Askok R. Chitnis (Since 28.05.2010)	I, NE	1	1	Nil	N.A
Shri. I. D. Agarwal (Upto 30.01.2010)	I, NE	-	-	4	No
Shri. R. Gopalakrishna (Upto 26.10.2009)	I, NE	-	-	2	No
Shri. Vikas Pande (From 26.10.09 to 05.05.10)	I, NE	-	-	2	No

Note: I - Independent, NE - Non-Executive, E - Executive, NI - Non-Independent.

**(b) Board meetings:**

The Board has no fixed Chairman and the Board appoints a Chairman for each Board meeting. The Board held four (4) meetings during the year namely, 16.05.2009, 31.07.2009, 26.10.2009, 29.01.2010. 2 resolutions were also passed by circulation on 20.03.2010. The information in terms of Annexure -1A to clause 49 of the BSE listing agreement has been placed before the Board for consideration. None of the non-executive Directors had any material pecuniary relationship or transactions with the Company.

(c) Profile of Directors seeking appointment / re-appointment at the 18th AGM:

Name of Director	Cdr. S. K. Mutreja	Shri. P. B. Gadgil	Shri. Ashok R. Chitnis	Shri. Ashwani Kumar
Date of Birth	24.09.1946	25.12.1923	15.02.1943	15.08.1948
Date of Appt./ Re-appointment as Director	17.07.2007	26.09.2009	28.05.2010	28.05.2010
Qualification	B.E. (MECH.), Professional Course in Marine Engg. ISO 9000, Shipyard Management, Production Planning and Control	B.Com.	B.E, Marine Engg. First Class Competency Cert. from Ministry of Transport, GOI. Qualified lead auditor for QMS Audits & ISO 9000 standards.	Post Graduate in Political Science from Allahabad University.
Experience and Expertise in Specific functional area	Over 42 years of experience in the Indian Navy and in the Shiprepair, Rig repair & Ship building Industry in the public & private sectors in India.	Long & diversified experience in Trade & Industry.	11 years with Scindia Steam Navigation Co. Ltd and retired as Chief Engineer. 27 years with Indian Register of Shipping and retired as Chief Surveyor. Vast experience in ISO 9000 and QMS Certification.	35 years of experience with Indian Revenue Service. Retired as Chief Commissioner of Income Tax.
Directorships held in other Companies	NIL	NIL	1	1
Committee positions held in other Companies	NIL	NIL	1	1
No. of Shares held in WISL	2000	NIL	NIL	NIL

3. Audit Committee

The Audit Committee is constituted in line with the provisions of sec. 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Audit Committee comprised of 3 independent directors. The Committee has nominee directors from the financial institutions who have wide experience in the Maritime Industry, banking, law and Finance. The Company Secretary is the Secretary of the Committee.

(i) Terms of Reference:

The Committee broadly reviews the Company's financial reporting process and the disclosure of its financial information, recommends the appointment of the internal auditors, re-appointment of statutory auditors and the Chief Financial Officer, fixes audit fees, reviews the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements, reviews the adequacy and compliance of internal control systems, internal audit functions, reviews the Company's financial & risk management policies, reviews the reports furnished by the internal auditors and statutory

auditors and findings and suitable follow up thereon, findings of internal investigations, reasons for any substantial defaults, compliance with regard to company's Whistle Blower Policy, etc.

(ii) Composition, names of members, meetings and attendance:

The Committee was reconstituted by the Board on 16.05.2009 and 26.10.2009. As there was no fixed Chairman, the Committee appointed the Chairman at each meeting. The Committee held four (4) meetings during the year namely, 15.05.2009, 31.07.2009, 26.10.2009 and 29.01.2010 with the requisite quorum. The minutes have been reviewed by the Board.

Name	Position	No. of meetings attended
Shri. T. Asokraj	I, NE	1
Shri. Askok R. Chitnis (Since 28.05.2010)	I, NE	N.A
Shri. Ashwani Kumar (since 28.05.2010)	I, NE	N.A
Shri. I. D. Agarwal (Upto 30.01.2010)	I, NE	4
Shri. R. Gopalakrishna (Upto 26.10.2009)	I, NE	2
Shri. Vikas Pande (From 26.10.09 to 05.05.10)	I, NE	1

Note: I - Independent, NE - Non-Executive, E - Executive, NI - Non-Independent.

4. Remuneration & Compensation Committee:

(i) Composition, names of members, meetings and attendance :

The Committee comprises of 4 independent directors. The Committee reviews and recommends to the Board the terms and conditions of service and the remuneration package payable to the Executive Director & CEO of the Company. The Committee was reconstituted by the Board on 16.05.2009 and 26.10.2009. The Committee held one (1) meeting on 31.07.09 during the year with the requisite quorum.

Name	Position	No. of meetings attended
Shri. R. S. Nakra	I, NE	1
Shri. T. Asokraj	I, NE	Nil
Shri. Askok R. Chitnis (Since 28.05.2010)	I, NE	N.A
Shri. I. D. Agarwal (Upto 30.01.2010)	I, NE	1
Shri. R. Gopalakrishna (Upto 26.10.2009)	I, NE	1

Note: I - Independent, NE - Non-Executive, E - Executive, NI - Non-Independent

(ii) Remuneration Policy:

The Company pays remuneration to its Executive Director & CEO by way of salary, allowances and perquisites as recommended by the Remuneration & Compensation Committee, subject to the approval of the Board, the General Meeting and the Central Government. The appointment is subject to the conditions stipulated in Schedule XIII and other applicable provisions of the Companies Act, 1956. The Company pays sitting fees to non-executive directors for attending each meeting of the Board /Committee.

(iii) Remuneration of Directors:

Name	Sitting Fees (Rs.)	Salary (Rs.)	Commission (Rs)	Total (Rs.)	Terms
Shri. R. S. Nakra	30000	Nil	-	30000	Nominee Director
Shri. T. Asokraj	18000	Nil	-	18000	-do-
Shri. P. B. Gadgil	12000	Nil	-	12000	Ordinary
Shri. Ashok R. Chitnis (Since 28.05.2010)	Nil	Nil	-	-	-do-
Shri. Ashwani Kumar (Since 28.05.2010)	Nil	Nil	-	-	-do-
Cdr. S. K. Mutreja.	Nil	33,38,905	-	33,38,905	Contractual
Shri. R. Gopalakrishna (Upto 26.10.2009)	60000	Nil	-	60000	Nominee Director
Shri. I. D Agarwal (Upto 30.01.2010)	54000	Nil	-	54000	-do-
Shri. Vikas Pande (From 26.10.09 to 05.05.10)	42000	Nil	-	42000	-do-

Note: I - Independent, NE - Non-Executive, E - Executive, NI - Non-Independent

(iv) Details of shares of the Company held by Directors as on 31.03.2010:

Name	No. of shares	Percentage of shareholding
Shri. R. S. Nakra	10000	0.003
Cdr. S. K. Mutreja	2000	0.0007

5. Share Transfer & Investor Grievance Committee:

(i) Composition, names of members, meetings and attendance :

The Committee was reconstituted on 26.10.2009 and 28.05.2010. The Board has delegated the power to approve share transfers and transmissions to the Committee consisting of the Whole Time Director & Chief Executive Officer and the Company Secretary. The Committee held 11 meetings during the year on 15.04.2009, 15.05.2009, 18.06.2009, 10.07.2007, 21.08.2009, 14.09.2009, 12.10.2009, 20.11.2009, 17.12.2009, 20.01.2010 and 27.02.2010.

Name	Position	No. of meetings attended
Cdr. S. K. Mutreja (Retd.)	NI, E	11
Shri. R. Gopalakrishna (Upto 26.10.2009)	I, IE	6
Shri. Vikas Pande (From 26.10.09 to 05.05.10)	I, IE	4

Note: I - Independent, NE - Non-Executive, E - Executive, NI - Non-Independent

(ii) Terms of Reference:

The Committee considers the transfer and transmission of shares, issue of duplicate share certificates, allotment of shares, investor grievances like non-receipt of annual reports, dividends, pending demat credit/ shares after transfer, etc.

(iii) Name, Designation and Address of the Compliance Officer:

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

Registered Office and Shipyard:

Post Box No. 21, Mormugao Harbour,

Mormugao, Goa - 403 803.

Phone: 0091 832 2520252-57.

Fax: 0091 832 2520258.

E-mail: legal@wisl.co.in

Website: www.wisl.co.in.

(iv) Details of Investor Complaints:

Received from	Received & resolved upto 31.03.2010	Pending as on 31.03.2010
SEBI	24	Nil
BSE	04	Nil
Investors	28	Nil

6. GENERAL BODY MEETINGS**(i) Date, time and venue of the last three Annual General Meetings.**

Year	Date	Time	Venue
2006-07	15.12.2007	11.00 a.m.	Mormugao Harbour, Mormugao, Goa - 403 803
2007-08	31.10.2008	4.30 p.m.	-do-
2008-09	26.09.2009	11.00 a.m	-do-

(ii) Special Resolutions passed in General Meetings:

Date of Meeting	Subject matter of resolution
15.12.2007	<ol style="list-style-type: none"> 1. Appointment of Cdr. S. K. Mutreja as Whole Time Director and Chief Executive Officer of the company for a period of one year on monthly remuneration of Rs. 2,60,274/- plus other perquisites. 2. Issue and allotment of 48,32,850 equity shares of the face value of Rs.10/- each subject to 80% write down condition pursuant to the terms and conditions of the scheme of arrangement approved by the debenture holders and confirmed by the High Court of Bombay, Goa Bench at Panaji Goa. 3. Preferential offer of 37,20,500 equity shares of Rs. 10/- each at par to UTI Asset Management Company Limited under the terms of their sanction for restructuring of liabilities.



Date of Meeting	Subject matter of resolution
31.10.2008	1. Re-appointment of Cdr. S. K. Mutreja as Whole Time Director and Chief Executive Officer of the company for a period of one year on monthly remuneration of Rs. 2,60,274/- plus other perquisite. 2. Alteration of Authorised Share Capital of Rs. 150 Crores. 3. Preferential allotment of 37,20,500 equity shares of Rs. 2/- each at premium to Specified Undertaking of UTI (SUUTI) under the terms of their sanction for restructuring of liabilities.
26.09.2009	1. Re-appointment of Cdr. S. K. Mutreja as Whole Time Director and Chief Executive Officer of the company for a period of one year on monthly remuneration of Rs. 2,60,274/- plus other perquisite.

Note: During the Financial Year 2009-2010 no resolution was put through postal ballot as the provisions of Sec. 192A of the Companies Act, 1956 did not apply to the same.

7. DISCLOSURES

- a) There were no transactions of materially significant nature that has been entered into by the Company with the promoters, Directors, relatives and the Management and in any Company in which they are interested that may have potential conflict with the interest of the Company.
- b) The Company has complied with the requirements of the regulatory authorities on capital markets. There were no penalties imposed or strictures passed on the Company during the last 3 years by SEBI/Stock Exchanges or any Statutory Authority.
- c) The Company has complied with all the mandatory requirements mentioned in Annexure IC of clause 49 of the Listing agreement in respect of Corporate Governance.
- d) As regards the non-mandatory requirements mentioned in Annexure ID to clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior (clause 7). No person has been denied access to the Audit Committee. The Company also has a Remuneration Committee (clause 2) and is moving to a regime of unqualified financial statements (clause 4).
- e) The Company has laid down a Code of Conduct for all its directors and senior management personnel of the Company.

8. SECRETARIAL AUDIT:

A Qualified Practicing Company Secretary has carried out the secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) & the total issued & listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form & the total number of dematerialized shares held with NSDL & CDSL.

9. MEANS OF COMMUNICATION

The Company's quarterly, half yearly and annual results are regularly submitted to the stock exchanges where the Company's shares are listed and displayed on the Company's web site www.wisl.co.in for the information of investors. The said results are normally published by way of Press notes in the Economic Times, Navhind Times and Herald. The details of press notes, financial results and shareholding patterns also appear in the web site www.corpfiling.co.in maintained jointly by BSE and NSE after discontinuance of the SEBI EDIFAR site.

10. GENERAL SHAREHOLDERS' INFORMATION**(i) Annual General Meeting:**

Date and time	: 25.09.2010 at 11.00 a.m.
Venue	: Registered Office & Shipyard Mormugao Harbour, Mormugao, Goa - 403 803

(ii) Financial Calendar:

Financial reporting for the quarter	
Ending June 30, 2010	: End July, 2010
Ending September 30, 2010	: End October, 2010
Ending December 31, 2010	: End January, 2011
Ending March 31, 2010	: End April, 2011

(iii) Book Closure : 15.09.2010 to 25.09.2010 (both days inclusive)

(iv) Dividend payment date : Nil

(v) Stock Exchanges where listed:

Name of Stock Exchange	Web site	Stock Code
1. The Bombay Stock Exchange Ltd	www.bseindia.com	WESTE/531217
2. Delhi Stock Exchange Ltd	www.dseindia.com	WESTE/531217
3. Ahmedabad Stock Exchange Ltd	www.aselindia.org	WESTE/531217
4. Calcutta Stock Exchange Ltd	www.cse-india.com	WESTE/531217
5. Madras Stock Exchange Ltd.	www.madrasstockexchange.in	WESTE/531217

Note: The Company is listed on the Bombay Stock Exchange Limited being the principal Stock Exchange. The Company has paid the listing fees of Bombay Stock Exchange Limited for the year. The Company has submitted the applications for de-listing from the Stock Exchanges at Ahmedabad, Delhi, Kolkata and Madras as the shares are thinly and infrequently traded, after the approval of its shareholders. The arrears of listing fees will be paid at the time of delisting. The Company has claimed refund of the security deposit of Rs. 35 lacs with Delhi Stock Exchange (DSE) against its public issue which is pending.

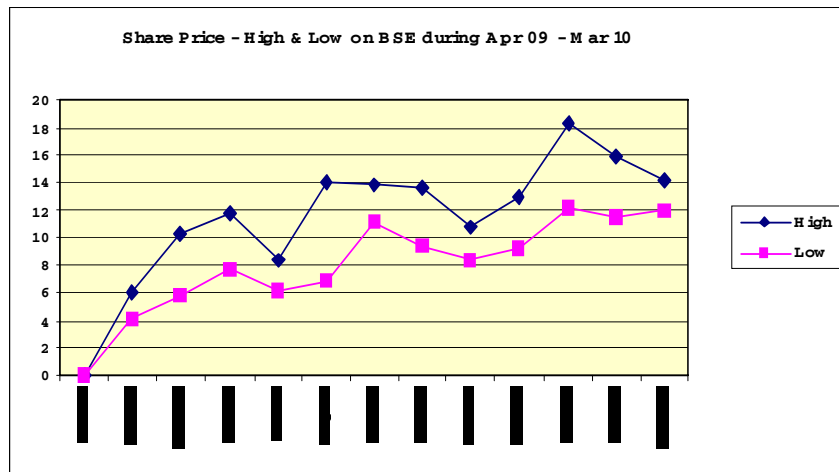
(vi) Share Price Movement and its comparison with BSE Sensex:

Month	WISL Shares		Volume at BSE	BSE Sensex
	High	Low		
April, 2009	6.01	4.12	1556037	11403.25
May, 2009	10.32	5.81	2000617	14625.25
June, 2009	11.77	7.75	2764672	14493.84
July, 2009	8.45	6.10	1985088	15670.31
August, 2009	13.99	6.84	8900181	15666.64
September, 2009	13.83	11.11	6735925	17126.84
October, 2009	13.63	9.38	2842189	15896.28
November, 2009	10.74	8.30	1942292	16926.22
December, 2009	12.93	9.30	4086965	17464.81
January, 2010	18.22	12.12	17435622	16357.96
February, 2010	15.85	11.50	2740559	16429.55
March, 2010	14.17	12.00	2346541	17527.77



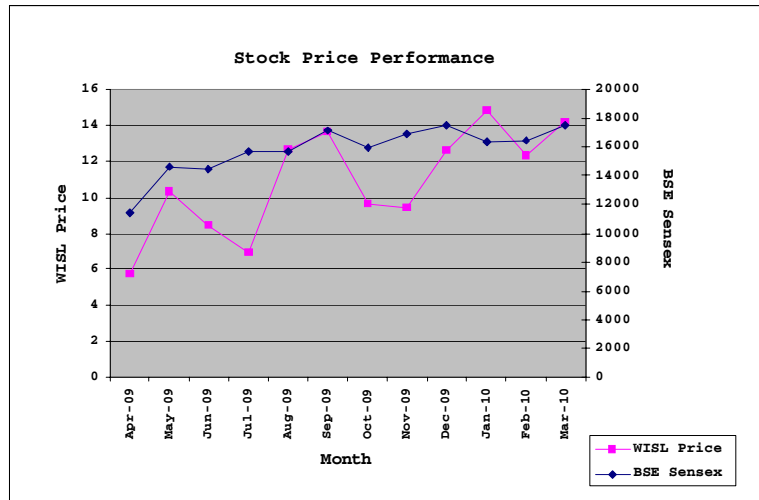
(vii) Share Price Movement High & Low during April-Mar. 2010:

WISL shares		
Month	High	Low
Apr-09	6.01	4.12
May-09	10.32	5.81
Jun-09	11.77	7.75
Jul-09	8.45	6.1
Aug-09	13.99	6.84
Sep-09	13.83	11.11
Oct-09	13.63	9.38
Nov-09	10.74	8.3
Dec-09	12.93	9.3
Jan-10	18.22	12.12
Feb-10	15.85	11.5
Mar-10	14.17	12



(viii) Share Price Performance WISL vs. BSE Sensex:

Month	BSE Sensex	WISL Price
Apr-09	11403.25	5.78
May-09	14625.25	10.32
Jun-09	14493.84	8.43
Jul-09	15670.31	6.96
Aug-09	15666.64	12.7
Sep-09	17126.84	13.63
Oct-09	15896.28	9.61
Nov-09	16926.22	9.39
Dec-09	17464.81	12.64
Jan-10	16357.96	14.79
Feb-10	16429.55	12.35
Mar-10	17527.77	14.17



(ix) Registrars :

The shareholders' correspondence should be sent to the following address:
 Link Intime India Pvt. Limited, C - 13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W), Mumbai - 400 072.
 Phone No. 91-22-25946970. Fax.91-22-25946969
 e-mail: mt.helpdesk@linkintime.co.in.

(x) Share Transfer System:

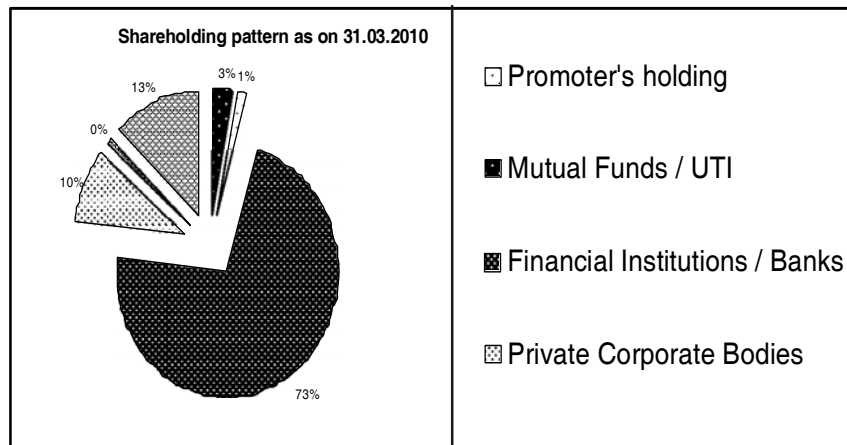
The Company's shares being in compulsory dematerialization list, are transferable through the depository system. The share transfer requests in physical form are processed by the Company and registered within 30 days from the date of receipt. The demat requests are confirmed to the Depository Participants (DP) within 15 days from the date of receipt. The Company's ISIN No. is INE382C01028.

(xi) Distribution of Shareholding as on March 31, 2010:

Nominal Value of share holding in Rs.	Number of Share holders	% of share holders	Number of shares held	% of share holding
1 - 5000	52994	86.70	21345557	7.24
5001 - 10000	3750	6.13	6217036	2.11
10001 - 20000	2050	3.35	5957879	2.02
20001 - 30000	737	1.21	2585696	0.88
30001 - 40000	256	0.42	2275062	0.77
40001 - 50000	450	0.77	2083802	0.71
50001 - 100000	435	0.71	5306772	1.80
100001 & above	451	0.77	248872286	84.47
Total	61123	100.00	294644090	100.00
Physical mode	29230	47.82	193373121	65.63
Electronic mode	31893	52.18	101270969	34.37
Total	61123	100.00	294644090	100.00

Category	No. of shares	% of shares
Promoters' Holding	8469710	2.87
Mutual Funds / UTI	3720500	1.26
Financial Institutions / Banks	213715696	72.53
Private Corporate Bodies	29000380	9.84
NRIs / OCBs	1285694	0.44
Indian Public	38452110	13.06
TOTAL	294644090	100.00

Note: The Company has not issued any ADRs /GDRs /Warrants or any convertible instruments.



DECLARATION BY THE WHOLE TIME DIRECTOR & CHIEF EXECUTIVE OFFICER

(under clause 49 of the Listing Agreement)

To,
The Members of
Western India Shipyard Limited

I, Cdr. S. K. Mutreja (Retd.) Whole Time Director & Chief Executive Officer of Western India Shipyard Limited declare that to the best of my knowledge and belief, all the members of the Board and senior management personnel have affirmed their respective compliances with the applicable Code of Conduct of the Company for the year ended 31.03.2010.

For Western India Shipyard Limited

Mormugao, Goa
Dated: 29.05.2010

Sd/-
Cdr. S. K. Mutreja
Whole Time Director & CEO

CERTIFICATION BY THE WHOLE TIME DIRECTOR & CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To the Board of Directors,
Western India Shipyard Limited

We have reviewed the financial statements, read with the cash flow statement of Western India Shipyard Limited for the year ended March 31, 2010 and that to the best of our knowledge and belief, we certify that:

1. (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading,

(b) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - (a) Significant changes in the internal control over financial reporting during the year.
 - (b) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,
For Western India Shipyard Ltd.

Sd/-
Cdr. S K Mutreja
Whole Time Director
& Chief Executive Officer

For Western India Shipyard Ltd.

Sd/-
Dilip Vengurlekar
Chief Financial Officer

Place: Mumbai
Date: 29.05.2010



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Western India Shipyards Limited

We have examined the compliance of conditions of Corporate Governance by Western India Shipyards Limited, for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V. V. Kale & Co,
Chartered Accountants

Sd/-
Vijay V. Kale
Partner

Place: Mumbai
Dated: 29.05.2010

AUDITOR'S REPORT

The Members of Western India Shipyard Ltd.

1. We have audited the attached Balance Sheet of Western India Shipyard Ltd. as at 31st March, 2010 and Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our report.
3. As required by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in para (1) above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement materially comply with the Mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 from being appointed as Directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) We further report that :-
 - (i) *Provision in respect of work done on sub-contracts is made on an estimated basis in respect of Jobs in progress.*
 - (ii) *The Company has a policy of recognizing revenue on proportionate completion method as referred to in Significant Accounting Policies, on the basis of estimates and percentage of completion arrived at by the Company. We have relied upon the same being technical in nature.*
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes to accounts give the information required by the Companies Act, 1956, in the manner so required subject to the comments in paragraph (f) above, give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - i) in the case of the Balance Sheet, of the state of the affairs of Company as at 31st March, 2010.
 - ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V. V. Kale & Co.
Chartered Accountants

Sd/-
Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) of our Report of even date)

1.
 - i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - ii) As informed to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - (iii) As explained to us, substantial part of the fixed assets have not been disposed off during the year. However, "Impairment of Assets" has not been considered as per Accounting Standard - 28 issued by The Institute of Chartered Accountants of India.
2.
 - i) As informed to us, the Management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable.
 - ii) As explained to us, the procedure of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (iii) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks were not material.
3.
 - a. According to the information and explanation provided to us the Company had taken loans from the companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. In our opinion the rate of interest and other terms and conditions of loans taken by the Company are prima-facie not prejudicial to the interest of the Company.
 - c. According to the information and explanation given to us, the payment of principal amount and interest are regular.
 - d. According to the information and explanation given to us, there is no over due amount pending for repayment.
4. According to the information and explanation given to us the Company has not granted any loans to companies/ parties etc. covered under register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
6. Transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section and needs to be updated.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
7. According to the information and explanations given to us, the Company has not accepted any deposits from the public under the provisions of Sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
9. As explained to us, the Central Government has not prescribed for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of Company's product and activity.
- a) According to the records of the Company, the Company has deposited Provident Fund, Employees State Insurance and other undisputed statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax including VAT, Service Tax, Customs duty, Excise duty, cess and other statutory dues were outstanding, as at the last day of financial year for a period of more than six months from the date they became payable amounting to Rs. 2,83,42,531/-. However, Rs. 86,66,128/- has been deposited subsequently.
- c) Dues against the Company as per Sales Tax and Service Tax assessment are contested by the Company. Details are as under :-

Nature of dues	Name of the Statute	Financial year	Amount (Rs.)	Forum where dispute is pending
1. Sales Tax	The Goa Sales Tax Act	1995-96	1,43,821	Commissioner (Sales Tax)
		1996-97	41,26,399	
		1997-98	62,07,881	
		1998-99	64,99,976	
		1999-00	8,14,406	
		2000-01	89,49,596	
		2001-02	54,11,182	
		2002-03	2,31,00,478	
		2003-04	2,11,58,350	
		2004-05	73,79,288	
2. Value Added Tax (VAT)	The Goa Value Added Tax Act	2005-06	2,20,77,259	Commissioner (VAT)
		2006-07	2,15,79,204	
3. Service Tax	Central Excise and Customs Act	2001-02	1,88,11,550	High Court of Bombay at Goa
		2002-03	2,53,09,680	
		2003-04	2,69,92,343	
4. Income Tax Demand	The Income Tax Act	2005-06	5,67,138	CIT (Appeals)



11. As per records of the Company, the accumulated losses of the Company exceed fifty percent of its net worth. However, the Company has not incurred cash losses during the current financial year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
13. As informed to us, the Company had given Rs. 575.63 lacs to certain companies under escrow agreements against which the original share certificates of the face value of Rs.169.39 lacs (Market Value on the Balance Sheet date is Rs. 1200.16 lacs) had been deposited with the Company.
14. As informed to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
15. As informed to us, the term loans have been applied for the purpose for which they were raised.
16. As per the records, the Company has not made any preferential allotment of shares to parties and companies mentioned in the register maintained under Section 301 of the Companies Act, 1956 during the year.
17. As per the records of the Company, the Company has not raised any money by way of public issues during the year under audit.
18. As per information and explanations given by the Management, no fraud on or by the Company has been noticed or reported during the course of our audit.
19. Other clauses to the said Order are considered to be not applicable to the Company.

For V. V. Kale & Co.
Chartered Accountants

Sd/-

Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
SOURCES OF FUNDS			
1. SHARE HOLDERS' FUND			
(a) Share Capital	1	589,288,180	234,188,180
(b) Reserves & Surplus	2	620,784,518	45,869,470
2. LOAN FUNDS			
(a) Secured Loans	3	1,119,662,123	2,542,147,871
(b) Unsecured Loans	4	450,000,000	218,203,000
TOTAL FUNDS EMPLOYED		2,779,734,821	3,040,408,521
APPLICATION OF FUNDS			
1. FIXED ASSETS	5		
Gross Block		2,154,540,674	2,149,712,284
Less : Depreciation		1,312,791,628	1,213,371,501
Net Block		841,749,045	936,340,783
2. INVESTMENTS	6	500,000	500,000
3. (I) CURRENT ASSETS, LOANS & ADVANCES	7		
(a) Inventories		272,226,307	165,835,200
(b) Sundry Debtors		334,731,051	417,508,185
(c) Cash & Bank Balances		48,124,665	9,553,332
(d) Loans & Advances		469,503,316	154,713,368
Total - (I)		1,124,585,339	747,610,085
(II) CURRENT LIABILITIES & PROVISIONS	8		
(a) Current Liabilities		376,879,949	339,170,566
(b) Provisions		27,719,441	21,024,523
Total - (II)		404,599,390	360,195,089
Net Current Assets (I) - (II)		719,985,949	387,414,996
4. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Miscellaneous Expenses		3,326,500	4,153,125
5. PROFIT & LOSS ACCOUNT	9	1,214,173,327	1,711,999,617
TOTAL APPLICATION OF FUNDS		2,779,734,821	3,040,408,521
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached.

For V. V. Kale & Co.
Chartered Accountants.

Sd/-
Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010

For & On Behalf Of The Board

Sd/-
R. S. Nakra
Director
Sd/-
Dilip Vengurlekar
Chief Financial Officer

Sd/-
Cdr. Subhash Kumar Mutreja
Wholetime Director & CEO
Sd/-
J. C. F. Sequeira
VP (Corp Affairs) &
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	Year Ended 31-03-10 Amount in Rs.	Year Ended 31-03-09 Amount in Rs.
INCOME			
Sales & Services	10	741,776,714	721,534,232
Other Income	11	23,361,914	26,339,521
Total		<u>765,138,628</u>	<u>747,873,753</u>
EXPENDITURE			
Direct Expenses	12	312,215,044	457,913,287
Personnel Expenses	13	99,512,358	89,122,808
Other Expenses	14	170,064,818	100,756,474
Interest	15	62,555,757	246,937,800
Depreciation		106,983,239	106,900,540
Total		<u>751,331,216</u>	<u>1,001,630,909</u>
Profit / (Loss) before Tax & Adjustments		13,807,411	(253,757,156)
Provision for Fringe Benefit Tax		-	947,534
Profit / (Loss) before Adjustments		13,807,411	(254,704,690)
Prior Period Expenses	16	(32,003,089)	40,280,711
Interest Waiver on Settlement of Loan		516,021,967	-
Profit / (Loss) for the year		497,826,289	(214,423,979)
Basic Earning per Share		1.69	(1.83)
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached.

For V. V. Kale & Co.
Chartered Accountants.

Sd/-
Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010

For & On Behalf Of The Board

Sd/-
R. S. Nakra
Director
Sd/-
Dilip Vengurlekar
Chief Financial Officer

Sd/-
Cdr. Subhash Kumar Mutreja
Wholetime Director & CEO
Sd/-
J. C. F. Sequeira
VP (Corp Affairs) &
Company Secretary

Schedule Format Part of Balance Sheet

	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
SCHEDULE "1"		
<u>SHARE CAPITAL</u>		
Authorised		
75,00,00,000 Equity Shares of Rs. 2/- each	<u>1,500,000,000</u>	<u>1,500,000,000</u>
<u>Issued and Subscribed</u>		
29,46,44,090 Equity Shares of Rs. 2/- each (Previous year 11,70,94,090 Equity Shares of Rs. 2/- each.)	<u>589,288,180</u>	<u>234,188,180</u>
<u>Paid Up</u>		
1) 29,46,44,090 Equity Shares of Rs.2/- each (Previous year 11,70,94,090 Equity Shares.) (Out of the above,	<u>589,288,180</u>	<u>234,188,180</u>
a) 4,80,500 Equity Shares allotted for consideration other than cash		
b) 22,65,82,990 Equity Shares allotted on Conversion of Loan		
TOTAL	<u><u>589,288,180</u></u>	<u><u>234,188,180</u></u>
SCHEDULE "2"		
<u>RESERVES & SURPLUS</u>		
Share Premium Account	38,655,995	38,655,995
Share Forfeiture Account	2,398,300	2,398,300
Debenture Redemption Reserve	4,815,175	4,815,175
Debt Reconstruction Reserve	574,915,048	-
TOTAL	<u><u>620,784,518</u></u>	<u><u>45,869,470</u></u>



	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
SCHEDULE "3"		
<u>SECURED LOANS</u>		
A. <u>Zero Coupon Optionally Fully Convertible Debentures</u>		
<u>Series - I</u>		
(a) ICICI Bank Ltd.	-	121,361,000
(b) Stressed Assets Stabilization Fund	-	32,066,000
(c) UTI Asset Management Co. Pvt. Ltd.	-	48,574,000
(d) Industrial Investment Bank of India Ltd.	-	3,600,000
(e) Bank Of India	-	24,700,000
Total - (A)	-	230,301,000
B. <u>Convertible Zero Coupon Loan</u>		
(a) ICICI Bank Ltd.	414,414,000	-
(b) Others	756,000	-
Total - (B)	415,170,000	-
C. <u>Term Loans</u>		
(a) ICICI Bank Ltd.	153,306,041	485,446,056
(b) Stressed Assets Stabilization Fund	-	128,264,634
(c) Industrial Investment Bank of India Ltd.	-	14,400,000
(d) State Bank Of India	-	179,800,000
(e) Bank Of India	-	107,060,308
(f) Specified Undertaking Unit Trust of India	-	60,234,867
(g) IFCI	550,000,000	-
(h) Others	1,044,000	51,363,600
(i) Interest Accrued & Due	142,082	958,144,428
Total - (C)	704,492,123	1,984,713,893

	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
D. Others		
(a) ICICI Bank Ltd. - Project Funding	-	48,775,883
(b) UTI Bank Ltd. - Project Funding	-	51,724,246
(c) ICICI Bank - MPT Loan A/c	-	62,283,989
(d) Janata Sahakari Bank Ltd.	-	110,783,599
(e) Indusind Bank Ltd. - Mumbai	-	11,100,000
(f) Interest accrued & due		42,465,260
Total - (D)	-	327,132,977
Gross Total (A) + (B) + (C) + (D)	1,119,662,123	2,542,147,871

Notes :Scheme of Arrangement:

The High Court of Bombay, Goa Bench, has approved the Company's Scheme of Arrangement & Compromise with its secured creditors with ABG Shipyard Limited as confirming party ("Scheme") on 15.01.2010 as amended on 21.01.2010 u/s. 391-394 of the Companies Act, 1956. The Company has settled the dues amounting to Rs. 55.35 crore as per Option – II of the Scheme on the basis of the Option Exercise notices received from the secured lenders namely, Industrial Investment Bank of India, Stressed Assets Stabilization Fund (IDBI), State Bank of India, Bank of India, Punjab Sind Bank and others in terms of the scheme. As per said Option - II, 42% of the dues (Rs. 55.35 lacs) have been repaid and the balance amount waived off.

- i) The Secured Loans have been stated as per the Scheme of Arrangement ("Scheme") sanctioned by the High Court of Bombay, Goa Bench and who has availed Option-I of the Scheme. In the case of IFCI Limited, it is stated as per the Corporate Loan agreement executed by the Company.
- ii) The Company has availed a Corporate Loan of Rs. 55 crore from IFCI Limited for the specific purpose of settlement of the dues of the secured lenders under Option -II of the Scheme (42%) amounting to Rs. 55 crore. The loan is repayable over 4 years with 12.25% interest p.a. The loan is secured by a Corporate Guarantee Facility of ABG Shipyard Limited and an undertaking to create pledge of equity shares to be acquired by the bank from ICICI Bank Limited under the Scheme of Arrangement.
- iii) The Company is required to modify the existing Pari-passu First Mortgage/charge on its fixed assets in favour of ICICI Bank Limited and IFCI Limited, with the Registrar of Companies at Goa.
- iv) Out of the total Secured Loan Account, amount repayable within one year - Rs. NIL

SCHEDULE "4"**UNSECURED LOANS****(A) Zero Coupon Optionally Fully Convertible Debentures****Series - II**

ICICI Bank Ltd.	-	188,403,000
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(B) Other Loans

ABG Shipyard Ltd.	450,000,000	29,800,000
Total	450,000,000	218,203,000

**SCHEDULE "5"
FIXED ASSETS**

Amount in Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.09	Deletions / Additions During the year	Adjust. During the year	As At 31.03.10	Up To 31.03.09	For the year	Adjust / Written Back	Up To 31.03.10	As At 31.03.10	As At 31.03.09
1. LAND-FREEHOLD	3,478,750	-	-	3,478,750	-	-	-	-	3,478,750	3,478,750
2. BUILDING										
a) Office	6,511,930	-	-	6,511,930	1,515,078	106,144	-	1,621,222	4,890,708	4,996,852
b) Workshop	187,880,765	-	-	187,880,765	81,808,386	6,274,859	-	88,083,245	99,797,520	106,072,379
c) Residential Flats	4,957,828	-	-	4,957,828	1,520,299	80,813	-	1,601,112	3,356,716	3,437,529
3. PLANT & MACHINERY	1,731,824,939	10,889,664	54,590	1,742,660,013	1,048,750,439	84,293,895	2,565	1,133,041,769	609,618,244	683,074,500
4. SHIP BUILDING PLATFORM	167,082,658	-	-	167,082,658	42,386,008	13,917,985	-	56,303,993	110,778,665	124,696,650
5. MOTOR VEHICLE	6,189,802	939,224	996,108	6,132,918	4,262,696	589,166	553,824	4,298,038	1,834,881	1,927,106
6. FURNITURE & FIXTURE	10,990,408	14,025	-	11,004,433	9,299,483	687,824	-	9,987,307	1,017,126	1,690,925
7. COMPUTER	11,885,838	384,225	-	12,270,063	10,904,455	203,892	-	11,108,347	1,161,716	981,383
8. OFFICE EQUIPMENT	11,380,100	1,181,215	-	12,561,315	6,180,737	565,859	-	6,746,596	5,814,719	5,199,363
9. DREDGER	7,529,266	-	7,529,266	-	6,743,921	262,802	7,006,723	-	-	785,345
TOTAL	2,149,712,285	13,408,353	8,579,963	2,154,540,674	1,213,371,502	106,983,239	7,563,112	1,312,791,629	841,749,045	936,340,783
Previous Year	2,144,535,281	5,604,576	427,572	2,149,712,285	1,106,731,018	106,900,540	260,057	1,213,371,502	936,340,783	1,037,804,263

	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
SCHEDULE "6"		
INVESTMENTS (AT COST)		
Long Term Investments (Unquoted)		
5000 Shares in Janata Sahakari Bank Ltd. of Rs.100/- each.	500,000	500,000
Total	<u>500,000</u>	<u>500,000</u>
SCHEDULE "7"		
CURRENT ASSETS, LOANS & ADVANCES		
(A) Inventories		
(As taken , valued & certified by the management)		
(a) Stores & Spares	30,979,199	19,403,126
(b) Jobs in Progress	241,247,108	146,432,074
Total - (A)	<u>272,226,307</u>	<u>165,835,200</u>
(B) Sundry Debtors		
(Unsecured and considered good)		
(a) Outstanding for a period exceeding six months	190,839,134	209,593,306
Less: Provision for Doubtful Debts	20,565,078	-
	170,274,056	209,593,306
(b) Other debts	164,456,995	207,914,879
Total - (B)	<u>334,731,051</u>	<u>417,508,185</u>
(C) Cash and Bank Balances		
(a) Cash in hand	112,315	231,051
(b) Balances with Scheduled Banks		
(i) In Current Account	35,617,317	7,615,811
(ii) In Deposit Account	12,395,034	1,706,470
Total - (C)	<u>48,124,665</u>	<u>9,553,332</u>
(D) Loans and Advances		
(Recoverable in cash or kind or for value to be received)		
(a) Advances (Unsecured and Considered Good)	443,850,247	137,380,897
(b) Advances (Considered Doubtful)	57,562,696	78,802,692
Total - (D)	501,412,943	216,183,589
Less : Provision for Doubtful Debts	57,562,696	78,802,692
	443,850,247	137,380,897
(c) Advance to staff	1,248,197	669,220
(d) Deposits	6,265,987	4,625,987
(e) Income Tax Deducted at Source	10,475,474	5,350,872
(f) Sales Tax Deducted at Source	3,993,340	3,388,112
(g) Other Current Assets	3,670,071	3,298,280
Total - (E)	<u>469,503,316</u>	<u>154,713,368</u>



	AS AT 31-03-10 Amount in Rs.	AS AT 31-03-09 Amount in Rs.
SCHEDULE "8"		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
(a) Current Liabilities		
(i) Sundry Creditors	218,083,520	237,621,790
(ii) Other Liabilities	74,132,657	77,991,362
(iii) Advance from Customer	84,663,773	23,557,415
Total - (a)	376,879,949	339,170,566
(b) Provisions		
i) Gratuity	18,871,076	13,448,980
ii) Leave Encashment	5,641,794	4,879,053
iii) Wealth Tax	6,571	14,341
iv) Bonus	3,200,000	2,122,948
v) Fringe Benefit Tax	-	559,201
Total - (b)	27,719,441	21,024,523
Gross Total - (a) + (b)	404,599,390	360,195,089

SCHEDULE "9"**PROFIT & LOSS ACCOUNT**

Opening Balance	1,711,999,617	1,497,575,638
Add: Loss / (Profit) for the year	(497,826,289)	214,423,979
Total	1,214,173,327	1,711,999,617

Schedules Forming Part of Profit & Loss Account

	Year Ended 31-03-10 Amount in Rs.	Year Ended 31-03-09 Amount in Rs.
SCHEDULE "10"		
<u>SALES & SERVICES</u>		
Ship Repair Income	646,961,680	630,138,158
Add : Closing Jobs in Progress	241,247,108	146,432,074
Less : Opening Jobs in Progress	146,432,074	55,036,000
Total	741,776,714	721,534,232
SCHEDULE "11"		
<u>OTHER INCOME</u>		
Interest on Short Term Deposits	884,702	212,580
Other Income	22,477,212	26,126,941
Total	23,361,914	26,339,521

	Year Ended 31-03-10 Amount in Rs.	Year Ended 31-03-09 Amount in Rs
SCHEDULE "12"		
Opening Stock	19,403,126	45,493,652
Add : Purchases	118,398,685	229,286,368
Less : Closing Stock	30,979,199	19,403,126
Consumption	106,822,612	255,376,894
Customs & Clearing Charges	357,154	2,818,022
Power & Fuel	16,680,059	21,831,862
Piloting Expenses	382,000	284,080
Dredging Expenses	395,938	5,048,088
Hire Charges - Machinery	13,142,492	12,548,261
Discount on Ship Repair	52,858,141	13,399,454
Repair & Maintenance - P&M	23,021,526	7,376,587
Safety Expenses	423,906	262,331
Testing & Survey Charges	917,771	432,915
Other Direct Expenses	7,526,237	4,456,735
Sub-Contractor Expenses	89,687,208	134,078,058
Total	<u>312,215,044</u>	<u>457,913,287</u>

SCHEDULE "13"**PERSONNEL EXPENSES**

Salaries & Other Amenities	89,071,539	77,531,635
Contribution to Provident & Other Funds	7,373,542	8,408,823
Staff Welfare	2,994,972	3,122,150
Staff Recruitment & Training	72,305	60,200
Total	<u>99,512,358</u>	<u>89,122,808</u>

SCHEDULE "14"**OTHER EXPENSES**

Advertisement Expenses	252,733	119,180
Agency Commission	13,917,105	-
Bad Debts	20,565,078	-
Bank Charges & Commission	980,490	909,082
Business Promotion	2,079,428	1,800,756
Preliminary & Misc. Expenditure Written Off	826,625	830,625
Directors Sitting Fees	216,000	330,000
Fees & Dues	2,397,433	1,175,281
Foreign Exchange Fluctuation	620,750	2,389,581
Insurance	3,189,956	3,023,607
Lease Rent	<u>35,108,400</u>	<u>35,108,400</u>



	Year Ended 31-03-10 Amount in Rs.	Year Ended 31-03-09 Amount in Rs
SCHEDULE "14"		
<u>OTHER EXPENSES (Contd.)</u>		
Loan Processing Fees	5,625,300	-
Loss on Sale of Fixed Assets	312,109	77,515
Custom Staff Salaries	3,955,644	2,907,105
Miscellaneous Expenses	3,444,395	4,989,533
Office & Establishment Expenses	4,374,505	5,061,356
Auditors' Remuneration		
a) Statutory Audit Fees	551,500	561,800
b) Tax Audit & Income Tax Matter	220,600	224,720
c) Company Law Matter	165,450	168,540
d) Internal Audit Fees	250,415	335,535
e) Audit Expenses	318,865	269,414
Printing & Stationary	1,583,892	1,566,326
Professional Charges	12,406,866	2,563,884
Rent, Rates & Taxes	658,392	287,158
Repair & Maintainance - Yard	8,186,327	7,155,996
Repair & Maintainance - Building	226,475	205,826
Repair & Maintainance - Others	691,043	1,190,998
Service Provider Charges	35,364,570	18,572,166
Telephone Charges	1,875,940	873,276
Travelling & Conveyance	9,691,962	8,040,012
Wealth Tax	6,571	18,802
Total	<u>170,064,818</u>	<u>100,756,474</u>
SCHEDULE "15"		
<u>INTEREST</u>		
On Term Loans	61,211,735	226,314,700
On Working Capital Loans	-	17,804,676
On Others	1,344,022	2,818,424
Total	<u>62,555,757</u>	<u>246,937,800</u>
SCHEDULE "16"		
<u>PRIOR PERIOD EXPENSES</u>		
Prior Period Expenses / (Income)	32,003,089	(1,617,911)
Debentures Written back	-	(38,662,800)
Total	<u>32,003,089</u>	<u>(40,280,711)</u>

SCHEDULE "17"**SIGNIFICANT ACCOUNTING POLICIES :****1. Accounting Convention :**

The accounts are drawn up in accordance with the historical cost convention method as a "Going Concern Concept" and are in accordance with Generally Accepted Accounting Principles and under relevant provisions of the Companies Act, 1956. The Company follows the mercantile system of Accounting and recognises Income and Expenditure on accrual basis except medical reimbursements, leave travel allowances, insurance claims and scrap sale which are on cash basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Use of Estimates :

The preparation of Financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

3. Inventories :

Stores, Consumables & Spare parts are valued at cost, computed on the basis of Annual Weighted Average Method or Market Value, whichever is lower. Jobs-in-progress are valued as per Percentage Completion Method.

4. Investments :

Investments, being considered long term, are stated at cost.

5. Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. The cost of assets includes :

- i) Cost of acquisition
- ii) Expenses incurred on replacement and installation of assets and
- iii) Incidental cost incurred to bring them into their present location and condition and making them ready to use.

6. Depreciation :

- i. Depreciation on fixed assets is provided on straight-line method in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956. However in case of "Ship Building Platform", depreciation has been calculated based on remaining period of lease with Mormugao Port Trust.
- ii. Depreciation on additions / deletions is calculated on pro-rata basis from / to the date of such additions / deletions.
- iii. Depreciation on additions on account of foreign exchange fluctuations is amortised over the remaining useful life of the asset.
- iv. Assets costing less than Rs. 5,000/- are depreciated at 100% in the year of acquisition

7. Revenue Recognition :

- i) Revenue is recognised on proportionate completion method.
- ii) Sales and Services are stated at net of trade discounts.

8. Foreign Currency Transaction :

- i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- ii) All current assets and current liabilities in foreign currency as on Balance Sheet date are restated at the exchange rate prevailing on that date. Any gain or loss arising out of such conversion is charged to revenue.



9. **Provisions and Contingent Liabilities :**

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for : -

- A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- B. Any present obligation that arises from past events but is not recognized because
 - a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b) A reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

10. **Retirement Benefits :**

Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

Post Employment Benefits:

Defined Contribution Plans:

Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans:

Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations. During the current year end, the accrued liability towards such fund is provided on actuarial basis as on the Balance Sheet date as per revised Accounting Standard AS-15 'Employee Benefits' as issued by the Institute of Chartered Accountants of India.

Other Long Term Employee Benefits:

Other Long Term Employee Benefits i.e., leave encashment is recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability as per the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to the Profit and Loss Account

11. Miscellaneous Expenditure :

Miscellaneous expenses are written off over a period of 10 years.

SCHEDULE "18"**NOTES TO THE ACCOUNTS****1. Scheme of Arrangement**

The Company has implemented Scheme of Arrangement as per the Scheme approved by High Court of Bombay, Goa Bench on 15.01.2010. Accordingly, all secured loans have either been restructured as per Option -I or full & final settlement made as per Option -II. Effect on account of the same has been accounted for in the books of account. Principal waiver has been charged to Capital Reserve Account and waiver of interest has been transferred to Revenue Account. The Company has issued 17,75,50,000 equity shares of the face value of Rs. 2/- each fully paid up to ICICI Bank Limited aggregating to Rs. 35.51 crores pursuant to the Option -1 of the Scheme of Arrangement exercised by the Bank.

The Company has applied for permission for listing and trading in these shares on the Bombay Stock Exchange Limited. The issue of the said shares are subject to the requirements of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 with regard to lock in and pricing condition.

The Company has received Rs. 45.00 crores from ABG Shipyard Limited as per the Scheme of Arrangement and the same has been shown as Unsecured Loan in the Books of Account.

2. Secured Loan

i) Convertible Zero Coupon Loan

It is to be converted to Equity Shares commencing from second anniversary of the effective date i.e. 20.03.2012 and ending on the day preceding the seventh anniversary of the effective date.

ii) Term Loan on account of Scheme of Arrangement Term loan is to be paid in 28 equal quarterly installments starting from second anniversary of the effective date i.e. 20.03.2012

iii) IFCI Loan

Payable in 12 quarterly installments as under :-

a. Rs. 2.75 crores each per quarter commencing from 15th month upto 24th month from the date of disbursement b.

b. Rs. 4.125 crores each per quarter commencing from 27th month upto 36th month from the date of disbursement c.

c. Rs. 6.875 crores each per quarter commencing from 39th month upto 48th month from the date of disbursement

3. i) Balances under the head current liabilities, debtors and loans & advances are subject to confirmation. However, in the opinion of the management, realizable value of current assets, loans & advances in the ordinary course of business will not be less than the amount which is stated in the Balance Sheet.

ii) Loans and advances include a sum of Rs. 575.63 lacs (Rs. 1749.57 lacs) due from certain companies under escrow agreements against which the original share certificates for 84,69,710 equity shares of the face value of Rs. 2/- aggregating to Rs. 169.39 lacs had been deposited as security by such companies for repayment of advances. The market value of these shares as 31.03.2010 is Rs. 1200.16 lacs based on the closing price of Rs. 14.17 each per equity share on the Bombay Stock Exchange Limited.

iii) The Company deposits amounting to Rs. 123.95 lacs (Rs. 17.06 lacs) are kept in lien with the Banks towards margin money etc. for Bank Guarantees and Overdrafts.

4. i) The Company has been granted sales tax exemption by State Government, under Schedule II (entry 85) of the Goa Sales Tax Act for a period of 12 years. The Directorate of Industries and Mines,



Government of Goa vide letter No. IND/Devi/I M/495/93/3543 dated 19.8.1997 has also granted the said exemption for a period of 12 years w.e.f. 1.1.1996 on ship-repairs. However the Assessment Officer has denied the exemption and has levied sale tax at the applicable rates on the sales turnover. The Company has filed appeals before the Commissioner of Commercial Taxes (Appeals), Panjim, against sales tax liability of Rs. 837.91 lacs for the financial years upto 2004-05. The appeals are sub-judice.ii) The Goa Value Added Tax Act, 2005 is applicable to assesseees in the State of Goa w.e.f. 2005-06. Hence the Company has obtained registration and filed its returns for 2005-06 and 2006-07 and sought the 75% benefit under the Goa Value Added Tax Deferment-cum-Net Present Value Compulsory Payment Scheme, 2005 to which it is entitled. However, the Asst. Commissioner of Commercial Taxes has denied the benefit of the said scheme and passed assessment order-cum-demand notice for financial year 2005-06 & 2006-07 for a sum of Rs. 436.56 lacs. The Company has filed appeals before the Addl. Commissioner of Commercial Taxes, Goa and the appeals are sub-judice.

5. Employee Benefits:

a) The Company has adopted the revised Accounting Standard AS-15 - Employee Benefits with effect from April 1, 2008.

b) Defined Contribution Plans - Provident Fund:

The contribution made by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

c) Defined Benefit Plans - Gratuity:

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of Metlife Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

d) Basis Used to Determine Expected Rate of Return on Assets"

The expected return on plan assets of 8% has been considered based on the current investment pattern in Government securities.

e) Amounts Recognized as Expense

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs. 63,77,744/- has been included in Schedule -11 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

The amounts recognized in the Company's financial statements as at the year end are as under:

Particulars	Amount (Rs.)	
	As at 31st March, 2010	As at 31st March, 2009
1. Components of Employer Expenses		
Current service cost	18,98,553	10,90,486
Interest cost	10,08,674	8,59,973
Expected return on plan assets	1,60,887	99,916
Net Actuarial gain / (loss) to be recognized	1,19,982	(2,35,444)
Total expense recognized in the Statement of Profit & Loss Account	56,52,422	29,37,175

2. Actual Contribution & Benefit Payments		
Actual Benefit Payments	5,11,195	2,04,667
Actual Contribution	NIL	20,00,000
3. Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	1,88,71,076	1,34,48,980
Fair value of plan assets at the end of the year	17,80,763	20,11,089
Net Liability recognized in the Balance Sheet	1,70,90,313	1,14,37,891
4. Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at Beginning of Year	1,34,48,980	1,08,52,000
Interest Cost	10,08,674	8,59,973
Current Service Cost	18,98,553	10,90,486
Benefits Paid	(5,11,195)	(2,04,667)
Actuarial (Gain)/ Losses on obligations	30,26,064	8,51,188
Present Value of DBO at the end of Year	1,88,71,076	1,34,48,980
5. Change in Fair Value of Plan Assets during the year		
Planned assets at beginning of the year	20,11,089	3,51,284
Expected return on planned assets	(1,60,887)	(99,916)
Contributions	NIL	20,00,000
Benefit paid	(5,11,195)	(2,04,667)
Actuarial gain/(loss) on plan assets	1,19,982	(2,35,444)
Fair value of plan assets at the end of the year	17,80,763	20,11,089
6. Defined benefit plan - Gratuity Assumptions		
Discount rate	8.00%	7.50%
Salary Escalation Rate	7.00%	6.00%
Rate of return on plan assets	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

6. i) The Company is having one Segment i.e. Ship Repair Activities. Hence, separate segment reporting as required under Accounting Standard -17 is not applicable during the current year.
- ii) The Company has taken land and water on license from Mormugao Port Trust (MPT) and license fees amounting to Rs. 351.08 lacs (Previous year Rs. 351.08 lacs) has been debited to profit and loss account. The future minimum payment is as under :
- | | <u>2009-10</u> | <u>2008-09</u> |
|---------------------------------------|-------------------------|------------------|
| Not later than one year | Rs. 351.08 lacs | Rs. 351.08 lacs |
| Later than 1 yr. but less than 5 Yrs. | Rs. 1769.44 lacs | Rs. 2024.56 lacs |
| More than five years | Rs. 1617.78 lacs | Rs. 1830.76 lacs |
- iii) Deferred Tax Asset in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" has not been recognised even after availability of unabsorbed depreciation and carried forward losses under the Income Tax Act as, in the opinion of the management, sufficient future taxable income will not be available for this purpose.
7. Related Party Disclosure
- i) List of Related Party - Key Management Personnel - Cdr. S. K. Mutreja, Whole Time Director & CEO
- ii) Transactions with Related Party - Remuneration Paid - Rs. 33.37 lacs

**(Rupees in lacs)**

8. i) Managerial remuneration	<u>Current Year</u>	<u>Previous Year</u>
Salary	18.67	17.40
HRA	9.33	8.70
Medical reimbursement	1.47	1.45
Ex-gratia / soft furnishing	0.19	0.14
PF	2.24	2.08
LTA	1.47	1.45
Gross Total	<u>33.37</u>	<u>31.23</u>

Note :- Cdr. S. K. Mutreja, has been re-appointed as Whole Time Director & CEO for one (1) year w.e.f. 17.07.2009. Application for approval of his re-appointment is pending with Company Law Board. His salary and other Perquisites has been calculated on the basis of Shareholders approval at the Annual General Meeting held on 26.09.2009.

(Rupees in Lacs)

ii) Travelling and Conveyance include:	<u>Current Year</u>	<u>Previous Year</u>
Directors travelling	0.99	2.47
iii) (a) Other liabilities include, amount due to CEO.	NIL	2.64
(b) Maximum balance due during the year.	2.64	2.82

9. Additional information in pursuance to Part II of Schedule VI to the Companies Act, 1956 to the extent applicable is stated as taken, valued and certified by the Management.

a) Capacities :	<u>Current Year</u>		Previous Year	
1. Registered and installed Dry-dock	60,000 DWT		60,000 DWT	
2. Wet Repair Jetties	4 (various)		4 (various)	
3. Actual production (being Ship Repair Unit)	N.A.		N. A.	
b) Particulars of Closing Stocks : _____	(Rupees in lacs)			
Items	<u>Current Year</u>		Previous Year	
	Qty.(MT)	Amount	Qty.(MT)	Amount
Steel Plates	93.79	45.02	107.76	50.10
Electrodes	Various	19.71	Various	11.14
Others	Various	245.07	Various	132.79
Total		309.80		194.03
c) Particulars of imported and indigenous raw material, stores & spares consumed :	(Rupees in lacs)			
Particulars	<u>Current Year</u>		Previous Year	
	Amount	%	Amount	%
i) <u>Raw Material:</u>				
Imported :	198.95	63.97	21.90	1.50
Indigenous:	112.05	36.03	1439.01	98.50
Total	311.00	100.00	1460.91	100.00
ii) <u>Stores & Spares:</u>				
Imported :	49.67	6.56	483.95	46.84
Indigenous:	707.54	93.44	549.18	53.16
Total	757.21	100.00	1033.13	100.00

d) Earnings in Foreign Exchange :

Ship repair income received in foreign exchange during the current financial year is Rs. 2075.99 lacs (Rs. 1742.06 lacs).

10. Earning per share is computed on the following :-

Particulars	<u>Current Year</u>	<u>Previous Year</u>
a) Profit/(Loss) for the year (Rs in lacs)	4978.26	(2144.24)
b) No. of equity shares considered for basic earning per share	294644090	117094090

11. CONTINGENT LIABILITIES :

- i) Guarantees given by Banks: Rs.447.20 lacs (Rs. 364.10 lacs).
 - ii) Letters of Credit outstanding: Rs 121.52 Lacs (Rs. Nil).
 - iii) Bonds of Rs. 15.00 lacs (Rs.15.00 lacs) executed in favour of Excise Authorities.
 - iv) Sales tax liability for the financial years from 1995-96 to 2004-05 is Rs. 837.91 lacs. The Company has filed appeal & stay petition against the same.
 - v) Value Added Tax (VAT) liability for the financial years from 2005-06 to 2006-07 is Rs. 436.56 lacs. The Company has filed appeal & stay petition against the same.
 - vi) Service Tax liability for the financial year 2001-02 to 2003-04 is assessed at Rs.712.18 lacs. The Central Excise & Service Tax Appellate Tribunal (CESTAT) has allowed the Company's appeal on the ground that it does not render port services being a registered factory. The Department has filed an appeal in the High Court of Bombay, Goa Bench at Panaji. The Company has contested the appeal.
 - vii) Legal cases pending against the Company (net of provision) is Rs.3320.15 lacs (Rs. 2902.39 lacs).
12. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
13. In view of brought forward business losses and unabsorbed depreciation, no income tax on account of Minimum Alternate Tax has been provided for in the current year.
14. The previous years figures have been regrouped, rearranged wherever considered necessary.

As per our report of even date attached.
For V. V. Kale & Co.
Chartered Accountants.

Sd/-
Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010

For and on Behalf of the Board

Sd/-
R. S. Nakra
Director

Sd/-
Dilip Vengurlekar
Chief Financial Officer

Sd/-
Cdr. Subhash Kumar Mutreja
Wholetime Director & CEO

Sd/-
J. C. F. Sequeira
V. P. (Corp Affairs)
& Company Secretary



INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(Balance Sheet Abstract and Company's General Business Profile)

REGISTRATION DETAILS

Registration No. :

			2	4	6	4
--	--	--	---	---	---	---

 State Code:

					2	4
--	--	--	--	--	---	---

Balance Sheet Date :

	3	1	0	3	1	0
--	---	---	---	---	---	---

CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public issue : N.A. Bonus Issue : N.A.
Right issue : N.A. Private Placement : N.A.

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total liabilities

3	2	6	3	0	9	5
---	---	---	---	---	---	---

 Total assets :

3	2	6	3	0	9	5
---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up-Capital

	5	8	9	2	8	8
--	---	---	---	---	---	---

 Reserve & Surplus:

	6	2	0	7	8	4
--	---	---	---	---	---	---

Secured Loan

1	1	1	9	6	6	2
---	---	---	---	---	---	---

 Unsecured Loan

	4	5	0	0	0	0
--	---	---	---	---	---	---

APPLICATION OF FUNDS

Net fixed Assets

	8	4	1	7	4	9
--	---	---	---	---	---	---

 Net Current Assets

	7	1	9	9	8	6
--	---	---	---	---	---	---

Capital Work-in-progress

			N	I	L	
--	--	--	---	---	---	--

 Misc. Expenditure

			3	3	2	6
--	--	--	---	---	---	---

Investments

				5	0	0
--	--	--	--	---	---	---

 Accumulated Losses

1	2	1	4	1	7	3
---	---	---	---	---	---	---

PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turn-over

	7	6	5	1	3	9
--	---	---	---	---	---	---

 Earning per Share

				1	.	6	9
--	--	--	--	---	---	---	---

Total Expenditure

	2	6	7	3	1	3
--	---	---	---	---	---	---

 Dividend Rate

				N	I	L
--	--	--	--	---	---	---

Profit After Tax

	4	9	7	8	2	6
--	---	---	---	---	---	---

GENERIC NAMES OF PRINCIPAL PRODUCTS /SERVICES OF THE COMPANY

Item Code

						8	9	0	6
--	--	--	--	--	--	---	---	---	---

Product Description

S	H	I	P	R	E	P	A	I	R
---	---	---	---	---	---	---	---	---	---

Item Code

						8	9	0	1
--	--	--	--	--	--	---	---	---	---

Product Description

						S	H	I	P	S
--	--	--	--	--	--	---	---	---	---	---

As per our report of even date attached.
For V. V. Kale & Co.
Chartered Accountants.

Sd/-
Vijay V. Kale
Partner

Place : Mumbai
Date : 29/05/2010

For and on Behalf of the Board

Sd/-
R. S. Nakra
Director

Sd/-
Dilip Vengurlekar
Chief Financial Officer

Sd/-
Cdr. Subhash Kumar Mutreja
Wholetime Director & CEO

Sd/-
J. C. F. Sequeira
V. P. (Corp Affairs)
& Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Current Year 2009-2010 Rs.	Previous Year 2008-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax and Extraordinary Items	13,807,411	(253,757,156)
Adjustment for:		
Depreciation	106,983,239	106,900,540
(Profit) / Loss on Sale of Fixed Assets	312,109	77,515
Interest Expense	62,555,757	246,937,800
Interest Income	(884,702)	(212,580)
Misc. Expenditure Written Off	826,625	830,625
	<u>169,793,028</u>	<u>354,533,900</u>
Operating Profit Before Working Capital Changes	<u>183,600,439</u>	<u>100,776,744</u>
Adjustments for:		
(Increase) / Decrease in Inventories	(106,391,107)	(65,305,548)
(Increase) / Decrease in Sundry Debtors	82,777,134	(160,164,415)
(Increase) / Decrease in Loans and Advances	(314,789,948)	(7,105,025)
Increase in Current Liabilities	37,709,383	79,078,205
Increase in Provisions	6,694,918	4,560,879
	<u>(293,999,619)</u>	<u>(148,935,905)</u>
Cash Generated from Operations	<u>(110,399,180)</u>	<u>(48,159,161)</u>
Adjustment for:		
Taxes Paid (Net)	-	947,532
	-	947,532
Net Cash Flow from Operating Activities	<u>(110,399,180)</u>	<u>(49,106,693)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(13,408,353)	(5,604,576)
Proceeds from Sale of Fixed Assets	704,742	90,000
Interest Received	884,702	212,580
Net Cash Used in Investing Activities	<u>(11,818,909)</u>	<u>(5,301,996)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(58,014,946)	(8,651,000)
Increase in Share Capital	-	17,106,700
Increase in Share Premium Account	-	38,655,995
Proceeds from Long Term Borrowings	970,200,000	(22,676,000)
Repayment of Long Term Borrowings	(751,395,632)	(7,405,000)
Net Cash Used in Financing Activities	<u>160,789,422</u>	<u>17,030,695</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	<u>38,571,333</u>	<u>(37,377,994)</u>
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		
Cash and Bank Balances	9,553,332	46,931,326
CASH AND CASH EQUIVALENTS AS AT THE ENDING		
Cash and Bank Balances	<u>48,124,665</u>	<u>9,553,332</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	<u>38,571,333</u>	<u>(37,377,994)</u>

AUDITOR'S CERTIFICATE

The above Cash Flow Statement has been prepared by the Company in accordance with the Accounting Standard - 3 issued by ICAI and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company.

As per our report of even date

For V. V.Kale & Co
Chartered Accountants

Sd/-

Vijay V. Kale
Partner

Place : Mumbai

Date : 29/05/2010

For and on Behalf of the Board

Sd/-

Cdr. Subhash Kumar Mutreja
Wholetime Director & CEO



WISL MILESTONES

01.05.1992	Western India Shipyard Limited (WISL) was incorporated as a public limited Company for ship repair and ship breaking.
30.06.1992	WISL obtained certificate for Commencement of Business.
05.03.1993	License agreement for ship repair and shipbuilding facility signed with Mormugao Port Trust for 25 years.
26.05.1993	Foreign Collaboration agreement signed with Lisnave S. A. of Portugal
27.08.1993	Foreign Collaboration approval received from FIPB.
32.11.1993	WISL obtains registration as Ship Repair unit.
28.08.1995	Company's Initial Public Issue of Rs. 70.70 crore opens and is over subscribed.
25.12.1995	WISL is formally inaugurated by the then Minister of Surface Transport, Government of India in the presence of the then Chief Minister of Goa.
01.01.1996	WISL does its first dry docking of vessel M. V. Maratha Convoy (3108 DWT) of Chowgule Steamships Limited.
07.01.1997	WISL is registered as a Factory.
17.12.1997	Shareholders approval received for the disinvestment in the Ship breaking project at Orissa.
05.01.1999	WISL receives the prestigious ISO 9002:1994 Quality Certificate from IRQS for Ship Repairs.
30.11.2000	WISL receives and executes its first ONGC Jack Up Oil Rig JUR Sagar Jyoti.
25.01.2002	WISL receives its first ONGC vessel OSV Sindhu 4 for major repairs.
19.03.2002	WISL receives 2nd ONGC vessel OSV Sindhu 1 4 for major repairs.
13.04.2002	WISL receives the renewal an upgrade to the prestigious ISO 9001:2000 Quality Certificate from IRQS for Ship Repairs.
16.04.2002	WISL receives the 3rd ONGC vessel OSV Sindhu 3 for major repairs.
18.04.2002	WISL receives the renewal of the prestigious ISO 9001:2000 Quality Certificate from BVQI for Ship Repairs.
28.01.2005	WISL receives CDR Letter of Approval for restructuring of dues of secured lenders.
19.04.2005	WISL receives the renewal of prestigious ISO 9001:2000 Quality Certificate from BVQI for Ship Repairs.
19.04.2005	WISL receives the renewal of prestigious ISO 9001:2000 Quality Certificate from BVQI for Ship Repairs.
23.06.2006	WISL received the order of the High Court of Bombay at Goa sanctioning the Scheme of Arrangement with the holders of 846, 100-12% secured redeemable non-convertible debentures.

29.06.2007	WISL received the order of the High Court of Bombay at Goa sanctioning the Reduction of Equity Share Capital from Rs. 108.54 crore to Rs. 21.71 crore by reduction of face value from Rs. 10/- each to Rs. Rs. 2/- each.
12.09.07	Company's Board approves a Scheme of arrangement and Compromise with the secured lenders with the involvement of ABC Shipyard Limited as confirming Party.
01.04.2008	WISL received the renewal of the prestigious ISO 9001: 2000 certificate from BVQI for Repair, Maintenance, Refurbishment of Ships & Rigs.
05.12.2008	WISL enters into Service Provider agreement with ABG Shipyard Limited for technical & marketing services.
25.09.2009	Scheme of Arrangement and Compromise approved by die shareholders and secured lenders with requisite majority in number and value.
15.01.2010 / 22.01.2010	WISL receives the sanction of the High Court of Bombay at Goa for the Scheme of Arrangement and Compromise.
28.01.2010	Scheme of Arrangement and Compromise sanctioned by the order of the High Court of Bombay at Goa is filed with the ROC at Goa.
23.03.2010	Company repays dues of Rs. 55 crore to secured lenders under Option - 2.
06.05.2010	Company receives the upgraded ISO 9001:2008 Quality Certificate from BVQI for Repair, Maintenance, Refurbishment of Ships & Rigs.
07.05.2010	Company completes its 9"1 jack Up Oil Rig Noble Charlie Yester.
29.06.2010	WISL avails Corporate loan of Rs. 35.5 1 crore from ICICI Bank Limited for capital expenditure and other purposes against first equitable mortgage.
30.06.2010	Company completes its 463rd vessel M. V. Lamnalco Manakin.
30.07.2010	Company attains a significant Profitability Milestone of Rs. 598 lacs namely Profit after tax (PAT) on turnover of Rs. 30.01 crore for first quarter ended 30.06.2010.



WESTERN INDIA SHIPYARD LIMITED

REGD. OFFICE : P. B. NO. 21, MORMUGAO HARBOUR MORMUGAO, GOA - 403803

ADMISSION SLIP

(TO BE PRESENTED AT THE ENTRANCE)

I /we hereby record my / our presence at the 18th Annual General Meeting of Western India Shipyard Limited on Saturday, 25th day of September, 2010 at 11.00 a.m. at its Registered Office and Shipyard at P. B. No. 21, Mormugao Harbour, Mormugao, Goa - 403803.

PARTICULARS TO BE FILLED BY MEMBER / PROXY

NAME _____

FOLIO NO. _____

DPID. _____

Client ID _____

NO. OF SHARES HELD _____

Signature of the person attending

ADMISSION SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED.



WESTERN INDIA SHIPYARD LIMITED

REGD. OFFICE : P. B. NO. 21, MORMUGAO HARBOUR MORMUGAO, GOA - 403803

PROXY FORM

I/We _____ of

_____ being member/members of M/s. Western India Shipyard Limited

hereby appoint _____ of _____ or failing of

him _____ of _____

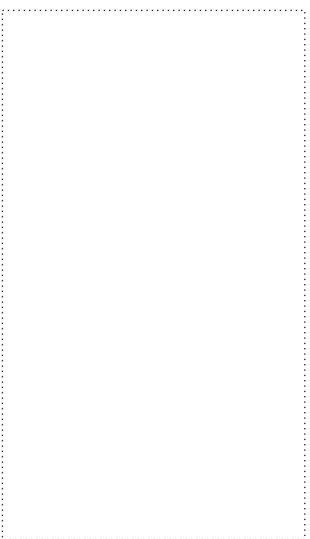
as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting to be held on Saturday, 25th day of September, 2010 at 11.00 a.m. or at any adjournment thereof.

Signed this ____ day of _____, 2010

Affix
Revenue
Stamp

Note : The proxy in order to be effective should be duly stamped, completed and must be deposited at the Registered Office of the Company not less that 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

BOOK - POST / U.C.P



If undelivered, please return to:
WESTERN INDIA SHIPYARD LTD.
P.O. Box No. 21,
Mormugao Harbour,
Mormugao, Goa - 403 803.